

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



Registered Charity

Number 221319

Annual Report and Accounts

31 August 2018

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

Trustees	Sister Eileen O'Neill Sister Noella Pereira Sister Marta Silva Sister Ana Maria Horta Correia Ramirez Sister Anne Petit
Sister Provincial	Sister Ana Maria Horta Correia Ramirez
Provincial Bursar	Sister Marta Silva
Address	25 Saint Edmund's Terrace St John's Wood London NW8 7PY
Charity registration number	221319
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank plc 106 Finchley Road London NW3 5JN Barclays Bank plc 40 Wellington Road St John's Wood London NW8 9TJ Lloyds Bank plc 4 Castle Street Christchurch Dorset BH23 1DU

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

Bankers (continued)

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

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

Santander UK plc
100 Ludgate Hill
London
EC4M 7NJ

Investment managers

Charles Stanley Asset Management
25 Luke Street
London
EC2A 4AR

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

Tyndall Investment Manager
5-8 The Sanctuary
London
SW1P 3JS

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

Solicitors

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

Trustees' report 31 August 2018

The Trustees present the report and accounts of the Handmaids of the Sacred Heart of Jesus (Regents Park, London and Christchurch, Hants) Charitable Trust (the 'Charity') for the year ended 31 August 2018.

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

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

CONSTITUTION

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

HISTORY

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

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

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

HISTORY (continued)

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

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

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

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

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



Province Assembly – Palmela – October 2015

OBJECTIVES AND ACTIVITIES

Mission and policies

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

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

♦ Education

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

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

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

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

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

OBJECTIVES AND ACTIVITIES (continued)

Mission and policies (continued)

♦ Education (continued)

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

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

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

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

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

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

♦ Social and pastoral work

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

In London and in Bournemouth, the Sisters prepare children for the sacraments, guide groups of prayer and provide spiritual education.

Another Sister regularly gives talks and workshops in Great Britain and abroad.

♦ Grants and donations

The Handmaids of the Sacred Heart of Jesus in England is part of an international Congregation with communities in 23 countries.

The Trustees are aware of their obligation to assist the Sisters' mission in third world countries and, for this purpose, a contribution is sent each year to the Congregation's general fund in Rome. The Mission Fund reflects this engagement, being ready to respond to any necessity brought to the Trustees from the Congregation in other countries.

OBJECTIVES AND ACTIVITIES (continued)

Mission and policies (continued)

♦ Grants and donations (continued)

Within the Atlantic Europe Province, a preferential commitment with Fundação Santa Rafaela Maria consubstantiates the support given to projects aligned with our values and charisma.

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

The Trustees also continue to give some financial support to organisations within Great Britain whose work is consistent with the objects of the Charity such as CAFOD (the official aid agency of the Catholic Church in England and Wales and part of Caritas International), ShareAction, and Global Legal Action Network (GLAN).

Care of the elderly

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

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

Safeguarding

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

Formation of younger Sisters

Prior to joining the Congregation, those younger Sisters who are now in formation, had finished their school and university education and some had professional careers. However, their formation as Religious Sisters, and their experience of the mission in the Congregation takes several more years to acquire. During 2017/18, the Atlantic Europe Province had 13 Sisters at different stages of the Handmaid's Formation Program:

- ♦ Four novices in Palmela, Portugal, one of whom made her first vows in January 2018 and another who made her first vows in August 2018;
- ♦ Two juniors in Madrid, Spain. One of the newly professed Sisters joined from February 2018, studying in Universidad de Comillas, and one of the Sisters finished her studies in Theology and started her apostolic work in Oporto during the Summer of 2018;

OBJECTIVES AND ACTIVITIES (continued)

Formation of younger Sisters (continued)

- ◆ Another group of four juniors in Paris, France, studying in Centre Sèvres. One of the newly professed Sisters joined from August 2018; and



- ◆ Three other Sisters working before their final vows, in Bournemouth, Oporto and Lisbon. Two of these sisters started their final phase of spiritual formation in Rome, a period known as "Third Probation".

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

Fundraising policy

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

ACHIEVEMENTS AND PERFORMANCE

Education

The Governing Body of Saint Christina's Preparatory School meets at the end of every term. At these meetings policies are ratified, compliance issues addressed, initiatives discussed, and decisions made. The sub committees, consisting of Finance and General Purposes, Health and Safety and Curriculum and Welfare, also meet termly and provide additional forums for monitoring and oversight. Each term, different staff members report on their areas of responsibility. These sub committees report termly to the full Governing Body and decide, in conjunction with the Trustees and the Senior Leadership Team, on key priorities for moving forward. This year Sister Noella Pereira and Sister Ana Maria Horta Correia Ramirez joined the Governing Body.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Once again, the Head Girls came to speak to the governors. This is quite an intimidating event; in the Library, in front of governors, Trustees, and the Head Teacher, the Bursar and staff members. In June 2018, the Head Girls came to tell governors about the "best bits" about their time at School and about their ambitions for the future. Governors were impressed and in awe at the quality of the speeches given, at the composure of the girls and at their knowledge and love of the School.

This year, the governors made the decision to extend the co-education provision from boys being able to attend until the age of 7 to being able to attend all the way through to age 11. This has been implemented from September 2018. In light of this decision, the following planning is in place: the development of new classes above the Reception and Nursery area (which is in the planning stage) to accommodate the School's allied ambition to go to two-form entry; and the establishing of a discrete Physical Education Department with two full time members, one of whom has a specialism for boys' sport.

This year, the Senior Leadership Team was remodelled to enhance oversight and engagement with the School's development and improvement. The team now includes the Head Teacher, the Bursar, the Deputy Head Teacher, the Phase Leader for Early Years Foundation Stage (EYFS) and Key Stage 1, and the Phase Leader for Key Stage 2. The administration team was also strengthened by a new appointment to lead on marketing and digital media. Specialist provision was enhanced by the appointment of a new Director of Music and a Spanish Co-ordinator.

A new Critical Incident Plan and Policy was formulated to include Emergency Lockdown Procedures. In addition, the School has introduced a new Data Protection Policy in light of GDPR, and has instigated an audit of current practice and delivered training for all staff in addition to the Head Teacher and Bursar's specialist training.

As part of the School's commitment to providing ongoing professional development, staff members attended many courses including training in managing epilepsy, and Senior Leadership Team training workshops at Notre Dame. INSET training for all staff during the year included:

- ◆ "The developing role of the Teaching Assistant";
- ◆ The use of the 'Clevartouch' screens newly installed throughout the School;
- ◆ The introduction of NACE (National Association for Able Children in Education);
- ◆ The introduction of 'Read, Write, Inc' (Phonics);
- ◆ The introduction of 'Talk4Writing'; and
- ◆ The introduction of 'Busy Maths'.

Two workshops on online safety were also organised for parents of the pupils.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Curriculum development and extra-curricular activities

Teaching and learning continued to be a core focus. A new maths scheme, Collins Busy Ant Maths, was purchased ready for implementation in September 2018. Benefits of this scheme over the previous one include the electronic resources and challenging material. 'Talk4Writing' and a new approach to teaching writing developed by Pie Corbett has been phased into the Literacy curriculum and is proving to be an engaging way to motivate and enhance pupils writing.

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

- ◆ Class assemblies;
- ◆ Instrumental assemblies;
- ◆ The Life Bus;
- ◆ Visits to The Ragged School;
- ◆ Queen Mary University Pod Show;
- ◆ Forensic Science day;
- ◆ Trust for Sustainable Living Rainforest Tour for Year 4;
- ◆ London Philharmonic Orchestra Bright Spark Concert;
- ◆ A 'Science Week' with guest speakers;
- ◆ Visits to many London museums including the Science Museum, the Natural History Museum and the Florence Nightingale Museum;
- ◆ A visit to The Life of Christ outdoor re-enactment at Wintershall;
- ◆ A visit to London Zoo;
- ◆ Numerous visits to Camden Learning Centre including for a technology workshop;
- ◆ A visit to the Roald Dahl Museum;
- ◆ A Tudor History visit to Hampton Court; and
- ◆ A highly successful Year 5 and Year 6 residential trip to Osmington Bay.

The School plans to run its first overseas residential trip to France in the academic year 2018-19.

Year 6 pupils performed well in terms of academic progress. The progress achieved by the cohort was reflected in the outstanding quality of Secondary School places and academic scholarships offered. Places were offered at the following schools:

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Curriculum development and extra-curricular activities (continued)

- ♦ Beechwood School;
- ♦ Belmont School;
- ♦ Channing School;
- ♦ City of London School;
- ♦ Francis Holland School;
- ♦ Godolphin and Latymer School;
- ♦ Highgate School;
- ♦ The Japanese School (Acton);
- ♦ Kent College;
- ♦ More House School;
- ♦ North Bridge House School;
- ♦ Portland Place School;
- ♦ Queen's College;
- ♦ Queen's Gate School;
- ♦ South Hampstead High School;
- ♦ St Benedict's School;
- ♦ St Leonard's Mayfield School;
- ♦ The St Marylebone C of E School;
- ♦ St Michael's Catholic Grammar School;
- ♦ Sutton Valance School in London;
- ♦ The American School;
- ♦ Walthamstow Hall; and
- ♦ Woldingham School.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Curriculum development and extra-curricular activities (continued)

Academic scholarships were offered by:

- ♦ Beechwood School;
- ♦ Francis Holland School (2 scholarships were offered);
- ♦ Kent College;
- ♦ St Leonard's Mayfield School;
- ♦ Queen's College;
- ♦ Sutton Valance; and
- ♦ Woldingham School.

Music Scholarships were offered by Francis Holland School.

A new house system was introduced in September 2017 for the Key Stage 2 pupils. House points are displayed on a large board and are updated weekly following announcements in assembly by the House Captains in Year 6. House competitions were run for Netball, Poetry, the Maths challenge, quizzes, rounders, swimming galas and sports day.

The School Council meets twice every half term to discuss ideas and initiatives for the School and to ensure that the pupil voice is heard. Last year, the Council enjoyed presenting assemblies, meeting with the Bishop of Westminster and visiting City Hall. New initiatives included purchasing litter pickers for the playground and planting tomatoes in the new vegetable patch.

The School has continued to stretch and encourage pupils to develop their mathematical understanding. Over the course of the year the pupils have entered the primary, junior and intermediate maths challenges with medals in primary and intermediate where one pupil was invited through to the second round, which was an outstanding achievement. Nine pupils were invited through to the National Finals of Pangea.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Curriculum development and extra-curricular activities (continued)

The new Director of Music has had a busy year preparing the new music programme. This takes elements from the National Curriculum, the International Baccalaureate Primary programme and the graded requirements of Associated Board of the Royal Schools of Music (ABRSM). It also offers the opportunity for cross-curricular links to Literacy, Mathematics, Physical Education and other subjects. The School Choirs continue to perform strongly – particular highlights this year have included the senior and junior choirs performing at open mornings, the St John's Wood Christmas Fayre and Ensemble assembly concerts. The department also organised an inter-school choral singing workshop, led by the Director and four professional singers, inviting the senior choir from Southbank International School to participate in the event. Choir pupils in Year 4 and Year 5 have completed a music video recording of 'Defying Gravity', which was entered into the WellChild Charity's annual singing competition and raised funds for specialist equipment and treatments for children with severe illnesses. The School was selected as a finalist and raised the most money for the charity. The orchestra has explored a range of repertoire this year, including classical orchestral pieces by Holst (The Planets), folk songs, Christmas favourites and developing their improvisation skills. After the success of the Year 6 Ukulele project, the department now runs an open invitation ukulele club on Friday lunchtimes, which enables pupils to continue developing their instrumental skills in an informal learning environment.

The sporting life of Saint Christina's Preparatory School has continued to grow. Year 6A and Year 5A won their respective netball leagues this year. In addition, B team netball squads have been included to increase inclusivity. Year 6 won the South Hampstead netball tournament for the first time. The School entered the Independent Association of Prep Schools (IAPS) regional qualifiers for the second time and finished an impressive sixth. Saint Christina's Preparatory School also entered the London Youth Games for the first time, winning the Westminster Borough Year 7 category. The sports department organised two successful gym displays, two swimming galas, a cross-country event on Primrose Hill and two sports days.

Fundraising and involvement in the community

Saint Christina's Preparatory School does not fundraise, but encourages pupils to choose and raise money for other worthwhile charities, which are often local or Catholic charities.

The pupils raised money for many charities during the year including:

- ◆ 'Little Farmers Project' in East Timor in collaboration with the PROACIS foundation of the Handmaids of the Sacred Heart of Jesus, helping struggling farming communities;
- ◆ The children's anti-bullying charity, 'Kidscape';
- ◆ CAFOD contributions from a 'Three Little Pigs Ballet' organised by girls in Year 6;
- ◆ Donations to child refugees in Calais;

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Fundraising and involvement in the community (continued)

- ◆ Poppy Appeal;
- ◆ Christmas Carol Concert and Nativities for 'Providence Row', a local homeless charity; and
- ◆ The San Francisco Xavier School Roof Fund in Equatorial Guinea.

Religious education

As a Catholic School in the Diocese of Westminster, the School is required to have 10% of the curriculum devoted to Religious Education.

The School was inspected by the Westminster Diocese on 6 October 2017. The inspectors graded classroom religious education as good and the Catholic life of the School as outstanding. The inspectors acknowledged that there is a great deal of excellent practice in the School. The following quotes are taken from the report:

- ◆ 'A major strength of the teaching provision is the cross-curricular approach, involving areas such as art, drama, music and the use of new technologies.'
- ◆ 'Pupils are very happy and secure at St Christina's. They flourish, both academically and in their personal development. They understand why it is important to help others, especially those worse off than themselves. They contribute very well to the Common Good, locally, nationally and internationally.'

The School has already benefitted from considerable investment over recent years. This includes additional classrooms and specialist Music (including state of the art soundproofed teaching rooms), Arts and Dance facilities.

Social and pastoral work

Provincial level

Meetings between Bursars and Superiors, at different levels of decision making, continued to take place. This year, the main meeting of all the Sisters in the Province happened in July 2018 in Palmela. The guidelines for Justice, Peace and Integrity of Creation (JPIC) were discussed and strategies to implement these guidelines were formulated.

In March 2018, the Third European Meeting on ACI Education took place in Dublin, hosted by Saint Raphaela's Primary and Secondary Schools. Again, the senior staff and part of the Governing Bodies of the Province's schools got together for some days of intense formation on Saint Raphaela Mary's style of education, with the best specialist speakers as guides. The fourth encounter has been set to take place in London by the end of 2019.

ACHIEVEMENTS AND PERFORMANCE (continued)

Social and pastoral work (continued)

Boscombe (Bournemouth)

The Handmaids returned to Boscombe, in Bournemouth, after a four-year absence and are now fully settled back into the area. The community is made up of four Sisters: two English Sisters and two young Portuguese Sisters. The community is still looking for new opportunities for ministry but has already become involved in various apostolic undertakings.



The Sisters are heavily involved in the Corpus Christi Jesuit Parish. They co-ordinated the First Holy Communion programme. This year, they prepared 86 children to approach the Sacrament for the first time. A Sister helps with the children's liturgy on



Sundays and has begun a prayer group for younger children entitled "Young Hearts on Fire". Another Sister is involved in the Rite of Christian Initiation of Adults (RCIA) programme, while another is a member of the Parish Council.

The Sisters are involved in the work of UCN and the Sanctuary Movement in Boscombe, Bournemouth and Poole, collaborating for integration of immigrants.



One of the Sisters works part time as a Pastoral Assistant in Corpus Christi Elementary School and another offers spiritual support both in St Thomas Garnet Primary School and in St Edward's Secondary School in Poole.

One of the Sisters works part time as a member of the Chaplaincy Team at Bournemouth University. Another has become involved in the Anglo-European College of Chiropractic in the University in Boscombe, working with the President of the College in various projects.

ACHIEVEMENTS AND PERFORMANCE (continued)

Social and pastoral work (continued)

Boscombe (Bournemouth) (continued)

The Sisters continue to support and accompany the two ACI Family groups in Boscombe. During the year, a delegation of the ACI Family in Paris visited us, and we have promised to pay back the visit next year.



One of the Sisters is a member of the Board of Trustees of St Thomas Garnet School in Boscombe. She is also a Board member of Ecumenical Council for Corporate Responsibility (ECCR), based in London, and President of UNANIMA International, an NGO based in New York.

Three of the Sisters are involved in providing spiritual direction and also give retreats.

London

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

Two of them are part of the Board of Governors and the Finance Committee and support the Senior Management Team of the School on a day-to-day basis.

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

Sunday Mass is a highlight of the week, with regular attendants who already form a community of friends. Whenever they need sacramental preparation, the Sisters set up and oversee a formation plan. The heating in the Chapel has been renewed to improve conditions for worshiping on colder days.

ACHIEVEMENTS AND PERFORMANCE (continued)

Social and pastoral work (continued)

London (continued)

The community continues to work with the Jesuit Refugee Service Centre, housing Asylum Seekers whose papers are still being processed. One person was taken in for three months. Additionally, one person returned for a second stay after visiting for the first time the previous year. The community has not only given her a safe place to be and somewhere to reorganise her life, but also human and friendly support, especially when she required knee surgery.

Grants and donations

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

Consistent with the aim of supporting the work of advocacy on behalf of the most vulnerable and the care of the environment, two significant organisations were chosen: ShareAction and Global Legal Action Network (GLAN).

Update on Children -v- Governments of Europe & Climate Change

(...) Since you generously supported this project our young activists have worked tirelessly to raise awareness, inform the people around them about what they set out to do, and to gather support for their case. (...)

We have spent the last year engaging with a range of experts, both climate change lawyers and climate scientists, from all over the world. There are also numerous challenges that are uniquely associated with bringing such a case before an international court against multiple countries, which we've had to contend with. This case is, after all, the first effort to bring a climate change case against so many countries at the same time!

It has taken us the full year to understand these complexities and build them into our legal strategy. Last week, our team of barristers in Garden Court Chambers in London, who have been on this journey with us from the beginning, finalised detailed legal advice outlining our case, which is a huge step forward.

In building our case, we have also developed partnerships with many experts and organisations who are actively tackling climate change. The next steps involve compiling the evidence and working with the young people bringing this legal action to build an international communications campaign. We will also continue to test our strategy by sharing the legal advice we have received with our partners. Given the scale and uniqueness of this case, it is important that we do our best to get this right. If all goes to plan, our aim is to file the case by the middle of 2019! Exciting, right?!

(...) The GLAN team

ACHIEVEMENTS AND PERFORMANCE (continued)

Grants and donations (continued)

The Trustees have chosen to support GLAN in the case of “Children -v- Governments of Europe & Climate Change”, where they are helping a group of Portuguese children take a major climate change case to the European Court of Human Rights. In June of 2017 these children watched their district burn as a result of the worst forest fires in their country's history. The fires, which have been linked to climate change, claimed the lives of over 60 people.

Thank you Letter from ShareAction

(...) 2018 has been a fantastic year for ShareAction so far, in no small part due to our success over AGM season. Accompanying this letter is a brief update to give you the highlights of the season, from two further FTSE 100 companies accrediting as Living Wage employers through to us redoubling pressure on oil & gas majors to take serious steps to combat climate change. I can't thank you enough.

We were able to do all of this because of your generosity and it would be fantastic to have your support for the AGM season in 2019. Challenging company executives through AGM activism is a keystone of our work, and is central to reforming the investment system for the benefit of all and the health of the planet.(...)

Catherine Howarth, CEO

Also, responding to a direct request from ShareAction to the Provincial Bursars Association, the Charity helped fund the salary of the 2018 AGM Coordinator.

Grants and donations are decided upon by the Trustees after consultation with other members of the Congregation.

Formation of younger Sisters

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

ACHIEVEMENTS AND PERFORMANCE (continued)

Formation of younger Sisters (continued)



It was this Juniorate which held the annual meeting of Sisters in formation.

One of the Sisters studying in Madrid finished her studies in Theology, celebrating in a beautiful graduation ceremony with her community, family and friends.

Another Sister started her training in practical work in Bournemouth, and has been an excellent and helpful member in the community.

In January, one of the novices professed her First Vows, filling all the Congregation with the joy of her commitment.

FINANCIAL REVIEW

Results for the year

A summary of the year's results can be found on page 32 of the attached accounts.

Total income for the year to 31 August 2018 amounted to £2,859,492 compared to £2,865,604 in 2017. Expenditure during the year totalled £2,816,499 (2017 - £2,747,998).

The Charity's income includes £2,336,810 (2017 - £2,346,676) being the fees and charges of Saint Christina's Preparatory School, £411,668 (2017 - £375,431) being income from investments and interest receivable and £64,634 (2017 - £92,058) being donations and legacies. Expenditure includes £2,278,886 (2017 - £2,300,932) relating to the school.

Net gains on investment assets of £326,973 (2017 - £994,184) resulted in a net increase in funds for the year of £369,966 (2017 - £1,111,790). Total funds carried forward at 31 August 2018 were £18,820,462 (brought forward at 1 September 2017 £18,450,496).

Reserves policy and financial position

Reserves policy

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

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

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

Financial position

The balance sheet shows total reserves of £18,820,462 (2017 - £18,450,496). Of this, £5,373,456 (2017 - £5,579,028) represents the tangible fixed assets used in the day-to-day work at the Charity. These assets have been separated from the Charity's general fund in recognition of the fact that they are fundamental to the Charity's work. They therefore cannot be easily realised if needed to meet future contingencies.

£516,510 (2017 - £457,358) represents the programme related investment fund. This investment comprises land and buildings owned by the Charity but used by another charitable organisation with charitable objectives consistent with those of the Charity together with interest free loans advanced to organisations with objects consistent with those of the Charity. The value of these programme related investments should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

During the year to 31 August 2018, the Charity advanced an interest free loan to Casa Velha Association - Ecology and Spirituality, an institution of Catholic identity, whose mission is to contribute to Human Development in rural areas, through welcoming, simple living, contact with nature, community work and prayer.

The loan, which constitutes a programme related investment, is to support the following aims:

1. Reconstruction works for some buildings located in Quinta da Casa Velha, with a view to the construction of a new shelter ("Novo Albergue");
2. Development of some agricultural infrastructure; and
3. Promotion and creation of new activities



£3,664 (2017 - £7,164) relates to the Charity's restricted funds which comprise monies that must be applied for the specific project or purpose for which the funds were received by the school. Further details are given in note 16 to the accounts.

The Saint Christina's Preparatory School designated fund of £1,378,294 (2017 - £1,098,231) represents the accumulated surplus of income over expenditure of the school excluding the restricted monies referred to above. These monies have been designated, by the Trustees, for use by the school.

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

Financial position (continued)

£803,680 (2017 - £803,680) has been set aside for the support of the charitable work of the Congregation worldwide. These funds are kept in a separate investment portfolio and are represented by listed investments and cash balances.

A further £2,000,000 (2017 - £2,000,000) has been set aside towards the future costs of the formation and the training of the Sisters of the Congregation.

Given the age profile of the Sisters and the commitment the Charity has to care for them for life, a further designated fund of £6,800,000 (2017 - £6,800,000), calculated using actuarial principles has been set aside in order to provide a modest sum towards the care of Sisters as they grow older.

Funds which are available, therefore, to support the work of the Sisters in future are those shown on the balance sheet as general funds and amount to £1,944,858 (2017 - £1,705,035). The Trustees are of the opinion that this level of free reserves is prudent and appropriate and consistent with the Charity's reserves policy.

Investment policy and performance

At 31 August 2018, the Charity held listed investments with a market value of £11,894,310 (2017 - £11,163,768) and, at that date, a further £284,326 was held as cash (2017 - £497,303).

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

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

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

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

FINANCIAL REVIEW (continued)

Investment policy and performance (continued)

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

PLANS FOR FUTURE PERIODS

Province

In May 2019, the ACI Family from Bournemouth organised a return visit to the ACI Family in Paris which had visited Boscombe last year.

Several of the Sisters in formation are expected to end their different stages of formation in the year 2018/19: one novice is to make her first vows, two juniors should finish their period of studies, and the two Sisters that have been in their Third Probation during 2018 professed their Perpetual Vows in December 2018.

In Casa Velha, an application submitted to PDR2020 for the renovation of the haystack, was rejected due to lack of architecture project licensing data. It will be presented again in June 2019. There is also a need to repair the roof space of the winery, which is used by the Casa Velha Association for different activities (school meals and groups hosted, games, masses, etc.). The loan from the Charity will assist this and help advance the educational work offered by Casa Velha, allowing it to offer these activities to those most in need.

Some of the Trustees have visited Quinta da Fonte da Prata, in Moita, Portugal, where the Fundação Santa Rafaela Maria intends to restore an important building that the local Town Hall has ceded to the Fundação's activities. Given how perfectly the goals of this project match the objectives of the Charity, the Trustees have agreed to make a donation of €100,000 when the works begin.

School

The School is ambitious for the future and has submitted plans to the local authorities for the addition of a further four classrooms and a small amount of office space with a view to allow it to achieve two-form entry throughout over the medium to long term, whilst improving the flow and use of the School.

The decision was made in March 2018 to move to full co-education where the School has currently allowed boys to attend to the age of seven. This reflects the governors' ability to respond to changing market conditions with local boys' schools changing their entry down from age seven, whilst recognising the benefit full co-education will bring to the boys and girls who attend the School. The aforementioned plans for the development of the facilities reflect the School's ambition to increase numbers. In addition to these, Saint Christina's Preparatory School has already employed the necessary staff to deliver a full co-educational curriculum, has begun the necessary curriculum review to ensure it is appropriately balanced and ambitious for both girls and boys, and identified local high quality facilities to deliver sport, for example, football etc.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

The Trustees are appointed by the Provincial Superior of the Congregation. At any one time there must be a minimum of two Trustees. The names of the Trustees who were in office at 31 August 2018 are set out on page 1 of this report and accounts.

Trustees



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



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



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

GOVERNANCE, STRUCTURE AND MANAGEMENT

Trustees (continued)



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



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

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

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

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

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

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Key management personnel

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

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

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

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

Statement of Trustees' responsibilities

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

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

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of Trustees' responsibilities (continued)

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

Risk management

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

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

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

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

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

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

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

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

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

- ◆ An analysis of the age profile of the members of the Congregation shows that the average age at 31 August 2018 was 72 years. The Trustees are aware that there is both a moral and legal obligation to care for the older members. None of the Sisters have resources of their own as all earnings, pensions and other income have been donated to the Charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the Sisters. Key elements of the management of this risk are: (a) ensuring that the Charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual Sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ Operationally, the Charity works with children. The Trustees recognise the absolute necessity of ensuring the protection and safety of all those that the Charity serves. This means that Sisters engaged in any ministry in Great Britain and all those who work or volunteer for the Charity and work with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS). The Trustees are committed fully to implementing the policies of the Catholic Safeguarding Advisory Service (CSAS). One of the Sisters is responsible for ensuring this policy is adhered to in respect to all Sisters, employees and volunteers. In addition, a Safeguarding Officer is nominated at the school operated by the Charity. Safeguarding training is compulsory for all staff.
- ◆ The Charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the Trustees. The performance of the portfolio is monitored and the investment strategy is assessed regularly to ensure it remains appropriate to the Charity's needs – both now and in the future.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

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

Approved by the Trustees and signed on their behalf by:

Eileen O'Neill

Trustee

Approved by the Trustees on: 24 June 2019

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

Opinion

We have audited the accounts of Handmaids of the Sacred Heart of Jesus (Regents Park, London and Christchurch, Hants) Charitable Trust (the 'Charity') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the accounts:

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

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

26 June 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	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Income from:					
Donations	1	61,893	2,741	64,634	92,058
Investments and interest receivable	2	411,668	—	411,668	375,431
Charitable activities					
. Education fees and related charges	3	2,336,810	—	2,336,810	2,346,676
Other trading activities	4	46,380	—	46,380	51,439
Total income		2,856,751	2,741	2,859,492	2,865,604
Expenditure on:					
Raising funds					
. Investment managers' fees*		59,775	—	59,775	54,658
Charitable activities					
. Donations and support of missions	5	108,531	—	108,531	38,631
. Provision of education	6	2,286,645	1,241	2,287,886	2,300,932
. Support of members of the Congregation and their ministry	7	360,307	—	360,307	353,777
Total expenditure		2,815,258	1,241	2,816,499	2,747,998
Net income for the year before net gains on investments	8	41,493	1,500	42,993	117,606
Net investment gains	12	326,973	—	326,973	994,184
Net income		368,466	1,500	369,966	1,111,790
Transfers between funds	16	5,000	(5,000)	—	—
Net movement in funds		373,466	(3,000)	369,966	1,111,790
Reconciliation of funds:					
Balances brought forward at 1 September 2017		18,443,332	7,164	18,450,496	17,338,706
Balances carried forward at 31 August 2018		18,816,798	3,664	18,820,462	18,450,496

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

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

*Expenditure on investment managers' fees related to unrestricted funds only in both 2018 and 2017.

Balance sheet 31 August 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	11		5,373,456		5,579,028
Investments	12		12,178,636		11,661,071
Programme related investments	13		516,510		457,358
			18,068,602		17,697,457
Current assets					
Debtors: due within one year	14	153,972		185,290	
Cash at bank and in hand		1,292,754		1,422,961	
		1,446,726		1,608,251	
Current liabilities					
Creditors: amounts falling due within one year	15	(424,866)		(529,462)	
Net current assets			1,021,860		1,078,789
Total assets less current liabilities			19,090,462		18,776,246
Creditors: amounts falling due after one year					
. Fee deposits from pupils			(270,000)		(325,750)
Total net assets			18,820,462		18,450,496
The funds of the Charity:					
Restricted funds	16		3,664		7,164
Unrestricted funds					
. Tangible fixed assets fund	17		5,373,456		5,579,028
. Programme related investment fund	18		516,510		457,358
. Designated funds	19		10,981,974		10,701,911
. General funds			1,944,858		1,705,035
			18,820,462		18,450,496

Approved by the Trustees and signed
on their behalf by:

Eileen O'Neill

Trustee

Approved by the Trustees on: 24 June 2019

Statement of cash flows Year to 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(218,704)	106,570
Cash flows from investing activities:			
Investment income and interest received		443,477	359,374
Purchase of tangible fixed assets		(105,236)	(289,834)
Proceeds from the disposal of tangible fixed assets		—	1,004
Purchase of listed investments		(747,392)	(667,157)
Proceeds from the disposal of listed investments		343,878	682,604
Programme related investment: loan granted		(59,152)	—
Net cash (used in) provided by investing activities		(124,425)	85,991
Change in cash and cash equivalents in the year		(343,129)	192,561
Cash and cash equivalents at 1 September 2017	B	1,920,264	1,727,703
Cash and cash equivalents at 31 August 2018	B	1,577,135	1,920,264

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) provided by operating activities

	2018 £	2017 £
Net movement in funds (as per the statement of financial activities)	369,966	1,111,790
Adjustments for:		
Depreciation charge	228,450	214,891
Gains on investments	(326,973)	(994,184)
Investment income and interest receivable	(411,668)	(379,424)
Deficit on disposal of tangible fixed assets	3,720	10,447
(Increase) decrease in debtors	(491)	56,576
(Decrease) increase in creditors	(81,708)	86,474
Net cash (used in) provided by operating activities	(218,704)	106,570

B Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	1,292,754	1,422,961
Cash held by investment managers	284,381	497,303
Total cash and cash equivalents	1,577,135	1,920,264

Principal accounting policies 31 August 2018

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 ended 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 (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

Critical accounting estimates and areas of judgement

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

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

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

Assessment of going concern

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

Assessment of going concern (continued)

The Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 August 2019, Saint Christina's Preparatory School is dependent on students applying to it and on parents to pay their fees. Long term accurate forecasting of student numbers is not easy but work continues to raise the profile of the school and to maintain and enhance relations with parents. With regard to the next accounting period, the year ending 31 August 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, legacies, investment income, interest receivable, income from programme related investment, income from the operation of an independent school and other trading activities (principally income from hiring out school facilities).

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

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

Income recognition (continued)

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

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

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

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

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

Expenditure recognition

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

All expenditure is accounted for on an accruals basis and includes any attributable VAT which cannot be recovered. All expenses are allocated or apportioned to the applicable expenditure headings. The classifications between activities are as follows:

Expenditure recognition (continued)

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

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

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

Tangible fixed assets

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

Freehold land and buildings

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

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

Tangible fixed assets (continued)

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

Plant and building improvements

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

Furniture and equipment

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

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

Computer equipment

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

Motor vehicles

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

Fixed asset investments

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

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

Fixed asset investments (continued)

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

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

Programme related investment

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

Programme related investments also comprise loans advanced to organisations with objects consistent with those of the Charity. Such loans are often interest free and any financial return is not the primary reason for advancing the loan. The recoverability of the loan is assessed each year and any amount irrecoverable is converted into a donation payable.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Fund accounting

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

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

The programme related investment fund represents the combined value of land and buildings owned by the Charity but used by another organisation for purposes consistent with the Charity's objectives, together with the amount outstanding on loans granted to another organisation for purposes consistent with the Charity's objectives.

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

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

Foreign currencies

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

Services provided by members of the Congregation

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

Pension costs

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

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

Notes to the accounts 31 August 2018

1 Income from: Donations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Salaries and pensions of individual religious received under Gift Aid	47,593	—	47,593	58,865
General donations	14,300	2,741	17,041	33,193
2018 Total funds	61,893	2,741	64,634	92,058
2017 Total funds	73,551	18,507	92,058	

2 Income from: Investments and interest receivable

	Unrestricted funds	
	Total 2018 £	Total 2017 £
Income from listed investments		
. Unitised funds	33,186	30,013
. UK fixed interest	27,959	29,260
. Common investment funds	85,096	81,594
. UK equities	187,280	165,396
. Foreign investment trusts	40,406	38,304
. Charities property fund	5,636	4,834
	379,563	349,401
Interest receivable		
. Bank interest	2,105	2,114
. Interest on cash held by investment managers	—	166
	2,105	2,280
Income from programme related investments	30,000	23,750
Total	411,668	375,431

3 Income from: Education fees and related charges

	Unrestricted funds	
	Total 2018 £	Total 2017 £
Tuition fees	2,263,121	2,257,790
Less: Discounts and bursaries	(32,555)	(20,145)
	2,230,566	2,237,645
Other fees and charges	94,892	91,803
Funding from local authorities	11,352	17,228
	106,244	109,031
Total funds	2,336,810	2,346,676

4 Income from: Other trading activities

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Hire of facilities	41,484	—	41,484	33,186
Miscellaneous	4,896	—	4,896	12,942
Fundraising	—	—	—	5,311
2018 Total funds	46,380	—	46,380	51,439
2017 Total funds	46,128	5,311	51,439	

5 Expenditure on: Donations and support of missions

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Handmaids of the Sacred Heart - Dublin	9,818	—	9,818	28,826
Handmaids of the Sacred Heart - Rome	1,891	—	1,891	—
Fundação Santa Rataela Maria	86,210	—	86,210	—
San Francisco Javier School Roof fund - Equatorial Guinea	—	—	—	5,311
Global Legal Action Network	1,814	—	1,814	—
Share Action	2,000	—	2,000	—
Donations under £1,000 each to institutions	6,798	—	6,798	4,494
2018 Total funds	108,531	—	108,531	38,631
2017 Total funds	33,320	5,311	38,631	

6 Expenditure on: Provision of education

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Teaching costs	1,420,154	1,241	1,421,395	1,515,430
Welfare	244,751	—	244,751	207,012
Premises	369,448	—	369,448	335,189
Support costs (see below)	252,292	—	252,292	243,301
2018 Total funds	2,286,645	1,241	2,287,886	2,300,932
2017 Total funds	2,290,867	10,065	2,300,932	

6 Expenditure on: Provision of education (continued)

Support costs comprise:

	Unrestricted funds	
	Total 2018 £	Total 2017 £
Staff costs	120,461	103,095
Printing, postage, stationery, telephone	14,584	16,752
Courses	19,118	7,510
Insurance	21,314	20,462
Bad and doubtful debts	—	7,375
Chaplaincy	540	293
Subscription and inspection costs	11,711	10,220
Professional fees	48,584	62,025
Miscellaneous expenses	1,292	1,169
Governance costs – auditor's remuneration	14,688	14,400
	252,292	243,301

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

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

	Unrestricted funds	
	Total 2018 £	Total 2017 £
Premises	72,230	68,423
Sisters' personal expenses	104,480	97,299
Education, training and spiritual renewal	84,248	95,499
Depreciation of property	50,433	50,433
Other support costs	31,246	27,593
Governance costs – auditor's remuneration	17,670	14,530
	360,307	353,777

8 Net income for the year before net gains on investments

This is stated after charging (crediting):

	Unrestricted funds	
	Total 2018 £	Total 2017 £
Staff costs (note 9)	1,550,506	1,615,743
Auditor's remuneration		
. Statutory audit services		
.. Current year	6,600	6,600
.. Prior year	—	730
. Non statutory audit services		
.. Current year	14,300	14,300
.. Prior year	888	(600)
. Other services	10,570	7,900
Deficit on disposal of tangible fixed assets	3,720	10,447
Depreciation	228,450	214,891

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

	Unrestricted funds	
	2018	2017
	£	£
Staff costs during the year were as follows:		
Wages and salaries	1,229,532	1,213,894
Social security costs	125,608	120,321
Other pension costs	131,215	126,752
Redundancy costs	—	78,161
	1,486,355	1,539,128
Contractors' fees	64,151	76,615
	1,550,506	1,615,743
Staff costs per function were as follows:		
Provision of education	1,520,632	1,583,676
Support of members of the Congregation and their ministry	29,874	32,067
	1,550,506	1,615,743

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

	2018	2017
£60,001 - £70,000	1	1

Employer contributions were made on behalf of one of the above employees to a defined benefit scheme and on behalf of the other employee to a defined contributions scheme. Total contributions to the defined benefit scheme amounted to £11,767 (2017 - £11,480) and total contributions to the defined contributions scheme amounted to £8,121 (2017 - £7,776).

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

	2018	2017
Provision of education	37	37
Support of members of the Congregation and their ministry	3	3
	40	40

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

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

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

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

The total remuneration including employer pension and National Insurance contributions and other benefits of the key management personnel was £193,714 (2017 - £161,435).

10 Taxation

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

11 Tangible fixed assets

	Freehold land and buildings		Plant and building improvements	Furniture and equipment	Computer equipment	Motor vehicles	Total
	Residential £	Educational £	£	£	£	£	£
Cost or valuation							
At 1 September 2017	3,169,221	2,970,658	1,106,668	371,086	154,737	39,295	7,811,665
Additions	—	—	—	10,530	10,072	5,996	26,598
Disposals	—	—	—	(16,901)	(6,646)	—	(23,547)
At 31 August 2018	3,169,221	2,970,658	1,106,668	364,715	158,163	45,291	7,814,716
At cost	741,451	1,721,408	1,106,668	364,715	158,163	45,291	4,137,696
At deemed cost – 1994 and 1999 valuations	2,427,770	1,249,250	—	—	—	—	3,677,020
	3,169,221	2,970,658	1,106,668	364,715	158,163	45,291	7,814,716
Depreciation							
At 1 September 2017	896,573	722,454	264,771	209,490	100,056	39,293	2,232,637
Charge for the year	50,433	59,413	55,336	37,542	25,726	—	228,450
On disposals	—	—	—	(13,181)	(6,646)	—	(19,827)
At 31 August 2018	947,006	781,867	320,107	233,851	119,136	39,293	2,441,260
Net book values							
At 31 August 2018	2,222,215	2,188,791	786,561	130,864	39,027	5,998	5,373,456
At 31 August 2017	2,272,648	2,248,204	841,897	161,596	54,681	2	5,579,028

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

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

12 Investments

	2018 £	2017 £
Listed investments		
Market value at 1 September 2017	11,163,768	10,189,738
Additions at cost	742,773	662,450
Disposals at book value (proceeds: £339,204; gains: £21,062)	(318,142)	(684,977)
Net unrealised investment gains	305,911	996,557
Market value at 31 August 2018	11,894,310	11,163,768
Cash held by investment managers	284,326	497,303
	12,178,636	11,661,071
Cost of listed investments at 31 August 2018	8,712,613	8,279,689

Listed investments held at 31 August 2018 comprised the following:

	2018 £	2017 £
UK fixed interest	934,475	970,271
Common investment funds	4,092,735	3,692,478
UK equities	4,359,165	4,112,275
Foreign investment trusts	2,378,308	2,264,510
Charities property fund	129,627	124,234
	11,894,310	11,163,768

At 31 August 2018 listed investments included the following holdings, which represented material holdings relative to the market value of the total listed investments portfolio held at that date:

	Market value of holding £	Percentage of portfolio %
Charifaith Common Investment Fund	2,917,572	24.53
COIF Charities Ethical Funds	1,195,163	9.88

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

13 Programme related investments

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

	2018 £	2017 £
Land and buildings	457,358	457,358
Interest free loan	59,152	—
	516,510	457,358

13 Programme related investments (continued)

The land and buildings comprise a property owned by the Charity but used by another charitable organisation for purposes consistent with the objects of the Charity. As explained under principal accounting policies, the above property is included on the balance sheet at the value at which it was included in tangible fixed assets immediately prior to its reclassification as a programme related investment in 2017. The value was based on a Trustees' valuation determined in 1994 and 1999 adjusted for the costs of subsequent additions to the property.

The interest free loan of €65,000 was advanced in July 2018 to Quinta de Casa Velha to assist with activities consistent with the objects of the Charity. The loan is repayable within 15 years of the date of advance but with the borrower "making best efforts" to repay €5,000 per annum from 2023 onwards.

14 Debtors: due within one year

	2018 £	2017 £
School fees receivable	20,988	16,719
Investment income receivable	104,934	136,743
Prepayments and accrued income	28,050	26,723
Other debtors	—	5,105
	153,972	185,290

15 Creditors: amounts falling due within one year

	2018 £	2017 £
Expense creditors	1,037	9,149
Accruals	79,987	100,153
School fees in advance and fee deposits from pupils	257,632	336,211
Additions to freehold land and buildings for educational use	—	78,638
Donations payable	86,210	5,311
	424,866	529,462

16 Restricted funds

	At 1 September 2017 £	Income £	Expenditure £	Transfers £	At 31 August 2018 £
Kitchen fund	7,164	1,500	—	(5,000)	3,664
Other funds	—	1,241	(1,241)	—	—
	7,164	2,741	(1,241)	(5,000)	3,664

16 Restricted funds (continued)

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

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

Other funds represented donations to be used in respect to specific purposes and have been spent in accordance with these restrictions.

17 Tangible fixed assets fund

	Total £
At 1 September 2017	5,579,028
Net movement in year	(205,572)
At 31 August 2018	5,373,456

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

18 Programme related investment fund

	Total £
At 1 September 2017	457,358
Additions: Advancement of loan	59,152
At 31 August 2018	516,510

The programme related investment fund represents the value of the Charity's programme related investments. These investments comprises land and buildings owned by the Charity but used by another charitable organisation with objectives consistent with those of the Charity, together with interest free loans advanced to organisations with objects consistent with those of the Charity. The value of these programme related investments should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

Notes to the accounts 31 August 2018

19 Designated funds

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

	At 1 September 2017 £	New designations £	Utilised/ released £	At 31 August 2018 £
Mission fund	803,680	—	—	803,680
Saint Christina's Preparatory School fund	1,098,231	2,639,538	(2,359,475)	1,378,294
Formation fund	2,000,000	—	—	2,000,000
Sisters' care fund	6,800,000	—	—	6,800,000
	10,701,911	2,639,538	(2,359,475)	10,981,974

Mission fund

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

Saint Christina's Preparatory School fund

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

Formation fund

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

Sisters' care fund

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

20 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Programme related investment fund £	Restricted funds £	Designated funds £	Total 2018 £
Fund balances at 31 August 2018 are represented by:						
Tangible fixed assets	—	5,373,456	—	—	—	5,373,456
Investments	1,399,793	—	—	—	10,778,843	12,178,636
Programme related investments	—	—	516,510	—	—	516,510
Current assets	679,226	—	—	3,664	763,836	1,446,726
Creditors: amounts falling due within one year	(134,161)	—	—	—	(290,705)	(424,866)
Creditors: amounts falling due after one year	—	—	—	—	(270,000)	(270,000)
Total net assets	1,944,858	5,373,456	516,510	3,664	10,981,974	18,820,462

20 Analysis of net assets between funds (continued)

	2018 £	2017 £
Total unrealised gains included above:		
On investments	3,181,697	2,884,079
Reconciliation of movement in unrealised gains		
Unrealised gains at 1 September 2017	2,884,079	1,980,194
In respect to disposals in year	(8,293)	(92,672)
Net gains arising on revaluation in the year	305,911	996,557
Unrealised gains at 31 August 2018	3,181,697	2,884,079

21 Pension schemes and related commitments

Teachers' Pension Scheme

Introduction

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

Valuation of the Teachers' Pension Scheme

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

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

- ♦ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)

21 Pension schemes and related commitments (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

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

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

For the period 1 September 2017 to 31 August 2018, the employer contributions amounted to £114,250 (2017 - £108,402).

Scottish Widows

This is a defined contribution scheme and contributions paid by the Charity amounted to £8,121 (2017 - £7,776).

Standard Life Pension Scheme

This is a defined contribution scheme and contributions paid by the Charity amounted to £3,895 (2017 - £7,143).

The Pensions' Trust

This is a defined contribution pension scheme and contributions paid by the Charity amounted to £4,949 (2017 - £3,431).

22 Ultimate control

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

23 Related party transactions

As members of the Congregation, none of the Trustees have resources of their own as all earnings, pensions and other income have been donated to the Charity under a Deed of Covenant. During the year, the total amount donated by the Trustees to the Charity was £5,963 (2017 - £16,251).