

**Sisters of the Holy Cross
Charitable Trust**

Annual Report and Accounts

31 August 2018

Charity Registration Number 238426

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Reference and administrative information

Trustees	Sister Sheila Brennan Sister Margaret Donovan Sister Bernadette Morey (retired 31 March 2018) Sister Mary Christa Stanton (retired 31 March 2018) Sister Ursula Eberhardt (appointed 1 April 2018) Sister Elizabeth O'Donohoe (appointed 1 April 2018) The trustees are incorporated under the Charities Act 2011.
Provincial Leader	Sister Margaret Donovan
Provincial Bursar	Sister Imelda Fleming
Administrative Address	Holy Cross Provincialate 41 Westbury Road New Malden Surrey KT3 5AX
Charity Registration Number	238426
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC Bank plc 9 Penn Road Beaconsfield Buckinghamshire HP9 2PT
Property Advisers	Gerald Eve LLP 72 Welbeck Street London W1G 0AY
Solicitors	Pothecary Witham Weld 70 St George's Square London SW1V 3RD Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH

Reference and administrative information

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

The trustees present their statutory report, together with the accounts of the Sisters of the Holy Cross Charitable Trust (the charity), for the year ended 31 August 2018.

The accounts have been prepared in accordance with the accounting policies set out on pages 46 to 51 of the attached accounts and comply with the charity's trust deed, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

INTRODUCTION

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

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

MISSION

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

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

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

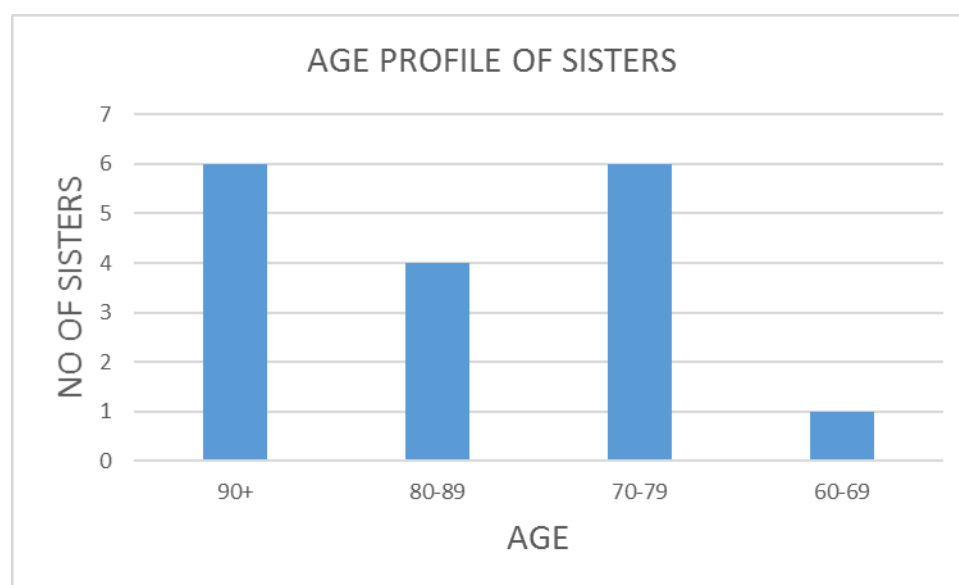
- ◆ Caring for members of the Congregation.
- ◆ The provision of education, care, social, pastoral and counselling services by individual sisters.
- ◆ Support of the overseas missionary work of the Congregation and the provision of grants and donations to other organisations with objectives consistent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

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Caring for members of the Congregation

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

The age profile of the sisters in the English Province at 31 August 2018 is shown graphically below:



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

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

Social and pastoral work

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

- ◆ Caring for sisters of the Congregation in need;
- ◆ Working in parishes including visiting, helping in catechetical programmes, and assisting parishioners to develop their spiritual life;
- ◆ Spiritual direction, retreat work and guiding prayer groups;

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Social and pastoral work (continued)

- ◆ Teaching in schools;
- ◆ Working in a day centre for the elderly;
- ◆ Visiting the elderly and infirm;
- ◆ Supporting the homeless;
- ◆ Working with environmental groups; and
- ◆ Working with groups that combat trafficking.

The aims of the trustees in this area include:

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

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

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

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

Education

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

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Education (continued)

The School has over 280 pupils – all of whom are girls aged from 4 to 11 years old. It is set in eight acres of breath taking grounds, which include the remains of Coombe Conduit built in 1515 by Cardinal Wolsey to carry water to nearby Hampton Court Palace during the reign of Henry VIII. The author, John Galsworthy, spent his childhood there and described Coombe Ridge House – the main part of the School building – in *The Forsyte Saga* and other writings. It is a non-selective school and has a fairly wide cross section of academic ability. The School provides the opportunity for the pupils to acquire a love of learning and self-discipline with the confidence to become independent learners.

In operating the School, the trustees aim to:

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

Protection of children and vulnerable adults

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

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

Investment policy

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

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Investment policy (continued)

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

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

ACHIEVEMENTS AND PERFORMANCE

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

Caring for members of the Congregation

The charity has continued to assist the active members of the Congregation in their charitable and religious work. Any salary or stipend received by a sister is donated to the charity. In addition, the charity supports several members to work as volunteers in their chosen ministries.

Social and pastoral work

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

- ◆ One sister works part-time in a school for disabled children and in administration in a retreat centre;
- ◆ One sister teaches religious studies in a school;
- ◆ Some sisters accompany people for spiritual direction;
- ◆ Many sisters support our older and infirm sisters;
- ◆ One sister is involved in ministry at St Francis Parish, Stratford, London;
- ◆ One sister works part-time at the Coombe as a pastoral coordinator;
- ◆ One sister works with Staywell, a centre for older people, in New Malden;
- ◆ One sister works as a parish catechist;
- ◆ One sister works with Interfaith within the Westminster Diocese and runs a counselling service;
- ◆ One sister, through the Society of St Vincent de Paul, visits the elderly and infirm in their homes;
- ◆ One sister is an educator on ecological issues;

ACHIEVEMENTS AND PERFORMANCE (continued)

Social and pastoral work (continued)

- ♦ Three sisters work within their parishes on justice and peace issues;
- ♦ One sister works with groups engaged in support of trafficked people; and
- ♦ Many sisters visit the sick in nursing homes.

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

Overseas missionary work

It is the aim of the trustees to continue to provide financial support to the Congregation's missions overseas.

Money transferred to the Congregation's Generalate during the year has been used for the formation of candidates who want to become Sisters of the Holy Cross, and for their professional studies.

Formation is a journey of faith and commitment in which the formators accompany the young people through different stages to the fullness of growth and maturity in Jesus Christ in the religious life.

We continue to support the formation of candidates who wish to become Sisters of the Holy Cross. In some areas the young people have received a poor standard of education, but have a great desire to give their lives in service to God as a Holy Cross Sister. In this situation it is necessary to provide opportunities to improve their basic education, as well as introducing them into the life of a Sister and what it entails. After a Sister has taken her first vows of poverty, chastity and obedience, there is a need to continue to develop her spiritual formation.



Novices and Sisters learning about making the most of the land – caring for creation

ACHIEVEMENTS AND PERFORMANCE (continued)

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

Overseas missionary work (continued)



Studying the Bible



Learning to pray and meditate

ACHIEVEMENTS AND PERFORMANCE (continued)

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

Overseas missionary work (continued)



*Making a commitment as a Sister
of the Holy Cross*



*Training to become a
Teacher*

ACHIEVEMENTS AND PERFORMANCE (continued)

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

Snake Project

The Holy Cross Sisters in parts of India are grateful for the financial support for people who are affected by snake bites. Most of them are female because they are exposed due to their work, travelling by foot and on farms where they are employed. The anti-venom treatment that is required is very costly, and these people who are poor cannot afford to pay. Many have to undergo surgical interventions such as skin grafting, debridement, fasciotomy etc. With good treatment the patients can recover, and so be able to support their families.



CASE STUDY

Prasant's miraculous cure of snake envenomation

When three-year-old Prasant was brought into the Congregation's hospital, he had no breathing, pulse or heart beat and so was considered to be dead. However, he was resuscitated vigorously with advanced CPR which brought life to the child by God's grace. Once the heart started functioning he had repeated convulsions due to hypoxia which was treated with medications; he was kept on a ventilator for breathing support. The sisters started giving anti snake venom to neutralize the venom in his body, but the child developed a severe reaction to the venom and needed careful desensitization. Nevertheless, with the combined treatment and anti-allergic medications, controlling his repeated seizures the child responded slowly. After 2 days some minimal movements of limbs started, and the next day respiratory effort was noticed. After 4 days he started breathing without ventilator support and was discharged well after seven days by the intervention and grace of God and with the committed care of the hospital team.



ACHIEVEMENTS AND PERFORMANCE (continued)

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

General grant making

The Grants Administrator has continued to be employed for 2 days per week under line management of the Provincial Bursar, with office accommodation provided at Holy Cross Convent in Chalfont St Peter. The Grants Administrator has the flexibility to work from home and has remote access to her work email account.

Scope of Grant-Making

Based on experience from the first year of grant-making (2016/17), the trustees amended the scoping document in October 2017. The changes reflected the trustees' concerns about (primarily) the number of applications seeking grants for building / construction projects, and the number of applications seeking salaries for 3 years. The amendments may be summarised as follows:

- An organisation may apply for **one** project per year; and
- The **total** grant requested should not exceed £25K per annum.
- Where funding is requested for **construction / alteration / repair of buildings**:
 - ▶ the organisation, or other funding sources, should contribute at least 25% of the total cost; and
 - ▶ the maximum award (for construction / alteration / repair etc) will be £15K.
- **Operating costs** may be requested for **one year only**. Reapplication may be made thereafter but without guarantee of further support.
- Regarding **salary funding**, an organisation may apply for part-funding (up to 75% of full capitation costs) for up to **two** years.
- The trustees will reserve the right to withdraw salary funding after the first year, if a project is considered to be failing or its purpose has changed.

These changes were duly incorporated into the grant-making publicity material, Initial Proposal form, full Application Form and website page (once activated in February 2018; see below).

ACHIEVEMENTS AND PERFORMANCE (continued)

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

General grant making (continued)

Publicity

The Grants Administrator continued to maintain contact with HQ staff of the four 'preferred' dioceses – Northampton, Westminster, Southwark and Brentwood. In addition, a new page was added to the Congregation's website in February 2018, advertising the grant-making function and providing a link for potential applicants to download an Initial Proposal form; see <http://www.holycrossengland.org.uk/grant-making.htm>

The Initial Proposal form was amended to ask applicants how they had learned about our grant-making activities. Feedback through this and other channels throughout the year confirmed that the grant-making function was becoming known through word of mouth, the website and referrals to the charity by other successful applicants.

The trustees considered advertising through the Directory of Social Change (DSC) website and / or the DSC Directory of Grant Making Trusts, but decided not to pursue this at present.

General Data Protection Regulation (GDPR)

Based on advice received, the charity was formally registered with the Information Commissioner's Office (ICO) in order to comply with the new GDPR legislation. The main area of concern was the personal data stored (both electronically and in hard copy) by the Grants Administrator in order to process, manage and review grant applications / grant awards.

A Privacy Notice was added to the website; see <http://www.holycrossengland.org.uk/privacy-notice.htm>. The two main clauses of the notice state:

- ◆ "We collect information about you when you make an enquiry about our Congregation, or about our grant-making function. We collect further information when you submit an initial proposal or full application for the award of a grant, and in the normal course of providing those services to you."
- ◆ "The legal basis for processing your personal data is having a legitimate interest. A minimal amount of personal data is collected, stored and processed, solely for the purposes described above."

A link to the Privacy Notice has now been incorporated into the Initial Proposal form, the main Application Form and the Notes for Guidance (issued to applicants).

ACHIEVEMENTS AND PERFORMANCE (continued)

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

General grant making (continued)

Statistics

In this reporting period, 41 grant applications and 2 unsolicited national appeals were considered by the trustees at four meetings (October 2017, February, May and July 2018). Of the total 43 applications / appeals:

- ♦ 32 grants were awarded, totalling £644,002 'in year';
- ♦ 2 appeal donations were awarded, totalling £5,000;
- ♦ 8 applications were declined; and
- ♦ 1 application was deferred (to 2018/19).

In addition, 3 repeat (Year 2) grants were paid, totalling £23,362. These grants were committed to in the previous financial year.

Grant Awards

A complete list of grants awarded and appeal donations is found at pages 52 - 53. A brief resume of some of the successful applications is found at pages 15 – 17.

Visits and Progress Reports

The trustees were pleased to visit various projects to which they had awarded grants; the visit dates are shown against the list of grants. The Grants Administrator also requested progress reports from all ongoing projects, which were circulated to the trustees at their quarterly meetings.

ACHIEVEMENTS AND PERFORMANCE (continued)

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

General grant making (continued)

Applications

No.	Beneficiary	Project	Grant (in-year)	Comment
1	Diocese of Westminster	Caritas Bakhita House (running costs)	£100,000	Trustees visited 22 November 2017
2	Together for the Common Good (T4CG)	Pilot training scheme in schools	£15,304	
3	Whites Farm Trust	Noah's Camp 2018	£15,000	
4	NOAH Enterprise	Academy Supervisor's salary	£21,099	Year 2 award £17,480 Year 3 award £17,480
5	Baytree Centre, Brixton	'Peach Plus' project	£25,000	
6	Cardinal Hume Centre	Refurbishment project	£25,000	Trustee visited 22 March 2018
7	Cardinal Vaughan Memorial School	Extra-curricular study clubs	£25,000	
8	MHA Northwood 'Live At Home' Scheme	Activity Coord salaries	£24,632	
9	Our Lady & All Saints parish, Basildon	Summer camp HCPT subsidy	£4,000 £3,000	
10	Ignite Trust, Harrow	Detached youth work project	£22,112	
11	Wonder Foundation	Mentoring scheme & Awareness Workshops	£10,000	Will consider £10K grant for project in Year 2

ACHIEVEMENTS AND PERFORMANCE (continued)

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

General grant making (continued)

Applications

No.	Beneficiary	Project	Grant (in-year)	Comment
12	CAFOD	'Step into the Gap' programme	£20,000	Trustees visited 12 July 2018
13	St Joseph & St Clare parish, Aylesbury	Roof repairs	£15,000	
14	St Cuthbert Mayne Junior School	Replace IT server / laptops	£10,000	
15	Amber Trust (Little Amber)	Music therapy for visually impaired children (aged 0-5 yrs)	£25,000	Trustees visited 20 May 2018 (also 27 September 2018)
16	CELEBRATE (Release)	Training programme for young people	£7,480	
17	St Vincent de Paul Society (SVP)	1833 Apostolate Consultant salary	£15,491	
18	St Vincent de Paul Society (SVP)	John Bosco Summer Camp / equipment	£17,055	
19	Our Lady of Grace School	IT equipment	£10,000	
20	Women at the Well	Kings Cross refuge (running costs)	£25,000	
21	Hope for Southall Street Homeless	New Day Centre (running costs)	£25,000	
22	ORCHYD	Respite holidays for disabled children	£14,000	Trustees visited 10.08.18
23	St Bonaventure's School	Rome pilgrimage subsidy	£975	

ACHIEVEMENTS AND PERFORMANCE (continued)

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

General grant making (continued)

Applications

No.	Beneficiary	Project	Grant (in-year)	Comment
24	St Christopher's Fellowship	Life Skills Programme	£25,000	
25	Brentwood Catholic Children's Services	Counsellor - salary	£24,616	
26	Diocese of Westminster	Sycamore Version 2 Re-filming project	£25,000	
27	Soundabout	Music therapist for SN schools - salary	£10,238	Year 2 award £10,000
28	West London Mission	Seymour Place Day Centre (running costs)	£25,000	
29	Youth 2000	Walsingham Summer Festival 2018	£20,000	
30	The Holy Cross School, New Malden	Workshop subsidies (various)	£4,000	
31	Friends of the Holy Land	School of Joy (running costs)	£25,000	
32	St Michael's Catholic Grammar School	Part-time lay chaplain - salary	£10,000	Year 2 award £10,000
Total			£644,002	

ACHIEVEMENTS AND PERFORMANCE (continued)

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

General grant making (continued)

National Appeals

No.	Beneficiary	Appeal	Donation	Comment
1	CAFOD	Rohingya Crisis Appeal	£2,500	
2	Medecins Sans Frontieres	General donation	£2,500	
Total			£5,000	

Grants awarded in previous financial year (paid in fy 17/18)

No.	Beneficiary	Project	Grant (Yr 2)	Comment
1	St Vincent de Paul Society (SVP)	'Young Vincentians' administrator's salary	£10,000	Year 2 award
2	Centre for ADHD & Autism Support (CAAS)	SCATT and 'Living with Teen' courses	£7,662	Year 2 award
3	The Nomntu Project	Soul Winning Day Centre running costs	£5,700	Year 2 award
Total			£23,362	

ACHIEVEMENTS AND PERFORMANCE (continued)

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

General grant making (continued)

Some Project Supported

Diocese of Westminster

Caritas Bakhita House - £100,000



Caritas Bakhita House provides women escaping human trafficking with the safety and support to allow them to begin the recovery process. A range of services is offered including emergency support, legal and financial assistance, mentoring, and help with accessing accommodation. The struggle for these women to adjust is a long path, made complex by trauma, mental health, addictions, physical injuries and much more. Our grant of £100,000 was made towards annual running costs.



Friends of the Holy Land

School of Joy - £25,000



**THE SCHOOL
OF JOY**
FOR SLOW LEARNERS

ACHIEVEMENTS AND PERFORMANCE (continued)

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

General grant making (continued)

Some Project Supported (continued)

Friends of the Holy Land (FHL) works closely with churches in the UK and in the Holy Land. Its work is ecumenical and has the backing and blessing of Anglican and Catholic Bishops in England, Wales, and Scotland. Since 2011 Friends of the Holy Land has supported the School of Joy, in Beit Sahour, a Special Needs School. The school's mission is to rehabilitate mentally disabled and emotionally disturbed children (regardless of their faith or ethnicity) by preparing them for greater self-sufficiency and independent living. Our grant of £25,000 was made towards the school's annual running costs.

ORCHYD

Respite Holidays for Disabled Children - £14,000



ORCHYD is a registered charity which provides an annual 10-day residential holiday for 20 children with disabilities, from around the UK. ORCHYD was initially set up in 1971 when a collection of like-minded people from the Ruislip Christian Council got together to organise and run such a holiday scheme. Since its inception, ORCHYD has expanded and now hosts several weekend trips (for smaller groups of children) as well. The summer holiday scheme is based in St Martin's Church Hall, Ruislip, where the children lay their heads at night and where they are assigned a helper each morning, before setting off on the day's amazing adventure! Our grant of £14,000 funded the full 2018 holiday (2-11 August) including all outings.

ACHIEVEMENTS AND PERFORMANCE (continued)

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

General grant making (continued)

Amber Trust

Music therapy for visually impaired children - £25,000

Many of the blind or partially sighted children living in the UK have a real flair for music but progressing this requires funds that are often not available (as many families with disabled children cannot afford to buy even the most basic equipment). The Amber Trust provides music lessons, music therapy, musical instruments, musical software and other associated items / musical experiences. Our grant of £25,000 was for the 'Little Amber' programme, which benefits children aged under 5 years.



Monitoring

Following the award of a grant, recipients are expected to report progress of their projects and a **Progress Report** form has been designed for this. Generally, an initial report will be invited 6 months after a grant has been made. We shall continue to monitor all projects over the period for which funding has been awarded.

In this reporting period, grants have been awarded for no more than 2 years. However, subject to receipt of Progress Reports showing that a particular grant has made a significant difference to the success of a project, the trustees will be prepared to consider re-applications for one extra year for specific projects.

Education

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

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

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Its specific aims include:

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

"It starts as soon as you drive into the school – the professionalism, the positivity and the dedication – and it continues unabated until the day is done. Individuality is respected and encouraged. There really are some magic staff." (Parent Survey July 2018)

Our objectives are set to reflect our educational aims and ethos of the school. It is important to us that we maintain and enhance the academic and holistic success of the school.

Our key objectives for the year included:

- ◆ To maintain high pupil numbers in a changing economic, political and social landscape;
- ◆ To increase pupil attainment and progress to remain above the rising national average;
- ◆ To develop teaching and learning provision for the increasing number of bilingual pupils;
- ◆ To provide wrap around childcare for working parents;

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

- ◆ To plan for increased regulatory checks;
- ◆ To build an all-weather sport's pitch and facilities to maximise pupils' sporting potential;
- ◆ To develop access to the site for people with disabilities;
- ◆ To develop our partnership with two local state schools;
- ◆ To develop good learning habits in pupils to enable them to be powerful learners; and
- ◆ To develop pupil's emotional intelligence.

Our school welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our school will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers at Holy Cross. Our admissions policy states that priority is to siblings, Catholics and Christians. Thereafter an individual's economic status, ethnicity, race, religion do not form part of our assessment process. Currently the school faith profile is 44% Catholic, 36% other Christian faiths, 15% non-Christian faiths and 5% no religion.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of the protected characteristics. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Our school is committed to safeguarding and promoting the welfare of our pupils and expects all staff, parents and volunteers to share this commitment.

"The school is very welcoming to girls and parents and provides a warm and safe environment for the early years of education. The strong Christian ethos provides the basis of a good moral grounding for all girls regardless of their background." (Parent Survey July 2018)

Pupil numbers and fees

Pupil numbers at the school remained strong at an average of 286 girls. Fees for the year to 31 August 2018, before the deduction of any means assisted bursaries and scholarships, were set at £4,145 per term.

Spiritual Life

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

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Spiritual Life (continued)

The Holy Cross Way

As a Holy Cross girl, I will use my God given gifts to follow God's path by:

- ◆ Serving and helping others as Jesus did;
- ◆ Embracing all school life has to offer with curiosity and gratitude;
- ◆ Considering others before myself with love and patience;
- ◆ Persevering to do my personal best at all times;
- ◆ Showing kindness and respect to each other and the world;
- ◆ Being a caring, loyal and forgiving friend in every way;
- ◆ Bringing peace and resolution in times of conflict;
- ◆ Being courteous and greeting everyone with a smile;
- ◆ Participating wholeheartedly in school activities; and
- ◆ Being sincere, honest and speaking the kind truth.

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

The spirituality of the school is very much alive and the love of God is very present, this is often immediately commented upon by visitors whom on entering the school speak about a "warmth" as they sense God's love.

We meet several times a week as a whole school for collective worship. The children worship as a class including regular prayer times at the beginning, middle and end of each day. Important events in the Church's liturgical year are recognised and celebrated through Masses celebrated by the Parish priest and services prepared by the staff and children. All parents and members of the Parish are warmly welcomed at these celebrations. The school holds a weekly Time4God Group for parents which provides spiritual inspiration and an opportunity for reflection on Gospel readings through prayer and discussion. The year 3 and 4 girls enjoy a weekly prayer club called Mustard Seeds.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Spiritual Life (continued)

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

"There is a large emphasis on values of caring and thinking of others as well as being tolerant/understanding of differences. Fundraising and charity is included at the forefront of most events. Mass is important in the timetable and inclusive to all." (Parent Survey July 2018)

2017-18 Year of Literature

The school theme for 2017/18 was The Year of Literature. Consequently, many activities took place to expose pupils to different literature, to inspire them to read more and to compose their own literary pieces. These included a Harry Potter themed week, a workshop with author David Melling, an afternoon with author Cressida Cowell and an evening with Poet Laureate Carol Ann Duffy. The reading curriculum embraced the Power of Reading programme.

"Opportunities for unique experiences, special visitors to school, high standards and expectations, hardworking teachers." (Parent Survey July 2018)

Academic achievements

This year the school had a wide range of ability in year 6. As expected in July 2018 all 41 pupils achieved national expectations, with a large proportion achieving well above:

- ♦ in maths, 50% *exceeded* expectations for year 6, while 50% were *secure*;
- ♦ in English writing, 34% *exceeded* expectations for year 6, while 64% were *secure* and 2% achieved *developing*;
- ♦ in reading, 50% *exceeded* expectations for year 6, while 48% were *secure* and 2% achieved *developing*; and
- ♦ in science, 52% *exceeded* expectations for year 6, while 48% were *secure*.

As in previous years, the majority of our year 6 pupils gained their first choice schools: the 41 girls received 95 offers from 22 schools; 10 girls were awarded 17 scholarships (3 academic, 3 music, 3 drama, 8 sport) as well as 1 performing arts exhibition; one girl sat and passed the Common Entrance exam; and 2 girls sat and passed the 11+ for Tiffin Girls School (local selective maintained school).

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Academic achievements (continued)

"The school has a very good environment, excellent facilities and it is run like a big family community. Academically it brings the best of each child. My daughter is over the moon with her new school and we are so happy we can be part of Holy Cross community". (Parent July 2018)

Music

Music is a very important part of the curriculum, enabling pupils to appreciate, read and make music. Over half the girls in the school take instrumental/singing lessons during the school day in a wide variety of instruments. The girls achieved exceptionally good results in Royal School of Music Examinations often achieving merit or distinction. Instrumental and singing teachers led ensemble groups. The Head of Music conducted the school orchestra and a choir, and concerts are given at various times throughout the school year. Many pupils played in highly selective external orchestras and choirs, locally and nationally.

Drama

In partnership with the Music Department, all pupils took part in 5 musical Christmas Nativity plays and each had the opportunity to deliver lines as well as sing. Our year 3 girls took LAMDA exams and everyone gained high distinctions. In years 4 and 6 LAMDA club, 79% of girls gained distinction and 21% gained merit. Year 4 took part in a new Holy Cross initiative 'Play in a Day' where, in one day, girls learnt and performed a compelling piece of physical theatre 'Fly Away' inspired by the work of Michael Morpurgo's 'Coming home'. The finale of the year was a professional year 6 production of a new play called Dragon Days in collaboration with the Music Department.

Sport

The school has a 'sport for all with excellence' policy. Sporting activities were numerous with opportunities before and after school as well as at break time and lunchtime. Participation rates were high and pupils were very involved in sport in the local and wider community. New to the PE curriculum was cricket and the U11 team had amazing success winning gold at their first IAPs cricket festival.

The school, with its exceptional sporting facilities for a prep school in this area, hosted numerous fixtures across the sporting calendar and actively participated in both prep and maintained-sector events. The pupils have taken part in many competitions and sporting events, and continue to be very successful in their achievements.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Clubs

Pupils enjoyed participating in a wide variety of co-curricular clubs: music, sports, drama and many others such as: advanced French; art club; ballet; book club; chess; drama club; German, hip hop; LAMDA; Mustard Seeds (Christian club); pottery; quiz club; science academy; theatre craft; scribblers (creative writing); Spanish; stable management; yoga.

The school expanded its wrap-around care provision (Breakfast Club from 7:30am, Tea Club to 5:30pm and Homework Club to 6:00pm) to support the needs of working parents.

Bursary policy

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

The bursary awards are up to 100 % of fees plus additional costs. Information about fee assistance through bursaries is available to those applying to the school. Bursaries are advertised on the school website and local parishes. Temporary hardship bursaries are available where parents have been paying full fees but then find themselves in challenging financial circumstances. This year the value of means tested bursaries totalled £78,755 and represented 2.21% of our gross fees. This provided assistance to 9 of our pupils, of which 5 pupils benefitted from a full remission of fees.

School partnerships

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

Since September 2016, the school has had an official partnership with two local state schools: Coombe Infant School and Coombe Junior School. Throughout the academic year 2017/18, our drama teacher led a highly successful out-reach project with year 5 pupils at Coombe Junior School, sharing her expertise to develop their drama skills, and confidence culminating in performances to parents.

The school hosted a retreat day for year 8 pupils from the local Catholic senior school.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

School partnerships (continued)

The school has a strong partnership with the Holy Cross Primary School in Chalala, Lusaka, Zambia. The school continued to collect books to resource the Zambian school library. In the autumn, 40 Zambian pupils visited the school for two days to share culture, friendship and laughter.

"Very high standard of teaching, caring and professional staff. The premises are wonderful, and the numerous events organised along the year for the girls." (Parent Survey July 2018)

Environmental initiatives: Eco awareness, sustainability and reducing waste

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

Community service and access to facilities

We see Holy Cross Prep as part of a wider community. We use the halls and school grounds for the benefit of the local community: Macmillan hosted their annual World's Biggest Coffee Morning using the school facilities; a local adult netball club used the premises for training during the week; for a six-week period during the summer break 2018, a very successful summer activity camp was run in the grounds for the use of local children aged 4-13; camps also ran in October half term and the Easter break; the school opened Coombe House and the grounds to the public for the English Heritage weekend; and we were pleased to celebrate the continued links with former pupils and their families (Holy Cross Alumni) at our former year 6 biennial Art Exhibition, as well as invitations to school events and work placements for former students from both the state and independent sectors.

The school supported local groups by hosting events in the school hall for no charge: Rokeby Boys School and Canbury Park School.

Charities

The school encourages its pupils to serve and give to others. The school's House Captains have some responsibility for charities the girls support during the year and organised charitable events including making ornaments, inspirational rocks and sustainable decorations for sale at the Christmas Fair for the NSPCC (the chosen charity for the liturgical year 2016/17). The school's chosen charity for this liturgical year (2017/18) is the Princess Alice Hospice.

The girls also raised funds and gave donations for those who are less fortunate through structured fundraising both in school and independently from their own initiatives.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Charities (continued)

Of particular note were activities to raise monies for: the Macmillan World's Biggest Coffee Morning; Harvest Festival donations to CAFOD; Marie Curie daffodil appeal; NHS Kingston Hospital Trust; and 3 older girls organised a school wide sponsored walk in Bushy Park in aid of motor neurone disease.

In total the school community raised £9,507. This is in addition to funds raised by the Friends of Holy Cross, our parent association which continues to donate 10% of funds raised to its nominated charity Calcutta Rescue. Calcutta Rescue provides free medical care, education and skills training to the poorest people of Calcutta, India.



FINANCIAL REVIEW

Results for the year

A summary of the year's results can be found on page 43 of the attached accounts.

Total income in the year was £5,447,575 (2017 - £4,782,745) with income from educational services totalling £3,954,947 (2017 - £3,747,290).

Total expenditure in the year was £5,452,259 (2017 - £4,817,224). Expenditure on providing educational services totalled £3,579,488 (2017 - £3,436,853). Expenditure of £927,067 (2017 - £781,553) was incurred in maintaining sisters and enabling them to carry out their work. Expenditure of £865,288 (2017 - £532,334) was incurred on grants, donations and support of missionary work and ministry. The charity continued its grant making activity and grants of £698,962 (2017 - £414,164) were awarded as per note 9 to the accounts.

The net expenditure for the year before investment gains was £4,684 (2017 - net expenditure of £34,479). Net investment gains amounted to £461,088 (2017 - £1,920,884).

The resultant net income i.e. the net increase in funds for the year was £456,404 (2017 - £1,886,405) giving rise to total funds at 31 August of £48,311,864 (2017 - £47,855,460).

FINANCIAL REVIEW (continued)

Investment performance

During the year, the charity's investments achieved an income yield of 2.90% (2017 - 2.61%) and a capital yield of 1.22% (2017 - 6.65%). The investment managers continued to invest in accordance with the trustees' investment policy set out earlier in this report. At the end of the year, the charity's portfolio of investment comprised nil% (2017 - 11.93%) UK equity funds, nil% (2017 - 6.45%) UK fixed interest funds, 32.17% (2017 - 27.91%) Alpha CIF for Endowment income units, 27.69% (2017 - 18.18%) UK equities, 24.72% (2017 - 18.16%) UK unit trusts, 14.20% (2017 - 11.92%) overseas equities and 1.22% (2017 - 5.44%) cash instruments.

Financial position

The balance sheet shows total funds of £48.31 million (2017 - £47.86 million), of which £3.35 million (2017 - £3.41 million) is represented by tangible fixed assets used to support the work of the sisters.

In addition, £6.89 million (2017 - £6.59 million) represents the assets designated for the use of The Holy Cross Preparatory School.

A further £6.2 million (2017 - £6.2 million) represents the retirement reserve designed to provide income for the future care and support of the sisters. Following the disposal of the charity's land at Chalfont St Peter, the intention of the trustees is that the charity uses income generated from the proceeds to fund grants to other charities and individuals, provided such grants are applied for purposes consistent with the charity's charitable objectives. To this end, the trustees have established a designated grants fund which had a balance of £24.5 million at 31 August 2018 (2017 - £24.5 million). This fund comprises monies that have been invested with the intention of generating income that will be applied towards the provision of grants to support the Congregation's work overseas, to support other projects based overseas but overseen or administered by other Roman Catholic Congregations and to support UK charities and individuals for purposes consistent with the charitable objectives of the Sisters of the Holy Cross Charitable Trust. Details of the designated funds are given in note 21 of the attached accounts.

Restricted funds of £80,000 are donations received specifically towards the sports pitch at the school and will be expended in 2018/19.

Free reserves available to support the sisters and their work generally in the future are shown on the balance sheet as the general fund and amounted to £7,292,799 at 31 August 2018 (2017 - £7,154,631).

FINANCIAL REVIEW (continued)

Financial position (continued)

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the Congregation's work, the cost of caring for the sisters and maintaining the convents etc, the level of free reserves should be approximately twelve months annual expenditure (excluding grants payable and the costs relating to the charity's independent school) to provide for contingencies and unevenness in future outcome. At 31 August 2018 the level of free reserves required under this policy would be approximately £1,174,000.

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

Contingent liability

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

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

FINANCIAL REVIEW (continued)

Contingent liability (continued)

The Parish Council now alleges that the trustees conspired to misrepresent historic use of the school playing fields during the course of the planning application. The misrepresentations focus on two areas of land identified in the planning dispute, referred to as areas 'A' and 'B'. The trustees have stated consistently that area 'B' had been used as a playing field but that area 'A' was only an informal playing field. It is alleged the trustees made this claim because they assumed that, had area A also been used as a formal playing field, planning permission would have been refused under the local authority's policy on loss of sports facilities. In April 2017, the High Court granted permission for an action against the trustees to proceed. During the year, and prior to the High Court granting permission, the charity incurred £198,350 of legal costs including the Parish Council's costs of £34,000 in respect to an application by the trustees to strike out the Parish Council's claim. The Court Case is scheduled for Spring 2019.

The trustees reject the Parish Council's allegations totally and have proceeded to defend the claim robustly. Consequently, the surplus on disposal was treated as income in the 2016 accounts. The costs of defending the claim by the Parish Council are expected to be a maximum £1m (excluding VAT).

PLANS FOR FUTURE PERIODS

Over the past year, following the disposal of the land at Chalfont St Peter, we have continued to develop our grant making activity, which is being used to support projects in line with our charism. We are constantly reviewing this new continuing development, while other important works of the charity continue. In the year ahead, it is the trustees' intention to increase the charity's grant making activity such that all income generated by the investments representing the grants fund is distributed over time.

In addition, over the forthcoming year the trustees intend that the charity will:

- ◆ Continue to care for the sisters and enable them to carry out their pastoral work for ministry, providing training where required.
- ◆ Maintain the high standard of academic achievement as measured by Independent Schools Inspectorate at the Holy Cross Preparatory School, Kingston Hill (The Coombe).
- ◆ Continue to promote Christian values in a Catholic setting at The Coombe, whilst welcoming pupils from different cultures, faith and countries.
- ◆ Continue to monitor the bursary policy at The Coombe.
- ◆ Encourage the development, training and continued professional development of staff at The Coombe, and other employees who work for the Sisters.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

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

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

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

Sister Sheila Brennan

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance (continued)

Sister Margaret Donovan

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

Sister Bernadette Morey

Sister Bernadette completed her teacher training at Digby Stuart College. She taught for a year before she entered the Congregation of the Sisters of the Holy Cross in 1962. She spent two years in Switzerland where she did her religious training. When she returned to England, she taught Religious Studies, Mathematics, German and Geography to secondary students in the Holy Cross School in New Malden. For the next 18 years, she taught various age groups in our schools. She then worked in parishes as a catechetical co-ordinator. She was part of the parish team in Ealing and is now in the Franciscan parish in Stratford. Her work involves group work with children, teenagers and parents. This includes weekends away with young adults to enable them to grow in confidence and discover their potential to become compassionate and responsible members of society. Sister Bernadette also goes into a local school one day a week to give time to individuals who need extra care and attention and an adult ear to listen to them. She visits the housebound and ill in the parish and visits those in hospital. Sister Bernadette is working with a group which is promoting awareness and working to end sex trafficking. In 2010, she completed a three year part-time course in spirituality at the London Centre of Spirituality in Lombard Street and works with groups of adults and individuals.

Sister Mary Christa Stanton

Sister Mary Christa was educated by the Holy Cross Sisters in New Malden and joined the Congregation in 1953. She did her teacher training at Digby Stuart College, Roehampton and later obtained a BA degree with the Open University. Sister Mary Christa taught Mathematics at Holy Cross, New Malden for seven years. For 23 years, she taught Physics and General Science at Our Lady and Pope John Comprehensive School in Corby, Northamptonshire, where she was also Head of Department and a senior teacher. She did a lot of voluntary work in the parish, running several youth groups and working with older teenagers. In 1991, Sister Mary Christa returned to The Grange, Chalfont St Peter, where she taught Latin and ran the school library until she retired in 2006. Sister Mary Christa is Chairperson of the Parish Justice and Peace Group, which recently gained Fair Trade status. She is also the Education Officer for the local beekeeping society and is on the Advisory Body of Holy Cross Preparatory School at Kingston Hill, Surrey.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance (continued)

Sister Ursula Eberhardt

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

Sister Elizabeth O'Donohoe

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

Statement of trustees' responsibilities

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

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

In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement of trustees' responsibilities (continued)

- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Structure and management reporting

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

The English Province comprises of 17 sisters. One community is situated in Buckinghamshire and the rest are in or near London. The Provincial Leader communicates and visits the sisters throughout the year and ensures their wellbeing.

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

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

Key management personnel

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Working with other organisations

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

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

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

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

Fundraising

The charity does not actively fundraise and seek public donations.

Risk assessment and control

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk assessment and control (continued)

- ◆ The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the Congregation have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters, encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ The charity works with children and vulnerable adults including older people. The charity has a safeguarding policy which all employees are aware of, and trustees attend workshops and seminars to ensure they are up to date with changing legislation.
- ◆ The charity donates monies in support of the wider Congregation and other organisations. The majority of donations sent overseas are to fund projects administered directly by members of the Congregation. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a written report of how the monies have been utilised and applied is obtained from the recipient.
- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet regularly with the investment managers and their performance and that of the portfolios is monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future.
- ◆ Were the Holy Cross Prep School to experience a downturn in pupil numbers in the current economic climate the school could run into financial difficulty. The trustees ensure there are robust financial systems and good policies in place to provide adequate warning and allow action to be taken should this situation arise.
- ◆ The contingent liability, as disclosed on page 31, is not concluded quickly and satisfactorily. The charity continues to work with its professional advisors in this regard.

EMPLOYEES, VOLUNTEERS, AND MEMBERS OF THE CONGREGATION

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

Signed on behalf of the trustees:

Margaret Donovan

Trustee

Approved by the trustees on: 26 January 2019

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

Opinion

We have audited the accounts of Sisters of the Holy Cross Charitable Trust (the charity) for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, a summary of the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 August 2018 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

Use of our report

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

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 30 January 2019

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

Statement of financial activities Year to 31 August 2018

	Notes	Total funds 2018 £	Total funds 2017 £
Income from:			
Donations	1	374,210	280,658
Investments and bank deposits	2	1,115,543	754,797
Charitable activities			
. Provision of education	3	3,954,947	3,747,290
Other sources:			
. Surplus on disposal of tangible fixed assets	4	2,875	—
Total income		5,447,575	4,782,745
Expenditure on:			
Raising funds			
. Investment management costs	5	80,416	66,484
Charitable activities			
. Provision of education	6	3,579,488	3,436,853
. Support of members of the Congregation and their ministry	7	927,067	781,553
. Grants, donations and support of missionary work and ministry	8	865,288	532,334
Total expenditure		5,452,259	4,817,224
Net expenditure for the year before investment gains	10	(4,684)	(34,479)
Net gains on the revaluation and disposal of investments	15	461,088	1,920,884
Net income and net movement in funds		456,404	1,886,405
Reconciliation of funds:			
Fund balances brought forward at 1 September 2017		47,855,460	45,969,055
Fund balances carried forward at 31 August 2018		48,311,864	47,855,460

All income and expenditure in 2017 and 2018 relate to unrestricted funds with the exception of £80,000 in 2018 being a restricted donation towards the future cost of a new sports pitch at the charity's school.

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

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

Balance sheet 31 August 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	14		10,006,602		10,375,533
Investments	15		36,808,269		36,422,840
			46,814,871		46,798,373
Current assets					
Stock		15,670		22,135	
Debtors	16	272,485		279,823	
Cash at bank and in hand		2,139,208		1,719,600	
		2,427,363		2,021,558	
Creditors: amounts falling due within one year	17	(698,420)		(757,171)	
Net current assets			1,728,943		1,264,387
Total assets less current liabilities			48,543,814		48,062,760
Creditors: amounts falling due after more than one year	18		(231,950)		(207,300)
Total net assets			48,311,864		47,855,460
The funds of the charity:					
Restricted funds	19		80,000		—
Unrestricted funds					
. Tangible fixed asset fund	20		3,353,092		3,412,565
. Designated funds	21		37,585,973		37,288,264
. General funds			7,292,799		7,154,631
Total funds			48,311,864		47,855,460

Approved by the trustees
and signed on their behalf by:

Margaret Donovan
Trustee

Approved on: 26 January 2019

Statement of cash flows Year to 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(750,415)	(356,544)
Cash flows from investing activities:			
Investment income and interest received		1,098,564	791,621
Proceeds from the disposal of tangible fixed assets		1,800	15,600,000
Purchase of tangible fixed assets		(6,000)	(52,591)
Proceeds from the disposal of investments		3,472,291	7,303,998
Purchase of investments		(3,735,315)	(24,368,220)
Net cash provided by (used in) investing activities		831,340	(762,016)
Change in cash and cash equivalents in the year		80,925	(1,081,736)
Cash and cash equivalents at 1 September 2017	B	2,803,859	3,885,595
Cash and cash equivalents at 31 August 2018	B	2,884,784	2,803,859

Notes to the statement of cash flows for the year to 31 August 2018.

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

	2018 £	2017 £
Net movement in funds (as per the statement of financial activities)	456,404	1,886,405
Adjustments for:		
Depreciation charge	352,822	324,132
Gains on investments	(461,088)	(1,920,884)
Investment income and interest receivable	(1,115,543)	(754,797)
(Surplus) deficit on disposal of tangible fixed assets	(2,875)	1
Decrease (increase) in stocks	6,465	(10,252)
Decrease in debtors	24,317	108,951
(Decrease) increase in creditors	(10,917)	9,900
Net cash used in operating activities	(750,415)	(356,544)

B Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	2,139,208	1,719,600
Cash held by investment managers	745,576	1,084,259
Total cash and cash equivalents	2,884,784	2,803,859

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 August 2018 with comparative information provided in respect to the year to 31 August 2017.

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

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

Assessment of going concern

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

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 August 2019, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

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

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

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

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

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

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

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

Income recognition (continued)

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

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

Expenditure recognition

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

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

- ◆ Expenditure on raising funds includes expenditure associated with raising funds for the charity. This comprises those investment management fees charged directly to the charity. Fees in respect to those investments which comprise pooled investment vehicles, including common investment funds, are inherent within the relevant investment holding. The fees accounted for in this way are included within note 2 to the accounts.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
 - ◇ direct and indirect expenditure on the provision of education which includes all costs associated with the Congregation's independent day school, Holy Cross Preparatory School ("The Coombe"), direct and support costs in respect to the support of members of the Congregation and enabling their ministry (including governance costs).
 - ◇ Grants and donations payable include amounts towards the support of the other parts of the worldwide Congregation's and its overseas missions as well as grants to other organisations for purposes consistent with the charity's charitable objectives and which fall within the remit of its grant making policy. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

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

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

Tangible fixed assets

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

◆ Freehold land and buildings

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

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

◆ Furniture, equipment and motor vehicles

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

Investments

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

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

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

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

Stocks

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Fund accounting

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

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

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

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

Services provided by members of the Congregation

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

Pension costs

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

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

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

1 Income from: Donations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Salaries and pensions of individual religious received under deed of covenant	294,120	—	294,120	280,458
Donation in respect to sports pitch at the charity's school	—	80,000	80,000	—
2018 Total funds	294,210	80,000	374,210	280,658
2017 Total funds	280,658	—	280,658	

2 Income from: Investments and bank deposits

	Unrestricted	
	Total 2018 £	Total 2017 £
Income from listed investments	1,111,534	746,404
Interest on cash held by investment managers	549	6,333
Interest on short-term deposits	3,460	1,538
Other bank interest	—	522
	1,115,543	754,797

3 Income from: Provision of education

	Unrestricted	
	Total 2018 £	Total 2017 £
School fees and related charges	3,954,947	3,747,290

4 Income from: Surplus on disposal of tangible fixed assets

	Unrestricted	
	Total 2018 £	Total 2017 £
Surplus on disposal of motor vehicles	2,875	—

5 Expenditure on: Investment management costs

	Unrestricted	
	Total 2018 £	Total 2017 £
Investment managers' fees	80,416	66,484

6 Expenditure on: Provision of education

	Unrestricted	
	Total 2018 £	Total 2017 £
Teaching	2,846,286	2,741,071
Welfare	18,309	16,526
Premises	305,470	298,227
Management and administration	409,423	381,029
	3,579,488	3,436,853

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

	Unrestricted	
	Total 2018 £	Total 2017 £
Staff costs (note 11)	141,947	141,631
Premises	242,690	202,523
Sisters' living and ministry expenses	207,516	191,099
Education, training and spiritual renewal	23,013	18,317
Governance costs (note 9)	311,901	227,983
	927,067	781,553

8 Grants, donations and support of missionary work and ministry

	Unrestricted	
	Total 2018 £	Total 2017 £
Contribution to the Generalate of the congregation towards formation expenses	120,000	75,000
Annual contribution to the Generalate of the Congregation	15,000	12,000
Contribution to the Council of the Congregation	—	6,000
Donations in support of the Congregation's missions	19,270	5,448
Grants payable to other organisations (see below)	698,962	414,164
Other donations	—	8,302
Grant administration costs	12,056	11,420
	865,288	532,334
		Total 2018 £
Grants payable to other organisations		
Together for Common Good		15,304
. Pilot training scheme in Schools		
Diocese of Westminster		100,000
. Caritas Bakhita House running costs		
Whiles Farm Trust		15,000
. Noah's Camp 2018		
Baytree Centre, Brixton		25,000
. 'Peach Plus' project		
NOAH Enterprise		56,059
. Academy Supervisor's salary		
Cardinal Hume Centre		25,000
. Refurbishment project		
Cardinal Vaughan Memorial School		25,000
. Extra-curricular study clubs		
MHA Northwood 'Live At Home' Scheme		24,632
. Activity Co-ordinator's salary		
Our Lady & All Saints parish, Basildon		7,000
. Summer camp HCPT subsidy		
Ignite Trust, Harrow		22,112
. Detached youth work project		
Wonder Foundation		10,000
. Mentoring scheme & Awareness Workshops		
CAFOD		20,000
. 'Step into the Gap' programme		
St Joseph & St Clare parish, Aylesbury		15,000
. Roof repairs		
St Cuthbert Mayne Junior School		10,000
. Replace IT server / laptops		
Amber Trust (Little Amber)		25,000
. Music therapy for visually impaired children (aged 0-5 yrs)		
CELEBRATE (Release)		7,480
. Training programme for young people		
Sub-total carried forward		402,587

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

Grants payable to other organisations	Total 2018 £
Sub-total brought forward	402,587
St Vincent de Paul Society (SVP)	
. 1833 Apostolate Consultant salary	15,491
. John Bosco Summer Camp & equipment	17,055
Our Lady of Grace School	
. IT equipment	10,000
Women at the Well	
. Kings Cross refuge centre running costs	25,000
Hope for Southall Street Homeless	
. New Day Centre running costs	25,000
ORCHYD	
. Respite holidays for disabled children	14,000
St Bonaventure's School	
. Rome pilgrimage subsidy	975
St Christopher's Fellowship	
. Life Skills Programme	25,000
Brentwood Catholic Children's Services	
. Counsellor's salary	24,616
Diocese of Westminster	
. Sycamore Version 2 Re-filming project	25,000
Soundabout	
. Music therapist for SN schools salary	20,238
West London Mission	
. Seymour Place Day Centre running costs	25,000
Youth 2000	
. Walsingham Summer Festival 2018	20,000
The Holy Cross School, New Malden	
. Workshop subsidies	4,000
Friends of the Holy Land	
. School of Joy running costs	25,000
St Michael's Catholic Grammar School	
. Part-time lay chaplain's salary	20,000
	£698,962

9 Governance costs

	Unrestricted	
	Total 2018 £	Total 2017 £
Legal and professional fees	311,901	227,983

The costs of £311,901 include solicitors' fees and related charges totalling £290,659 (2017 - £198,350) in connection with a dispute with Chalfont St Peter Parish Council (note 25).

10 Net expenditure for the year before investment gains

This is stated after charging:

	2018 £	2017 £
Staff costs (note 11)	2,481,502	2,413,126
Auditor's remuneration (including VAT)		
. Audit services – current year	26,942	26,700
. Audit services – prior year	(2,400)	(1,700)
. Other services: HR support	—	2,157
. Other services: advisory	—	7,200
Depreciation (note 14)	352,823	324,132

11 Staff costs and remuneration of key management personnel

	2018 £	2017 £
Staff costs during the year were as follows:		
Wages and salaries	2,061,533	2,008,618
Social security costs	196,889	188,139
Other pension costs	223,080	216,369
	2,481,502	2,413,126
Staff costs per function were as follows:		
Provision of education	2,327,499	2,260,075
Support of members of the Congregation and their ministry (note 7)	141,947	141,631
Grant administration (note 8)	12,056	11,420
	2,481,502	2,413,126

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

	2018 No.	2017 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	—
£80,001 - £90,000	1	2

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

	2018 No.	2017 No.
Provision of education	66	66
Support of members of the Congregation and their ministry	8	7
Grant administration	1	1
	75	74

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

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

The total remuneration (including taxable benefits, employers' pension contributions and employers national insurance) of the key management personnel for the year was £111,757 (2017 - £113,340).

12 Trustees' expenses and remuneration and transactions with trustees

As members of the Congregation, the trustees' living expenses during the year were borne by the charity but they received no remuneration or reimbursement of expenses in connection with their duties as trustees during the year (2017 - £nil).

As members of the Congregation, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £138,168 (2017 - £89,029).

13 Taxation

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

14 Tangible fixed assets

	Freehold land and buildings		Furniture and equipment	Motor vehicles	Total
	Specialised £	Non-specialised £	£	£	£
Cost or valuation					
At 1 September 2017	12,470,950	698,565	957,108	106,941	14,233,564
Adjustment (see below)	(23,184)	—	—	—	(23,184)
Additions	—	—	—	8,501	8,501
Disposals	—	—	—	(9,600)	(9,600)
At 31 August 2018	<u>12,447,766</u>	<u>698,565</u>	<u>957,108</u>	<u>105,842</u>	<u>14,209,281</u>
At cost	9,697,767	183,565	957,108	105,842	10,944,282
At deemed cost based on 1993 valuation	2,749,999	515,000	—	—	3,264,999
	<u>12,447,766</u>	<u>698,565</u>	<u>957,108</u>	<u>105,842</u>	<u>14,209,281</u>
Depreciation					
At 1 September 2017	2,927,799	—	825,433	104,799	3,858,031
Charge for the year	287,101	—	62,885	2,837	352,823
On disposals	—	—	—	(8,175)	(8,175)
At 31 August 2018	<u>3,214,900</u>	<u>—</u>	<u>888,318</u>	<u>99,461</u>	<u>4,202,679</u>
Net book values					
At 31 August 2018	<u>9,232,866</u>	<u>698,565</u>	<u>68,790</u>	<u>6,381</u>	<u>10,006,602</u>
At 31 August 2017	<u>9,543,151</u>	<u>698,565</u>	<u>131,675</u>	<u>2,142</u>	<u>10,375,533</u>

14 Tangible fixed assets (continued)

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

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

The adjustment to cost arises from an over accrual of £23,184 in respect to additions in 2017.

15 Investments

	2018 £	2017 £
Listed investments		
Market value at 1 September 2017	35,338,581	16,353,475
Additions at cost	3,735,315	24,368,220
Disposals at book value (proceeds:£3,472,291; realised losses: £112,685)	(3,584,976)	(7,052,803)
Net unrealised gains	573,773	1,669,689
Market value at 31 August 2018	36,062,693	35,338,581
Cash held by investment managers for re-investment	745,576	1,084,259
	36,808,269	36,422,840
Cost of listed investments at 31 August 2018	32,894,663	32,610,475

Listed investments held at 31 August 2018 comprised the following:

	2018 £	2017 £
UK charity authorised investment funds (common investment funds)	12,044,473	18,283,778
UK equities	9,985,933	6,423,999
UK unit trust	8,912,998	6,417,898
Overseas equities	5,119,289	4,212,906
	36,062,693	35,338,581

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

15 Investments (continued)

At 31 August 2018, listed investments included the following individual holdings deemed to have a material value:

	Value of holding £	Percentage of the market value %
Charishare restricted distribution units	4,212,316	11
Charinco distribution units	2,321,824	6
Alpha CIF for endowment income units	11,601,465	32

16 Debtors

	2018 £	2017 £
School fees and related charges	1,000	18,890
Investment income receivable	189,025	172,046
Prepayments and accrued income	82,460	88,887
	272,485	279,823

17 Creditors: amounts falling due within one year

	2018 £	2017 £
Expense creditors and accruals	256,701	207,389
Social security and other taxes	71,722	—
School entrance deposits	29,650	28,700
Tuition fees received in advance	235,387	279,176
Grants payable	104,960	106,024
Tangible fixed asset additions	—	135,882
	698,420	757,171

18 Creditors: amounts falling due after more than one year

	2018 £	2017 £
School entrance deposits	231,950	207,300
	231,950	207,300

19 Restricted funds

	At 1 September 2017 £	Income £	Expenditure £	At 31 August 2018 £
Sports pitch	—	80,000	—	80,000

The above comprise monies donated to The Holy Cross Preparatory School specifically towards the cost of a new sports pitch.

The monies will be expended in 2019.

20 Tangible fixed assets fund

	At 1 September 2017 £	Movements in year £	At 31 August 2018 £
Tangible fixed assets fund	3,412,565	(59,473)	3,353,092

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

21 Designated funds

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

	At 1 September 2017 £	New designations £	Utilised/ released £	At 31 August 2018 £
School fund	6,588,264	297,709	—	6,885,973
Retirement reserve	6,200,000	—	—	6,200,000
Grants fund	24,500,000	—	—	24,500,000
	37,288,264	297,709	—	37,585,973

♦ School fund

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

♦ Retirement reserve

This fund consists of monies set aside by the trustees to provide for the future costs of providing nursing and care costs to elderly sisters and also to provide for sisters of retirement age who are still active and not in need of care. The value of the fund is based on actuarial calculations which show that it will need to be preserved in order to provide for the Congregation's 17 sisters.

21 Designated funds (continued)

♦ Grants fund

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

22 Analysis of net assets between funds

		Unrestricted funds			
	Restricted funds £	Tangible fixed assets fund £	Designated funds £	General funds £	Total 2018 £
Fund balances at 31 August 2018 are represented by:					
Tangible fixed assets	—	3,353,092	6,653,510	—	10,006,602
Fixed asset investments	—	—	36,808,269	—	36,808,269
Net current assets	80,000	—	(5,643,853)	7,292,796	1,728,943
Creditors: amounts falling due after more than one year	—	—	(231,950)	—	(231,950)
	80,000	3,353,092	37,585,976	7,292,796	48,311,864

23 Pension commitments

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

Teachers' Pension Scheme (TPS)

Introduction

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

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

23 Pension commitments (continued)

Teachers' Pension Scheme (TPS) (continued)

Valuation of the Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme (continued)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% employer administration charge) from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £194,239 (2017 - £195,008).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

24 Ultimate control

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

25 Contingent liability

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

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

The Parish Council now alleges that the trustees conspired to misrepresent historic use of the school playing fields during the course of the planning application. The alleged misrepresentations focus on two areas of land identified in the planning dispute, referred to as areas 'A' and 'B'. The trustees have stated consistently that area 'B' had been used as a formal playing field but that area 'A' was only an informal playing field. It is alleged by the Parish council that the trustees adopted this position because, had area A also been used as a formal playing field, planning permission may have been refused under the local authority's policy on loss of sports facilities. As a consequence of this alleged misrepresentation, the Parish council argue they suffered loss. In April 2017, the High Court granted permission for an action against the trustees to proceed. During the year, and prior to the High Court granting permission, the charity incurred legal costs of £290,059 (2017 - £198,350 including the Parish Council's costs of £34,000 in respect to an application by the trustees to strike out the Parish Council's claim). The trial is listed for Spring 2019.

The trustees reject the Parish Council's allegations totally and have proceeded to defend the claim robustly. Consequently, the surplus on disposal was treated as income in the 2016 accounts. The further costs of defending the claim by the Parish Council are expected to be a maximum of £1m (excluding VAT).