

**Salesians
of Don
Bosco
UK**

**Consolidated Annual Report and
Accounts**

31 December 2017

Charity Registration Numbers
233779 (England and Wales)
SC039294 (Scotland)

Contents

Reports

Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	3
Independent auditor's report	42

Accounts

Consolidated statement of financial activities	45
Charity statement of financial activities	46
Balance sheets	47
Statement of cash flows	48
Principal accounting policies	49
Notes to the accounts	56

Reference and administrative details of the charity, its trustees and advisers
31 December 2017

Trustees	Rev James Gerard Briody SDB Rev James Robert Gardner SDB Rev John Mervyn Williams SDB Rev James Francis Mageean SDB (to 31 August 2017) Rev Anthony Francis Fernandes SDB Rev Martin Gerard Poulson SDB Rev Andrew Ebrahim SDB (from 1 September 2017)
Custodian trustee	SDB Trustees Limited
Registered office	Salesian Provincial Office Thornleigh House Sharples Park Bolton BL1 6PQ
Telephone	01204 600720
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Website	www.salesians.org.uk
Charity Registration Numbers	
England and Wales	233779
Scotland	SC039294
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Royal Bank of Scotland plc St Ann Square Branch St Ann Street PO Box 320 Manchester M60 2SS
Investment managers	Rathbones Investment Management Limited 8 Finsbury Circus London EC2M 7AZ

Reference and administrative details of the charity, its trustees and advisers
31 December 2017

Investment managers
(continued)

Brewin Dolphin Limited
12 Smithfield Street
London
EC1A 9LA

Investec Wealth & Investment Limited
2 Gresham Street
London
EC2V 7QN

Solicitors

Addleshaw Goddard LLP
One St Peter's Square
Manchester
M2 3DE

The trustees present their report together with the accounts of the Salesians of Don Bosco UK and its subsidiaries for the year ended 31 December 2017.

The accounts have been prepared in accordance with the accounting policies set out on pages 48 to 55 of the attached accounts and comply with the charity's governing document, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The object of the charity is to apply the capital or income of the charity for such charitable purposes as shall advance the religious, educational and other charitable work of the British Province of the Salesians of Don Bosco ('the Congregation'). If at any time the Congregation shall cease to carry on religious or other charitable work within the Province, then the capital and income is to be applied for such other lawful charitable purposes connected with the advancement of the Roman Catholic religion as the trustees shall determine.

The accounts accompanying this report are the accounts of the charitable trust which holds the assets of the British Province of the Salesians of Don Bosco.

Mission

St John Bosco (1815 – 1888), a Roman Catholic priest (Don Bosco), was a tireless worker on behalf of young people in Turin, Italy, especially the poor, the homeless and the uneducated. Through a range of educational, religious and other activities he helped them to become 'good Christians and honest citizens'. The religious order that he founded (the Salesians of Don Bosco) with 14,500 members continues his work in 131 countries. In 2009 the Province celebrated the 150th anniversary of the founding of the Salesian Congregation by St John Bosco, in 2012 celebrated 125 years since the first Salesians came to England to a parish and school mission in Battersea, and in 2015 celebrated the bi-centenary of the birth of John Bosco.



The aims of the charity are to deliver the mission of the British Province of the Salesians of Don Bosco as enshrined in the Constitutions of the Congregation. Key elements of this mission, in quotations from the Constitutions, are as follows:

- ◆ To be in the Church signs and bearers of the love of God for young people, especially those who are poor. We are evangelizers of the young. (constitutions 2 & 6)
- ◆ The needs of the young and of working-class areas, the desire to work with the Church and in her name, inspire and shape our concrete pastoral activity so as to bring about a more just world and one of greater brotherhood in Christ. (constitution 7)

Mission (continued)

- ◆ As educators we work together with our young people to bring all their talents and aptitudes to full maturity. Making the concern of Don Bosco our own, we encounter the young at their present stage of freedom. We then accompany them so that they may develop solid convictions and gradually assume responsibility for the delicate process of their growth as human beings and as men and women of faith, ready to take their place in the Church and in the Christian transformation of social life. (constitutions 27, 32, & 38)
- ◆ We cooperate with all who are trying to build a society more worthy of the dignity of all. The advancement to which we dedicate ourselves in the spirit of the Gospel makes tangible the love of Christ which makes men and women free, and is a sign that the Kingdom of God is among us. (constitution 33)
- ◆ For us evangelizing and catechizing are the fundamental characteristics of our mission. Like Don Bosco, we are all called to be educators to the faith at every opportunity. Our highest knowledge therefore is to know Jesus Christ, and our greatest delight is to reveal to all people the unfathomable riches of his mystery. We walk side by side with the young so as to lead them to the risen lord, and so discover in him and in his Gospel the deepest meaning of their own existence, and thus grow into new men and women. (constitution 34)

Policies

The policies adopted in order to fulfil our mission have been developed over the 130 years since the Salesian Congregation started work in the UK. They include:

- ◆ Working in educational establishments.
- ◆ Working in parishes.
- ◆ An out-reach policy which covers a wide variety of works (youth centres, youth work, social activities, etc.).
- ◆ Maintaining and developing a residential retreat centre where young people can experience community living, leadership training, personal and spiritual formation and reflect on their life situations and roles, and enjoy fresh air and good fellowship.
- ◆ Continuing to support financially the English speaking Salesian West Africa Province formed in 2004, including in a particular way Liberia which had been a part of the British Province until that year. Work in Liberia seeks to rebuild the nation after civil war and the more recent ravages of the Ebola virus through the provision of schools, training centres and care for orphans, street children and ex-child soldiers, alongside parish ministry and catechetical programmes.

Objectives, activities and relevant policies

Activities and specific objectives

The main purpose for which the Salesian Congregation was founded is the Christian education and pastoral and practical care of young people, especially those in most need of help and support. The specific ongoing activities which are in place to achieve these objectives in this Province are detailed below.

Parish, social and pastoral work

We have responsibility for seven parishes with ten Salesians involved in parish ministry in Battersea, Chertsey and Farnborough in the South East, Bollington and Bootle in the North West, and Cowley (Oxford) in the Midlands. After a review of our work and the availability of Salesian personnel, we withdrew from two Easterhouse (Glasgow) parishes in the summer of 2015 and from Newent (Gloucestershire) in 2017. In the summer of 2016, in response to a request from the Archbishop of Southwark, we took over responsibility for the Battersea Park parish of Our Lady of Mount Carmel and St Joseph. This is the neighbouring parish to our long established Sacred Heart Parish in Battersea. The two parishes are run by a single team of two Salesian priests, two local deacons and lay helpers. A number of our parishes include areas with high levels of social deprivation.

The Bosco Society (based in Bootle) is a residential rehabilitation project for young men with drugs' misuse problems. The pioneering project was started some years ago by Father John Booth and is now a separate charity with a professional staff. The Salesian ethos is maintained through Father Michael Cunningham as chaplain.

Education

There are five Salesian secondary schools in England. Three are voluntary aided. Two of these are under Salesian trusteeship (Bolton and Bootle) and since September 2011, one (Battersea) is under joint trusteeship with the Southwark Archdiocese. The Salesian School at Chertsey, previously a voluntary aided school under the trusteeship of the Diocese of Arundel and Brighton, became a founder member of the Xavier Catholic Education Trust on 1 September 2016.

The Salesian College at Farnborough, an independent school since 1902, was established as a separate charitable company 'Salesian College Farnborough Limited' from 1 September 2009. The results of Salesian College Farnborough Limited are included in the consolidated financial statements of the Salesians of Don Bosco UK. The principal object of this charity as enshrined in the Memorandum of Association is 'The advancement of the religious and other charitable work of the Salesians of Don Bosco UK at Salesian College Farnborough'. The schools in Battersea, Chertsey, Bolton and Bootle are coeducational comprehensives serving their local areas. In all five schools there are about 4,500 pupils. Six members of the Province work full time as teachers or school chaplains and in Bolton, Bootle and Chertsey young Polish Salesians in formation work full time on a voluntary basis in chaplaincy and classroom support, joined recently in Bolton by a young Salesian in formation from India. Across our schools, especially Battersea and Bolton, Salesians from the local community provide chaplaincy assistance, reading support, and lead clubs and sporting activities.

Objectives, activities and relevant policies (continued)

Education (continued)

The Headteachers of the five schools meet yearly to discuss matters of mutual concern. Several Salesians are Governors in our secondary schools, one as Chair. In our parishes we are closely involved with primary schools, pastorally and as Governors.

The Provincial on behalf of the trustees appoints all the Foundation Governors at Bootle and Bolton, half the Foundation Governors at the new St John Bosco College in Battersea and nominates half the Governors at Chertsey for appointment by the Xavier Catholic Education Trust. At the independent Salesian College in Farnborough the Provincial also appoints the majority of the school's trustees and company directors.

Youth Work

The Province runs a youth retreat centre at Savio House, Bollington, near Macclesfield. Here short residential courses and retreats are provided for schools from a wide catchment area, mainly from Greater Manchester, Cheshire Wirral and Merseyside. Most of the young people are from school Years 10 and 11, but some are younger, and there are a few sixth form groups. Young volunteers, working and living in the community alongside Salesians and salaried staff, provide a major part of the input to these retreats and courses.



There are also day groups from schools and from parishes. Some 2,000 young people pass through each year. At weekends there are adult groups of various kinds.

Other forms of non-formal youth work in the Province and abroad are directed from Savio House, where the Salesian Youth Ministry Office is situated. These include parish youth ministry, training courses, social development initiatives and safeguarding training. The Muirhouse Youth Development Group (Edinburgh), which was initiated by the Salesians of Don Bosco, is in an inner city area with a high level of social deprivation. It seeks to involve local young people in their own personal development through a range of provision, activities and leadership opportunities.

Overseas activities

There are a number of our Salesian priests working abroad including: Father Francis Preston in Kenya, Father Denis Higgins in Zimbabwe, Father Peter Newbery in Hong Kong, Father John Coleman, Father Canice Dooley and Father Eddie O'Neill in South Africa, and Father Lawrence Essery in Malta.

Objectives, activities and relevant policies (continued)

Social Media Communications and Publications

Don Bosco Publications publishes and distributes a range of books on Salesian approaches to youth ministry, education and spirituality. The Office for Social Media and Communications established in September 2012 uses digital multimedia channels of communication to inform, animate and evangelise from a Salesian perspective, with a focus on Salesian youth ministry. In late 2015 these were brought together in one office location overseen by Father Bob Gardner, trustee and Vice Provincial.

These activities are seen as an important way of spreading the Salesian charism, with the intention of supporting and informing others working in education and youth and parish ministry. Don Bosco Publications also produce books to help parents of young children to present and explain the Christian faith. Don Bosco Today is published three times a year and widely distributed, there is also an annual Salesian Calendar.

Mission Office

The Mission Office, based in Bolton, seeks to promote the missionary dimension of our Salesian charism by encouraging missionary awareness and raising funds for the missions, especially West Africa as our Province initiated Salesian work in Liberia in 1979. One of the ways in which this is achieved is by mission appeals in parishes across the country.

Volunteers

In addition to the work of the volunteers at Savio House, a great deal of volunteering takes place across the Province. Volunteers contribute in many ways to parish life, facilitating the various functions making up the life of the parish community (music, liturgy, welcome, Eucharistic ministry) and supporting the parish priest in various forms of outreach by visiting the housebound and the bereaved, preparing the candidates for the Sacraments, running youth clubs, etc. Given that there are seven parishes served by members of the Congregation, the annual number of hours volunteered is of the order of 7,000.

In our schools, the areas of activities supported by volunteers range from "out of hours" activities (such as youth clubs) to acting as members of the governing body. Excluding the amount of out of hours support provided by paid staff at the five schools, the number of hours per year provided by volunteers under this heading is of the order of 800 or more.

The Youth Ministry Team, through its BOVA (Bosco Volunteer Action) sub-group, promotes volunteering abroad, finding placements, providing training and follow up. There are volunteers involved in various support groups in the Province, such as the Finance, Investment and Property Committee. Lay members are also part of the Community Support team which reviews the support being provided for elderly confreres. This might amount in any given year to 400 hours. Taking the Savio House volunteers' contributions as being of the order of 9,000 hours, the annual total across the Province is in excess of 17,000 hours.

Objectives, activities and relevant policies (continued)

Investment policy

The charity's investments are managed by three firms – Rathbone Investment Management Limited and Sarasin & Partners LLP, Brewin Dolphin Limited and Investec Wealth and Investment Limited. These managers have delegated authority to invest as they deem appropriate within the stated policy guidelines which exclude certain areas of investment unacceptable to the trustees. The objectives set by the trustees are that the charity's investments are to produce a mutually agreed annual level of income (£1,145,000 in 2017) and to protect the underlying capital value of the investments in the medium to long term. Quarterly meetings are held with the investment managers to review performance.

Achievements and performance

Public benefit

In formulating the charity's aims and in planning the work of the members of the Congregation, the trustees have had regard to the general guidance published by the Charity Commission on public benefit.

Review of activities

The following paragraphs review the significant activities undertaken by the charity during the year with results and outcomes in each of the charity's principal activities to further its charitable purposes for the public benefit. One school and one parish have been chosen for special attention.

Schools

This report features St John Bosco College, Battersea

St John Bosco College (SJBC) is a vibrant co-educational 11-18 Roman Catholic school, part of the worldwide family of Salesian schools, located in the heart of Battersea, London. Although a relatively young school, founded in 2011, it is established on the sound moral, religious and educational tradition established by St John Bosco. The school occupies a new building completed in October 2015. The Salesian College, which closed in 2011, had previously occupied the site since 1895. The school serves a diverse multicultural community of pupils. 61% speak English as a second language, 52% have been eligible for free school meals, 25% have Special Needs and 45% qualify for the pupil premium.

Pupils enjoy a school life that is supported by prayer, worship, celebration of the Eucharist and excellent chaplaincy provision. In addition, high-quality personalised learning helps all pupils to achieve their potential, whether they need an excellent academic training or a more vocational approach. Each child is known personally by staff and is well-supported throughout their time at school to achieve to the very best of their abilities in a happy and positive environment.

Achievements and performance (continued)

Schools - St John Bosco College (continued)



St John Bosco's educational philosophy was rooted in his faith and has been summarized as 'reason, religion and kindness'. With these three words in mind, the school focuses on each pupil's academic and spiritual development, modelling the values of love and forgiveness found in the gospel.

The basic principle of his system was a deep understanding and love for young people and their problems. His motto was 'it is not enough for every child to be loved, they must know that they are loved'. The school ethos is summed up by RUAH: Respect, Understanding, Affection and Humour. These four principles underpin every aspect of school life and together spell out the Hebrew word for 'breath of life' or 'spirit'. At the start of 2018 this message was articulated by the School Council complimented with a logo also designed by pupils.



Achievements and performance (continued)

Schools – St John Bosco College (continued)

The school expects everyone to do their best: all teachers and staff focusing on setting high expectations and helping each student to achieve, feel valued and improve each day; all students trying hard, taking responsibility for their learning and conduct, making each lesson and each day matter, so that they can make themselves and their families proud.



St John Bosco College presents itself as follows:

Educating the Heart is the Key to All Excellence. Only when a school radiates an atmosphere of deep appreciation, mutual respect and genuine affection can excellent academic, spiritual, moral and physical education take place.

Education to the Faith Marks us as Different. We see education as fundamentally part of a spiritual quest, to which all teaching and learning contributes. We offer our students the experience of being part of a living Catholic community, where faith, life and learning are integrated. We prepare them to become valuable members of society, able to earn their living and contribute to the common good. Prayer, worship and the sacraments form the context for Religious Education and encourage the engagement of students in practical outreach to those less fortunate than themselves.

'For you I work, for you I study, for you I am prepared to offer my whole life'. (Don Bosco)

Our school is committed to achieving the highest standards of learning and teaching for all our students. Every student is offered the teaching, guidance and support necessary for them to achieve the highest standards that they are capable of. Regular assessment, target setting and reviews enable students, parents, governors and staff to check on their progress and promote the highest standards.

Achievements and performance (continued)

Schools – St John Bosco College (continued)



'To lead young people you must be prepared to enter through the things that they enjoy.'
(Don Bosco)

Education is wider than just the classroom. Extra-curricular activities promote genuine inter-personal dialogue between adults and the young and are the key to excellent education. Both staff and students will be open to listening and learning, engaging together in exploring their knowledge and deepening understanding of new horizons that our world constantly presents.

SJBC Houses. Our school community is sub-divided into six smaller 'House' communities to which all students and staff at St John Bosco College belong. The school's house system was established in 2016 as an initiative suggested by students in the School Council. The house system enables all students to be a part of a defined sub-community in groups that link across year groups and staff.

There is a weekly competition between houses linked to achievement, effort, behaviour and attendance. In addition, there are regular competitions in sports and other aspects run by various departments in school. Inspired by our Catholic ethos, all our houses have patron saints – whom the students learn about in house assemblies. These saints were voted for by the whole school community from a list of suggestions proposed by School Council members. Finding out more about these saints gives our students the opportunity to learn from the example of their lives.

The six houses at St John Bosco College are: Blessed Cardinal Newman, Saint John Paul II, Saint Maximilian Kolbe, Saint Patrick, Saint Mother Teresa, Saint Thomas More. Each house has a teacher Head of House who is supported by a Sixth Form House Leader and a Year 10 House Captain.

Achievements and performance (continued)

Schools – St John Bosco College (continued)



Pastoral Support. At St John Bosco College we are proud of the strong pastoral support systems that we have in place to ensure that all the young people in our care get the best opportunities to flourish and do well in their education and preparation for adult life.

At its centre are the Salesian principles of Saint John Bosco's educational philosophy with a focus on the individual child and their importance and value as a child of God. The basic principle of his system was a deep understanding and love for young people and their experiences and a pro-active preventative approach to pastoral support. We ensure that all children in school are strongly supported in their everyday school life so that if any difficulties arise we can respond to them more effectively. All students are supported through a Form Tutor and each week every class meets at least once in a circle-time activity where all members of the form are encouraged to talk about their experiences that week and build a strong class community in which they can support each other. The work of form tutors is supported by Heads of Year and a pastoral team made up of a School Chaplain, two Pastoral Leads, a Learning Mentor, School Counsellors, an Educational Welfare Officer and a School Nurse. The school also has a broad range of professionals and outside organisations with whom we work closely to offer specialist or targeted support when needed.

Community. St John Bosco College is proud to be situated in the heart of Battersea where there has been a Salesian presence stretching back to 1887. Together with the Salesian House next door, and the parish church of Sacred Heart just around the corner, we form an important part of the local community and the wider church community. Our wider school community is made up of parents, governors and other partners of the school.

Achievements and performance (continued)

Schools – St John Bosco College (continued)

Community (continued)

We believe that working in partnership with these groups can help to grow and develop the school even more to the benefit of our children. We are also proud that our facilities can be used by members of the local and wider community.

'Our aim is to enable young people to become honest citizens and good Christians, able to earn their own bread.' (Don Bosco)

The Salesians. Saint John Bosco College has a Salesian Priest as chaplain, Father S John SDB, who works with students and staff, celebrates Holy Mass and leads the spiritual animation of the school. The presence of other members of the Salesian community are a valuable feature of our school, adding vibrancy and colour as well as good relationship with wider Catholic community and the Salesian world. Brother Greg Echegwo, although studying at St Mary's University, is a frequent visitor, playing basketball with students at break times as well as coaching students in their academic studies. Brother John Finnegan gives his time to students with English as an Additional Language while Father David O'Malley leads on tutor time activities, such as Circle Time.

Sixth Form. It's an exciting time to join the SJBC Sixth Form as it is a growing sixth form based around the needs of all our students. SJBC is developing into a thriving community of dynamic, happy and highly successful students. We offer a wide range of curriculum choices and enrichment opportunities for all of our students. Every student is also required to give their time to support other students of the school and local community in line with our Salesian ethos. They can become reading mentors, and offer classroom support. We also hope to train some Sixth Formers next year to become anti-bullying mentors to support our lower school students.

Academic Success. There has been some extremely hard work put in by both staff and students to establish an ethos and culture that leads to success. The progress in the Sixth form has been vast and this was reflected in the schools best ever A-level results in 2017 with students achieving 28% A*-A, 45% A*-B, 71.8 % A*-C and 95.8% A*-E. We doubled the number of students getting into Russell Group universities and every student achieved a university place. In Year 11 the progress 8 score was 0.09 for pupils who had been on roll throughout Years 10 and 11 and -0.01 when late arrivals are included.

SJBC was judged to be 'Good' in the Ofsted inspection of May 2017. Ofsted also commented that: *'Saint John Bosco is a Catholic college, but admits pupils from a wide range of faiths and cultures and these differences are embraced and celebrated. You have established an ethos based on Saint John Bosco's educational philosophy of learning through 'reason, religion and kindness'. As this is a small school, staff know each and every pupil and relationships are consequently highly positive. Pupils mix well in this harmonious*

Achievements and performance (continued)

Schools – St John Bosco College (continued)

environment and benefit from personalised support and guidance. This includes pupils who attend Savio, the specialist autistic unit, who seamlessly mingle with all pupils and have access to mainstream provision for much of the day. Pupils' spiritual, moral, social and cultural development is given high priority across the school.'

After sterling work as its first Headteacher to establish St John Bosco College and secure its move to new buildings on Parkham Street in 2015, Dr Simon Uttley moved to a new headship at the end of the autumn term 2016. Mr Paul Dunne, previously principal deputy head and with a thoroughgoing appreciation of our unique Catholic, Salesian ethos, was appointed to replace him as Headteacher. He has led the school to further success since January 2017 drawing strength from the hard work and generosity which is such a characteristic of the school community.

Parish Ministry

The Salesians of Don Bosco have responsibility for seven parishes in England and in addition provide a parish priest for one more. Salesians working in parishes are supported by a parishes team subcommittee of the Province's Youth Ministry Team and meet for an annual residential conference which focuses on the needs of parish clergy and the challenges of parish ministry. The religious and priestly ministry of the Salesians in these parishes brings considerable benefits to their Catholic communities, providing for their pastoral and spiritual needs by means of sacramental ministry, catechetical education for young people and adults, and through community gatherings and social outreach programmes.

Whilst each Salesian parish has a different history and social context, the broader aims of parish ministry are common to each:

- ◆ Providing a joyful community dimension to the daily celebration of the Church's liturgy.
- ◆ Providing age appropriate catechetical instruction in the Roman Catholic faith for young people and adults.
- ◆ Visiting those who are sick, elderly or housebound, comforting the dying, supporting the bereaved and honouring with Christian burial those who have died.
- ◆ Supporting family life, especially at times of stress and conflict.
- ◆ Maintaining a close collaboration and involvement in the local Catholic schools.
- ◆ Promoting social and racial harmony and cohesion in the local community.

The raison d'être for every Salesian parish is that it is a place which promotes, supports and celebrates the importance of young people in its community.

It recognises that they already have a significant part to play in the life of the Catholic community. The aim is to accompany and guide these young people towards adulthood, working alongside the other significant partnerships of the home and the school, enabling them to become responsible members of society, committed to contributing to the common good of all.

Achievements and performance (continued)

Parish Ministry – St James Bootle (continued)

This year the trustees' report focuses on the parish of St James in Bootle, Merseyside, which covers a large part of the docks area of Liverpool. The parish came into being in 1845 and the present church which was opened in 1886 has served the local community since that time. The Salesians of Don Bosco were asked to take over responsibility for the parish in 1988, and the Bootle Salesian community, previously located a few miles away at the Salesian school on Netherton Way, moved into the large parish house at that time. It is now the community's base for their work in the Salesian secondary school, the parish and a number of other local apostolates. The nearby parishes of St Joan and St Winefride were closed in recent years and are now part of the Salesian parish of St James.

Father Brian McGraw is the current parish priest, assisted by Father Jim McGarry.

Social and Pastoral Ministry

The parish with its clergy and people ministers to the local area in a number of ways. There are strong ties with two schools: Savio Salesian College and All Saints Primary School which is directly opposite the church. Father Jakub Ruzniak is full-time chaplain at Savio Salesian College, which is under Salesian trusteeship, and is assisted by Brother Mirek, who is on a year of practical work from his province in Poland. These two provide a direct link between the parish and the school, since many of the students are parishioners of St James. Additionally, Father Michael Cunningham, rector of the community, and Father Jim McGarry are on the Board of Governors of Savio College.

All Saints Primary School is the parish school and Father Brian McGraw, the Parish Priest, is a Governor at the school. Both he and Father Jim McGarry make regular visits to the school, sometimes to talk to the children and sometimes to arrange sacramental matters with the teachers. On holydays of obligation, the children come to mass in the parish church and the liturgy is prepared with them in mind. Periodically, teachers will bring classes over to the church to find out about the vestments and books the priest uses, or just to see what is in a parish church in order to help the pupils understand that the church is for them and their community.

The parish has a very active Saint Vincent De Paul Society, which looks after the needs of the very poorest in the local area. This includes making home visits and helping out with furniture and financially as far as they can with limited resources. The members are very generous with their time and can be contacted in an emergency. A couple of parishioners run a club for pensioners, which meets on a Friday afternoon at the local Brunswick club. They enjoy a whole variety of activities, go on occasional outings, and generally have a very enjoyable time. At present they have a limit of forty members with a waiting list of those eager to join. The members also raise money for charity, and regularly give financial help to our Youth Active group and to the parish restoration fund.

Achievements and performance (continued)

Parish Ministry – St James Bootle (continued)

The Youth Active group runs a parish youth club for younger members of the parish as well as a group of Brownies. There are regular meetings and occasional outings at the weekend. The adults who run these activities are very dedicated and give of their time very generously. The altar servers, some of whom are in the youth club, also have special outings during the year as a thank you for their service in Church.

Father Michael Cunningham, the community superior, supports Asylum Link Merseyside meeting with asylum seekers through regular weekly visits. He also helps to arrange for the provision of clothes and shoes donated by the parishioners of St James. Parishioners also buy tickets for concerts arranged three or four times a year to raise funds for Asylum Link.

Liturgical Worship and Prayer. At the centre of worship as a Church community are the two weekend Masses. The evening mass on Saturday at 6.30pm is mainly attended by the more elderly parishioners. Members of the parish read and are Eucharistic ministers at the mass.

The main weekend mass is at 10.30am on Sunday morning. This is usually well attended, with a good number of young people there. There is a music group which provides the music for the celebration, and has done so for quite a few years. Brother Mirek provides a power-point presentation with all the hymns for the mass, which are shown on the two large screens either side of the sanctuary. On special occasions, some of the pupils from Savio College join the music group and provide additional music for a particular celebration. There is a special children's liturgy during the Sunday mass with all the children going from the church to the sacristy to explore the themes of the mass at their level, including some practical activities. The children then re-join the congregation for the offertory of the mass, and carry up the gifts to the altar.

After Mass, tea, coffee and juice are available at the back of Church to provide a chance for people to meet and socialise. There is also the occasional raffle!



Achievements and performance (continued)

Parish Ministry – St James Bootle *(continued)*



Sacramental programmes. With the help of the primary school teachers and two parish catechists, the parish runs a programme to prepare the children in Year 4 for their first Holy Communion and First Confession. There is a session after school once a month which is

attended jointly by the children and their parents. Towards the end of November, the children make their First Confession, then in May they make their First Communion. Parents wishing to have their children baptised are prepared by a small group of catechists from the parish. They must attend two sessions and come to Mass on Sundays as part of the preparation. Two parishioners organise the whole process with the help of Father Michael Duggan. Another feature of parish life each year is the Rite of Christian Initiation of Adults (RCIA) which runs from September to Easter. People are prepared to be baptised into the Catholic Church, or those who are already baptised Christians are prepared to be received into the Catholic Church. The group meets in the evening every two weeks

throughout the preparation period. The course is run by Father Michael Duggan, assisted by trained parishioners.

At the beginning of Lent they are presented to the Bishop in the Rite of Election. Then they are Baptised and received into the Church at the Easter Vigil, a splendid liturgy which celebrates the Feast of the Resurrection.

Care of our Elderly Confreres

The charity provides for the needs of the members of the Salesians of Don Bosco, all of whom have given their lives to the Congregation and have no personal assets as they have covenanted any earnings or pensions to the charity. The two communities of Bolton and Farnborough have specially built houses designed to accommodate the elderly members of the Congregation from the British Province, and a Support Group has been established to advise on the care provided. The two houses employ appropriate professional staff and continue to provide a high standard of care for their Salesian residents.

Each Community has an annual retreat led by a Salesian priest, and outings and activities are organised according to the needs and abilities of the resident Salesians. There are now two confreres over 90 and another fifteen over 80 with many of the 80 year olds very active – a tribute to the care and support which they have received in their later years.

Achievements and performance (continued)

Youth Ministry

The residential Youth Retreat Centre at Savio House has had a busy year and is booked through to July 2018. The work of the Centre is greatly appreciated and schools return year on year so that their pupils can benefit from the carefully planned and structured programme of activities, reflection moments, sharing sessions and prayer times, all of which help the young people to consider their purpose and direction in life, helping them to mature as individuals and grow in self knowledge.

We found it inspired us to be creative. Lots of very useful, easy ideas. It delivered exactly what the brief asked for in a great atmosphere and we would love for you to provide inset in the future. We would absolutely recommend you.
Secondary School Chaplain

The Province's youth ministry department continues to develop outside the context of our schools and parishes coordinated and promoted by Sue McDonald, the Salesians' youth ministry animator, working from the youth ministry office at Savio House. Her first hand report follows.

The province's youth ministry department alongside the parishes and in collaboration with the school's department trains, develops, coordinates and facilitates all youth ministry with the assistance of a reliable group of young Salesian animators. This year we have, as usual, continued to grow in the mission and our summer activities were the busiest we have seen to date.

The youth ministry teams met three times over the year and the focus of the meetings this year was spirituality. We had a speaker in from the Salesian Sisters' network to speak to us at one of the meetings and about 35 people were present to engage and share on the topic. These meetings were also used for training and planning of our activities. We provided two professional development meetings for our school chaplaincy network which took the topic of 'accompaniment' and 'Salesian' this year. We ran our youth Easter in collaboration with the Salesian Sisters and during Easter week we hosted our European Salesian young people for a 'training of trainers' input week. We held our two weeks of 'Phoenix' summer holiday camps for vulnerable young people and their relevant school staff at Savio House. We had our week of RISE at Savio House which is the leadership programme for young people aged 15+ run by a young cleric with our animators. In the past we have spoken about the network of 'volunteers', but during the course of this year the volunteers wanted to come into line with Salesian young adults around Europe and be known as 'Salesian Animators' and so we have adopted that term here.

Our collaboration with the Columban Fathers and Pax Christi in the delivering of school staff inset days continues to grow and we remain on the board of the official national Catholic Youth Ministry Federation (CYMfed) and the European Don Bosco Youth Net (DBYN) as part of the mission of youth ministry. Working in partnership with others has become a priority for us and we have created space for a number of links. We now meet three times a

Achievements and performance (continued)

Youth Ministry (continued)

year with the Salesian Sisters (FMA) youth ministry team to share our vision and listen to each other. We aim to meet twice a year with other Salesian departments (vocations, media, schools and youth ministry) so that we can be more effective and connected in the work we do.

Salesians of Don Bosco Youth Ministry now collaborates with Pax Christi and the Columban Missionaries to offer INSET to Catholic Schools across England and Wales. This is as a direct result of learning to work together through CYMFed. These Catholic Spirituality INSET days include time for prayer and reflection, thought-provoking input, and workshops that challenge and inspire staff in their vocation as Christian educators. We offer traditional INSET days based in schools or a more retreat style with the day taking place offsite at a retreat centre or another local conference facility. We have this year used Savio House for one of the inset days. Our INSETs explore and reflect upon the richness and distinctiveness of Catholic education and how this informs our work and our interaction with the world around us. Content can be tailored to specific school needs. (James Trewby-Columban Missionaries Justice and Peace Education Worker)

We have written our pastoral plan for youth ministry in this province in the light of the Frame of Reference provided by our Salesian Youth Ministry department at the Salesian headquarters in Rome, after detailed study of this guidance in 2016.

A group of youth ministry animators and young adults went on a pilgrimage to the Holy Land in May 2017. The Youth Ministry office tries to offer a spiritual experience each year and chose the Holy Land for 2017. It was a great success. The group of 24 people spent a week visiting, reflecting and sharing on the places of the Gospel. (Quote?)

Two young animators went to the USA for six weeks during the summer of 2017 to help on, and experience, Camp St Francis, a Salesian camp in California. The Salesian brother in charge wrote afterwards to say how impressed he was with the quality of training, knowledge and competence of the people we sent. Brother Ste Lloyd prepared the animators for this event. During the summer we offered sixth form students the opportunity to prepare for volunteering. We had four young people and two animators. Together they looked at the ethos behind the projects, they learnt more about Salesian spirituality and our history and the week after they volunteered on one of the Phoenix holiday weeks with reflection each evening. These four young people have now joined the group of animators and will attend our meetings. Just to give you a quote from one of these projects that happen annually, here is the recent leader of our Phoenix Holidays:

Achievements and performance (continued)

Youth Ministry (continued)

Each year the Salesian Youth Ministry Team invites over fifty young people from across the country to spend a week holidaying in the Peak District in an environment typically quite different from home. Schools select students based on need and those attending can then develop their interpersonal skills whilst enjoying a range of activities from orienteering to archery, from canoeing to campfires. It is in the low-key moments that the young people tend to shine brightest however, whether in gathering around a table for a meal (a rare event for some) or in shirt-signing on the last day - the support these young people offer one another is truly inspiring. The Camps are a great experience for all who come and it's often the first things school book onto when each new year begins. (John McQuaid)

After the summer camps we took 10 young people to 'Confronto' in Turin, Italy. This is a Salesian European meeting of young animators who are experienced and at home in our spirituality. This was a very moving experience for those who took part confirming them in their commitment as young Salesian animators engaged in youth ministry.

Towards the end of the summer a youth ministry team of seven worked together with the Battersea community to provide a summer camp for the local young people. It was the first summer project since the opening of the new Salesian house in Battersea. The outcome was rewarding and the community were very supportive and present at the project. It was the first time we have worked on a shared project with a parish.

After the summer our attention turned to the now annual 'youthgather' for Salesian schools and parishes. The youth ministry department, together with Thornleigh Salesian College in Bolton, hosted 350 young people for 24 hours in late September. The event under the title 'Make Some Noise' was a mixture of



ceilidh, sports, inflatables and rides, as well as workshops in the afternoon. An important part of the event is the liturgy and all of the participants were at adoration until late in the evening followed by a Salesian 'goodnight'; the next day dancing their way through key moments in the celebratory Mass. This event is reliant on the goodness and availability of our youth ministry animators.



Achievements and performance (continued)

Youth Ministry (continued)

Make Some Noise is a gathering of young people from all over the country, all of whom are connected in some way to the Salesian Family in the British province. Groups from schools and parishes join together at Thornleigh Salesian College, Bolton, for 24 hours of Salesian hospitality, including opportunities for prayer, recreation, and just the chance to get to meet other young people. The name 'Make Some Noise' comes from the appeal of Pope Francis to the young people gathered at World Youth Day in Poland 2016, when he said: "Go against the tide, and that means making noise. Go ahead. But with the values of beauty, goodness and truth." The event is organized by the Youth Ministry team, co-ordinated by Sue McDonald, and relies heavily on time given by a large number of young adult Salesian volunteers, who come along to make the event run smoothly. It is an event at which young people can just be themselves, get to know others, and have fun, with a little help from a few fairground rides, and plenty of singing and dancing!" (Dan Antonio)

The following month we were privileged to host the Salesian Youth Movement Europe AGM at Savio House. This was a very intense event and required us to collect 45 people from the airport, provide entertainment and look after their needs as well as taking part in the discussions and inputs directed by Don Fabio Attard from our General House in Rome. The animators who attended this meeting said it was even better than Confronto as Salesians could get a sense of how the British Province worked and we could share a little of our experience of being Salesian.

Towards the end of the year a number of us attended a worldwide meeting of Salesians held in Madrid to discuss how we might include ministry to families in our provinces. Overall, we have never been so involved in mission to date, but the fruits of all that the department provided are evident in the relationships built up, the projects proposed and the energy around each proposal. Youth ministry continues to try to balance development of the young animators with provision of ministry to the young, especially those most in need

Volunteers

During 2017 three young adults were residential voluntary workers at the Savio House Youth Retreat Centre, Bollington, engaged as full-time members of the team delivering the Centre's programmes for young people. They worked with five Salesians of Don Bosco, a retreat team leader and other employed staff and lived as members of the Salesian community for the year ended in July 2017. Another five commenced in September 2017. They were given initial training and induction by Savio House staff and Sue McDonald to prepare them for their voluntary work as team members including matters such as team building, community living, youth work skills, the Salesian approach to young people, health and safety, personal financial management, and safeguarding matters.

Achievements and performance (continued)

Volunteers (continued)

All volunteers were also supported through personal mentoring. The young adult volunteers mature considerably during their year or more of service at Savio House, developing personal self-confidence, inter-personal skills, and a range of leadership qualities and organisational competences. Many are confirmed in their professional life choices and go on to train in youth work, teaching, school chaplaincy or related professions.

International volunteering at Salesian centres throughout the world is organised through BOVA (Bosco Volunteer Action) a sub-group of the Youth Ministry Team. During 2017 eight volunteers were placed overseas contributing in total over three years of service in India, Vietnam, Cambodia and Bolivia. All placements are evaluated before the sending of volunteers, usually by prior visits. The extent of Salesian work for young people in 131 countries provides considerable scope for suitable volunteer placements. All international volunteers are prepared through training weekends involving past volunteers. Our volunteers come from a range of ages (18+) and backgrounds, each volunteer is placed by matching their skills and experience to the needs of Salesian communities around the world. International volunteers bring benefits to others but often experience life changing benefits themselves. Debriefing sessions are arranged for all returners and opportunities for further involvement in activities related to the promotion of the needs of developing countries. Rebecca, aged 22, commented as during her time in Vietnam as follows:

A few weeks ago I decided I was definitely happy I had come, which was a huge milestone. Relationships are improving. We've had lots of fun and parties and feasts and sometimes even my lessons are awesome. This is not nearly as much as I would like to tell you, but I want to share some snippets:

In February I went to Cambodia, and then spent about ten days celebrating the Lunar New Year by travelling around and staying with priests and some of my students and their families. Lunar New Year is a really important time for families and words can't express how special it was to be able to partake in that (of course I was pretty bemused the whole time too). It was also fascinating to see the way that Catholics have completely 'baptised' this traditional Vietnamese festival. Lots of mass and prayers, including a spectacular evening mass in the graveyard. It was attended by the entire village community – including the brass band – and all the graves were lit up with candles.

Later that month the Rector Major of the Salesian order paid a visit to Vietnam and we gave him a royal welcome – meeting him en masse at the airport. Later he addressed all the Don Bosco youth in the city. Lots of singing, dancing, feasting and cheering. During this time, I got even more 'I love Don Bosco' memorabilia to add to my growing collection.

On the 24th of every month we recognise Mary Help of Christians, and take the morning off work. Last week we celebrated St. Joseph's Day. He is the patron Saint of Vietnam and the chosen patron of most people in the community, so we had a huge party for that.

Achievements and performance (continued)

Volunteers (continued)

Jo, aged 19, comments as follows on his time in India:

Many of our boys are a by-product of the industrialisation and globalisation of India, left behind in the slums as parents look for work. Others are victims of parents' reluctance to take on the responsibility of parenthood, instead seeking their own interests first. All are testimony to the tragedy that occurs when family does not take first place in our society. Family is what we try to imitate here; we, the community, are the boys' brothers and fathers. All we do is for them and we try our very best to provide the care, love and attention that they should get from their family but nothing can ever replace that true familial bond. For that reason, wherever possible we try to place boys back in their homes, and we only take boys from whatever family they have in truly desperate circumstances. The work here is a vocation in itself and I am forever inspired by the four priests and brother here who have devoted their entire lives to the service of these boys. For me, the greatest opportunity I have is being able to nurture and develop a relationship with these boys as a friend and a brother.

Volunteers, on return, are encouraged to reflect on their overseas experiences and take action. They are supported through being engaged with faith, local/global social justice issues and the wider Salesian projects with this Province. This is done through inviting them to be involved in the wider activities of the Salesian Province of Great Britain; through supporting them in their own faith journeys; and through encouraging their involvement in social justice campaigns and events. When volunteers return to the UK we try as far as possible to maintain a relationship and support them in developing their experiences further. The mutual support we have between us and our returned volunteers leads to opportunities of working together on a range of projects particularly within the UK Christian community. This does help to raise the profile of the volunteering project to a range of audiences around the country. Two returned volunteers comment as follows:

I have been working for Caritas Westminster since February, going around parishes and schools encouraging social action projects for the needs of the communities and doing assemblies and workshops on Catholic Social Teaching. I never realised how much my time with BOVA in Tanzania was going to help me with my future job. Having experienced teaching in a busy classroom has really helped me to do my work at Caritas.

More recently, as we explored both our stewardship of our resources and our responses to the vulnerable around us, my husband and I bought a house in which local charity Hope Projects now house destitute asylum seekers. The intention is to support some of those who, often through poor legal representation or flaws in the system, find themselves with literally nothing: those abandoned by the system they thought would offer safety, those too afraid to go back to the place they once called home.

Achievements and performance (continued)

Volunteers (*continued*)

Other success stories regarding returned international volunteers include the following:

- ◆ Returned volunteers regularly supporting BOVA training weekends at Savio House, and training days in London.
- ◆ BOVA volunteers supporting wider youth ministry initiatives: Youth Ministry Retreat, Youth Ministry Weekends, Make Some Noise, 'Embrace' Liverpool.
- ◆ BOVA volunteer setting up links between their school and a community in Thailand.
- ◆ Returned volunteers supporting Christmas Prison Family Days in and around London.
- ◆ Returned volunteers attending celebration for Don Bosco Day celebrations in Battersea.
- ◆ Four volunteers active in promoting and coordinating Taize groups and events nationally.
- ◆ Two volunteers supporting Signposts discernment project in London and at national events.
- ◆ Five volunteers at National Justice and Peace Conference.
- ◆ Two returned volunteers involved in Student Cross pilgrimage.
- ◆ Two returned volunteers involved in Nightfever London (St Patrick's Soho Square) organising committees.
- ◆ A BOVA volunteer appointed as Social Justice Coordinator for Justice and Peace Commission Scotland.
- ◆ A BOVA volunteer appointed as a Development Worker for Caritas Westminster.

Achievements and performance (continued)

Charitable donations to the developing world

The Salesians of Don Bosco UK sends £7,500 every month to the English speaking Salesian West African Province to support their work in Liberia, Nigeria, Sierra Leone and Ghana which in recent years has focused on caring for Ebola crisis orphans, street children, ex-child soldiers and young people at risk of trafficking alongside schools, training centres and parish ministry. In addition, the presence of the Salesians of Don Bosco in 131 nations, including many locations in the developing world, enables the Salesians of Don Bosco UK to channel funds to support disaster relief and specific works for the relief of poverty, and the education and training of the young in some of the poorest and most deprived areas of the world. During 2017 £87,915 was sent out and in 2016 in excess of £161,000. The 2017 donations included £35,366 to Albania, £18,762 to the Ashalayam centre for street children in Calcutta and £6,993 to other similar works in India, £20,227 to African countries and £4,186 to Bethlehem for Syrian refugees. The 2016 donations included similar and significant support for Albania, India, and Africa plus £20,000 to support Salesian work with refugees in Turkey, £5,875 to Colombia, £11,475 to Tamil Nadu, £2,750 to Ethiopia, £2,700 to South Africa, £1,510 to Syria, £1,250 to Moldova, and £1,200 to Haiti. All donations received are sent on in line with the donors' intentions, gift aid is reclaimed where possible, and no charge is made for the administration involved in processing these funds. In all cases these donations are sent to Salesians working directly at the locations intended by the donors and no money is lost in unnecessary payments or charges. In this way, the Salesians of Don Bosco UK provides a significant service to both the donors who are confident that their money will reach its destination and to the recipients of the funding.

Formation and Training

During the year formation and training opportunities were arranged for Salesians and for the benefit of lay people working with the Salesians of Don Bosco in the delivery of the Salesian mission. On 11 October 2017, Salesians and lay employees engaged in any form of administration in the Province had a day of training and updating on financial, insurance, employment, property and related issues, delivered by the provincial office team.

In September 2017 Sue McDonald and others led a three week induction, training and formation programme for new volunteers at Savio House with particular attention to youth work skills, safeguarding and inclusive behaviour. They also learnt about retreat formats and Salesian spirituality. There were three training weekends for those engaged in the youth ministry projects that are co-ordinated through the Youth Ministry Office. Head teachers from the Salesian schools met in Battersea from 4 – 5 May 2017 to consider key elements of Salesian educational practice and a number spent three days in Turin in September 2016 on a study tour visiting the foundational locations of the Salesians of Don Bosco and deepening their understanding of Salesian education and spirituality.



The annual meeting for Salesian parish clergy was held from 16 – 18 October 2017. The School Chaplaincy Network met from 11 – 12 November 2017 to share good practice and plan for effective school ministry. Community rectors

Achievements and performance (continued)

Formation and Training (continued)

met from 19 – 21 April 2017 and again from 29 – 31 October with a focus on planning the work of the Province.

Young Salesians in formation gathered every three months for a weekend of on-going formation in matters related to their own personal development as Salesians and their understanding of the Salesian charism and its practical application to youth ministry.

Don Bosco Publications and Salesian Link (the Office of Social Media and Communications)

The work of Don Bosco Publications is to promote Salesian perspectives on youth ministry, Catholic education and spirituality through published works, the thrice yearly Don Bosco Today (magazine) and the Salesian Calendar. The work of Salesian Link is to use digital and multimedia channels to inform, educate, animate and evangelise.

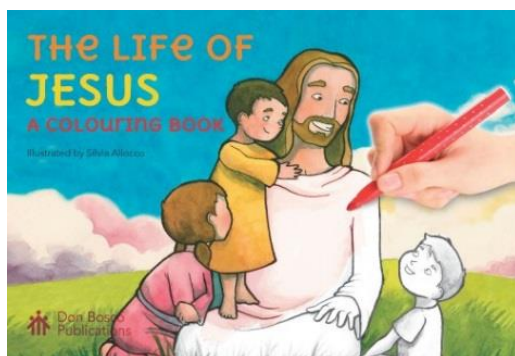
*A good book can enter
homes where no
priest may ever go.
(Don Bosco)*

St John Bosco was an innovative user of the means of communication of his time to promote his work for young people and to catechise and evangelise in response to the needs of his day.

Salesian Link continues to communicate a gospel based Salesian Spirituality that responds to the needs and aspirations of the young people of today through the devices and media platforms in common use. It is also the regular means of communication and news within the Province and the wider Salesian Family.

Father Bob Gardner SDB, Vice-Provincial, has overall responsibility for both Salesian Link and Don Bosco Publications, assisted by a full time employee at Salesian Link and one full time and one part time employee at Don Bosco Publications.

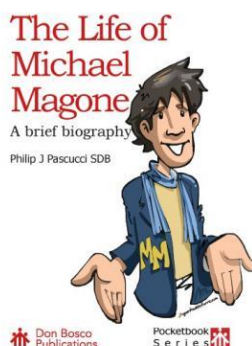
Four new books were published in 2017: 'The Life and Work of Don Bosco' by Rosa



Navarro Durán; 'The Life of Jesus – a colouring book' by Silvia Allocco; 'A Little Camel for Jesus' by Maria Gianola, and 'Walking with Luke' by Father Michael Winstanley SDB, thematic studies in the Lukan narrative. One book was re-printed in 2017: 'The Salesian School of Life' by Father David O'Malley SDB, and we published a 2nd edition of 'Christian Leadership in Education' also by Father O'Malley.

Achievements and performance (continued)

Don Bosco Publications and Salesian Link (the Office of Social Media and Communications) (continued)



We introduced our 'Pocketbook Series' – low cost and easily available – We published four pocketbooks in 2017: 'Stories from the Missions'; 'The Life of Michael Magone' by Philip Pascucci SDB; 'On the Road to Sainthood' also by Philip Pascucci SDB and 'Sean Devereux – The Beat Goes On' compiled and edited by Sarah Seddon.

Contact with the Worldwide Salesian Congregation

The British Province of the Salesians of Don Bosco is part of the Congregation's North European Region. During 2017 Father Gerry Briody, Provincial, attended annual and additional meetings of the region and within the last year members of the Province responsible for youth ministry, formation, publications, and social communications have attended regional meetings. The Provincial with the members of the Provincial Council joined five other north European provinces for a Team Visit with the Rector Major and his Council in Rome from 16 – 20 May to plan in response to current challenges to the Salesian mission in Europe. The Provincials from these provinces had a follow up meeting in Battersea from 12 – 14 January 2018.

The international Salesian News agency based in Rome sends out daily news items in English (and five other languages), keeping the Province informed of Salesian works and initiatives across the world. These often include first-hand accounts of Salesian involvement in major news items such as the work and presence of Salesians in Aleppo and Damascus and work with refugees in Africa and war torn countries.

Salesians from Africa, India, Poland, Slovakia, China and Vietnam were resident in the Province during 2017 engaged in ministry or pursuing English language courses or postgraduate studies e.g. two studying for doctorates in Philosophy at the universities of Warwick and London preparing them to teach Salesians in formation in Africa and India.

Stacpoole Trust

The Stacpoole Trust established by a Trust Deed of 1875 holds the property of our Battersea parish church. The trustees are Salesians of Don Bosco appointed by the Roman Catholic Archbishop of Southwark. The Stacpoole Trust became a registered charity with a revised governance document on 10 August 2010: Charity Registration Number 1137378.

Achievements and performance (continued)

Safeguarding

The Catholic Safeguarding Advisory Service with new structures for the Safeguarding of Children and Vulnerable Adults within the Catholic Church in England and Wales came into operation on 1 July 2008. The Province held two training and information days (north and south) in October and November 2017 to update all the confreres on safeguarding policy and procedures, with all those attending receiving a copy of the revised and updated Province safeguarding policy, guidelines, and practice. Similar meetings have been held every few years since 1995. All Salesians engaged in ministry in the Province have received clearance through the Disclosure and Barring Service or its predecessor the Criminal Records Bureau or from their home country's statutory and church authorities if they have just arrived from abroad. The Salesians of Don Bosco have as their safeguarding commission the Safeguarding Commission for Orders in Education (SCOE).

New Ventures: Battersea

The Salesian mission in this country began in Battersea in 1887 with three Salesians sent by St John Bosco. After 125 years a major renewal and development of the Battersea mission began. In 2012 new parish facilities were completed at the Sacred Heart Church at a cost of £1.15 million. The project included meeting rooms and offices as well as a new entrance incorporating a large reception, social and meeting area, plus new heating for the church.

For many years the Salesian community in Battersea lived in Surrey House on Surrey Lane acquired in 1895, but moved out to neighbouring houses on Orbel Street in 1998 as it was no longer fit for purpose. Surrey House continued to be part used by the Salesian College, but the school's closure in 2011 freed up the whole site for demolition, including Surrey House, and the building of the new St John Bosco College and a new Salesian community house. The house contains accommodation for up to 20 residents and guests, plus short stay hostel type accommodation for youth groups visiting London.

In response to a request from the Archbishop of Southwark, our Battersea community took responsibility for the parish of Our Lady of Mount Carmel and St Joseph at Battersea Park in autumn 2016. This is the neighbouring parish to our long established parish of the Sacred Heart. Both parishes are under the oversight of Father Gerry O'Shaughnessy SDB, newly appointed as parish priest of both parishes, assisted by Father Peter Pagac SDB with support from other member of the Battersea community. This additional parish extends and consolidates our parish mission in Battersea and supports the two parish primary schools of the Sacred Heart and St Mary's which are linked together in a formal federation under one governing body and executive Headteacher.

Achievements and performance (continued)

Property

The new Battersea community house on Surrey Lane was completed in January 2017, occupied on 26 January and formally opened by Archbishop Peter Smith of Southwark on 30 January.



The house was largely funded by the sale of 8 semi-detached houses on the neighbouring Orbel Street. These houses had provided accommodation for the Salesian community or had been occupied by tenants. After lengthy negotiations with Nonsuch Abbeyfield, a planning application was submitted by them in March 2014 for the development of an extra-care residential facility on part of the former Battersea Salesian College playing field site in Ewell. After re-submission and referral to the Secretary of State, the granting of planning permission was confirmed by the Local Authority on 7 June 2016. Sale to Abbeyfield was completed on 12 August 2016 with the capital receipt helping to cover the costs of providing short stay hostel type accommodation for youth groups at the new Battersea community house. The much needed Abbeyfield care provision at Ewell will occupy about one quarter of the site and new and enhanced sports provision will be provided on the rest, including a new pavilion and club house plus an all-weather pitch, a second full size pitch and a cricket square and outfield. This site was acquired in the 1930s for use as the Battersea Salesian College playing fields but, with the closure of the College in 2011, it was no longer needed for that purpose.

Financial review

Results for the year

A summary of the year's results of the charity and its two subsidiaries (i.e. the group) can be found on page 4547 of this report and accounts.

During 2017 total income amounted to £10,728,935 (2016 - £12,059,692). Of the income, a total of £7,917,556 (2016 - £7,800,992) related to the fees receivable and other income of the Salesian College Farnborough and the Retreat Centre and the Youth Centre, £1,525,786 (2016 - £1,373,978) was received by way of voluntary income, of which £788,468 (2016 - £755,823) was from legacies and donations and £737,318 (2016 - £645,714) from salaries and pensions covenanted to the charity by the members of the Congregation. Investment income and interest receivable totalled £1,172,025 (2016 - £1,184,498).

Expenditure totalled £10,723,336 compared to £10,581,714 in 2016. The total expenditure of the Salesian College, Farnborough amounted to £7,180,635 with staff costs representing a very significant proportion of this and amounting to £4,052,968. Expenditure incurred in maintaining and supporting the members of the Congregation so that, unless sick and elderly, they can engage in pastoral work and ministry amounted to £2,240,770. Expenditure on raising funds, including the fees paid to the charity's investment managers and costs in respect of rental income amounted in total to £143,529.

Net income before investment gains, therefore, was £5,599 which when taken together with investment gains of £1,883,630 resulted in a net income and a net increase in funds for the year of £1,889,229. The performance of the charity's investments reflects another exceptional year for investment markets generally. The trustees continue to take a long term view and believe that their investment policy remains appropriate.

Reserves policy and financial position

Reserves policy

The reader will discern from the foregoing that the charity carries out a diverse range of activities and is responsible also for care and support of confreres whose average age is increasing and whose needs are changing. The trustees have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed.

The trustees consider that, given the nature of the charity's work and its commitments, the level of free reserves should be relatively high. The age profile of the confreres and the likelihood that in the future there will be an excess of resources expended over incoming resources has led to the trustees concluding that free reserves should be approximately equal to 18 months' expenditure.

Financial review (continued)

Reserves policy and financial position (continued)

Reserves policy (continued)

The trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to timing differences in income flows, adequate working capital to cover care costs, and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented. In particular, it will help the charity respond to any significant fluctuations in world stock markets which may impact on the level of unrealised gains included within reserves generally.

Financial Position

The group's balance sheet shows total reserves of £57,359,653. Included in total funds is an amount of £1,198,156 which is restricted. These monies have either been raised for, and their use restricted to specific purposes, or they comprise donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 22 to the accounts, on page 69 together with an analysis of movements in the year.

The trustees have designated or set aside £28,143,492 for specific purposes:

- ◆ £12 million comprises the Ministry of the members of the Congregation and their support and retirement fund. This consists of monies which the trustees have set aside in order to support the confreres in the future and, in particular, to provide for the confreres who need support due to illness or frailty and as they grow older. This latter category of support may include additional help or the need for specialist assistance in care homes. Over the coming years, it is anticipated that such support will be required for an increasing number at an increasing cost which will need to be met by the charity as none of the confreres have resources of their own. The amount set aside has been reassessed as at 31 December 2017 to ensure provision has been made based on the current age of the confreres, their expected remaining lives as derived from life expectancy tables used by actuaries, the estimated cost of care for older people in the United Kingdom, and the estimated return on investment assets. Calculations indicate that £15 million should be set aside in order to provide £15,000 per annum for confreres over 65 years of age and, because of the potential greater support needs, £30,000 per annum for confreres over 72 years of age and £55,000 per annum for those over 85 years of age. In the attached accounts, £10 million has been set aside, the amount being limited by the resources actually available.
- ◆ The Savio House support fund of £7,000,000. This fund is represented by investments set aside to generate income to be applied towards assisting with funding the operating deficits at Savio House Retreat Centre. Income generated by the investments representing the fund is added to the fund each year and withdrawn if needed to meet any shortfall in income. During the year, all income generated was

Financial Review (continued)

Reserves policy and financial position (continued)

Financial position (continued)

released as the deficit exceeded £210,000. It is anticipated that such deficits will continue and may increase.

- ◆ The youth ministry fund of £5 million. One of the key missions of the Congregation and hence of the charity is to minister to the needs of the young to bring all their talents and aptitudes to full maturity. Whilst the work of Savio House in part assists in the achievement of the mission, the charity reaches out to the young in many other ways and seeks always to develop further its work on the education and pastoral and practical care of young people, especially those in most need of such care and support. The £5 million designated by the trustees will enable such work and its development to continue and flourish in the years ahead through the Youth Ministry Team, the Office for Social Media and Communications, via the charity's connections to the schools founded by the Congregation and through a myriad of other means.
- ◆ The Salesian College of Farnborough Fund, represents the accumulated funds and net assets of the Salesian College, Farnborough Limited and had a balance of £4,143,492 as at 31 December 2017.

The tangible fixed assets fund totals £21,058,257 and is represented by those tangible fixed assets not financed out of restricted funds or designated funds.

Funds available to support the work of the confreres in the future, in particular the support of the Congregation's missionary and youth care work, are shown as general funds on the balance sheet and amount to £6,959,748. This figure needs to be considered in the light of annual expenditure, the increasing age profile of the confreres and the need for the charity to continue to support the work of the Congregation, both in this country and overseas. Given this, whilst free reserves are slightly higher than those demanded of the above reserves policy, the trustees are of the opinion that the free reserves are adequate but not excessive.

Investments

As at 31 December 2017 the listed investments held amounted to £29,714,727 and are managed by professional investment managers. The Finance, Investment and Property committee meet the fund managers on a rotational basis so that each is seen twice a year. A detailed investment policy is provided that sets out the ethical considerations the trustees wish to follow. Monthly reports are provided to the Finance, Investment and Property committee.

In addition to listed investments, the charity and group retain one investment property in London which had a market value of £1,600,000 at 31 December 2017.

Financial Review (continued)

Custodian Funds

As at 31 December 2017 the charity held funds on behalf of members of other religious orders with a value of £92,900 (2016 - £105,892). As these funds are not controlled by the charity, these assets are not included in the accounts. The funds held by the charity as custodian are segregated clearly from those belonging to the charity itself and are principally held in US dollar accounts.

Governance, structure and management

Governance

In terms of Canon Law, the Salesian Congregation is governed at an international level by the Rector Major and his General Council in Rome. They are elected every six years at a General Chapter which is a meeting of representatives of all provinces of the Congregation. The person responsible for the leadership of the British Province in fulfilment of its mission is the Provincial, helped by his Council. The Provincial is appointed by the Rector Major with the consent of his Council after consultation with the members of the Province and serves a six year term in office. The Provincial Council has five members who are appointed by the Rector Major in the same way and serve for three years. The Provincial and his councillors can be reappointed. Members of the Provincial Council are chosen for their personal qualities, their understanding and experience of the ministries of the confreres throughout Great Britain and to secure a good skills mix among them. In terms of Civil Law, the charity is an unincorporated trust governed by a Scheme of the Charity Commissioners dated 1 August 2003 (which replaced the trust deed of 7 March 1964) and is a charity registered in England and Wales - Charity Registration No. 233779, and in Scotland – Scottish Charity No. SCO 39294.

The trustees of the charity are the Provincial and the five members of the Provincial Council. As all trustees are members of the Congregation they have a detailed knowledge of the work of the charity and of its structure. The training of the Provincial Council in their role as trustees is facilitated by the Provincial Economist who uses the material provided by the Charity Commission, major conferences, the Association of Provincial Bursars and the literature available from major firms of solicitors and accountants specialising in charity practice and procedures.

The names of the trustees who served during the year and those who were in office at the date on which this annual report and accounts was approved are set out as part of the reference and administrative details on page 1 of this annual report. Brief biographical details of each of the trustees are given below.

Rev James Gerard Briody was appointed Provincial in August 2016. He has twenty-two years' experience as a secondary school teacher including ten years as a comprehensive school Headteacher at Savio Salesian College in Bootle. In addition, he has many years' experience of less formal youth ministry and parish catechetical programmes.

Governance, structure and management (continued)

Governance (continued)

Rev James Robert Gardner has been a trustee and Vice-Provincial since September 1st 2015. He previously served as a trustee from 2004 to 2010 with responsibility for Youth Ministry. After ordination in 1991 he spent twelve years in Easterhouse, Glasgow, where he worked in youth projects, a job creation scheme for unemployed young adults, as chaplain for three years to a Further Education College, and was for five years a member of the 'Children's Panel'. In 2000 he completed his postgraduate in Management Studies at Glasgow Caledonian University. He was a trustee of a Children's mental health charity for two years. After six years working in Youth Ministry, he was appointed to lead Social Media and Communications in the Province and in 2016 to be responsible for Publications.

Rev John Mervyn Williams is the Provincial Economist. He has been a trustee and the Provincial Economist since August 2002. He had twenty-eight years' experience as a secondary school teacher including four years as Head of Department, five years as Head of Sixth Form and over seventeen years as Headteacher of a 1,550 pupil comprehensive school, Thornleigh Salesian College, Bolton. He was a member of the Province Finance, Investment and Property Committee for six years prior to his appointment as Provincial Economist. He has the responsibility of managing the business of the charity on behalf of the trustees and works full time at the Provincial Office in Bolton.

Rev James Francis Mageean was a trustee from September 2011 to August 2017. After ordination in 1975 he was engaged in school ministry at the Salesian comprehensive school in Bootle, Merseyside until 2005, serving as Headteacher for ten years. During this time he also provided assistance at various parishes. In 2006 he was appointed parish priest of the Salesian parish of Bollington, Cheshire and was a member of the community of Savio House. He served as governor of the parish primary school and assisted the chaplain at All Hallows Catholic College in Macclesfield. He moved to the Bolton community in 2016.

Rev Anthony Francis Fernandes has been a trustee since 1 September 2015. Soon after his ordination in 1977, in India, he was appointed as administrator of the new Salesian Formation House, after which he was sent to Tanzania where he worked as Director of the Archdiocesan Youth Centre until 1986. He was then sent to Kenya to serve as the Provincial Economist of the East African Province for nine years and was then appointed as Director of the Technical School in Tanzania. He then served as Shrine Director in Nairobi for nine years until 2005. In 2008 he joined the British Province and was Rector of the Salesian Community at Savio House Youth Retreat Centre, Bollington from 2014 to 2016. He currently remains in the community responsible for the Salesian parish in Bollington.

Governance, structure and management (continued)

Governance (continued)

Rev Martin Gerard Poulson has been a trustee since 1 September 2016. He has been a Lecturer in Systematic Theology at Heythrop College, University of London, since 2006 and Head of Theology since September 2015. He has experience of three years' full-time parish ministry and over twenty years' experience of youth ministry and work with young adults, including running residential retreats, leadership training for youth ministers and various forms of music ministry, and ecumenical work. He is active in advocacy in the area of Justice, Peace and the Integrity of Creation. He has been a member of the Province Formation Commission since 2012 and took over responsibility for the initial and on-going formation of the Salesians of the British Province from September 2016

Rev Andrew Ebrahim has been a trustee since 1 September 2017. After ordination in 2001 he was engaged in school ministry at the Salesian comprehensive school in Chertsey until 2016, also serving as rector of the community from 2010 until 2016. He is currently Head of Religious Education at St John Bosco College in Battersea. He has for many years been active in raising awareness of the work of the Salesian Ashalayam centre for street children in Calcutta, raising funds and visiting with Sixth Form students.

Trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the accounts in accordance with applicable law and the required Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

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

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

Governance, structure and management (continued)

Trustees' responsibilities (continued)

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. 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.

The trustees, led by the Provincial, are ultimately responsible for the policies, activities and assets of the charity. They meet each month for one and a half days to discuss Province business, receive reports, and make decisions. There are two longer meetings in March and September to allow for reflection, evaluation and strategic planning. Each year the Provincial makes a formal personal visit to each community in the Province to ensure that the work of the Congregation is being carried forward in the best possible manner.

Provincial Chapter

A Provincial Chapter is held every three years, most recently in May 2013 and March 2016. The Provincial Council (the charity trustees), leaders of all the communities, representatives of all communities and elected members from the Province attend as voting members and all Salesians in the Province can fully participate in the discussions as non-voting members. Members of the wider Salesian family are often invited to attend for part or all of the proceedings. The Chapter provides an opportunity to review how we are carrying out our mission as outlined in our Constitutions, decisions of the General Chapter [held in Rome every six years, the most recent, General Chapter 27 (GC27) from February to April 2014], and our own Province Plan, and to make decisions about the future.

The March 2016 Chapter sought to involve the whole Province in a structured and prayerful review of its mission, works, effectiveness and the quality of community life, with a view to creating space and opportunity for new initiatives in response to the needs of young people today.

Governance, structure and management (continued)

Key management responsibilities and personnel

In canon law overall responsibility for the management of the works of the British Salesian Province rests with the Rev James Gerrard Briody, Provincial, a responsibility exercised in his absence by the Vice Provincial currently the Rev James Robert Gardner. In civil law, as an unincorporated charitable trust, the Provincial and his Council carry joint responsibility as trustees for the works of the Salesians of Don Bosco UK. In practice, the business of the charity is managed on behalf of the trustees on an operational basis by the Rev John Mervyn Williams, Provincial Economist and trustee, working full time from the central Provincial Office located at Thornleigh House, Bolton. He is assisted by a small team of employed professional staff with expertise in finance and other key areas of charity management, including human resources, health & safety, risk management, property maintenance, vehicle leasing and insurance provision.

The key management personnel in charge of directing and controlling, running and operating the charity on a day to day basis are the trustees including the Provincial Economist. All trustees, including the Provincial Economist, are members of the Congregation and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees.

External legal, property and financial consultants are engaged to advise and inform the trustees' decision making as required. The Provincial and his Council are supported by a number of committees as they exercise their responsibilities as charity trustees.

The Finance, Investment and Property Committee meets every six weeks to receive reports on the major current issues and to make recommendations about these to the Provincial Council. This Committee meets quarterly with the charity's investment managers and receives annual reports on (inter alia) insurance cover and provision, the vehicle leasing scheme, the staff pension scheme, health and safety implementation, and the risk assessment process.

Other teams are in place to deal with Formation, the Promotion of Vocations, Youth Ministry, Community Support with a particular focus on care for the elderly Salesians, Social Communications and various projects. Lay people as well as Salesians serve on a number of these teams. The Salesians of Don Bosco are also members of the Safeguarding Commission for Orders in Education (SCOE).

Local Salesian communities are led by the Rectors and domestic bursar responsibilities are covered by community members or employed staff, with guidance and support from the Provincial Office especially in relation to employed personnel matters, health & safety and property.

Governance, structure and management (continued)

Key management responsibilities and personnel (continued)

In respect to Salesian College, Farnborough, the charity's subsidiary, the key management personnel comprise the Governors of the College (i.e. the trustees and directors of the charitable company) together with the senior management team comprising the Headteacher, the Deputy Headteachers, the Assistant Headteachers and the Bursar & Clerk to the Governing Body.

The remuneration of the key management personnel at the College is set by the Governors, with the policy objective of ensuring that the personnel are provided with appropriate incentives to encourage enhanced performance and are rewarded in a fair and reasonable manner. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with other schools to ensure that the College remains sensitive to the broader issues of pay and employment conditions elsewhere. The College aims to recruit, subject to experience, at the lower to medium point within a salary scale providing scope for progression and reward for excellence. Delivery of the College's charitable vision and purpose is primarily dependent on its key management personnel and staff costs are the largest single element of its charitable expenditure.

Employees

The charity strives to be an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, ethnic or national origin, gender, marital status, sexual orientation or disability. Selection criteria and procedures are reviewed regularly to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunities and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. The charity is committed to a programme of action to make this policy effective, and brings it to the attention of all employees.

A pension scheme provided by Scottish Widows as a Group Personal Pension Plan is available for all Salesian employees. Those not in this scheme were auto-enrolled with NOW: Pensions from 1 October 2015 to meet the employer auto-enrolment requirements of the Pensions Act 2008. Dewhurst Torevell administer the Scottish Widows scheme and also provide pre-retirement advice to all employees when it is requested.

In January 2018 the Salesian Trustees agreed by formal resolution to change the pension provision for all their employees from the two current providers to Royal London as the sole provider. This change will be explained at meetings of all employed staff conducted by the Dewhurst Torevell pension advisor in April 2018 and implemented from May 2018.

Governance, structure and management (continued)

Risk management

The trustees review the major risks facing the charity through their Finance, Investment and Property Committee which provides a detailed report to the trustees. Key principal risks and the steps taken to mitigate these risks are as follows:

Financial viability and security in order to ensure sufficient income for the delivery and continuity of the charity's ongoing works and community presences. The central Provincial Office employs financial administrators to manage, monitor and oversee all charity expenditure and income for all accounts and locations, along with proper regulatory compliance, under the oversight of the external Province Accountant. The Province investment portfolios are under the discretionary management of three firms experienced in the management of charity funds and commissioned to deliver an agreed level of annual income whilst preserving the capital value of the investments. The trustees' Finance, Investment and Property Committee meeting every six weeks monitors overall Province income and expenditure and prepares the annual budget for approval by the trustees. External auditors scrutinise financial procedures and compliance matters.

Recruitment, retention and the proper management of staff and voluntary workers to ensure necessary levels of household, care and administrative personnel within communities, and with reducing numbers of professed Salesians the personnel necessary to ensure the effectiveness of the works of the Province. The proper personnel management of all the trustees' employed staff and voluntary workers is under the general oversight of the Provincial Office as are all recruitment procedures to help ensure good practice and compliance with employment legislation. Personnel policies are regularly updated with associated guidance. External professional advice on all employment matters is available to the Provincial Office. The Savio House Youth Retreat Centre is dependent on the annual recruitment of young voluntary residential workers. As failure to recruit is the major risk, a well-established process is in place through targeted alerts, notices and established links to seek to ensure the engagement of voluntary residential workers each year.

Reputational, safeguarding and insurance risks. The trustees seek through regular contact with all centres and works, through meetings with rectors of all communities, through annual meetings with all administrators and through regular administrative guidance to ensure good practice in all aspects of the charity's work. Comprehensive insurance cover is in place to protect property, employment, safeguarding and all other liabilities carried by the charity trustees including terrorism cover for the London properties. Historical allegations of failures in due care for the charity's beneficiaries have the potential to bring the charity into disrepute. On the occurrence of any such allegations professional, legal and insurance advice guides the actions of the trustees and a press spokesperson has been engaged to speak on behalf of the charity. Any new safeguarding issues are referred to the Safeguarding Commission for Orders in Education (SCOE).

Governance, structure and management (continued)

Risk management (continued)

Health and Safety and the proper management of associated risks. Detailed guidance on legislative requirements and good on-site local practice is overseen by a Health and Safety Coordinator based at the Provincial Office. She visits communities on a regular basis to conduct Health and Safety audits and reviews. The charity contracts with the Ford Risk Management Service (part of DE Ford, insurance brokers for the charity) for the services of a Risk Manager who is a Chartered Health and Safety Practitioner with the Chartered Institute of Occupational Health and Safety (IOSH) and on the Occupational Safety and Health Consultants Register (OSCHR). The Risk Manager makes regular site visits. All new employees and voluntary workers are instructed as to workplace and on-site Health and Safety policies and practice and regular training and updating sessions are arranged for staff with compulsory attendance. The Province Coordinator submits a detailed annual report to the charity trustees reporting in the first instance to their Finance, Investment and Property Committee. The report, with an annual action plan, is a comprehensive overview of all Health and Safety matters across the Province including occupational health issues.

The quality of the provision of education in the charity's schools. Four secondary schools are active in delivering the charity's educational mission under the sole trusteeship of the Salesians of Don Bosco or under partnership arrangements with the local diocese. Key risks to the schools are loss of numbers, falling standards, loss of reputation, loss of a Salesian ethos, insufficient funding and failure to recruit high quality staff. In all four schools the Salesian trustees, through appointment or nomination of governors, seek to ensure that the composition of the governing bodies is such that the necessary skills are present to monitor standards, support, challenge and recruit high quality staff, promote the educational charism of St John Bosco and fully meet all statutory and legislative requirements. Salesian advisors assist with all Headship appointments.

The **General Data Protection Regulations (GDPR)** come into full effect from 25 May 2018 and the charity is working to manage the risk of non-compliance through a detailed audit of data held and current practice, along with staff training co-ordinated by the designated person in the Provincial Office. Clear Province policies and privacy statements are in the process of being formulated and all communities and works will receive GDPR compliant guidance as to the gathering, processing and storage of personal data, with no more than essential data held at local level.

In respect to **Salesian College, Farnborough**, the College's governors have assessed the major risks to which the College is exposed, and believe them to be those in connection with specific operational areas and the finances. Examples include loss of numbers, falling standards, loss of reputation, loss of Salesian ethos and loss of or failure to recruit high quality staff. The governors believe that by monitoring borrowing and reserve levels, by ensuring controls exist over key financial systems, and by examining the operational business risks faced by the College, they have established effective systems to mitigate those risks.

Governance, structure and management (continued)

Risk management (continued)

The key controls used by the College include: formal written policies; clear authorisation and approval levels; vetting procedures as required by law for the protection of the vulnerable; established organisational structures and lines of reporting; formal agendas for all committee and Governing Body activity; detailed terms of reference for all for all committees; and comprehensive planning, budgeting and management accounting.

The Provincial Chapter convened every three years and the on-going 3 year Provincial Plan also seek to identify any risks that the charity will have to face. The trustees are satisfied that the necessary controls are in place to cope with these risks, within the constraints of their mission objectives.

Approved by the trustees and signed on their behalf by:

J G Briody

Trustee

Date of approval:

20 July 2018

Independent auditor's report to the trustees of Salesians of Don Bosco UK

Opinion

We have audited the accounts of Salesians of Don Bosco UK (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the group and parent charity statement of financial activities, the group and parent balance sheets, the consolidated 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).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2017 and of the group's and the parent charity's 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 group 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 group's or the parent 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 and proper accounting records have not been kept by the parent charity; or
- ◆ the parent charity 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 group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act, and in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

27 July 2018

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

Consolidated (ie group) statement of financial activities Year to 31 December 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income					
Donations and legacies	1	1,234,565	291,221	1,525,786	1,373,978
Other trading activities	2	93,856	—	93,856	73,922
Investment income and interest receivable	3	1,172,025	—	1,172,025	1,184,498
Income from charitable activities	4	7,916,641	915	7,917,556	7,800,992
Other income:					
. Surplus on disposal of land at Ewell	16	—	—	—	1,600,000
. Miscellaneous		19,712	—	19,712	26,302
Total income		10,436,799	292,136	10,728,935	12,059,692
Expenditure					
Raising funds					
. Costs of generating voluntary income	5	9,000	—	9,000	9,000
. Investment management costs		120,240	—	120,240	112,378
. Rental property expenses		3,366	—	3,366	6,399
. Interest payable		10,923	—	10,923	40,915
Charitable activities					
. Donations and support of overseas missions	6	10,903	288,605	299,508	516,283
. Salesian College Farnborough	7	7,180,635	—	7,180,635	6,792,596
. Savio House Retreat Centre, Bollington	8	534,629	—	534,629	535,176
. Support of education	19	26,589	—	26,589	—
. Ministry of the members of the Congregation and their support	9	2,240,770	—	2,240,770	2,118,075
. Publicity and promotion	10	302,059	—	302,059	348,646
Other expenditure		(4,383)	—	(4,383)	102,246
Total expenditure		10,434,731	288,605	10,723,336	10,581,714
Net income before net gains on investments		2,068	3,531	5,599	1,477,978
Net gains on investments	17	1,883,630	—	1,883,630	2,301,065
Net income and net movement in funds	13	1,885,698	3,531	1,889,229	3,779,043
Funds reconciliation:					
Balances brought forward at 1 January 2017		54,275,799	1,194,625	55,470,424	51,691,381
Balances carried forward at 31 December 2017		56,161,497	1,198,156	57,359,653	55,470,424

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

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

Charity statement of financial activities Year to 31 December 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income					
Donations and legacies	1	1,257,495	291,221	1,548,716	1,402,083
Other trading activities	2	93,856	—	93,856	73,922
Investment income and interest receivable	3	1,473,460	—	1,473,460	1,477,669
Income from charitable activities	4	214,224	—	214,224	226,735
Other income:					
. Surplus on disposal of land at Ewell	16	—	—	—	1,600,000
. Miscellaneous		54	—	54	—
Total income		3,039,089	291,221	3,330,310	4,780,409
Expenditure					
Raising funds					
. Costs of generating voluntary income	5	9,000	—	9,000	9,000
. Investment management costs		120,240	—	120,240	112,378
. Rental property expenses		3,366	—	3,366	6,399
. Interest payable		10,923	—	10,923	40,915
Charitable activities					
. Donations and support of overseas missions	6	10,903	288,605	299,508	516,283
. Salesian College Farnborough	7	47,061	—	47,061	47,061
. Savio House Retreat Centre, Bollington	8	534,276	—	534,276	534,762
. Support of education	19	26,589	—	26,589	—
. Ministry of the members of the Congregation and their support	9	2,239,844	—	2,239,844	2,117,144
. Publicity and promotion	10	301,838	—	301,838	348,491
Other expenditure		(5,000)	—	(5,000)	100,559
Total expenditure		3,299,040	288,605	3,587,645	3,832,992
Net income/(expenditure) before net gains on investments		(259,951)	2,616	(257,335)	947,417
Net gains on investments	17	1,883,630	—	1,883,630	2,301,065
Net income and net movement in funds	13	1,623,679	2,616	1,626,295	3,248,482
Funds reconciliation:					
Balances brought forward at 1 January 2017		50,394,326	1,177,942	51,572,268	48,323,786
Balances carried forward at 31 December 2017		52,018,005	1,180,558	53,198,563	51,572,268

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

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

Balance sheets 31 December 2017

	Notes	Group		Charity	
		2017 £	2016 £	2017 £	2016 £
Fixed assets					
Tangible assets	16	26,743,273	25,204,131	21,058,257	21,179,890
Investments	17	31,314,727	29,876,552	31,314,827	29,876,652
		58,058,000	55,080,683	52,373,084	51,056,542
Current assets					
Stocks		74,810	50,000	74,810	50,000
Debtors receivable after more than one year	18	11,520	48,109	11,520	48,109
Debtors receivable within one year	19	438,206	299,892	462,108	582,794
Cash at bank and in hand		1,796,089	2,481,328	624,742	512,829
		2,320,625	2,879,329	1,173,180	1,193,732
Creditors: amounts falling due within one year	20	(1,969,983)	(2,280,563)	(347,701)	(678,006)
Net current assets		350,642	598,766	825,479	515,726
Total assets less current liabilities		58,408,642	55,679,449	53,198,563	51,572,268
Creditors: amounts falling due after one year	21	(1,048,989)	(209,025)	—	—
Total net assets		57,359,653	55,470,424	53,198,563	51,572,268
The funds of the charity					
Income funds:					
Restricted funds	22	1,198,156	1,194,625	1,180,558	1,177,942
Unrestricted funds					
. Designated funds	23				
.. Ministry of the members of the Congregation and their support and retirement fund		12,000,000	10,000,000	12,000,000	10,000,000
.. Savio House support fund		7,000,000	6,000,000	7,000,000	6,000,000
.. Youth ministry fund		5,000,000	5,000,000	5,000,000	5,000,000
.. Salesian College Farnborough fund		4,143,492	3,881,473	—	—
		28,143,492	24,881,473	24,000,000	21,000,000
. Tangible fixed assets fund	24	21,058,257	21,179,890	21,058,257	21,179,890
. General funds		6,959,748	8,214,436	6,959,748	8,214,436
	25	57,359,653	55,470,424	53,198,563	51,572,268

Approved by the trustees
and signed on their behalf by:

M Williams
Trustee

Approved on: 20 July 2018

Consolidated statement of cash flows Year to 31 December 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(901,039)	(750,665)
Cash flows from investing activities:			
Investment income and interest received		1,172,025	1,258,091
Proceeds from the disposal of land at Ewell		—	1,600,000
Purchase of tangible fixed assets		(2,377,369)	(2,112,762)
Proceeds from the disposal of investments		5,589,739	4,691,313
Purchase of investments		(5,123,221)	(5,214,923)
Net cash (used in) provided by investing activities		(738,826)	221,719
Cash flows from financing activities:			
Repayments of borrowing		(176,500)	(927,500)
Cash inflows from new borrowing		1,152,189	—
Net cash provided by (used in) financing activities		975,689	(927,500)
Change in cash and cash equivalents in the year		(664,176)	(1,456,446)
Cash and cash equivalents at 1 January 2017	B	2,708,461	4,164,907
Cash and cash equivalents at 31 December 2017	B	2,044,285	2,708,461

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

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

	2017 £	2016 £
Net movement in funds (as per the statement of financial activities)	1,889,229	3,779,043
Adjustments for:		
Depreciation charge	838,227	619,795
Gains on investments	(1,883,630)	(2,301,065)
Investment income and interest receivable	(1,172,025)	(1,258,091)
Surplus on disposal on land at Ewell	—	(1,600,000)
Increase in stock	(24,810)	—
Increase in debtors	(101,725)	(17,052)
(Decrease) / increase in creditors	(446,305)	26,705
Net cash used in operating activities	(901,039)	(750,665)

B Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,796,089	2,481,328
Cash held by investment managers	248,196	227,133
Total cash and cash equivalents	2,044,285	2,708,461

Principal accounting policies 31 December 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 December 2017 with comparative information provided in respect to the year to 31 December 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 and management to make significant judgements and estimates.

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

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the valuation of the charity's investment properties which has been estimated by the trustees based on advice received regarding property values in the local area;
- ◆ the provision against doubtful and bad debts in respect to school tuition fees and related charges and in respect to retreat centre charges;
- ◆ the allocation of Provincial Office overheads and governance costs between charitable expenditure categories;
- ◆ estimates in respect to accrued expenditure; and
- ◆ the assumptions adopted by the trustees in determining the value of any designations required from the charity's general unrestricted funds.

Assessment of going concern

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

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2017, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy section of the trustees' report for more information).

Basis of consolidation

The group accounts consolidate the accounts of the charity and of its subsidiary undertakings (see notes 26 and 27) drawn up to 31 December 2017. The results of the subsidiaries are consolidated on a line by line basis.

Income recognition

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

Income comprises donations, legacies, school tuition fees and related charges, retreat centre income, investment income, interest receivable, the surplus on disposal of tangible fixed assets and miscellaneous income.

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

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 probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if 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.

Fees receivable in respect to Salesian College, Farnborough and retreat centre community and youth work are recognised to the extent that it is probable that the economic benefits will flow to the group and charity and the revenue can be reliably measured. It is measured at the fair value of the consideration received or receivable, excluding discounts and rebates. In particular, Salesian College, Farnborough fees receivable represent gross tuition fees and related charges before deduction of bursaries in respect to enrolled pupils. Retreat Centre community and youth work income represents fees receivable for the provision of retreats and similar activities.

Investment income comprises dividends and interest receivable. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest payable on investment assets is recognised on an accruals basis.

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.

The surplus on the disposal of tangible fixed assets and that on the sale of the land at Ewell is calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. It is accounted for once legal completion of the disposal has taken place.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure includes any attributable VAT which cannot be recovered.

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

Expenditure recognition (continued)

- a. Expenditure on raising funds includes expenditure incurred in generating voluntary income, the fees paid to investment managers in connection with the management of the charity's listed investments, the costs in connection with the rental and upkeep of the charity's investment properties and interest payable on loan finance.
- b. Expenditure on charitable activities includes expenditure on the charity's primary charitable purposes as described in the trustees' report and include:
 - ◆ The making of grants and donations. In the main, grants and donations are made to support the Congregation's overseas missions. Other donations are made only in cases where the trustees consider there is real need following a review of the details of each particular case. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the year end.
 - ◆ Expenditure incurred in providing education at The Salesian College, Farnborough.
 - ◆ Expenditure incurred in operating the Savio House Retreat Centre, Bollington.
 - ◆ Expenditure on the support of education generally.
 - ◆ Expenditure on the support of the work of the Province of the Society of the Salesians of Don Bosco. 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 relief of poverty, and the general provision of education by supporting Salesians who teach in state schools and which aim to preserve the Salesians ethos. In addition, the charity provides for the needs of the elderly and sick members of the Congregation.
 - ◆ Expenditure in connection with the "promotion of the work" of the Salesians of Don Bosco.

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

Support and governance costs

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

Governance costs comprises the costs directly attributable to the governance of the charity including audit costs and the necessary legal procedures for compliance with statutory requirements.

Support costs including governance costs are allocated out to the activities they are supporting on the basis described in note 12.

Tangible fixed assets

Land and buildings

The freehold land and buildings legally owned by the charity and occupied rent free on behalf of the trustees or the governing bodies of Catholic voluntary-aided and similar schools, which are separate charities and publicly funded, are valued at £nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

In the event of the Congregation ceasing its ministry in a parish, the trustees would consider themselves obliged to allow assets owned by the charity but used specifically for that parish and for no other purpose to continue to be used indefinitely and rent free to meet the needs of the parish for a church and/or related accommodation. As a result such properties are excluded from the accounts.

The valuation of major non-residential properties owned by the charity as at 31 December 1997 is based on one third of their insurance value as at 31 December 1991 and is now regarded as deemed cost under the transitional provisions of FRS 102.

Additions to major non-residential properties on or after 1 January 1998 are included at cost. Depreciation on such freehold buildings is calculated on a straight line basis at 1% per annum. The trustees regularly assess the state of repair and value of these properties and believe that the nature of the properties, their age and the use to which they are put mean that a 100 year depreciation period is justifiable and appropriate.

The valuation of residential properties occupied by the confreres is based on the Council Tax valuation of the buildings as at 31 December 1997 inflated by 25% to provide an estimate of their existing use basis as at that date. Under the transitional provisions of FRS 102 this valuation is now deemed to be cost. Additions to residential properties on or after 1 January 1998 are included at cost. Depreciation on such freehold buildings is calculated on a straight line basis at 2% per annum. Freehold buildings in the course of construction are not depreciated until brought into use.

Other assets

Prior to 1 January 1997 all capital expenditure (other than land and buildings) was written off as incurred. At that date the trustees entered the current cost of assets not previously shown in the balance sheet where this was available and the estimated market value as at that date where original cost was not available. Subsequent acquisitions or improvements are capitalised at cost.

Expenditure below £5,000 (Salesian College Farnborough - £100) is not capitalised.

Depreciation is calculated by the straight-line method to write off the cost/value, less anticipated residual value, over the expected useful lives of assets as follows:

Principal accounting policies 31 December 2017

Tangible fixed assets (continued)

Other assets (continued)

♦ Leasehold property improvements	40 years
♦ Domestic equipment	4 years
♦ Motor vehicles	4 years
♦ Computers	3 years

Investments

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

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

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

The valuation of investment properties (not occupied by Salesians), which are rented out to non-Salesians, is based on current open market valuation. These properties are not depreciated.

Realised and unrealised gains (or losses) are reflected in the statement of financial activities in the year in which they occur.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Debtors

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

Cash at bank and in hand

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

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

The tangible fixed assets fund represents the net book value of those tangible fixed assets which are not financed out of restricted funds or included in the Salesian College Farnborough fund.

The designated funds are monies set aside out of general funds and designated for specific purposes, although the trustees may ultimately use such funds for other purposes.

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

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

Pension costs

Contributions in respect of the defined benefit scheme represent contributions to the Teachers Pensions Agency and are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

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

Services provided by members of the Congregation

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

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
Group and charity				
Salaries and pensions of individual religious received under Gift Aid or deed of covenant	737,318	—	737,318	645,714
Legacies	300,612	—	300,612	130,764
Mass offerings, stole fees and clergy offerings	124,080	—	124,080	107,043
Other donations	95,485	291,221	386,706	518,562
2017 Charity total	1,257,495	291,221	1,548,716	1,402,083
Less: Farnborough salaries	(15,252)	—	(15,252)	(15,127)
Less: Donation from Don Bosco Design & Build	(7,678)	—	(7,678)	(12,978)
2017 Group total	1,234,565	291,221	1,525,786	1,373,978
2016 Charity total	989,762	412,321	1,402,083	
2016 Group total	961,657	412,321	1,373,978	

The figure of £737,318 (2016 - £645,714) for salaries and pensions of individual religious is made up of £163,086 (2016 - £158,075) earned by members of the Congregation, both working and semi-retired, working in schools, seminaries and in Roman Catholic dioceses and £574,232 (2016 - £487,639) from members' pension entitlements.

2 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
Group and charity				
Publication sales	45,127	—	45,127	41,586
Other receipts	48,729	—	48,729	32,336
2017 Total	93,856	—	93,856	73,922
2016 Total	73,922	—	73,922	

3 Investment income and interest receivable

	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
Income from listed investments				
. UK fixed interest	186,551	—	186,551	212,221
. UK equities	949,396	—	949,396	924,269
. Overseas fixed interest	—	—	—	—
. Other investment income	2,029	—	2,029	—
	<u>1,137,976</u>	<u>—</u>	<u>1,137,976</u>	<u>1,136,490</u>
Income from investment property				
. Rent	30,197	—	30,197	28,863
Interest receivable				
. Bank interest	3,731	—	3,731	18,867
. Cash held by investment managers	121	—	121	278
	<u>3,852</u>	<u>—</u>	<u>3,852</u>	<u>19,145</u>
2017 Group total	1,172,025	—	1,172,025	1,184,498
Less: Interest received by Salesian College Farnborough Limited	(2,744)	—	(2,744)	(12,856)
Add: Interest paid from Salesian College Farnborough Limited	9,806	—	9,806	11,654
Add: Rents paid from Salesian College Farnborough Limited	294,373	—	294,373	294,373
2017 Charity total	<u>1,473,460</u>	<u>—</u>	<u>1,473,460</u>	<u>1,477,669</u>
2016 Charity total	1,477,669	—	1,477,669	
2016 Group total	<u>1,184,498</u>	<u>—</u>	<u>1,184,498</u>	

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
Group				
Salesian College Farnborough fees and related charges	7,702,417	915	7,703,332	7,574,257
Retreat centre community and youth work income	214,224	—	214,224	226,735
2017 Total	<u>7,916,641</u>	<u>915</u>	<u>7,917,556</u>	<u>7,800,992</u>
2016 Total	<u>7,799,882</u>	<u>1,110</u>	<u>7,800,992</u>	

4 Income from charitable activities (continued)

Charity	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
2017 Total: Retreat centre community and youth work income	214,224	—	214,224	226,735
2016 Total	226,735	—	226,735	

5 Raising funds

Group and charity	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
2017 Total: Administration and travel costs	9,000	—	9,000	9,000
2016 Total	9,000	—	9,000	

6 Donations and support of overseas missions

Group and charity	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
Missionary work of the Congregation abroad	—	288,605	288,605	498,590
Donations to other organisations (see below)	10,903	—	10,903	17,693
2017 Total	10,903	288,605	299,508	516,283
2016 Total	17,693	498,590	516,283	

During the year grants and donations over £1,000 made to other organisations comprised:

Group and charity	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
Kenelm Youth Trust	500	—	500	2,100
Children's Holiday Fund	1,500	—	1,500	1,500
Embrace Liverpool	1,000	—	1,000	
Thornleigh College	—	—	—	1,000
Other donations under £1,000	8,903	—	8,903	13,093
2017 Total	10,903	—	10,903	17,693
2016 Total	17,693	—	17,693	

No grants and donations were made to individuals (2016- none).

7 Salesian College Farnborough

Group	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
Teaching costs	3,226,919	—	3,226,919	3,136,598
Finance costs	38,249	—	38,249	—
Premises	1,158,294	—	1,158,294	1,021,496
Administration of the College	2,260,224	—	2,260,224	2,175,479
Marketing and publicity	65,854	—	65,854	37,665
Bursaries granted	431,095	—	431,095	421,358
2017 Total	7,180,635	—	7,180,635	6,792,596
2016 Total	6,792,376	220	6,792,596	

Charity	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
2017 Total: Premises	47,061	—	47,061	47,061
2016 Total	47,061	—	47,061	

8 Savio House Retreat Centre, Bollington

Group and charity	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
Staff costs	183,674	—	183,674	162,181
Premises	157,362	—	157,632	161,321
Operational costs	71,954	—	71,954	70,742
Administration of the retreat centre	121,286	—	121,286	140,518
2017 Charity total	534,276	—	534,276	534,762
Add: Support costs allocation	353	—	353	414
2017 Group total	534,629	—	534,629	535,176
2016 Charity total	534,762	—	534,762	
2016 Group total	535,176	—	535,176	

9 Ministry of the members of the Congregation and their support

Expenditure incurred in maintaining and supporting members of the Congregation, so that they can engage in pastoral work and ministry, enables the members to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic faith, the advancement of education and the relief of poverty. Such expenditure comprises:

Group and charity	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
Staff costs	474,344	—	474,344	413,699
Members' living and personal expenses	820,171	—	820,171	682,119
Premises	604,251	—	604,251	561,553
Education, training and spiritual renewal	97,024	—	97,024	206,630
Allocation of Provincial office overheads (note 12)	244,054	—	244,054	253,143
2017 Charity total	2,239,844	—	2,239,844	2,117,144
Add: Support costs allocation	926	—	926	931
2017 Group total	2,240,770	—	2,240,770	2,118,075
2016 Charity total	2,117,144	—	2,117,144	
2016 Group total	2,118,075	—	2,118,075	

10 Publicity and promotion: costs of goods sold and other costs

Group and charity	Unrestricted funds £	Restricted funds £	Total 2016 funds £	Total 2015 funds £
Publication and other costs	301,838	—	301,838	348,491
Charity total	301,838	—	301,838	348,491
Add: Support costs allocation	221	—	221	155
2017 Group total	302,059	—	302,059	348,646
2016 Charity total	348,491	—	348,491	
2016 Group total	348,646	—	348,646	

11 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
Auditor's remuneration	20,680	—	20,680	20,900
Group total	20,680	—	20,680	20,900
Less: Don Bosco Design & Build Limited	(1,500)	—	(1,500)	(1,500)
2017 Charity total	19,180	—	19,180	19,400
2016 Group total	20,900	—	20,900	
2016 Charity total	19,400	—	19,400	

12 Allocation of Provincial Office overheads

Group and charity	Savio House Retreat Centre, Bollington £	Support of members of the Congregation and their ministry £	Publicity and promotion £	Total £	Basis of apportionment
Staff costs	35,100	92,139	21,938	149,177	Per full-time equivalent employees
Office running costs	8,463	22,217	5,290	35,970	
Administration	5,938	15,588	3,711	25,237	
Travelling expenses	4,132	10,845	2,582	17,559	
Professional fees	23,137	60,733	14,460	98,330	
Vehicle leasing	1,371	3,599	857	5,827	
Irrecoverable VAT	10,319	27,087	6,449	43,855	
Governance costs (note 11)	4,866	12,772	3,042	20,680	
Group total	93,326	244,980	58,329	396,635	
Less: Don Bosco Design and Build Limited (note 11)	(353)	(926)	(221)	(1,500)	
Charity total	92,973	244,054	58,108	395,135	

13 Net income and net movement in funds

This is stated after charging:

	Group Total 2017 £	Group Total 2016 £	Charity Total 2017 £	Charity Total 2016 £
Staff costs (note 14)	4,928,507	4,765,265	875,539	820,063
Auditor's and component auditor's remuneration				
. Statutory audit – group accounts	15,280	15,600	15,280	15,600
. Salesian College Farnborough	14,650	14,280	3,900	3,800
. Don Bosco Design & Build Limited	1,500	1,500	—	—
Depreciation	838,227	619,795	303,290	208,956
Operating lease rentals	110,717	121,379	110,717	121,379

14 Staff costs and trustees' remuneration

Group	2017 £	2016 £
Staff costs during the year were as follows:		
Wages and salaries	4,835,076	4,003,406
Social security costs	461,092	367,360
Other pension costs	478,033	394,499
	4,928,507	4,765,265

14 Staff costs and trustees' remuneration (continued)

Group	2017 £	2016 £
Staff costs per function were as follows:		
Publicity and promotion	64,797	59,051
Youth work	40,219	38,497
Salesian College Farnborough	4,052,968	3,945,202
Savio House Retreat Centre, Bollington	183,674	162,181
Support of the members of the Congregation and their ministry	437,672	413,699
Support (note 12)	149,177	146,635
	4,928,507	4,765,265

Charity	2017 £	2016 £
Staff costs during the year were as follows:		
Wages and salaries	783,412	731,389
Social security costs	62,282	53,591
Other pension costs	29,845	35,083
	875,539	820,063

Charity	2017 £	2016 £
Staff costs per function were as follows:		
Publicity and promotion	64,797	59,051
Youth work	40,219	38,497
Savio House Retreat Centre, Bollington	183,674	162,181
Support of the members of the Congregation and their ministry	437,672	413,699
Support (note 12)	149,177	146,635
	875,539	820,063

The number of employees receiving annual remuneration in excess of £60,000 per annum was as follows:

Group and charity	2017	2016
£60,000 to £69,999	1	2
£70,000 to £79,999	1	1
£80,000 to £89,999	2	2
£90,000 to £99,999	1	—

No contributions have been made to defined contribution pension schemes for the above employees (2016: £3,513 for one employee). Three of the above employees (2016: three) are accruing benefits under a defined benefit pension scheme.

14 Staff costs and trustees' remuneration (continued)

The average number of employees during the year was as follows:

	Group		Charity	
	2017	2016	2017	2016
Publications and promotion	5	4	5	4
Provision of education	96	94	—	—
Retreat Centre	8	9	8	9
Support of the members of the Congregation	31	33	31	33
	140	140	44	46

As members of the Congregation, the trustees' living and personal expenses during the year were borne by the charity and they received no remuneration or any reimbursement of expenses in connection with their duties as trustees during the year (2016 - £nil).

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, including the Provincial Economist, and the key management personnel of Salesian College, Farnborough, comprising the Governors of the College, together with the senior management team, comprising the Headmaster, the Deputy Headteachers, the Assistant Headteachers and the Bursar & Clerk to the Governing Body.

The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the year was £539,199 (2016-£519,668).

15 Taxation

The Salesians of Don Bosco UK 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. The charity is registered for VAT and is partially exempt.

The wholly owned subsidiary company, Don Bosco Design & Build Limited, is liable to corporation tax on its profits insofar as these are not covered by donations to the charity under Gift Aid. Don Bosco Design & Build Limited is registered for VAT.

16 Tangible fixed assets

	Freehold land and buildings £	Computers and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2017	27,914,631	2,828,117	141,453	30,884,201
Additions	2,230,467	140,962	5,940	2,377,369
Disposals	—	(771,174)	(4,886)	(776,060)
At 31 December 2017	<u>30,145,098</u>	<u>2,197,905</u>	<u>142,507</u>	<u>32,485,510</u>
At cost	20,889,745	2,197,905	142,507	23,230,157
At deemed cost	9,255,353	—	—	9,255,353
	<u>30,145,098</u>	<u>2,197,905</u>	<u>142,507</u>	<u>32,488,510</u>
Depreciation				
At 1 January 2017	3,605,764	1,958,325	115,981	5,680,070
Charge for year	527,447	295,271	15,509	838,227
Eliminated on disposals	—	(771,174)	(4,886)	(776,060)
At 31 December 2017	<u>4,133,211</u>	<u>1,482,422</u>	<u>126,604</u>	<u>5,742,237</u>
Net book values				
At 31 December 2017	<u>26,011,887</u>	<u>715,483</u>	<u>15,903</u>	<u>26,743,273</u>
At 31 December 2016	<u>24,308,867</u>	<u>869,792</u>	<u>25,472</u>	<u>25,204,131</u>

Charity	Freehold land and buildings £
Cost or valuation	
At 1 January 2017	24,377,567
Additions	181,657
At 31 December 2017	<u>24,559,224</u>
At cost	15,303,871
At deemed cost	9,255,353
	<u>24,559,224</u>
Depreciation	
At 1 January 2017	3,197,677
Charge for year	303,290
At 31 December 2017	<u>3,500,967</u>
Net book values	
At 31 December 2017	<u>21,058,257</u>
At 31 December 2016	<u>21,179,890</u>

16 Tangible fixed assets (continued)

Capital commitments

As at 31 December 2017 the group and charity had capital commitments of £nil (2016 - £1.2 million) in respect to additions to freehold properties where the work had been contracted for but not provided for in the accounts.

17 Investments

At 31 December 2017 investments comprised:

	2017 £	2016 £
Group and charity		
Freehold investment property (see a. below)	1,600,000	1,600,000
Listed investments and cash held for re-investment (see b. below)		
. Investec Wealth & Investment Limited	6,991,969	6,641,854
. Brewin Dolphin Limited	6,815,145	6,520,096
. Rathbone Investment Management Limited	15,907,613	15,114,602
	29,714,727	28,276,552
Group total	31,314,727	29,876,552
Add: Don Bosco Design & Build Limited (note 27)	100	100
Charity total	31,314,827	29,876,652

Movements on each category of investment are summarised below:

a. Freehold investment property

	2017 £	2016 £
Group and charity		
Market value at 1 January 2017 and at 31 December 2017	1,600,000	1,600,000

The investment properties were last revalued in 2013 by the trustees with professional assistance and, in some cases, by taking advantage of knowledge of the local property market following recent disposals of similar property. The trustees are of the opinion that there has been no material change in the value of the properties between 2013 and 31 December 2017.

17 Investments (continued)

b. Listed investments

Group and charity	2017 £	2016 £
Listed investments (Investec Wealth & Investment Limited)		
Market value at 1 January 2017	6,574,047	5,704,625
Additions at cost	1,057,724	1,086,740
Disposals at opening book value (realised losses of £4,782)	(1,181,162)	(830,939)
Net unrealised investment gains	467,286	613,621
Market value at 31 December 2017	6,917,895	6,574,047
Cash held in short term deposits and by investment managers	74,074	67,807
	6,991,969	6,641,854
Cost of listed investments at 31 December 2017	6,025,605	6,132,716

Group and charity	2017 £	2016 £
Listed investments (Brewin Dolphin Limited)		
Market value at 1 January 2017	6,364,447	5,866,271
Additions at cost	1,516,723	2,832,838
Disposals at opening book value (realised gains of £4,880)	(1,546,952)	(2,691,480)
Net unrealised investment gains	399,706	356,818
Market value at 31 December 2017	6,733,924	6,364,447
Cash held in short term deposits and by investment managers	81,221	155,649
	6,815,145	6,520,096
Cost of listed investments at 31 December 2017	5,826,123	5,677,216

Group and charity	2017 £	2016 £
Listed investments (Rathbones Investment Management Limited)		
Market value at 1 January 2017	15,110,925	13,653,847
Additions	2,548,774	1,295,345
Disposals at opening book value (realised losses of £47,931)	(2,909,458)	(1,195,057)
Net unrealised investment gains	1,064,471	1,356,790
Market value at 31 December 2017	15,814,712	15,110,925
Cash held in short term deposits and by investment managers	92,901	3,677
	15,907,613	15,114,602
Cost of listed investments at 31 December 2017	11,105,477	11,161,604

Notes to the accounts 31 December 2017

17 Investments (continued)

The charity's listed investments managed by Rathbones Investment Management Limited are subject to a formal charge as security for loans to the charity used to finance work at Salesian College Farnborough and the development of the community house at Battersea (see note 20).

Listed investments held at 31 December 2017 comprised the following:

Group and charity	2017 £	2016 £
UK equities	14,474,800	14,523,416
UK fixed interest stocks	3,876,354	4,141,550
Overseas equities	7,800,830	6,819,804
Overseas fixed interest stocks	654,513	579,380
Alternatives	2,660,034	1,985,269
	29,466,531	28,049,419

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

No listed investment holding was material in the context of the total value of the combined portfolio at 31 December 2017.

18 Debtors: amounts receivable after one year

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Amount due from the Roman Catholic Parish of Battersea	11,520	48,109	11,520	48,109

The amount due from the Roman Catholic Parish of Battersea is in connection with an advance by the charity towards the construction of a parish centre. The advance is interest free and is not subject to any formal repayment terms. Repayment is anticipated but not within the next twelve months.

19 Debtors: amounts receivable within one year

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Education fees receivable	37,887	51,425	—	—
Sundry debtors	198,670	64,676	74,793	38,091
Prepayments	84,512	153,588	—	—
Legacy receivable	113,998	—	113,998	—
Other accrued income	—	30,203	—	30,203
Loan to Salesian College Farnborough Limited (see below)	—	—	262,500	315,000
Loan to Don Bosco Design & Build Limited (see below)	—	—	—	186,522
Amounts due from Don Bosco Design & Build Limited	—	—	7,678	12,978
	435,067	299,892	458,969	582,794

19 Debtors: amounts receivable within one year (continued)

The charity has advanced a loan of up to £1 million to Salesian College Farnborough Limited to assist with the development of facilities at the College. The loan has been granted by the charity subject to it being able to seek immediate repayment or give notice of termination at any time. In the absence of the charity giving such notice, the loan is repayable by 30 June 2022 and was able to be drawn down at any time up until 30 June 2014 with the minimum drawdown on any occasion being £200,000. Interest is payable on the loan quarterly in arrears and accrues at a rate of 3% above the published Bank Rate. The loan is repayable by annual instalments commencing on 30 June 2013 with the minimum annual repayment equal to 10% of the loaned amount. There is no penalty for early repayment.

During the year to 31 December 2016 the charity continued to advance funds to its wholly owned subsidiary company, Don Bosco Design & Build Limited, as necessary to provide working capital to that company. The loan which was interest free was repaid in full during the year to 31 December 2017.

20 Creditors: amounts falling due within one year

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Education fees paid in advance	518,319	562,298	—	—
Bank overdrafts and loans	308,348	—	—	—
Expense creditors	323,719	239,008	3,972	3,894
Taxation and social security	92,124	85,129	—	—
Loan in respect to development of facilities at Salesian College, Farnborough (see (a) below)	262,500	315,000	262,500	315,000
Loan in respect to development of the community house, Battersea (see (b) below)	1,000	125,000	1,000	125,000
Other creditors	278,942	335,031	9,212	2,120
Accruals	185,031	619,097	71,017	231,992
	1,969,983	2,280,563	347,701	678,006

At 31 December 2017, the group and charity had the following loan facilities with Rathbone Investment Management Limited:

- (a) The charity has negotiated a loan facility with Rathbones Investment Management Limited (the “Lender”) under which a maximum principal amount of £1 million was made available to the charity for draw down up until 30 June 2016 to assist with the financing of the development of facilities at Salesian College, Farnborough. The facility is granted subject to the Lender’s right to seek immediate repayment or give notice of termination at any time. In the absence of such notice, the facility is repayable in equal instalments with the final repayment due on 31 July 2022. Interest is payable on 24 July annually and accrues at a rate of 2.5% per annum above the published Bank Rate.

20 Creditors: amounts falling due within one year (continued)

(b) On 1 June 2015, the charity signed a fixed loan agreement with Rathbone Investment Management Limited under which a maximum principal amount of £5.5 million will be made available to the charity at any one time to assist with the financing of the development of the community house in Battersea. The facility is granted subject to the Lender's right to seek immediate repayment or give notice of termination at any time. £124,000 was repaid during the year leaving a balance of £1,000. Interest is payable annually and accrues at a rate of 2.5% per annum above the published bank rate.

The above loans are secured by a mortgage and charge against all listed investments managed on behalf of the group and charity by Rathbone Investment Management Limited.

21 Creditors: amounts falling due after one year

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Education fees paid in advance	168,481	162,358	—	—
Bank overdrafts and loans	843,841	—	—	—
Other creditors	36,667	46,667	—	—
	1,048,989	209,025	—	—

22 Restricted funds

The income funds of the group and charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	At 1 January 2017 £	Income £	Expenditure £	At 31 December 2017 £
Overseas funds	425,783	193,157	(192,973)	425,967
Bursary funds	16,683	915	—	17,598
Rosary Pilgrimage fund	306,154	—	(7,100)	299,054
Associated funds	7,702	13,435	(4,755)	16,382
Development funds	32,122	84,629	(80,421)	36,330
Legacy fund	406,181	—	(3,356)	402,825
Group Total	1,194,625	292,136	(288,605)	1,198,156
Less Bursary Funds Farnborough College	(16,683)	(915)	—	(17,598)
Charity total	1,177,942	291,221	(288,605)	1,180,558

Overseas funds

This fund comprises monies for Salesian work carried out in selected overseas locations.

Bursary funds

The bursary funds held at Salesian College Farnborough comprise:

- a) The Patricia Kiernan Scholarship fund was fully utilised (2016 - £nil).

22 Restricted funds (continued)

Bursary funds (continued)

- b) The Salesian College, Farnborough Bursary Fund is for providing assistance for meeting fees in cases of hardship. At 31 December 2017 the fund amounted to £17,598 (2016- £16,683).

Rosary Pilgrimage fund

This fund is to be applied for the support of the Christian Faith by means of either the organisation of group pilgrimages or by the use of the funds for charitable purposes undertaken by the Salesian Mission in any part of the world. The restriction applies for ten years from the date of the deed of gift and so expires on 5 August 2018.

Associated funds

These funds are generated and disbursed for small local projects which are Salesian in their aims and objectives but too small to justify being part of the mainstream procedures.

Development funds

The development funds comprise amounts collected via direct debit into a dedicated bank account to be distributed for community support in the UK and overseas, as specified by the donors. Funds in deficit will be in receipt of donations in subsequent periods.

Legacy fund

The legacy fund represents monies administered by the charity on behalf of individual members of the British Province of the Salesians of Don Bosco.

23 Designated funds

	At 1 January 2017 £	Withdrawals £	Designations £	At 31 December 2017 £
Ministry of the members of the Congregation and their support and retirement fund	10,000,000	—	2,000,000	12,000,000
Savio House support fund	6,000,000	(210,000)	1,210,000	7,000,000
Youth ministry fund	5,000,000	(175,000)	175,000	5,000,000
Salesian College Farnborough fund	3,881,473	(7,453,005)	7,715,024	4,143,492
Group total	24,881,473	(7,838,005)	11,100,024	28,143,492
Less: Salesian College Farnborough fund	(3,881,473)	7,453,005	(7,715,024)	(4,143,492)
Charity total	21,000,000	(385,000)	3,385,000	24,000,000

23 Designated funds (continued)

Ministry of the members of the Congregation and their support and retirement fund

This consists of monies which the trustees have set aside in order to support the confreres in the future and, in particular, to provide for the confreres who need support due to illness or frailty and as they grow older. This latter category of support may include additional help or the need for specialist assistance in care homes. Over the coming years, it is anticipated that the age profile of the confreres will mean that such support will be required for an increasing number at an increasing cost which will need to be met by the charity as none of the confreres have resources of their own. The amount set aside has been reassessed as at 31 December 2017 to ensure provision has been made based on the current age of the confreres, their expected remaining lives as derived from life expectancy tables used by actuaries, the estimated cost of care for older people in the United Kingdom, and the estimated return on investment assets. Calculations indicate that £15 million should be set aside in order to provide £15,000 per annum for confreres over 65 years of age and, because of the potential greater support needs, £30,000 per annum for confreres over 72 years of age and £55,000 per annum for those over 85 years of age. In the attached accounts, £12 million has been set aside, the amount being limited by the resources actually available.

Savio House support fund

This fund is represented by investments set aside to generate income to be applied towards assisting with funding the operating deficits at Savio House Retreat Centre. Income generated by the investments representing the fund is added to the fund each year and withdrawn if needed to meet any shortfall in income. During the year, all income generated was released as the deficit exceeded £210,000. It is anticipated that such deficits will continue and may increase.

Youth ministry fund

One of the key missions of the Congregation of the Salesians of Don Bosco and hence of the charity is to minister to the needs of the young to bring all their talents and aptitudes to full maturity. Whilst the work of Savio House in part assists in the achievement of the mission, the charity reaches out to the young in many other ways and seeks always to develop further its work on the education and pastoral and practical care of young people, especially those in most need of such care and support. To this end, the trustees have designated £5 million to enable such work and its development to continue and flourish in the years ahead through the Youth Ministry Team, the Office for Social Media and Communications, via the charity's connections to the schools founded by the Congregation and through a myriad of other means.

Salesian College Farnborough fund

This fund represents the accumulated funds and net assets of the Salesian College Farnborough Limited.

24 Tangible fixed assets fund

Group and charity	Total £
At 1 January 2017	21,179,890
Net movement in year	(121,633)
At 31 December 2017	21,058,257

The tangible fixed assets fund represents the net book value of the group's and charity's land and buildings, excluding investment properties, those financed out of restricted funds and those financed directly by Salesian College Farnborough which are included as part of the Salesian College Farnborough fund within designated funds. The decision was made to separate this fund from the other funds of the group in recognition of the fact that the tangible fixed assets are essential to the day to day work of the charitable group and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

25 Analysis of net assets between funds

Group	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2017 £
Fund balances at 31 December 2017 are represented by:					
Tangible fixed assets	—	21,058,257	5,685,016	—	26,743,273
Investments	7,314,727	—	24,000,000	—	31,314,727
Net current assets	(354,979)	—	(492,535)	1,198,156	350,642
Creditors: amounts falling due after one year	—	—	(1,048,989)	—	(1,048,989)
Total net assets	6,959,748	21,058,257	28,143,492	1,198,156	57,359,653

Charity	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2017 £
Fund balances at 31 December 2017 are represented by:					
Tangible fixed assets	—	21,058,257	—	—	21,058,257
Investments	7,314,827	—	24,000,000	—	31,314,827
Net current assets	(355,079)	—	—	1,180,558	825,479
Total net assets	6,959,748	21,058,257	24,000,000	1,180,558	53,198,563

25 Analysis of net assets between funds (continued)

The total unrealised gains (losses) as at 31 December 2017 constitutes movements on revaluation and are as follows:

	2017 £	2016 £
Unrealised gains included above:		
On tangible fixed assets *	7,565,404	7,692,258
On investment properties *	1,600,000	1,600,000
On listed investments	6,509,374	5,077,931
Total unrealised gains at 31 December 2017	15,674,778	14,370,189
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2017	14,370,189	12,892,752
Difference between historical cost realised gains/losses on listed investments and the actual realised gains/losses thereon calculated on the revalued amounts	(500,020)	(722,940)
Unrealised (losses) gains on listed investments arising in the year	1,931,463	2,327,239
Difference between the depreciation charge based on historic cost and that based on the deemed cost	(126,854)	(126,854)
Total unrealised gains at 31 December 2017	15,674,778	14,370,189

*Certain of the charity's freehold land and buildings were acquired many years ago and precise figures for the historical cost of some properties are not available. However, it is known that the original purchase price of those properties was insignificant in today's terms. Hence the cost of the land and buildings of those properties has been assumed to be £nil.

26 Salesian College Farnborough Limited

The trustees of the charity are also the trustees of Salesian College Farnborough Limited, a charitable company separately registered with the Charity Commission (Company Registration No. 06753037 (England and Wales) and Charity Registration No. 1130166). The charitable company was incorporated to undertake the activities of Salesian College Farnborough.

The following is a summary of the accounts of Salesian College Farnborough:

	31 December 2017 £	31 December 2016 £
Summary balance sheet		
Tangible fixed assets	5,685,016	4,024,241
Debtors	246,276	231,578
Cash at bank and in hand	1,168,816	1,765,068
Creditors: amounts falling due within one year	(1,816,436)	(1,600,797)
Creditors: amounts falling due after more than one year	(1,048,989)	(217,801)
Net assets and total funds	4,234,683	3,971,749

26 Salesian College Farnborough Limited (continued)

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Summary of the statement of financial activities		
Total income	7,715,939	7,597,250
Total expenditure	(7,453,005)	(6,993,096)
Net movement in funds	262,934	604,154
Fund balances brought forward at 1 January 2017	3,971,749	3,367,595
Fund balances carried forward at 31 December 2017	4,234,683	3,971,749

27 Don Bosco Design & Build Limited

The charity owns 100% of the issued share capital of Don Bosco Design & Build Limited, a company incorporated in England and Wales (Company Registration No. 08380405 (England and Wales)). The company was formed to construct a community house in Battersea for the charity.

The following is a summary of the accounts of Don Bosco Design & Build Limited:

	31 December 2017 £	31 December 2016 £
Summary statement of financial position		
Debtors	7,353	285,000
Cash at bank and in hand	2,531	203,431
Creditors: amounts falling due within one year	(9,784)	(755,715)
Net assets and capital	100	100

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Summary of the statement of income and retained earnings		
Turnover	51,296	552,449
Expenditure	(43,618)	(539,471)
Profit on ordinary activities before Gift Aid	7,678	12,978
Gift Aid to parent charity	(7,678)	(12,978)
Profit for the financial year	—	—
Profit and loss reserve at 1 January 2017	—	—
Profit and loss reserve at 31 December 2017	—	—

28 Connected charity

The Stacpoole Trust ("the Trust") (Charity Registration Number 1137378) is connected to the charity by virtue of the fact that it has a trustee in common. The objects of the Trust are to further the Roman Catholic Religion for the public benefit of the Diocese of Southwark.

29 Pension commitments

Teacher's Pension Scheme (TPS)

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010 and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1971 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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 results valuation are:

- ♦ employer contribution rates set at 16.48% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- ♦ total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;

29 Pension commitments (continued)

Teacher's Pension Scheme (TPS) (continued)

Valuation of the Teachers' Pension Scheme (continued)

- ◆ an employer cost cap of 10.9% of pensionable pay.

The new employer contribution rate for the TPS was implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

(<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

29 Pension commitments (continued)

Teacher's Pension Scheme (TPS) (continued)

Scheme Changes (continued)

Under the definitions set out in Financial Reporting Standard 102, the TPS is a multi-employer pension scheme. Salesian College Farnborough Limited is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, it has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. Information available on the scheme is set out above.

The amount charged to the group statement of financial activities for the year ending 31 December 2017 was £401,471 (2016 - £313,769). The total amount charged to the charity statement of financial activities was £nil (2016 - £nil).

Pension contributions in respect to other employees

Pension contributions are also made by the trustees under money purchase arrangements on behalf of other employees not employed by Salesian College Farnborough Limited. In addition, contributions are also made for employees of the Salesian College Farnborough Limited who are not members of the Teachers' Pension Scheme. Contributions payable in respect to the year ended 31 December 2017 and charged to the group statement of financial activities amounted to £76,562 (2016 - £80,730). Contributions payable charged to the charity statement of financial activities amounted to £29,845 (2016 - £35,083).

30 Leasing commitments

Operating leases

At 31 December 2017 the group and charity had total commitments under non-cancellable operating leases as follows:

	Motor vehicles	
	2017 £	2016 £
Group and charity		
Operating lease commitments:		
Within one year	88,345	88,345
Within two to five years	47,724	136,070
	<u>136,070</u>	<u>224,415</u>

31 Contingent liability

A contingent liability arises in respect of potential claims against the charity concerning the welfare of children during the 1960's through to the 1980's. The amounts that may be involved cannot be fully quantified but are not expected to be material to the accounts.

32 Custodian funds

As at 31 December 2017 the charity held funds on behalf of members of other religious orders with a value of £92,900 (2016 - £105,892). As these funds are not controlled by the charity, these assets are not included in these accounts. The funds are held in separate bank accounts. At all times, funds held by the charity as custodian are segregated clearly from those belonging to the charity itself.

33 Related party transactions

Income from donations includes the salaries and pensions of the trustees of the Congregation received under Gift Aid or deed of covenant. During the year ended 31 December 2017, £68,079 (2016 - £64,730) was receivable by the charity, being pensions income of the trustees donated to the charity.

34 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Society of the Salesians of Don Bosco by virtue of the fact that the General Council in Rome appoint the trustees after consultation with the members of the Province. The Society within the United Kingdom does not hold any assets, incur liabilities or enter into transactions in its own right. Assets and liabilities of the Congregation in the United Kingdom are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Society's charitable activities in the United Kingdom.

35 Post balance sheet event

Subsequent to the year end, the charity was notified of legacy income of approximately £360,000 which is expected to be received during 2018.