

**The Province of
Great Britain of the
Institute of the Brothers
of the Christian Schools
Charitable Trust**

Annual Report and Accounts

31 August 2018

Charity Registration Number
232632

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Reference and administrative information Year to 31 August 2018

Trustees	Brother Laurence Hughes Brother John Deeney Brother Paul Joseph Foy Brother Bernard Hayward Brother James Kilty Brother Nicholas Sellors The trustees are incorporated under the Charities Act 2011.
Provincial superior	Brother Laurence Hughes
Provincial bursar	Brother Bernard Hayward
Administrative address	140 Banbury Road Oxford OX2 7BP
Charity registration number	232632
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	The Royal Bank of Scotland PLC 62-63 Threadneedle Street London EC2R 8LA
Investment managers	Rathbones Investment Management Limited 8 Finsbury Circus London EC2M 7AZ

Reference and administrative information Year to 31 August 2018

Solicitors

BLM LLP
Plantation Place
30 Fenchurch Street
London
EC3M 3BL

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

McSparran McCormick
Waterloo Chambers
19 Waterloo Street
Glasgow
G2 6AH

Insurance brokers

Bluefin
1st Floor Gail House
5 Lower Stone Street
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ME15 6NB

Trustees' report Year to 31 August 2018

The trustees have pleasure in presenting the report and accounts of The Province of Great Britain of the Institute of the Brothers of the Christian Schools 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 30 to 35 of the attached accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Introduction

The Institute of the Brothers of the Christian Schools (the "Institute") is an international Roman Catholic Religious Institute founded in France in 1680. Its Generalate is located in Rome. The Institute is divided into a number of separate Provinces and extends to 80 countries throughout the world. The work of the Institute is predominantly in education.

The Province of Great Britain of "The Institute of the Brothers of the Christian Schools" also known as the "De La Salle Brothers", had 36 members at 31 August 2018. Of these, 5 lived overseas and the remainder lived in 5 regionally separate groups known as "communities".

The accounts accompanying this report are the accounts of the charitable trust on which the assets of the Province of Great Britain are held and through which its finances operate. The charity is governed by a trust deed dated 24 July 1947 as varied by a Scheme of the Charity Commissioners of 12 November 1987, a Deed of Revocation and New Appointment for Charitable Trusts dated 17 May 1989, a Deed of Revocation and Appointment relating to the Province of Great Britain dated 27 November 2000, a Deed of Variation dated January 2013 and a Deed of Variation dated June 2014. The charity is registered with the Charity Commission, Charity Registration No. 232632.

Objectives and activities

Objectives

The main objectives of the charity as set out in its trust deed are:

- ◆ The provision and upkeep of educational establishments, including schools, and houses of retreat in Great Britain;
- ◆ The provision and upkeep of facilities in Great Britain for education and for the training of members of the Institute and those wishing to become members;
- ◆ The provision and upkeep of facilities in Great Britain, or elsewhere, for the education and training of members, or others, wishing to work in other countries;
- ◆ The provision of facilities for the care of aged and infirm members of the Institute;
- ◆ The relief of poor persons in Great Britain or Ireland, or nearly related to members of the Institute;
- ◆ The provision of living requirements for members of the Institute; and

Objectives and activities (continued)

Objectives *(continued)*

- ◆ The acquisition and maintenance of the properties needed to carry out the work of the Institute.

In addition, the trustees can, at their discretion, support whatever is conducive to the advancement or maintenance of the Roman Catholic religion in Great Britain or any other part of the world.

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

Activities

The principal areas of activity are:

- ◆ Providing support to the voluntary aided schools which are owned by the charity;
- ◆ At the Pastoral Centre in Kintbury, Berkshire, organising retreats for young people from all backgrounds. The philosophy behind the retreats is to enable the young people who attend to reflect on their lives, find some direction and receive positive feedback about themselves;
- ◆ Running courses at the Pastoral Centre for teachers to assist them in supporting the young people and help them consolidate what was experienced in the retreats;
- ◆ Providing weekend retreats in a similar vein at the Pastoral Centre for adults and family groups;
- ◆ Through Lasallian Developing World Projects (LDWP) providing funds and support for the development of educational facilities overseas. LDWP involves teams of young volunteers assisting with construction work and teaching programmes in African, Asian and South American countries. It is also active in promoting Development Education for young people in Britain;
- ◆ Providing chaplaincy support to the Lasallian network of Roman Catholic secondary schools throughout Britain;
- ◆ Providing manpower and funds to support the work of the Institute in developing countries;
- ◆ Ensuring that all members of the Province, none of whom have resources of their own, receive the level of support they need to live according to their calling as religious brothers. This includes homes in Liss and St Helens, suitably provided to care for aged and infirm members;
- ◆ Enabling all members of the Institute to continue with their individual ministries for as long as possible;
- ◆ Providing in-service programmes and other support for headteachers and staff in the Lasallian network of schools.

Relevant policies

Fundraising statement

The income of the charity derives mainly from the covenanted salaries and statutory pensions of members of the Institute and the proceeds of investment funds. The general public are not asked to contribute to the funds of the charity but on occasions the charity receives donations and voluntary income. It aims always to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on donors and supporters. It applies best practice to protect their 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 activities in respect to raising funds and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its activities for raising funds and to learn from them and improve its service. During the year, the charity received no formal complaints about its activities for raising funds.

Protection of Children and Vulnerable Adults

The trustees are committed to implementing all the policies and procedures of the National Catholic Safeguarding Commission (NCSC). They have drawn up guidelines for their establishments, contained in a booklet entitled 'Safeguarding Guidelines for Lasallians'. St Cassian's Retreat Centre has additional directives which specify how the trustees' guidelines are applied at the Centre. The Centre's activities are monitored regularly by the Management Committee, the Province's Safeguarding Coordinator and by a Diocesan appointed Inspector. The Schools follow the guidelines issued by local authorities and the Catholic Safeguarding Advisory Service. The Institute (and hence the charity) is now a member of the Safeguarding Commission for Orders in Education which manages the safeguarding needs, in Great Britain, of six religious congregations.

Investment policy

The charity has a portfolio of listed investments which, together with cash held for investment, had a market value at 31 August 2018 of £25,893,656 (2017- £25,779,218).

These are held as two portfolios, all managed by Rathbones Investment Management Limited. The investment managers have designated authority to invest as they deem appropriate within the stated policy guidelines set by the trustees and excluding certain areas of investments contrary to the objectives of the charity.

The objectives of the charity's listed investments are to produce a mutually agreed annual level of income and to protect the underlying capital value of the investments in the medium to long term without taking undue risk. The level of income required is determined as part of an annual budget and three year forecast process. The income raised is essential to the objectives and activities of the charity.

Relevant policies (continued)

Environmental policy

The charity recognises that many of its activities have some impact on the environment. It is the aim of the trustees to minimise this impact where possible through a programme of continuous improvement and by encouraging those working for the charity to act responsibly towards the environment.

Achievements and performance

The paragraphs below outline briefly the charity's achievements during the year in each of its main activities.

Support for Schools

The Formation for Mission Council in GB, comprising of teachers and others experienced in education, is promoting the Lasallian Mission in schools. Its aim is to empower staff in the Lasallian network of schools and the other Lasallian groups to fulfil the purpose of the De La Salle mission, specifically to provide a human and Christian education to the young, especially the poor and vulnerable. The District of Ireland, Great Britain and Malta has secured the services of a Director of Formation for Mission who coordinates efforts in these areas and accompanies this Council.

The Formation for Mission Council and the Director of Formation for Mission provide schools and others in the network with various formation programmes aimed towards different groups with varied experience and understanding of the Lasallian Mission. A formation programme is an experience limited in time. It consists of several components that are organised so that a person may integrate their reflection with their experience and continue their personal, professional and spiritual development. There are also opportunities for specific key groups of educators to receive training, but also to network and share good practice. These events are referred to as gatherings or conferences.

The main formation programmes offered this year were:

- ◆ An induction formation programme for those new to De La Salle schools who are interested in learning more about the schools' heritage, vision and practices. This is a week-long programme that takes place during the summer at a venue in Malta. This programme is also open to practitioners from Lasallian schools from other countries. This year the experience was enriched by the presence of De La Salle teachers from Austria, Belgium, Italy, Ireland, and Malta alongside participants from the UK.
- ◆ A follow-up formation programme that is aimed for those who already have an interest and a basic understanding of the Lasallian Ethos, and who are willing to deepen their involvement. This is a series of three weekend residential experiences spread over three years. This programme takes place at St Cassian's in Kintbury and is open to De La Salle teachers from other countries. This year the programme also included participants from Belgium, Ireland and Malta.

Achievements and performance (continued)

Support for Schools (continued)

The main gatherings and conferences offered this year were:

- ◆ A gathering of Chaplains and Heads of Religious Education, held at St Cassian's in Kintbury;
- ◆ A gathering of practitioners, governors and others organised primarily for the schools in the northwest of England, held at De La Salle School in St Helens;
- ◆ A gathering of all Heads of De La Salle Trust and Associate Schools, held in Dublin together with other Lasallian Heads and Principals from Ireland and Malta;
- ◆ A gathering of European and Mediterranean Lasallian School Head teachers which this year was held in Thessaloniki; and
- ◆ A gathering of young adults and adolescents involved in the Lasallian network in Europe and the Mediterranean, held in Rome. The Trust provided this gathering with the services of one of the Retreat Team members at St Cassian's to act as a resource person and also supported the participation of two educators from the Lasallian network of schools in the UK.

The Director of Formation for Mission is also always available for schools' visits and in-service Ethos and Mission training. The schools' efforts to safeguard and develop the De La Salle mission have also been further supported through the publication of a Handbook for Foundation Governors of Lasallian Schools. Published in September 2017, this document assists Foundation Governors as they promote the interests and mission of the trustees in each school.

The work of the Director of Formation for Mission and the Formation for Mission Council is complemented and supported by the efforts of two other groups whose aim is also that of fulfilling the De La Salle mission, namely, the District Executive Mission Council and the District Young Lasallians Council. These two Councils have a broad remit that includes the UK. The projects and initiatives of these two Councils are supported by the charity and contribute greatly to all schools in the De La Salle network in the UK.

Some of the initiatives of the District Young Lasallian Council and the District Executive Mission Council that have been of great benefit to schools in the UK include:

- ◆ International Lasallian Days for Peace 2017 - 21 September to 21 October 2017
- ◆ District Lasallian Schools Leaders Conference 2017 - November 2017
- ◆ Survey in preparation for District Mission Assembly 2018 - May 2018
- ◆ Preparatory meeting for the Tercentenary Celebrations - June 2018

Achievements and performance (continued)

Support for Schools (continued)

The network of De La Salle schools also benefited from the pastoral visit of the Superior General of the Institute of the Brothers of the Christian Schools. Brother Robert Schieler took advantage of this visit to encourage all those he had the opportunity to meet and thanked them for their work in attending to the Institute's global mission: the human and Christian education of the young, especially those most vulnerable.

St Cassian's Pastoral Centre

St Cassian's Centre, just outside the village of Kintbury, in rural Berkshire, became a retreat centre in 1975. It welcomes young people for retreats and provides them with an opportunity to step outside their normally busy lives and enjoy a few days of reflection and dialogue with each other, accompanied by a dedicated staff and a team of young volunteers. At the same time, the Centre seeks to bring the faith to these young people in ways that resonate with their experience and are relevant to the world in which they live. The input comes from the four senior staff (the Retreat Team), and the volunteer team, which comprises between 6 - 9 young men and women between the ages of eighteen and twenty-five who enthusiastically commit themselves to a 'gap year' of devoted service to peer ministry and community living. The opportunities for the staff and volunteer team are many and varied and contribute to a rich experience of ministry especially to young people.



Volunteer Team 2017-18



St Cassian's Centre

The Management Committee appointed by the trustees which, in liaison with the Director of the Centre, is responsible to the charity for the running of the Centre. The Committee, together with its sub-committees of finance, staffing & compliance and health & safety, meets several times a year. The remit of the Committee is similar to that of a school governing body. Apart from monitoring the work of the Centre and its finances, the Committee has a responsibility, on behalf of the trustees, for such important issues as the implementation of the trustees' safeguarding guidelines and compliance with current health and safety regulations.

Achievements and performance (continued)

St Cassian's Pastoral Centre (continued)

Every year as part of the residential community, the young volunteers, live, work and share the Brothers' vision for a new apostolate – Our retreats known as The Kintbury Experience, follow a theme of Welcome, Awareness, Reconciliation and Good News.

The retreat programme, devised to meet the needs of people from different backgrounds, has a full scope and sequence that builds upon itself. It is also designed to be developmentally appropriate for each year group in school as they cultivate their spirit of faith along with their skills of reasoning, highlighting the relevance of Lasallian Charism and of our faith to life and contemporary culture.

Students from about a fifth of all the Catholic schools in Great Britain participate in the retreats annually. The total number attending being around three and a half thousand; interspersed are family weekends and a week-long retreat in the summer.

Our conference centre – The Old Stables - plays host to parish groups and confirmation groups. It has welcomed a Jewish group, hosting their Mindfulness Weekend. Other hospitality groups that have used the Old Stables Conference Centre range from the Newbury Christadelphians, The United Reformed Church, Newbury Council and Waitrose training group.

Over the course of this year there have been many highlights. One is the annual Lasallian Camp. Run over the first weekend in July, it brought together schools from across our District of Ireland, Great Britain and Malta (and beyond) to celebrate our belonging to the Lasallian family.

This year we had students and staff from: DLS St Helens; St Augustine's, Trowbridge; St Simon Stock, Maidstone; St Gregory's, Bath; DLS School, Basildon; DLS College, Malta; DLS Dundalk, Ireland and DLS School, Gdansk, Poland.



Lasallian Camp 2018



Volunteer teams past and present

Achievements and performance (continued)

St Cassian's Pastoral Centre (continued)

Another annual highlight is the Pilgrimage to Rome, especially to the Generalate of the Brothers of the Christian Schools, its Chapel and to be able to venerate the relics of St John Baptist de La Salle.



De La Salle Generalate

The final retreat of the year is Yes Week, an open retreat running from Monday 11 July to Saturday 16 July, open to Y11+ students. The themes of the retreat are based on the Lasallian 5 Core Principles, each day following a different theme. The Volunteer team present an input each day, followed by discussion groups. Every prayer, game, input and workshop is created especially for that week. On the final evening there is a Formal Dinner, followed by a 'Cabaret Evening', with the talents of all retreatants on show.



Yes Week 2017

Achievements and performance (continued)

Lasallian Developing World Projects (LDWP)

Until 1 November 2018, Lasallian Developing World Projects was a charitable work of the charity with a Project Director responsible for the day to day management. On 1 November 2018, the assets and undertakings of LDWP were transferred to Lasallian Projects, a charitable company limited by guarantee, incorporated in England and Wales (Registered Company Number 11481398 and Registered Charity Number 1179517) under a deed of transfer. The charitable company's objects are within the objects of the charity.

Lasallian Developing World Projects provided funds for the development of educational facilities in poorer countries and involved teams of young volunteers in helping with construction work and teaching programmes. After their project it was expected that the volunteers will share the fruits of their experience with other people, continue to support development plans for the poorer parts of the world and join campaigns to eliminate injustice and poverty across the globe.

LDWP was also active in promoting Development Education for young people in Britain.

During the year, the Director of the LDWP was active in visiting schools and colleges to talk about the situation in the developing world and to encourage UK students to raise their levels of awareness on world problems and to contribute personally towards greater development and justice across the world. Older students were offered the possibility of joining a group to spend five weeks working in a developing country during the summer. Sufficient money was raised from donors to cover the construction costs of the buildings undertaken.

During 2017 into 2018 groups of young people met together to plan their project and to prepare themselves for life and work in a different environment. Then in the summer of 2018, ten Lasallian groups worked on overseas projects. The total number of these persons came to 100, the majority of them students aged 18-23. Seven of the groups were involved in sizeable construction projects of classrooms or housing for teachers or similar, while the other three mainly taught English.



Teaching In Tanzania



Building in India

Activities during the year (continued)

Lasallian Developing World Projects (LDWP) (continued)

All of the projects operated very successfully in terms of the tasks undertaken and in the equally important area of establishing friendly relationships with the local people with whom we were cooperating. The educational benefits are clearly visible in the buildings left for the impoverished schools but they are also discernible in the learning process that took place in the British volunteers. Most projects involved substantial amounts of manual work but time was also devoted to teaching and interaction with the students where this could be arranged with the schools.

- ◆ In Ghana this was the 28th year of co-operation between Kaleo village area and LDWP so the group visited all the school buildings constructed over that period. The team worked on a block to house several teachers at a kindergarten in the arid north west in the vicinity of Wa.
- ◆ Based in a secondary school in the town of Nyeri, Kenya, a group worked on the extension of the school hall on the site of St Mary's Secondary School and children's refuge.
- ◆ In Uganda one group worked on the construction of a classroom block for a new secondary school in Biiso.
- ◆ For the second time we sent a small group to an area of Uganda east of Jinja. The group were well-received and provided tutorial help in a large primary school and a secondary school.
- ◆ A group travelled to the small town of Mhaji in southern Tanzania where we have been before, to help in a primary school with English, Maths and IT courses.
- ◆ One group worked with a local charity, 'Reaching The Unreached', in southern India. They helped construct housing for very poor villagers and joined the local students (mostly orphans) in recreation and sports.
- ◆ In the same area of India, a group worked in serious heat on the construction of three classrooms for a junior school in a rural area.
- ◆ Still in southern India, a group returned to a school where we had worked on a building in 2017. This time they gave teaching help in the school and were pleased with the outcome of their efforts.
- ◆ Another group in Tamil Nadu, India worked with a school in the town of Keelamudiman. They dug foundations, built walls, painted rooms and still found time to engage with the schoolchildren.

"The project benefitted me personally in so many ways whilst giving me the rewarding knowledge that I was helping a less-privileged community." Gabriel, Ghana.

"One unforgettable aspect was the challenge of the daily manual labour and the satisfaction of getting a job done and seeing the results that made the effort worthwhile." Eva, India.

Activities during the year (continued)

Lasallian Developing World Projects (LDWP) (continued)

"While at school the group were hard-working and liked to teach so much. They enjoyed teaching math, English, music and arts and crafts. They were involved in the games such as ball games for both girls and boys." Rose, Headteacher, Uganda.

All funding over the year for the project expenses came from private donors, volunteers, schools and parishes and fundraising events. The administration was funded entirely by the charity. In 2019 the work of the projects will be continued by the new charitable company, Lasallian Projects, with nine groups planning to travel.



Finished classroom in Kenya, Narosura

Investment performance

The performance of the charity's investments was deemed satisfactory. Income from listed investments for the year totalled £961,498 (2017 - £935,801) and the market value of the listed investments increased by £114,438 (2017 – £,610,622).

Vicarious liability and similar claims

In recent years, vicarious liability claims have been brought against the charity and more recently these have been followed by other comparable claims against the charity. An overview of the claims is given below with further details given in notes 17 and 18 to the attached accounts.

◆ Vicarious liability claim

Together with a number of co-respondents, the charity has been the subject of a vicarious liability claim concerning alleged acts of sexual and physical abuse of pupils at an educational establishment between 1958 and 1992 by certain brothers who were members of the charity, as well as abuse by some lay staff at the establishment.

Vicarious liability and similar claims (continued)

In England and Wales, a Group Action was brought successfully against the organisation which owned and managed the establishment. However, on 21 November 2012 the Supreme Court found that vicarious liability attached to the charity as well as to this organisation (the co-defendant). Since that date, discussions have been on-going between the parties to reach agreement over the quantum of the compensation payable to claimants and the division of that compensation between the charity and the co-defendant.

In England and Wales, an Agreement was reached, in principle, in November 2015 that ensures that the charity, in return for an agreed settlement totalling £7.7 million, has been released from any further claim in relation to the Group Action or in relation to any future claims in respect to the educational establishment for damages, claimants' or co-defendant's costs. The Agreement was finally signed by all parties in July 2018. The delay in signing the Agreement was not caused by the charity and it was agreed that compensation of £150,000 would be received by the charity.

Further details of the amounts payable by the charity under the Agreement are provided in notes 16 and 17 to the attached accounts.

◆ **Claims in England and Wales**

There are three claims which are being brought against the charity currently within the jurisdiction of the Courts in England and Wales relating to historic incidents of alleged child sex abuse dating between 1972 and 1993.

1. An allegation has been made against a former member of the Institute who, at the time of the alleged abuse, worked at a state secondary school.
2. An allegation has been made against a teacher employed by a school which at the time of the alleged abuse was directly run by the charity.
3. An allegation has been made against several former members of the Institute and a member of staff (who was not a member of the Institute), all of whom worked at a school which was not the responsibility of the Institute.

The charity has no indemnity insurance in respect to claims 1 and 3 and is endeavouring to locate details of insurance in place at the time in respect to claim 2. Based on expert evidence and other advice, the reserve on damages for the three claims above is set at £250,000. Legal and professional costs in respect to these claims may exceed £500,000.

Vicarious liability and similar claims (continued)

◆ Claims in Scotland

There are approximately 36 claims of a similar nature to those described above now being brought against the charity in Scotland in respect to alleged incidents that took place in Scotland. All of these claims relate to events that allegedly took place many years ago. Given the recent abolition of Limitation by the Scottish Parliament (as of 4 October 2017), the historic claims are now being pursued. Four of these claims have been litigated and of these four, three "out of court" settlements have been reached since 31 August 2018, together amounting to in excess of £500,000 inclusive of costs. It is estimated that, excluding these three claims, the aggregate of the reserve on damages and costs may be £6 million. These Scottish claims are not part of the Agreement reached in England and Wales in November 2015. Attempts are being made in Scotland to seek partial recovery of damages and costs from the organisation which manages the Scottish establishments but, at present, that organisation is opposing this. Hence, the estimated full aggregate value of the Scottish claims, without such partial recovery, has been provided for in the attached accounts and is represented by the £6 million.

The trustees have engaged legal experts to act on behalf of the charity to advise on the conduct of the claims being brought against the charity in England and Wales and in Scotland. As noted earlier in this report, the trustees of the charity are aware of their duties in respect to safeguarding and have up to date procedures in place. The charity is a member of the Catholic Safeguarding Advisory Service (CSAS). The trustees are committed to acting in a way which is in the best interests of the charity and its beneficiaries.

Further details of the amounts payable by the charity in respect to the claims are given in notes 16 and 18 to the attached accounts.

Financial review

Financial results for the year

A summary of the year's results can be found on page 27 of the attached accounts.

Income for the year amounted to £2,253,443 (2017 – £2,385,656), of which £591,515 (2017 – £607,836) was received by way of covenanted salaries and pensions from members of the Institute and £1,070,767 (2017 – £1,052,726) was interest and investment income receivable. A further £242,529 (2017 – £232,993) related to education fees and related charges.

Expenditure on raising funds amounted to £112,128 (2017 – £105,726). Expenditure on charitable activities in the year related to the provision of education, the support of the members of the Institute and their ministry and donations and contributions to projects. These amounted to £399,993 (2017 – £410,735), £1,536,579 (2017 – £1,555,205) and £269,296 (2017 – £215,985) respectively.

Expenditure in connection with the vicarious liability and similar claims against the charity of £7,369,649 is explained under "vicarious liability and similar claims" above and also in notes 17 and 18 to the attached accounts.

Financial review (continued)

Financial results for the year (continued)

Overall, after taking into account realised and unrealised gains on investments of £170,562 (2017 - £1,610,622) there was a net decrease in total funds of £7,263,640 (2017 – increase of £1,623,087).

At 31 August 2018, the charity had net assets amounting to £18,731,764 (2017 – £25,995,404), primarily represented by tangible fixed assets of £3,823,116 (2017 – £3,945,998), investments of £25,893,656 (2017 – £25,779,218) and short term deposits and investments together with cash at bank of £1,160,267 (2017 – £3,074,198) offset by creditors and provisions totalling £15,210,066 (2017 - £10,022,468). The creditors and provisions include amounts in respect to the vicarious liability and similar claims referred to earlier.

Reserves policy and financial position

The balance sheet shows total funds of £18,731,764 (2017 - £25,995,404).

An amount of £11,500,000 (2017 – £16,000,000) has been designated as a retirement reserve to meet the cost of caring for and maintaining the members of the Province in their retirement. The reserve has been calculated on actuarial principles, but having regard to the actual resources available. The claims against the charity described above have resulted in the need to reduce the fund in 2018 to finance the liabilities that have arisen.

£2,000,000 (2017 - £3,500,000) has been set aside to generate income to assist with funding the operating deficits of the St Cassian's Pastoral Centre in Kintbury, Berkshire and £nil (2017 - £400,000) has been set aside to generate income to assist with the funding of overseas projects.

A further £3,823,116 (2017 – £3,945,998) has been set aside as a tangible fixed assets fund. This recognises that the tangible fixed assets are not available ordinarily to fund operating expenditure (but see below).

The charity also has restricted funds of £109,181 (2017 - £19,613).

At 31 August 2018, the charity's general funds were showing a balance of £1,299,467 (2017 - £2,129,793).

If the valuable and necessary work of the charity is to continue into the future, particularly the support of St Cassian's Pastoral Centre, it will be essential for the charity's general funds to be sustainable over the longer term. The charity's designated funds provide some finance with which it will be able to safeguard the future of its mission but these are unlikely to prove sufficient in the longer term. The trustees' longer term policy is that the charity should have sustainable general or "free" reserves equal to at least six to twelve months' expenditure.

Financial review (continued)

Reserves policy and financial position (continued)

The balance on the general funds at 31 August 2018 is after accounting for the creditors and provisions of £12.3 million towards the payment of compensation in respect to the vicarious liability and similar claims described earlier in this report. However, it is clear that if the charity is to finance the full cost of the vicarious liability and similar claims it will need to raise the liquid funds with which to do so. If it were to do so by disposing of investments, this will lead to a fall in essential investment income and may jeopardise the aim of retaining general fund balances at the level needed to meet at least six to twelve months' expenditure. Hence, it will be necessary for the charity to continue with its programme of disposing of properties and to retain the loan finance secured on the investment portfolio. Whilst such disposals together with the cost of servicing loan finance will have an adverse effect on the charity, thereby reducing the charity's impact by diminishing the potential outreach of its work, it is believed that they are the only way in which the long term future of the charity may be assured and the general funds sustained.

Governance, structure and management

Trustees

The trustees are an incorporated body under the Charities Act 2011. Under the terms of the trust, the trustees are appointed by the Provincial Superior who, in making these appointments, has regard to the suitable blend of skills and expertise required. Trustees with specific responsibilities take part in relevant training courses and conferences.

The trustees are ultimately responsible for the policies, activities and assets of the charity. The trustees who were in office during the year ended 31 August 2018 and to the date of this report are set out below:

Brother Laurence Hughes – Provincial

Brother Laurence became a member of the Institute in 1967. He was appointed Auxiliary Provincial on 1 April 2012 and then Provincial on 1 September 2014. He was appointed a trustee on 1 July 2012 and is now the Chairman. He studied at Manchester University, and taught in Portsmouth, Ipswich and London. From 1990 to 1995 he was Head of De La Salle College, Jersey. In recent years he has been Head of Drama and chaplain at a school in South Shields. He also served as acting Deputy Head for a year. He resigned to take up his new post as Auxiliary on 1 September 2012.

Brother James Kilty

On 1 April 2008, Brother James Kilty became Provincial on which date he became a trustee. He joined the Institute in 1964 and studied at De La Salle College of Higher Education and Lancaster University. He taught for 14 years in Kintbury and in St Helens and then, over a ten year period, he was responsible for the formation of new candidates to the Province. He was based in Rome for a ten-year period where he served as co-ordinator of Institute formation programmes in English-speaking sectors of the Institute, principally in Africa and Asia. More recently, he served as Director of Formation for the Institute's Asia-Pacific Region based in Singapore. During the General Chapter of 2014, he was made a Regional Superior. He is currently based in Rome, but continues as a trustee.

Governance, structure and management (continued)

Trustees (continued)

Brother John Deeney – Director of Lasallian Developing World Projects

Brother John joined the Institute in 1962. He gained his degree in Modern Languages at Oxford and taught in Portsmouth and Basildon. Since 1985 he has been responsible for organising overseas projects that involve UK students assisting with the development of education in poorer parts of the world.

Brother Paul Foy

Brother Paul joined the Institute in 1963. He studied at De La Salle College of Higher Education, Manchester. He taught in Reading and Cardiff and was Director of St Cassian's Retreat and Pastoral Centre, Berkshire. He undertook further studies at Santa Clara University, California. He is involved in Lasallian Development, contributing to the Lasallian mission in schools in Britain. He is a school governor of three schools and is a member of the management committee of St Cassian's. He is also a member of the Committee of Religious Life Institute at Heythrop College. In conjunction with the Handicapped Children's Pilgrimage Trust (HCPT), he organises and accompanies groups of young people on pilgrimage to Lourdes, where they work with, and support people with disabilities.

Brother Bernard Hayward

Brother Bernard joined the Institute in 1956. He taught in Manchester, at the Brothers' house of training near Basingstoke, in London and in Bournemouth. He was Provincial Bursar and a trustee from 1993 to 1997 and was re-appointed Provincial Bursar in August 2009 and thereafter a trustee.

Brother Nicholas Sellors

Brother Nicholas Sellors joined the Institute in 1963. He was educated at Oxford University and then worked in the Province's schools in London, Bournemouth and in Jersey where he was the head of De La Salle College. Thereafter he joined the retreat team at St Cassian's Centre, Kintbury and became the Director of the Centre. He served two terms of office as the Provincial.

Trustees' meetings

The trustees meet at least six times a year, usually more frequently. They regularly review the activities of the charity, as well as monitoring the progress of its mission and the needs of its members. They are responsible for deciding policy and for taking the important decisions that affect the charity. Where appropriate, they seek the advice and support of the charity's professional advisers, including charity consultants, investment managers, solicitors, accountants, employment advisers and surveyors.

The day to day management of the charity's activities and the implementation of policies are delegated to members of the Province, or to senior staff who possess the requisite skills and expertise.

Governance, structure and management (continued)

Key management personnel

The trustees consider that the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, the Managers of the two care homes for the care of older and frail members of the Institute, the Director of St Cassian's Pastoral Centre and the Charity Resources and Finance Manager.

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

The remuneration of the Managers of the two care homes, the Director of St Cassian's Pastoral Centre and that of the Charity Resources and Finance Manager is approved by the trustees. Such remuneration is set having regard to market salaries for similar roles and after taking into account specific circumstances relating to the charity's needs and circumstances.

Statement of trustees' responsibilities

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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 UK and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the 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.

Governance, structure and management (continued)

Risk management

The trustees undertake an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures should they be needed to minimise or manage any potential impact on the charity should those risks materialise.

The trustees have identified five main areas where risks may occur: governance and management; operational; financial; reputational; and regulatory.

Governance and management looks at the risk of the Institute, and hence the charity, suffering from a lack of direction, 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 in the operation of its care home and hospice, the members of the congregation 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 plan, 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 Institute's, and hence the charity's, reputation.

Regulatory looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

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:

Governance, structure and management (continued)

Risk management (continued)

◆ Age profile

The age profile and health of the members and future operation of the charity. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the members 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 members. 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 members encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

◆ Investments

The value of investments and properties. The value of listed investments 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 investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs, both now and in the future.

◆ Safeguarding

The trustees recognise the absolute necessity of ensuring the protection and safeguarding of all those whom the charity serves, especially children and vulnerable adults. One appointee of the Province is the named Safeguarding Officer for the Province and is trained accordingly. All the members in the Province and all members of staff and volunteers, who are in contact with people through their ministry, have an Advanced Disclosure from the Disclosure and Barring Service (DBS).

The trustees are committed to implementing all the policies and procedures of the Catholic Safeguarding Advisory Council, England and Wales (CSAC) and the National Office for the Protection of Children and Vulnerable Adults in Scotland (NOPCVA). They take responsibility for identifying, preventing, investigating and responding to all allegations or incidents of abuse.

Her Majesty's Government has established a public inquiry into institutional abuse of children (Independent Inquiry into Child Sexual Abuse). This inquiry is considered to be the most comprehensive ever commissioned by any government and is expected to run for at least five years. The Inquiry is undertaking a specific investigation with regard to the Roman Catholic Church. The preliminary hearing of this investigation occurred on 23 May 2019 and the public hearing has been listed to occur between 28 October and 8 November 2019. On charity's behalf, BLM solicitors have responded directly to the Inquiry's investigation team following their request for documents and information.

Governance, structure and management (continued)

Risk management (continued)

♦ Safeguarding (continued)

In Scotland, separately there is a Public Inquiry (The National Inquiry into Historical Abuse) (SCAI) commissioned by Scottish Ministers under the Inquiries Act 2005. Lady Anne Smith is the present Chair. This Inquiry began taking evidence in March 2016. The Provincial, Brother Laurence Hughes has given evidence to SCAI. However, as yet, no specific individual investigatory hearing into the charity has been ordered by SCAI, notwithstanding that such individual hearings have taken place and are taking place concerning other Religious Orders. However, there is no end date for SCAI to conclude.

Both Inquiries will inevitably be the focus of media attention. Consequently, the trustees are conscious of the impact and importance of these inquiries and welcome the focus on victims and survivors of historic abuse.

♦ Key staff

Reliance on key staff and the need for succession planning. Advice is taken on investment management, accountancy, actuarial, architectural, legal and business matters from lay professionals. The trustees meet as needed with their advisers to monitor risks and the risk management policy and refer matters to the Province Leadership Team for consideration.

The trustees continue to monitor the major risks to which the charity may be exposed and systems are investigated and established to mitigate these risks.

Schools and educational establishments

The charity provides an extensive portfolio of land and buildings for a number of secondary schools founded by the Institute, which are now voluntary aided or independent charities and whose finances, therefore, fall outside the charity. These properties are not included in the charity's list of assets because they are not available for disposal. The Brothers are the trustees for most of these schools.

The schools where the charity owns land and, in some cases, the buildings or some of the buildings, are:

De La Salle School Ghyllgrove, Basildon, Essex SS14 2LA	11-16 mixed comprehensive
St Matthew Academy Lee Terrace, Blackheath, London SE3 9TY	City academy The trusteeship resides with the R.C. Archdiocese of Southwark
De La Salle Academy Trust Carr Lane East, Liverpool L11 4SG	11-18 boys' academy

Governance, structure and management (continued)

Schools and educational establishments (continued)

De La Salle School Mill Brow, St Helens WA10 4QH	11-16 mixed comprehensive
St Joseph's College Beulah Hill, London SE19 3HL	11-18 boys' academy (16 – 18 mixed)
St Peter's School St Catherine's Road, Bournemouth BH6 4AH	3-18 mixed academy The trusteeship is shared with the R.C. Diocese of Portsmouth.
St John's College Grove Road South, Southsea PO5 3QW	2-18 mixed independent

Foundations

The following foundation is owned and administered by the charity.

Pastoral Centre

St Cassian's Centre Kintbury, Hungerford, Berkshire RG17 9SR	Organises short retreats for young people and courses for teachers. The Centre is managed by a Management Committee which is appointed by, and reports to, the trustees.
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Approved by the trustees and signed on their behalf by:

Bernard Hayward
Trustee

Approved by the trustees on: 26 June 2019

Independent auditor's report to the trustees of The Province of Great Britain of the Institute of the Brothers of the Christian Schools Charitable Trust

Opinion

We have audited the accounts of The Province of Great Britain of the Institute of the Brothers of the Christian Schools 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).

In our opinion, the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

Use of our report

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

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

26 July 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 funds £	Unrestricted funds £	Restricted funds £	Total 2017 funds £
Income from:							
Donations and legacies	1	614,366	175,093	789,459	678,705	186,996	865,701
Primary purpose trading activities	2	47,018	14,708	61,726	53,602	30,634	84,236
Investments and interest receivable	3	1,070,514	253	1,070,767	1,052,523	203	1,052,726
Charitable activities							
. Provision of education	4	242,529	—	242,529	232,993	—	232,993
Other sources	5	88,962	—	88,962	150,000	—	150,000
Total income		2,063,389	190,054	2,253,443	2,167,823	217,833	2,385,656
Expenditure on:							
Raising funds	6	112,128	—	112,128	105,726	—	105,726
Charitable activities							
.. Provision of education	7	396,062	3,931	399,993	397,474	13,261	410,735
.. Support of members of the Institute and their ministry	8	1,509,165	27,414	1,536,579	1,555,205	—	1,555,205
. Donations and contributions to projects	9	38,226	231,070	269,296	34,562	181,423	215,985
Other items							
. Vicarious liability and similar claims	10	7,369,649	—	7,369,649	85,540	—	85,540
Total expenditure		9,425,230	262,415	9,687,645	2,178,507	194,684	2,373,191
Net (expenditure) income before gains on investments		(7,361,841)	(72,361)	(7,434,202)	(10,684)	23,149	12,465
Net gains on investments		170,562	—	(170,562)	1,610,622	—	1,610,622
Net (expenditure) income before transfers		(7,191,279)	(72,361)	(7,263,640)	1,599,938	23,149	1,623,087
Transfer between funds	19	(161,929)	161,929	—	—	—	—
Net (expenditure) income and net movement between funds		(7,353,208)	89,568	(7,263,640)	1,599,938	23,149	1,623,087
Balances brought forward at 1 September 2017		25,975,791	19,613	25,995,404	24,375,853	(3,536)	24,372,317
Balances carried forward at 31 August 2018		18,622,583	109,181	18,731,764	25,975,791	19,613	25,995,404

All income and expenditure in the current and prior year related to continuing operations.

Balance sheet 31 August 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible fixed assets	13		3,823,116		3,945,998
Investments	14		25,893,656		25,779,218
			29,716,772		29,725,216
Current assets					
Debtors: amounts due within one year	15	182,568		479,802	
Debtors: amounts due after more than one year	15	2,882,223		2,738,656	
Short term deposits		—		2,551,592	
Cash at bank and in hand		1,160,267		522,606	
		4,225,058		6,292,656	
Current liabilities					
Creditors: amounts falling due within one year	16	(5,660,066)		(2,464,663)	
Net current (liabilities) assets			(1,435,008)		3,827,993
Total assets less current liabilities			28,281,764		33,553,209
Creditors: amounts falling due after more than one year	17		(2,800,000)		(7,557,805)
			25,481,764		25,995,404
Provision for liabilities and charges	18		(6,750,000)		—
Total net assets			18,731,764		25,995,404
The funds of the charity:					
Restricted funds	19		109,181		19,613
Unrestricted funds					
. Tangible fixed assets fund	20	3,823,116		3,945,998	
. Designated funds	21	13,500,000		19,900,000	
. General funds		1,299,467		2,129,793	
			18,622,583		25,975,791
Total funds and reserves			18,731,764		25,995,404

Approved by the trustees and signed on their behalf by:

Bernard Hayward
Trustee

Approved by the trustees on: 26 June 2019

Statement of cash flows Year to 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(3,183,798)	(1,229,522)
Cash flows from investing activities:			
Investment income and interest received		974,052	948,584
Proceeds from the disposal of tangible fixed assets		139,870	30
Purchase of tangible fixed assets		(49,444)	(1,123)
Proceeds from the disposal of investments		2,123,724	4,574,918
Purchase of investments		(2,298,809)	(3,480,221)
Proceeds from loan repayments		109,050	109,050
Net cash provided by investing activities		998,443	2,151,238
Change in cash and cash equivalents in the year		(2,185,355)	921,716
Cash and cash equivalents at 1 September 2017	B	4,307,063	3,385,347
Cash and cash equivalents at 31 August 2018	B	2,121,708	4,307,063

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

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

	2018 £	2017 £
Net movement in funds (as per the statement of financial activities)	(7,263,640)	1,623,087
Adjustments for:		
Depreciation charge	121,418	120,485
Investment income and interest receivable	(1,070,767)	(1,052,726)
Investment gains	(170,562)	(1,610,622)
(Surplus) deficit on disposal of tangible fixed assets	(88,962)	1
Decrease (increase) in debtors:		
. Due within one year	141,332	(162,005)
Increase (decrease) in creditors:		
. Due within one year	647,383	152,258
. Due after more than one year	(2,250,000)	(300,000)
Increase in provision for liabilities and charges	6,750,000	—
Net cash used in operating activities	(3,183,798)	(1,229,522)

B Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	1,160,267	522,606
Short term deposits (less than three months)	—	2,551,592
Cash held by investment managers	961,441	1,232,865
Total cash and cash equivalents	2,121,708	4,307,063

Principal accounting policies Year to 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 given in respect to the year to 31 August 2017.

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

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS 102) 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:

- ◆ assessing the probability of the receipt of and the measurement of legacy income;
- ◆ estimating accrued expenditure and, in particular, the liability of the charity in respect to damages and related costs of vicarious liability and similar claims;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation rate; and
- ◆ determining the value of designated funds needed at the year end, in particular in respect to the assumptions made in determining the value of the retirement reserve.

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.

Principal accounting policies Year to 31 August 2018

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, 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 and legacies, income from primary purpose trading, investment income and interest receivable, fees and related charges for the provision of education and other income including the surplus on the disposal of tangible fixed assets.

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

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

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 from primary purpose trading includes income from rental and hospitality. It is accounted for at the fair value of the consideration received or receivable.

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

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

Principal accounting policies Year to 31 August 2018

Income recognition (continued)

Income derived from the levying of fees and related charges comprises income relating to St Cassian's Pastoral Centre. Such income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and scholarships.

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

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

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs, including governance costs. The classification between activities is as follows:

Expenditure on raising funds includes the fees paid to investment managers in connection with the management of the charity's listed investments.

Expenditure on charitable activities comprises expenditure on the charity's primary charitable purposes as described in the trustees' report and relate to:

- ◆ The provision of education being costs in relation to St Cassian's Pastoral Centre primarily.
- ◆ The support of members of the Institute and their ministry. Such expenditure enables the members to carry out the charitable work of the Province in the areas of the advancement of the Roman Catholic Religion, the advancement of education and the relief of poverty.
- ◆ Donations made to other organisations and to individuals. The making of grants and donations is not a central part of the charity's activities. Donations are made only in cases where the trustees consider there is real need following a review of the details of each particular case. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the year end.

Expenditure in connection with the vicarious liability and similar claims includes compensation payable together with associated legal and other professional fees.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice. Governance costs are included as a specific category within support costs.

Such expenditure is allocated directly to the relevant categories and apportionment is not required.

Tangible fixed assets

♦ Land and buildings

Non-specialised buildings

Non-specialised buildings are those designed as, and used wholly or mainly for, private residential accommodation. Those that have been owned since 1996 are stated at cost, or, where cost is not available, at a trustees' valuation made, with professional assistance, in 1996 based on market value for existing use. Under the transitional arrangements of FRS 102 this valuation is now deemed to equate to cost. All other non-specialised buildings are stated at cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

Specialised buildings

Specialised buildings comprise retirement homes, the pastoral centre and the administration centre. Those that have been owned since 1996 are stated at cost, or, where cost is not available, at a trustees' valuation made, with professional assistance, in 1996 based on market value for existing use. Under the transitional arrangements of FRS 102 this valuation is now deemed to equate to cost. All other specialised buildings are stated at cost. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the charity.

Other land and buildings

The trustees are the legal owners of land and buildings used exclusively by schools and colleges founded by the Institute, but which are now separate charities. Their occupation of the land and buildings is indefinite and rent free. As such assets have no meaningful value in use to the trustees, no value is attributed to them in the accounts. The schools are situated in Basildon, Bournemouth, London Borough of Lewisham, Liverpool, Southsea and St Helens.

No depreciation is provided on freehold land.

Principal accounting policies Year to 31 August 2018

Tangible fixed assets (continued)

Other land and buildings (continued)

♦ Furniture, equipment and motor vehicles

Expenditure in excess of £1,000 on the purchase and replacement of furniture, equipment and motor vehicles is capitalised and depreciated using the following method and rates per annum:

Office equipment	40% on a reducing balance and 33% straight line
Motor vehicles	30% on a reducing balance and 20% straight line
Furniture and equipment	15% and 20% on a reducing balance

Fixed asset investments

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

Realised gains (or losses) on investment assets are calculated as the difference between disposal 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 at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

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.

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.

Principal accounting policies Year to 31 August 2018

Fund structure

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets used for the support of the members of the Institute and their ministry. A decision was made to separate this fund from the general fund in recognition of the fact that the assets are used in the day to day work of the charity, and the fund value would not be realisable easily if needed to meet future contingencies.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

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

Services provided by members of the Institute

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

Pension costs

The charity contributes to defined contribution schemes for certain employees. The contributions are charged to the statement of financial activities when payable.

1 Income from: Donations and legacies

	Total 2018 £	Total 2017 £
Salaries and pensions of individual members of the Institute received under deed of covenant	591,515	607,836
Other donations and legacies	197,944	257,865
Total funds	789,459	865,701

All income from donations and legacies is unrestricted except for other donations and legacies of £175,093 (2017 - £186,996) which are restricted.

2 Income from: Primary purpose trading activities

Income from primary purpose trading activities relates to activities for generating funds, including rental and hospitality income.

3 Income from: Investments and interest receivable

	Total 2018 £	Total 2017 £
Listed investment income	961,498	935,801
Loan interest	103,390	112,146
Bank interest	5,879	4,779
Total funds	1,070,767	1,052,726

All income from investments and interest receivable is unrestricted except for bank interest of £253 (2017 - £203) which is restricted.

4 Income from: Charitable activities - Provision of education

	Unrestricted funds 2018 £	Unrestricted funds 2017 £
Total funds: St Cassian's Pastoral Centre fees and similar income	242,529	232,993

5 Income from: Other sources

	Unrestricted funds 2018 £	Unrestricted funds 2017 £
Compensation arising from delays in negotiation of vicarious liability claim (see note 17)	—	150,000
Surplus on disposal of tangible fixed assets	88,962	—
Total funds	88,962	150,000

6 Expenditure on: Raising funds

	Unrestricted funds 2018 £	Unrestricted funds 2017 £
Total funds: Investment managers' fees	112,128	105,726

7 Expenditure on: Charitable activities - Provision of education

	Total 2018 £	Total 2017 £
Staff and related costs	245,462	249,756
Other costs	154,531	160,979
Total funds	399,993	410,735

All expenditure on the provision of education is unrestricted except for other costs of £3,931 (2017 - £13,261) which is restricted.

8 Expenditure on: Charitable activities - Support of members of the Institute and their ministry

	Total 2018 £	Total 2017 £
Staff costs (including agency staff)	679,652	599,334
Premises	278,731	292,254
Brothers' living and ministry expenses	235,301	235,859
Education, training and spiritual renewal	56,531	54,373
Depreciation	121,418	120,485
Legal and professional fees	108,406	193,310
Governance costs	26,820	22,890
Other costs	29,720	36,700
Total funds	1,536,579	1,555,205

Governance costs relate to taxation services of £2,275 (2017 - £nil) and auditor's remuneration for statutory audit services of £24,545 (2017 - £22,890).

All expenditure on the support of members of the Institute and their ministry is unrestricted except for premises costs of £27,414 (2017 - £nil) which are restricted.

9 Expenditure on: Charitable activities - Donations and contributions to projects

	Total 2018 £	Total 2017 £
The Generalate of the Institute	22,621	28,839
Overseas missions and projects	243,815	181,423
Other	2,860	5,723
Total funds	269,296	215,985

All donations and contributions to projects are unrestricted except for expenditure on overseas missions and projects of £231,070 (2017 - £181,423) which is restricted.

10 Expenditure on: Other items - Vicarious liability and similar claims

	Total 2018 £	Total 2017 £
Vicarious liability (note 17)	619,649	85,540
Provision for liabilities in respect to claims of alleged abuse inclusive of costs (note 18):		
· England and Wales	750,000	—
· Scotland	6,000,000	—
	7,369,649	85,540

All expenditure relating to vicarious liability and similar claims is unrestricted.

11 Staff costs and remuneration of trustees and key management personnel

Staff costs during the year were as follows:

	Total 2018 £	Total 2017 £
Wages and salaries	855,343	805,586
Social security costs	58,092	36,650
Pension costs	11,679	6,854
	925,114	849,090

Staff costs analysed by function were as follows:

	2018 £	2017 £
Provision of education	245,462	249,756
Support of members of the Institute	679,652	599,334
	925,114	849,090

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

	2018	2017
£60,001 to £70,000	1	1

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

	2018	2017
Provision of education	13	13
Support of members of the Institute	50	51
	63	64

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis together with the Managers of the two care homes for older and frail members of the Institute, the Director of St Cassian's Pastoral Centre and the Charity Resources and Finance Manager.

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

All trustees are members of the Institute and whilst their living and personal expenses are borne by the charity they receive nil remuneration or reimbursement of expenses in connection with their duties as trustees or key management (2017 - £nil). The total remuneration for the year of the other key management personnel (including taxable benefits and employer's national insurance and pension contributions) was £168,759 (2017 - £159,529).

The charity purchases insurance to protect the charity from loss arising from any wrongful or dishonest act of trustees and to indemnify trustees in respect of losses arising from actions they have taken in good faith. The total cover provided by such insurance is £5 million (2017 – £5 million) and the total premium paid in respect of such insurance was £5,824 (2017 – £5,720).

12 Taxation

The Province of Great Britain of the Institute of the Brothers of the Christian Schools Charitable Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13 Tangible fixed assets

	<u>Freehold land and buildings</u>		Furniture, equipment and motor vehicles	Total
	Specialised £	Non- specialised £	£	£
Cost or valuation				
At 1 September 2017	5,153,272	600,000	541,169	6,294,441
Additions	—	—	49,444	49,444
Disposals	—	(50,000)	(23,498)	(73,498)
At 31 August 2018	<u>5,153,272</u>	<u>550,000</u>	<u>567,115</u>	<u>6,270,387</u>
At cost	—	—	567,115	567,115
At deemed cost (based on 1996 valuation)	<u>5,153,272</u>	<u>550,000</u>	<u>—</u>	<u>5,703,272</u>
	<u>5,153,272</u>	<u>550,000</u>	<u>567,115</u>	<u>6,270,387</u>
Depreciation				
At 1 September 2017	1,855,180	—	493,263	2,348,443
Charge for the year	103,065	—	18,353	121,418
On disposals	—	—	(22,590)	(22,590)
At 31 August 2018	<u>1,958,245</u>	<u>—</u>	<u>489,026</u>	<u>2,447,271</u>
Net book values				
At 31 August 2018	<u>3,195,027</u>	<u>550,000</u>	<u>78,089</u>	<u>3,823,116</u>
At 31 August 2017	<u>3,298,092</u>	<u>600,000</u>	<u>47,906</u>	3,945,998

13 Tangible fixed assets (continued)

As permitted under the transitional provisions of FRS 102, the charity has continued to adopt a policy of not revaluing its tangible fixed assets. They are stated at cost, or, where cost is not available, at a trustees' valuation made as described in the principal accounting policies. The valuation is now deemed to be cost.

It is likely that the open market values of certain of the charity's land and buildings are materially greater than their book values. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts.

14 Listed investments

	2018 £	2017 £
Listed investments		
Market value at 1 September 2017	24,546,353	23,784,861
Additions at cost	2,298,809	3,480,221
Disposals at opening market value (proceeds: £2,123,724; losses: £77,782)	(2,201,506)	(4,602,720)
Net unrealised investment gains	288,559	1,883,991
Market value at 31 August 2018	24,932,215	24,546,353
Cash held by investment managers for re-investment	961,441	1,232,865
	25,893,656	25,779,218
Cost of listed investments at 31 August 2018	17,769,400	19,006,217

Listed investments (excluding cash) held at 31 August 2018 comprised the following:

	2018 £	2017 £
Equities (UK)	11,740,102	12,329,414
Equities (overseas)	7,234,528	7,439,242
Fixed interest investments (UK)	2,688,283	1,489,770
Fixed interest investments (overseas)	1,283,342	3,007,664
Other listed investments (Infrastructure and private equity (property))	1,985,960	280,263
	24,932,215	24,546,353

All listed investments were dealt in on a recognised stock exchange. There were no individual investments which represented a material holding as at 31 August 2018 (2017 – none).

At 31 August 2018 listed investments included £2,553,013 (2017 – £2,507,805), representing amounts due to the Generalate of the Institute of the Brothers of the Christian Schools (note 16). Included within these investments are net unrealised gains of £67,227 (2017 – £190,690) and realised losses of £27,012 (2017 – gains of £51,923) which arose during the year ended 31 August 2018. As these gains represent part of the amount due to the Generalate, they are not reflected through the statement of financial activities.

Notes to the accounts Year to 31 August 2018

15 Debtors

	2018 £	2017 £
Amounts due within one year		
Prepayments	2,021	1,319
Legacy receivable	—	66,500
Investment income receivable	54,700	61,445
Other debtors	31,463	106,927
Loan to St John's College, Southsea	83,678	174,513
Loan interest receivable	10,706	69,098
	182,568	479,802

	2018 £	2017 £
Amounts due after more than one year		
Loan to St John's College, Southsea	2,882,223	2,738,656

The loan to St John's College Southsea of £3 million was repayable over 20 years from September 2015 with interest charged in arrears at 3.5% over the Bank of England bank rate.

However, during the year a replacement loan agreement has been signed and is effective from 1 August 2018 in respect to the amount outstanding at this date including accrued interest. This loan is repayable over 22 years in two equal instalments each year, with interest accruing daily at 3.5% over the Bank of England bank rate.

The loan is secured by way of a legal charge over long leasehold buildings.

16 Creditors: amounts falling due within one year

	2018 £	2017 £
Amount due to St John's College, Southsea	—	227,950
Expense creditors	18,379	9,574
Other creditors	18,328	8,014
Accruals	114,276	69,125
Vicarious liability (see note 17)	2,250,000	1,850,000
Legal costs payable in connection with vicarious liability claim	206,070	300,000
Liability in respect to claims of alleged abuse inclusive of costs (see note 18)	500,000	—
Amount due to the Generalate of the Institute of the Brothers of the Christian Schools (see note 14)	2,553,013	—
	5,660,066	2,464,663

17 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Amount due to the Generalate of the Institute of the Brothers of the Christian Schools (see note 14)	—	2,507,805
Vicarious liability (see below)	2,800,000	5,050,000
	2,800,000	7,557,805

Together with a number of co-respondents, the charity has been the subject of a vicarious liability claim concerning alleged acts of sexual and physical abuse of pupils at an educational establishment between 1958 and 1992 by certain brothers who were members of the charity, as well as abuse by some lay staff at the establishment.

In England and Wales, a Group Action was brought successfully against the organisation which owned and managed the establishment. However, on 21 November 2012 the Supreme Court found that vicarious liability attached to the charity as well as to this organisation (the co-defendant). Since that date, discussions have been on-going between the parties to reach agreement over the quantum of the compensation payable to claimants and the division of that compensation between the charity and the co-defendant.

In England and Wales, an Agreement was reached, in principle, in November 2015 that ensures that the charity, in return for an agreed settlement totalling £7.7 million, has been released from any further claim in relation to the Group Action or in relation to any future claims in respect to the educational establishment for damages, claimants' or co-defendant's costs. The Agreement was finally signed by all parties in July 2018. The delay in signing the Agreement was not caused by the charity and it was agreed that compensation of £150,000 would be received by the charity (see note 5).

Of the £7.7 million payable under the Agreement, £650,000 has been paid and expensed in the charity's accounts prior to 31 August 2014. Of the remainder, a payment of £1.85 million (being £2 million net of the agreed compensation of £150,000 due to the charity) was made in July 2018. Thereafter, £2.25 million will be payable during the year ending 31 August 2019, £2.4 million will be payable in the year ending 31 August 2020 and the balance of £400,000 will be payable in the financial year ending 31 August 2021. The future payments have been shown within these accounts as creditors (see above and note 16). In the event that any payment is not made in accordance with the proposed Agreement, provision is made for interest at 6% per annum to accrue on any part due but unpaid from the date due until the date of full payment. Should two or more payments not be made in accordance with the proposed Agreement, the charity may be pursued for the full settlement outstanding plus interest.

In addition to the above, the charity has continued to incur its own legal fees in connection with the matter including those in respect to the negotiations over the compensation payable. During the years to 31 August 2017 and 2018 the charity incurred legal and professional fees amounting to £85,540 and £119,649 respectively. An estimate of legal and professional fees still to be incurred in respect to the Agreement of £206,070 has been included in note 16 above.

18 Provision for liabilities and charges

	2018 £	2017 £
Provision for liabilities in respect to claims of alleged abuse inclusive of costs (see below):		
. England & Wales	750,000	—
. Scotland	6,000,000	—
	6,750,000	—

In addition to the vicarious liability claim detailed in note 17 above, more recently other comparable claims have been made against the charity in both England and Wales and in Scotland.

There are three claims which are being brought against the charity currently within the jurisdiction of the Courts in England and Wales relating to historic incidents of alleged child sex abuse dating between 1972 and 1993.

1. An allegation has been made against a former member of the Institute who, at the time of the alleged abuse, worked at a state secondary school.
2. An allegation has been made against a teacher employed by a school which at the time of the alleged abuse was directly run by the charity.
3. An allegation has been made against several former members of the Institute and a member of staff (who was not a member of the Institute), all of whom worked at a school which was not the responsibility of the Institute.

The charity has no indemnity insurance in respect to claims 1 and 3 and is endeavouring to locate details of insurance in place at the time in respect to claim 2. Based on expert evidence and other advice, the reserve on damages for the three claims above is set at £250,000. Legal and professional costs in respect to these claims may exceed £500,000. Consequently, a provision of £750,000 has been made in these accounts and is shown above.

There are approximately 36 claims of a similar nature to those described above now being brought against the charity in Scotland in respect to alleged incidents that took place in Scotland. All of these claims relate to events that allegedly took place many years ago. Given the recent abolition of Limitation by the Scottish Parliament (as of 4 October 2017), the historic claims are now being pursued. Four of these claims have been litigated and of these four, three “out of court” settlements have been reached since 31 August 2018, together amounting to in excess of £500,000 inclusive of costs. A liability in respect to these three settled claims is included in note 16 above. It is estimated that, excluding these three claims, the aggregate of the reserve on damages and costs may be £6 million and a provision for this sum is included above. These Scottish claims are not part of the Agreement reached in England and Wales in November 2015 (see note 17). Attempts are being made in Scotland to seek partial recovery of damages and costs from the organisation which manages the Scottish establishment but, at present, that organisation is opposing this. Hence, the estimated full aggregate value of the Scottish claims, without such partial recovery, has been provided for and is represented by the £6 million.

19 Restricted funds

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

	At 1 September 2017 £	Income £	Expenditure £	Transfer £	At 31 August 2018 £
Lasallian Developing World Projects fund	(59,882)	186,253	(231,070)	161,929	57,230
St Cassian's Appeal fund	63,346	3,737	(31,345)	—	35,738
Other funds	16,149	64	—	—	16,213
	19,613	190,054	(262,415)	161,929	109,181

	At 1 September 2016 £	Income £	Expenditure £	At 31 August 2017 £
Lasallian Developing World Projects fund	(56,947)	178,488	(181,423)	(59,882)
St Cassian's Appeal fund	37,262	39,345	(13,261)	63,346
Other funds	16,149	—	—	16,149
	(3,536)	217,833	(194,684)	19,613

- ◆ The Lasallian Developing World Projects fund comprised monies received for the development of short term overseas aid projects, mainly in connection with education. The transfer in the year relates to contributions to these projects from unrestricted funds which were made in prior years but which were never reflected in these accounts. With effect from 1 November 2018, the activities accounted for through the Lasallian Developing World Projects fund were transferred via a legal deed of transfer to a newly established and independent charitable company (see note 25).

- ◆ The St Cassian's Appeal fund represents monies raised to support the St Cassian's Pastoral Centre, Kintbury, Berkshire.

20 Tangible fixed assets fund

	Total 2018 £	Total 2017 £
At 1 September 2017	3,945,998	4,065,391
Net movement in year	(122,882)	(119,393)
At 31 August 2018	3,823,116	3,945,998

The tangible fixed assets fund represents the net book value of the charity's freehold and leasehold property and other tangible fixed assets. 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.

21 Designated funds

The income fund of the charity includes the following funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 September 2017 £	Amounts released £	At 31 August 2018 £
Retirement reserve	16,000,000	(4,500,000)	11,500,000
St Cassian's support fund	3,500,000	(1,500,000)	2,000,000
Overseas projects fund	400,000	(400,000)	—
	19,900,000	(6,400,000)	13,500,000

	At 1 September 2016 £	New designations £	At 31 August 2017 £
Retirement reserve	15,000,000	1,000,000	16,000,000
St Cassian's support fund	3,500,000	—	3,500,000
Overseas projects fund	400,000	—	400,000
	18,900,000	1,000,000	19,900,000

The purposes for which the funds have been set aside are as follows:

- ♦ The retirement reserve consists of monies which the trustees have set aside in order to provide for the Brothers in their retirement. The reserve has been calculated on actuarial principles, but having regard to the actual resources available given the claims against the charity described in notes 17 and 18 above).
- ♦ The St Cassian's support fund comprised investments set aside to generate income to assist with funding the operating deficits of the St Cassian's Pastoral Centre in Kintbury, Berkshire.
- ♦ The overseas projects fund comprised investments set aside to generate income to assist with the funding activities of the Lasallian Development World Projects (LDWP).

22 Analysis of net assets between funds

	General funds £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2018 £
Fund balances at 31 August 2018 are represented by:					
Tangible fixed assets	—	3,823,116	—	—	3,823,116
Investments	12,393,656	—	13,500,000	—	25,893,656
Net current (liabilities) assets	(1,544,189)	—	—	109,181	(1,435,008)
Creditors due after one year	(2,800,000)	—	—	—	(2,800,000)
Provisions for liabilities and charges	(6,750,000)	—	—	—	(6,750,000)
Total net assets	1,299,467	3,823,116	13,500,000	109,181	18,731,764

	General funds £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2017 £
Fund balances at 31 August 2017 are represented by:					
Tangible fixed assets	—	3,945,998	—	—	3,945,998
Investments	5,879,218	—	19,900,000	—	25,779,218
Net current assets	3,808,380	—	—	19,613	3,827,993
Creditors due after one year	(7,557,805)	—	—	—	(7,557,805)
Total net assets	2,129,793	3,945,998	19,900,000	19,613	25,995,404

23 Contingent liabilities

In the event of closure or sale of voluntary aided schools provided by the charity, it may become liable to repay grants paid by the Department for Education to finance capital expenditure by those schools. Since figures for total capital grants paid are not readily available, it is not possible to quantify the amount of any contingent liability.

In addition to the vicarious liability and similar claims explained in notes 17 and 18, it is possible that there may be further potential claims against the charity concerning the welfare of children. The likelihood of these arising, the amounts that may be claimed and the associated costs cannot be quantified at the current time.

24 Capital commitments

	2018 £	2017 £
Contracted for but not provided for in the accounts	15,000	—

The above commitment relates to the purchase of a motor vehicle.

25 Post balance sheet event

On 1 November 2018, the net assets and undertakings of the Lasallian Developing World Projects fund (LDWP) were transferred to Lasallian Projects, a charitable company limited by guarantee, incorporated in England and Wales (Registered Company Number 11481398 and Registered Charity Number 1179517) under a legal deed of transfer. The charitable company's objects are within the objects of the charity.

The net assets transferred at 1 November 2018 comprised cash at bank of £55,728.