

**The English  
Dominican  
Congregation (Stone)  
Charitable  
Fund**

**Annual Report and Accounts**

31 March 2019

Charity Registration Number  
271922

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## Reference and administrative details of the charity, its trustees and advisers

<b>Trustees</b>	Sister Mary Pauline (B Burling) (ex-officio - Prioress General) Sister Margaret Teresa Billington Sister Jane Ann Alves Sister Angela Mary Leydon Sister Ann Catherine Swailes
<b>Administrative address</b>	St Dominic's Convent Stone Staffordshire ST15 8EN
<b>Telephone</b>	01785 813552
<b>Website</b>	<a href="http://www.stone-dominicans.org.uk">www.stone-dominicans.org.uk</a>
<b>Charity registration number</b>	271922
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Principal bankers</b>	The Royal Bank of Scotland plc PO Box 412 62/63 Threadneedle Street London EC2R 8LA
<b>Investment managers</b>	BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue London EC2N 2DL

## Reference and administrative details of the charity, its trustees and advisers

<b>Solicitors</b>	Beswicks Solicitors LLP Sigma House Lakeside Festival Way Festival Park Stoke-on-Trent ST1 5RY
	Ansons Solicitors Limited St Mary's Chambers 5-7 Breadmarket Street Lichfield WS13 6LQ
	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR
	Dixon Phillips Limited 22 Hills Road Cambridge CB2 1JP
<b>Property consultant</b>	Avison Young 65 Gresham Street London EC2V 7NQ
<b>Architect</b>	Cavaleri Partnership Trinity Hall Farm Industrial Estate Unit A Nuffield Road Cambridge CB4 1TG

The trustees present their report together with the accounts of The English Dominican Congregation (Stone) Charitable Fund ("the charity") for the year ended 31 March 2019.

The accounts have been prepared in accordance with the accounting policies set out on pages 38 to 45 the attached accounts and comply with the charity's trust deed, applicable laws, 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

## **INTRODUCTION**

The English Congregation of Dominican Sisters was formed in 1929 by an amalgamation of five existing Dominican Congregations, the oldest of which was that of Stone, which was founded in 1845.

The Congregation has vested all the property used for its purposes in England in the trustees of a charitable trust dated 13 July 1976 known as The English Dominican Congregation (Stone) Charitable Fund. The charity is registered under the Charities Act 2011, Charity Registration Number 271922.

## **MISSION**

The object of the English Dominican Congregation (Stone) Charitable Fund is the furtherance of the Roman Catholic faith. The charity aims to support the religious and other charitable works carried on by the members of the Congregation and to care for those members throughout their lives within the Congregation.

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

The ministries of the sisters of the Congregation, all of which benefit numerous members of the general public, fall into the following main areas:

- ◆ **Worship and prayer**

Members of the Congregation are committed to personal and liturgical prayer which is reflected in their daily timetable. They are obliged to study in order to further their knowledge of the Christian faith. They give preference to the study of sacred scripture and the teaching of the Church, so that they in turn can instruct and help others. Members of the Congregation also celebrate and pray with the wider community including people of other faiths. They do this through the provision of spiritual guidance or by just being available to listen in times of need. Some sisters give talks and guide retreats and prayer groups. The sisters respect people of no faith and try to help them in appropriate ways.

**MISSION** (continued)

♦ Social and pastoral work

Many members of the Congregation are involved in various forms of social or pastoral work in different parts of the country, including care of the elderly and people with special needs, support of families, and chaplaincy work in educational and healthcare establishments. In particular, the sisters aim to help the poor and marginalised in society regardless of their personal background, faith, gender or individual circumstances. The sisters share the convent premises with diverse groups e.g. groups of pilgrims, St Vincent de Paul Society, and clubs for the elderly. When public concerts are arranged in church, the Congregation's premises are used for serving refreshments.

♦ Care of the elderly

During the year the sisters provided care and assistance to the elderly at St Mary's Home, Stone. The Home provides care both for members of the general public and for members of the Congregation in need of nursing care.

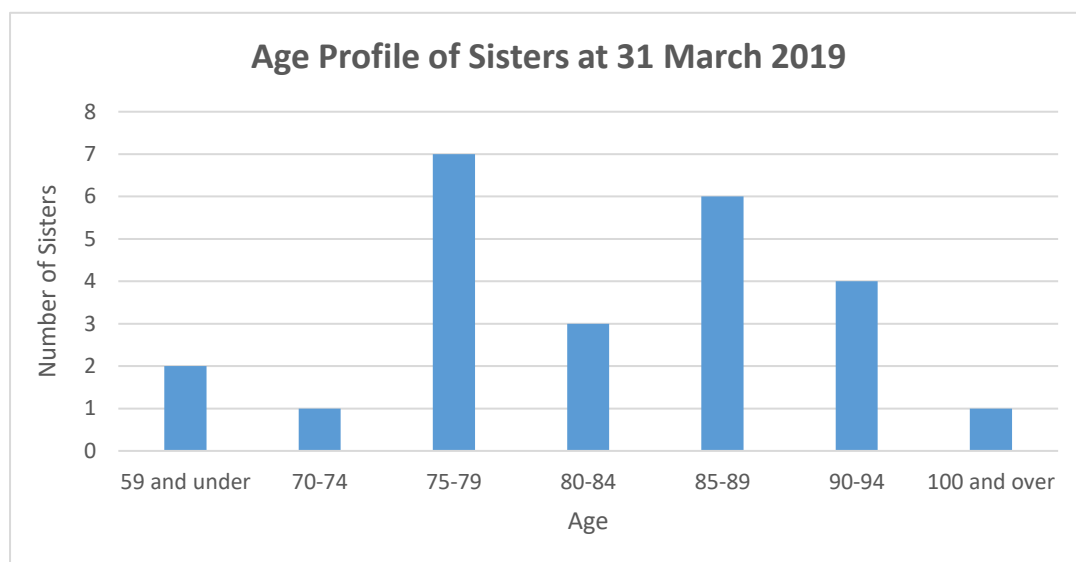
♦ Education

During the year the charity operated an educational establishment, St Rose's School in Stroud, Gloucestershire providing education and care to 2-19 year olds. The Congregation also provides a small unit for 19-25 year olds on the site of St Rose's School called St Martin's Centre. St Rose's School together with St Martin's Centre, collectively hereinafter referred to as "the School" or "St Rose's School", aims to provide the highest quality service to children, young people and young adults with physical disabilities, learning disabilities and associated complex medical, sensory and communication difficulties in the age range 2-25 years. The establishment aims to undertake this with due regard to the Catholic traditions from which the provision has developed, particularly those of the Dominican order. A commitment to provide support and professional development for staff, thereby enabling them to meet the demanding expectations of their role, is central to this mission.

## ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

### Care of the members of the Congregation

In common with many religious congregations in Great Britain, the age profile of the members of the Congregation is increasing as existing members grow older and the number of new vocations becomes minimal. The age profile of the Congregation is shown graphically below:



The Congregation has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to the care of the elderly, poor and marginalised in society. As the age profile of the Congregation increases, so too does the need to provide increasing and increasingly expensive care for the sisters.

At the end of March 2019, one member of the Congregation was receiving care in the charity's own nursing home, one was receiving care in a home in Gloucestershire and a further three were cared for by care staff in the Congregation's infirmary in Stone. Over the next few years, the trustees do not expect the number requiring nursing care to decrease. As a consequence the trustees are giving careful consideration to the impact of this on the work of individual members of the Congregation, the property requirements of the Congregation and the financial implications. In this regard, the aims of the trustees over the forthcoming years include:

- ◆ Ensuring all members of the Congregation receive the high level of care they require to provide them with the quality of life they have a right to expect;
- ◆ Reviewing the charity's properties used as community houses and assessing their suitability as homes for the elderly and frail. Those identified as being unsuitable will be sold, adapted or utilised for other purposes in line with the charity's mission; and
- ◆ Enabling all members of the Congregation to continue with their individual ministries for as long as possible.

## **ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)**

### **Enabling and supporting members in a variety of religious and charitable works**

The religious and charitable works of individual members of the Congregation can be divided into four principal areas; worship and prayer, the social and pastoral work of the sisters, the ownership and operation of a nursing home for the elderly and the ownership and operation of a school. Each of these is considered in turn below:

#### ***Worship and prayer***

Members of the Congregation are committed to personal and liturgical prayer which is reflected in their daily timetable. They are obliged to study in order to further their knowledge of the Christian faith. They give preference to the study of sacred scripture and the teaching of the Church, so that they in turn can instruct and help others. Members of the Congregation also celebrate and pray with the wider community including people of other faiths. They do this through the provision of spiritual guidance or by just being available to listen in times of need. Some sisters give talks and guide retreats and prayer groups. The sisters respect people of no faith and try to help them in appropriate ways.

The charity is committed to helping as many people as possible to come into contact with the sisters and also join them in worship. Their faith, thereby strengthened, is put into action in a number of activities which include:

- ◆ Promoting the values and vision set out in the Gospel including the promotion of human dignity, teaching respect of different cultures, working for a society based on justice and peace and encouraging care and respect for all creation;
- ◆ Offering prayer groups, giving members of the public from all walks of life the opportunity to escape the stresses of everyday life for a short time and take time for quiet contemplation and reflection and the chance to study and consider the Gospel;
- ◆ Engaging in more outgoing worship through youth groups, summer schools etc;
- ◆ Providing religious instruction and supervision;
- ◆ Providing retreats where those who attend can reflect in a peaceful atmosphere rooted in Gospel values; and
- ◆ Praying with those who are house bound, sick or dying.



## ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

### Enabling and supporting members in a variety of religious and charitable works (continued)

#### ***Social and pastoral work***

Many members of the Congregation are involved in various forms of social or pastoral work in different parts of the country, including care of the elderly and people with special needs, support of families, as well as chaplaincy work in educational and healthcare establishments. In particular, the sisters aim to help the poor in society regardless of their personal background, faith, gender or individual circumstances. The sisters share the convent premises with diverse groups: e.g. groups of pilgrims, St Vincent de Paul Society, and clubs for the elderly. When public events, i.e. pilgrimages, concerts, talks, are arranged in the adjacent church, the Congregation's convent premises are used for serving refreshments.

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

- ◆ Working in parishes, that is, running or helping with catechetical programmes and pastoral work with parishioners;
- ◆ Working and pastoral care in education including university chaplaincy;
- ◆ Administrative and secretarial support to Church organisations, for example safeguarding;
- ◆ Spiritual direction: individual help and organising days of recollection at least three times a year.

More specific details of work in this area are as follows:

- ◆ One sister retired from parish ministry in August 2018. One other sister, in spite of being retired and disabled still does many administrative and other 'little jobs' for the church. Above all, it means being available as parish sister to people after Mass or at other times;
- ◆ Another sister, though engaged in teaching at tertiary level, assists with catechesis on Sundays on a regular basis;
- ◆ One sister runs short study courses in theology and philosophy in St Dominic's Convent in Stone. These courses have been subsidised by the Congregation, but donations are requested from those who take part. They are advertised quite widely, chiefly, but not solely, in Catholic circles and also on social media. Participation is not confined to Catholics, or even to Christians; on one occasion, a philosophy week, two Muslim graduates from Cambridge attended. The age range of participants is from young adults to those in their 70s, both male and female from all walks of life. All are invited to join the Dominican community in prayer if they so wish and join the community for meals in the refectory.

## **ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES** (continued)

### **Enabling and supporting members in a variety of religious and charitable works** (continued)

#### ***Social and pastoral work*** (continued)

The objectives of the trustees in this area include:

- ◆ Enabling all members of the Congregation to carry out meaningful social and pastoral work within the community after assessing their skills and the needs of the local area;
- ◆ Encouraging and motivating members to work with and assist the poor, elderly and marginalised; and
- ◆ Wherever possible ensuring sisters are remunerated for such work by way of a stipend to cover expenses. Such income is donated to the charity and thereby contributes to defraying the costs and ensures that the charity may continue with this work as long as possible.

#### **Care of the elderly**

St Mary's Home provides residential and nursing care facilities for the elderly and is administered in accordance with the charitable objects of the English Dominican Congregation (Stone) Charitable Fund as specified in the trust deed.

The philosophy of care at the Home is to ensure a homely, friendly and open atmosphere among residents and staff whilst maintaining the privacy, dignity, rights and quality of life of all residents.

The Home provides both long-term care and end of life care to those suffering from terminal illness for both members of the general public and members of the Congregation.

There are 58 rooms at St Mary's, 41 with en-suite facilities and a number with separate sitting areas. Each room has a television point and is linked to the call system. All areas of the Home are accessible by either stairs or lifts, and residents are encouraged to take meals in the dining room. Other facilities include a chapel, hairdressing salon, conservatory and several lounges. The Home is set in large attractive gardens, which house a summerhouse.

In operating St Mary's Home, the trustees aim to:

- ◆ Provide excellent residential and nursing care to elderly men and women, ensuring that their needs are met fully and that they enjoy as high a quality of life as possible;
- ◆ Employ high quality staff to care for the elderly residents ensuring that all such staff obtain the necessary qualifications and training needed for their work;
- ◆ Ensure that the Home meets the requirements of the Care Quality Commission and that any recommendations arising from inspections are acted upon quickly and effectively; and

## ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

### Care of the elderly (continued)

- ◆ Maintain the financial security of the Home through careful budgeting and by setting fees at levels that ensure the viability of the Home is not threatened.

### Education

St Rose's is located in Stroud and has been recognised as a Non-Maintained Specialist School by the Department for Education since 1912. It is a Dominican foundation and the philosophy of St Rose's is stated in its Mission Statement:

*Working together as a team, Parents, Governors and Staff endeavour to provide the children with knowledge, skills, opportunities and resources in the context of a lively, Christian School which will enable them to realise their full potential, together with a conviction of their worth as Children of God.*

St Rose's is highly regarded for its comprehensive approach to the education and care of children and young people with major physical disabilities and who often have additional visual or hearing impairment and complex health needs.

St Rose's admits young people between the ages of 2 and 25 years with children coming from 6 local authorities. In addition to residential and day placements, short breaks are provided. There are currently 70 young people on roll, many with complex physical disability and health needs, and there are 22 in the Early Years department which is an integrated department with children who may or may not have additional needs. The children in the main school are nearly all wheelchair users and many have communication difficulties. St Rose's contains Early Years, Primary, Secondary, 16-19, and Post-19 departments. Local authorities pay the students' fees for St Rose's. Vigorous steps continue to be taken to make savings and efficiencies in the running costs of St Rose's.

St Rose's has its own therapy and support staff, and the multidisciplinary team of teachers, tutors, therapists, care assistants, and nurses all work together to provide the best teaching, therapy, and care for each individual student. There is nursing cover on site 24 hours a day. Regular wheelchair and sling clinics are held in St Rose's, which are also open to pupils from other schools. St Rose's strives to give each student as much independence and opportunity for decision making as possible, placing great emphasis on helping each individual student to develop their communication and mobility skills, as it is through these skills that they can take steps to achieving greater independence.

### Volunteering

Throughout the year, the members of the Congregation gave their time to assist the poor and marginalised and those in need. The majority of members receive no financial reward for this work which contributes to the overall achievement of the charity's objectives. In addition, members are involved in administering the work of the Congregation and charity - without their contribution the charity would not be able to function as effectively or fully as it does.

## ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

### Volunteering (continued)

Details of the areas in which members gave their time during the year are shown in the table below.

Area	No. of Volunteers	Hours volunteered
Nursing home	5	3,602
Counselling	3	330
General parish work & catechesis	7	4,560
University chaplaincy	1	290
Administration	5	5,200
	21	13,982

### Grants, donations and support of missionary work and ministry

Grants, donations and other payments in support of missionary work and ministry are decided on by the trustees in consultation with other members of the Congregation as appropriate. In the main, the charity supports the work of those organisations whose work is within the objects of the charity, both in the United Kingdom and overseas, particularly in India. However, the charity does not regard itself as a grant making entity and applications for grants and donations are not invited.

## ACHIEVEMENTS AND PERFORMANCE

The paragraphs below outline briefly the charity's achievements during the year in each of its main activities. Certain details have already been recorded in the earlier part of this report.

### Care of the members of the Congregation

During the year the charity supported and enabled its members to continue to engage in a variety of ministries such as teaching and nursing, family counselling, working in hospital and university chaplaincies, working with youth and the homeless, visiting the sick and house-bound, facilitating study groups for people with special educational needs, and giving lectures and talks on a wide spectrum of subjects to a wide variety of people.

In addition, the sisters welcomed and offered hospitality to sisters from other countries, chiefly India. The sisters were given help to learn English and to access other educational courses. Some of the sisters are engaged with pastoral work with immigrants and the elderly.

Over the next few years, it is inevitable that the cost of caring for members will increase due to the rising expect of social and dementia care.

### Worship and prayer

Throughout the year the sisters continued with their own private worship and their spiritual development and training. All sisters attended retreats which provided an opportunity for renewal and quiet contemplation.

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

### **Social and pastoral work**

Details of the many activities in which the sisters are engaged have already been noted above. While the trustees appreciate the commitment and dedication of the sisters, they are very aware that over the next several years, these activities will diminish significantly, due to the increasing age profile. The trustees will continue to assist the sisters in any way possible and will encourage them to remain active and involved for as long as possible. However, they will maintain a vigilant eye on sisters who might want to stay in ministries when they are really no longer able to cope. The trustees will instead try to guide these sisters towards a less demanding, gentler ministry.

### **Care of the elderly**

A new Registered Manager was appointed to St Mary's in May 2018 who was initially supported by a highly experienced consultant. The new Registered Manager had been a senior member of the nursing team at St Mary's for twelve years and is committed to the Home, its staff and residents.

Shortly after the appointment, there was an unannounced inspection by the Care Quality Commission which found that improvements had been made since the previous inspection and rated St Mary's 'Good' in two of the five key areas of assessment and 'Requires Improvement' in the remaining three categories. The Home was given an overall rating of 'Requires Improvement'.

The inspection report made negative observations about medicine management and also stated that the Home did not work in line with the principles of the Mental Capacity Act 2005. The report also stated that the Home had not been well led under the previous manager. Following the inspection, an action plan was created and agreed by the trustees of the charity to ensure that measures were taken to ensure that all of the concerns raised by the inspection were fully addressed. Since the report has been issued, the following action has been taken:

- ◆ Relevant staff have all received specific medication management and Mental Capacity Act training;
- ◆ Record keeping has been improved to ensure that staff supervisions, appraisals and training are robust and conducted regularly;
- ◆ A number of nursing and care staff have been recruited to reduce the reliance on agency staff; and
- ◆ A new pharmacy has been identified and engaged to supply medication to the Home, which has resulted in a new system to manage medicines.

The Manager has received positive feedback from both residents, relatives and other care professionals who visit the Home and there is a marked increase in positivity among staff.

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

### **Care of the elderly (continued)**

The Vice Chairperson of the trustees is appointed as Safeguarding Officer for the Home and has attended a number of training courses and conferences to ensure that the Home is fully compliant with all current legislation. Annual safeguarding training is compulsory for all staff employed in the Home to ensure they are fully aware of the issues involved and are equipped to deal appropriately with any incident.

Although there are no longer any sisters actively involved in the nursing care of residents, a number of sisters who live in Stone visit on a regular basis providing both pastoral and practical assistance.

There is an Activities Co-ordinator whose role is to create, plan, organise and co-ordinate a stimulating and developing activity programme to enhance the quality of life of each resident in the Home that will promote the health, dignity and wellbeing of each resident and enhance the quality of their lives. The work done by the Activities Co-ordinator attracted positive comments in the Care Quality Commission inspection report.

The Home is committed to a programme of continual refurbishment. Bedrooms are refurbished when occupancy levels permit and communal areas as required. In addition to bedroom refurbishments, the following were completed in 2018/19:

- ◆ An additional tumble dryer was purchased to ease workload in the laundry;
- ◆ Two new profiling beds were purchased;
- ◆ Three higher capacity macerators were purchased;
- ◆ A laptop was purchased for the new Registered Manager; and
- ◆ The toilets on the ground floor were extended to accommodate hoists thereby making them accessible to more residents.

Overall, there is a caring friendly atmosphere evident at St Mary's Home. The Inspection report noted that people were 'supported with their care and support needs in a safe and consistent way through the use of risk assessments and care plans'. Many relatives of residents who have died during the year have expressed gratitude for the high standard of care received and continue to visit the Home and assist in the activities programme.

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

### **Education**

During the academic year 2018/19 St Rose's had 70 students and young people from 6 local authorities:

- ◆ Early Years - 22 children
- ◆ St Rose's - 20 students
- ◆ St Martin's - 28 students

The School continued to work hard to advertise St Rose's and, as a result, there has been a great deal of interest in places. St Rose's continues to work closely with Gloucestershire County Council which is its main commissioner. This year the School worked together to improve the transition process for young people who are due to leave education. As a result of this collaboration, it has secured an additional year's education funding for 5 students, 3 of whom will receive joint funding from education and health budgets.

There were 5 new students starting at St Rose's between July and October 2018 as well as the 5 students who joined St Martin's between September and October 2018. 4 students transferred from the main school to St Martin's in September 2018.

### ***Education and therapy***

There have been a number of significant achievements over the last twelve months:

- ◆ All students in Key Stage 4 and Key Stage 5 gained accreditation in a variety of subjects (Assessment and Qualifications Alliance (AQA) and Award Scheme Development and Accreditation Network (ASDAN) awards).
- ◆ Post-19 students achieved unit awards working towards completion of their ASDAN qualifications; this year a new awarding body has been introduced to enable students to complete accreditations in English and mathematical skills (Ascentis).
- ◆ In March the nursery department achieved the Bristol Standard, which is a quality assurance award that is externally validated.
- ◆ Teacher observations were all 'good' or 'outstanding'.
- ◆ Therapists are developing a method of recording outcome measures which will reflect student progress. The method is currently being piloted.
- ◆ The therapy team has worked closely with the Head of Care to develop a base line assessment for new students joining St Rose's. They are also working together to produce Communication Passports for all of the students. These will be used to share essential information to relevant professionals.
- ◆ All performance development targets are now linked to the Strategic Plan and are monitored by the leadership team throughout the year.

## ACHIEVEMENTS AND PERFORMANCE (continued)

### Education (continued)

#### *Education and therapy (continued)*

- ◆ St Rose's orchestra, using eye-gaze technology, has expanded over the year with more young people participating; The orchestra performed at the Gloucestershire Special Schools SEN Festival and the St Rose's Music Prom which took place in July 2019.
- ◆ St Rose's had its Religious Education Inspection at the beginning of June 2019 with extremely positive results and the School awaits the final report.

The inspectors said this is an 'outstanding' school because:

- ◆ The outcomes, the provision, and the leadership and management of Catholic life are overall outstanding. Despite their severe difficulties in communication, the students' friendship and respect for each other make an excellent contribution to the ethos of the school, particularly in encouraging role modelling of the older students for the younger children.
- ◆ The outcomes, the provision and the leadership and management for religious education (RE) are outstanding. The quality of teaching is consistently good with some outstanding practice and is closely linked to students' achievement and progress. The leadership and management of RE, particularly the close monitoring and detailed individual planning for each student, is outstanding.
- ◆ The provision for the prayer life of the school and the students' wholehearted response are outstanding as is the effectiveness of the leadership and management in monitoring and evaluating the quality of its prayer life.
- ◆ Members of the leadership and school and college management teams continue to develop links with the Gloucestershire Catholic Schools Partnership and other Gloucestershire special schools.

All students continue to access many opportunities and experiences across the extended day. They have regular opportunities to access the local community for a wide range of activities. For the seventh year running, a group of students took part in a residential outdoor adventure based at the Calvert Trust on Dartmoor.

The School's speech and language therapists and occupational therapist continue to offer outreach to other mainstream and special schools, sharing their expertise in sensory integration and autism. The occupational therapist delivered a programme of sensory integration activities to a student from a local special school who came to St Rose's to use its facilities.



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

### **Education (continued)**

#### **Care**

- ◆ The 2019 Ofsted care inspection took place in June 2019 and the School awaits the outcome of this inspection.
- ◆ St Martin's had its Care Quality Commission (CQC) inspection for residential care in October 2018. The overall judgement was 'good' with an assessment of 'outstanding' in relation to responsiveness.
- ◆ St Martin's is now registered to provide Specialist College services which will allow for growth, as the previous registration limited the student numbers St Martin's was allowed to support.
- ◆ The Care Leadership Team meets weekly. It has a rolling programme to review National Minimum Standards for Residential Special Schools as well as CQC Key Lines of Enquiry (KLOE's) for the post 19 provision in St Martin's. As part of this process the Team reviews the Statement of Purpose, the placement plans for individual students and other relevant policies to ensure compliance across all areas.
- ◆ The Care Leadership Team has met with the School Improvement Partner to review the Strategic Plan and Residential Development Plan.
- ◆ The Safeguarding Team, led by the Lead Nurse/Head of Care continued to meet termly to ensure that safeguarding and the wellbeing of students is at the forefront of all School activities.
- ◆ The Registered Manager has introduced NAPPI training (Non-Abusive and Psychological and Physical Intervention) as well as a Positive Behaviour Support Forum. A rolling programme of training is in place for all staff working with the students
- ◆ Work is underway to develop the quality assurance processes in place across all residential areas.

#### **Premises**

- ◆ The second phase of overhead hoists for classrooms has been completed with two classrooms left which will be completed in the coming year.
- ◆ Hoists have been replaced in the pool areas.
- ◆ The Living Skills Room was completely refurbished and updated in the autumn to meet the changing needs of the students. All surfaces are now height adjustable and there is a range of appliances for the use of the students.

## ACHIEVEMENTS AND PERFORMANCE (continued)

### Education (continued)

#### *Premises (continued)*

- ◆ St Rose's continues to have fantastic support from the local community; and members of staff from Ecclesiastical Insurance have supported the School again by using their volunteer days to work at St Rose's. They have painted many rooms, including classrooms and student bedrooms and have helped to keep the grounds tidy.
- ◆ A new telephone system has been installed, enabling improved communication both internally and externally.

## FINANCIAL REVIEW

### Results for the year

A summary of the year's results can be found on page 34 of this report and accounts.

Total income for the year was £5,999,886 (2018 - £6,216,744). The largest proportion of the charity's income arises from the residential and nursing care home at Stone, Staffordshire and the school in Stroud. £2,302,654 (2018 - £2,255,585) of the income related to fee income for St Mary's Home, Stone and charges related to St Rose's School amounted to £2,233,725 (2018 - £2,028,737). The School also received grant funding from the Department for Education during the year of £536,265 (2018 - £542,491).

Donations, legacies and similar income continue to be important sources of income with one of the largest components being the salaries and pensions of individual members of the Congregation received under Gift Aid or Deed of Covenant. During the year ended 31 March 2019, these salaries and pensions amounted to £461,873 (2018 - £468,646).

Income for the year ended 31 March 2018 also included £450,000 in relation to the recognition of the value of land and buildings which had reverted to the charity in that financial year. Further details are provided in note 4 to the accounts.

Expenditure for the year totalled £6,523,779 (2018 - £6,454,838). £2,478,567 (2018 - £2,544,085) of this related to the operating expenditure of St Mary's Home, Stone. Expenditure in connection with the operation of St Rose's School amounted to £2,801,885 (2018 - £2,581,153).

Expenditure on maintaining the sisters and enabling them to carry out their work during the year amounted to £946,955 (2018 - £926,514). Premises expenditure continues to be high, as properties grow older and alterations become necessary to facilitate the needs of elderly sisters. As noted below under "future plans", the trustees are considering ways in which the charity's site at Stone, Staffordshire may be developed to provide a complex of senior living accommodation including the construction of a new larger care home on the site and the continued existence of a convent for the Sisters.

## **FINANCIAL REVIEW** (continued)

### **Results for the year** (continued)

Plans are still being considered and various feasibility and other studies have been commissioned. During the year, this work led to professional and related fees in respect to the strategic property development of £274,256 (2018 - £367,311). These costs have been expensed during the year as the work is in connection with exploring options only at this stage.

Net expenditure before other gains and losses for the year amounted to £523,893 (2018 – net expenditure of £238,094). Investment gains were £306,803 (2018 – gains of £133,809) and the net expenditure and decrease in funds for the year, therefore, amounted to £217,090 (2018 - net expenditure and decrease in funds of £104,285).

### **Fundraising**

St Mary's Home, Stone, has a Fundraising Committee which comprises current and former members of staff, and a number of relatives, both past and present. Several events have been held during the year including a cream tea, a sponsored wheelchair push and a very successful Christmas fayre. Fundraising is all undertaken in-house and the Home does not use any professional fundraisers or commercial participators.

St Rose's has an established fundraising group, The Friends of St Rose's, which has regularly raised funds for equipment and improved facilities for the students. In recent years the trustees and governors agreed for the Friends of St Rose's to be a separate entity. The Friends of St Rose's have reassured the trustees and governors that they will not undertake any activity which is at variance with the Catholic tradition of St Rose's or which will damage its reputation.

As detailed earlier, a new buildings project is underway. The School is exploring options with its consultants, Morgan Ashley House and Gail Mattocks, of ways to raise the significant funds required. The School is still in the initial stages of this project and the School governors and trustees are regularly updated on progress.

The charity and each of its constituent parts aim to achieve best practice in the way in which they communicate with donors and other supporters. Care is taken with both the tone of communications and the accuracy of data to minimise the pressures on supporters. Best practice is applied to protect supporters' data. The charity never sells data, it never swaps data and ensures that communication preferences can be changed at any time. With the exception of significant appeals, for examples at St Rose's, the charity manages its own fundraising activities and does not employ the services of Professional Fundraisers.

No complaints have been received by the charity, including the Home and the School, in relation to fundraising activities.

## **FINANCIAL REVIEW** (continued)

### **Investment policy**

The charity's investments comprise mainly units in the Charifaith Distribution Fund managed by BlackRock Investment Management (UK) Limited. The trustees are of the opinion that this enables the portfolio to strongly reflect the Catholic ethos of the charity.

The ethical policy precludes investment in any company which, after reasonable enquiry, clearly has significant profits from an activity which is contrary to the objectives of the Christian Church.

There are no restrictions on the charity's power to invest.

The investment strategy is set by the trustees and takes into account income requirements, the risk profile and the investment manager's view of the market prospects in the medium term.

The performance of the portfolio and the charity's investment strategy are reviewed annually by the trustees.

### **Investment performance**

The major part of the charity's listed investments are managed by BlackRock Investment Management (UK) Limited. The investments had a market value of £7,524,341 as at 31 March 2019 (2018 - £7,217,538). Net gains on the revaluation of investments amounted to £306,803 (2018 - net gains on the revaluation of investments £133,809).

Investment income on those listed investments was £237,288 (2018 - £227,711). During the year, the charity's listed investments returned a total positive yield (comprising both income and capital) of 7.3% (2018 - positive total yield of 5.0%). The investment managers continued to invest in accordance with the trustees' investment policy set out earlier in this report. Further details of the investment portfolio are detailed in note 14 to the attached accounts.

The trustees continue to take a long-term view and believe their investment policy remains appropriate.

### **Reserves policy**

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

The trustees consider that, given the nature of the charity's work, the level of free reserves should be approximately equivalent to between six and twelve months' expenditure at any one time. The trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

## **FINANCIAL REVIEW** (continued)

### **Financial position**

The balance sheet comprises tangible fixed assets of £7,580,274 (2018 - £7,728,371), investments of £7,254,341 (2018 - £7,217,538), programme related investments of £2,678,187 (2018 - £2,700,438) and net current assets of £4,393,355 (2018 - £4,746,900) which are represented by total funds of £22,176,157 (2018 - £22,393,247).

These funds include permanent endowment of £12,830 (2018 - £12,830). These funds are "capital" and must be held indefinitely by the charity.

Also included in total funds is an amount of £228,633 (2018 - £260,166) which is restricted. These monies have been donated, and their use restricted to, specific purposes. Full details of these restricted funds can be found in note 21 to the accounts together with an analysis of movements in the year.

Funds totalling £7,580,274 (2018 - £7,728,371) have been set aside by the trustees as a tangible fixed assets fund representing the net book value of those tangible fixed assets held as part of unrestricted funds. A decision was made to separate this fund from the general funds of the charity in recognition of the fact that the tangible fixed assets (i.e. ostensibly the charity's freehold properties) are essential to the day-to-day work of the charity and as such their value should not be regarded as funds that would be realisable with ease in order to meet future contingencies.

A further £11,548,829 (2018 - £11,476,955) has been designated by the trustees for various purposes. This figure includes £5,000,000 (2018 - £5,000,000) to provide for the sisters in their retirement. Full details of the designated funds can be found in note 23 to the accounts together with an analysis of movements in the year.

General funds (or free reserves) of the charity at 31 March 2019 totalled £2,805,591 (2018 - £2,914,925). The level of free reserves at 31 March 2019 falls short of the figure required by the above reserves policy based on expenditure incurred in 2019. However, within expenditure for that year were costs that over the long term are not expected to recur.

Therefore, the trustees are content with the level of free reserves at 31 March 2019 and believe that they are adequate but not excessive.

### **Tax exemptions**

The beneficiaries of the work of the charity have the assurance that all of the income of the charity must be applied for charitable purposes in furtherance of the charity's object of furthering the Roman Catholic faith. The charity enjoys tax exemption on income from its activities and on its investment income and gains provided these are applied for its charitable aims. As a charity, it is also entitled to a reduction of 80% on business rates on the property it occupies for its charitable purposes.

The financial benefits received as a result of these exemptions are all applied for the purposes of furthering the Roman Catholic faith by enabling and supporting the sisters to live out their faith and to put that faith into practice through a wide variety of religious and other charitable works, including the operation of a nursing home and a school.

## **FINANCIAL REVIEW** (continued)

### **Tax exemptions** (continued)

The nature of the charity's activities means that it is unable to reclaim VAT input tax on its costs as it is exempt for VAT purposes. The charity also pays tax as an employer through the national insurance contributions it makes. The charity brings very substantial benefits to the residents in its nursing home, the pupils in the school, the local communities and society in general through the social and pastoral work provided by sisters (often on a voluntary basis), the care services offered and the education services provided. In addition, the charity creates social assets without cost to the Exchequer through the school's links with the wider community, the nursing home's links with older people within the relevant community and through the voluntary work carried out by the sisters.

## **FUTURE PLANS**

The trustees will continue to monitor closely the charity and its activities, and expect each of its institutions to be independently viable. They are mindful of the current economic and political climate and the impact it may have on their plans, and intend to review those plans frequently during the next twelve months. It is their intention to meet the following objectives:

- ◆ To monitor the needs of the sisters as they grow older and, if necessary, the charity's plans in respect to property needs and the provision of care to elderly members;
- ◆ To continue to remain focused on the importance of worship and prayer to the lives of the individual sisters and to the overall mission of the charity;
- ◆ To continue to care for the sisters and enable them to carry out their pastoral work and ministry. Focus will continue to be given to assisting and caring for the elderly, the poor and the marginalised and reaching out to as many as possible;

With regards to the Home, the trustees are committed to the provision of high quality and dignified care for the elderly at the site in Stone. In considering the ways in which they may continue to do so as part of a long term plan, they have identified a partner who they will work with to develop a complex of senior living accommodation. The development will also include the construction of a new larger care home within the grounds at Stone, which will provide more fit for purpose accommodation with enhanced facilities. It is possible that this will result in St Mary's Home being run by a different organisation, but will ensure a legacy of care by the Congregation on the site. In the interim, whilst details of the scheme are finalised, the trustees are committed to St Mary's Home and its residents and staff.

With regards to the School, the trustees, governors and Leadership Team continue to develop their review of existing buildings and potential new buildings to prepare for the future of St Rose's. A great deal of work on moving forward with the new buildings project has been undertaken during this financial year. Two committees have been appointed by the Governing Body. The Design Group and Finance Committees meet regularly to oversee the work.

### **FUTURE PLANS** (continued)

The Chair of the Trustees and the Chair of Governors signed an agreement with Morgan Ashley House in January 2018 to progress the work, draw up the detailed design plans and to explore avenues to raise the significant funds required to undertake the future buildings that we have in mind. This project was considered by the trustees and governors post-year end and a decision was taken to refurbish the existing facilities as part of a modest redevelopment rather than pursue a major redevelopment.

### **RISK MANAGEMENT**

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

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

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

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

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

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

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

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:

**RISK MANAGEMENT** (continued)

- ◆ An analysis of the age profile of the members of the Congregation shows that the average age at 31 March 2019 was 81 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ Operationally the charity works with children and vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that sisters engaged in any ministry in Great Britain and all those who work or volunteer for the charity and work with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS). The same applies for relevant staff employed by St Mary's Home and St Rose's School. The trustees are committed fully to implementing the policies of the Catholic Safeguarding Advisory Service (CSAS). One of the sisters is responsible for ensuring this policy is adhered to in respect to all sisters, employees and volunteers. In addition, a Safeguarding Officer is nominated at both the Home and the School operated by the charity. Safeguarding training is compulsory for all staff.
- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The performance of the portfolio is monitored the investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future.
- ◆ As noted above, the trustees are considering ways in which they might develop a complex of senior living accommodation on the site at Stone including the construction of a new larger care home. A major property development of this nature brings with it a number of risks. These risks are being mitigated through careful discernment and planning and by seeking detailed professional advice in respect to all aspects of the potential project.



**RISK MANAGEMENT** (continued)

The major risks for the Home are as follows:

- ◆ The difficulties of the last few years in terms of regulatory and management issues had adversely affected the Home's reputation and occupancy levels. Actions have been taken to address the shortcomings and the new Registered Manager has had a positive impact since her appointment, which is reflected in the improved occupancy levels in 2018/19. There is a clear focus on further improving standards through delivery on the agreed action plan and the trustees are confident that the Home has addressed and resolved the remaining issues and will continue to improve.
- ◆ In common with the care sector generally, the Home is finding it increasingly difficult to recruit and retain suitably qualified nursing staff. However, the Home will continue to strive to recruit staff and will review remuneration packages on offer if necessary.
- ◆ As noted above, the trustees are considering ways in which they might develop a complex of senior living accommodation on the site at Stone including the construction of a new larger care home. A major property development of this nature brings with it a number of risks. These risks are being mitigated through careful discernment and planning and by seeking detailed professional advice in respect to all aspects of the potential project.

The major risk for the School is as follows:

- ◆ Long term forecasting of student numbers continues to be difficult but the recent number of new students has been encouraging. Details of the work on this by governors and the Leadership Team have been referred to earlier in this report. The School's governors are mindful of the continuing need to raise the profile of the organisation and to maintain and further enhance good working relationships with local authorities. A strategic group was set up in 2016 and through this, the Strategic Plan has been developed.
- ◆ Protection of personal and private data concerning students and staff is hugely important. Extensive work has taken place in order to comply with General Data Protection Regulations. Romero Services have been appointed to supply the School with a Data Protection Officer.
- ◆ Large parts of the School's estate are in need of significant refurbishment or repair. As noted earlier, there are plans being considered for the redevelopment of certain parts of the School's property. The condition of School buildings continue to be monitored and major repair works are undertaken where needed.

## GOVERNANCE, STRUCTURE AND MANAGEMENT

### Governance

In terms of Canon law, the Congregation is governed by the Prioress General and her General Council in Stone. They are elected every six years at a General Chapter or meeting of all members of the Congregation. Members of the General Council are chosen for their personal qualities, their understanding and experience of the ministries of the sisters throughout the Congregation, and to secure a good skills mix. Each community in the Congregation is governed by a local Prioress, who is elected by the local community and approved by the Prioress General and her Council. The Prioress General is required to visit each community at least once a year and throughout the year there is a system of accountability operational throughout the Congregation to ensure that the Prioress General and her Councillors are aware of the progress and development of the ministries carried out by the Sisters of the Congregation.

In terms of Civil law, the charity is governed by a trust deed dated 13 July 1976 and is a registered charity – Charity Registration No. 271922. The trustees of the charity are the five members of the General Council. As all trustees are members of the Congregation, they have a detailed knowledge of the work of the charity and of its structure. On being appointed, new trustees are required to spend time with those trustees leaving office. They also meet with the Congregation's legal, accounting, investment and property advisers to obtain a full briefing of their responsibilities and the charity's position.

### Trustees

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts and brief biographical details on each of the trustees is given below.

#### ***Sister Mary Pauline Burling – Chair Person of the Trustees***

*Appointed 4 August 2007 and re-appointed 4 August 2014*

When Sister Pauline was elected a member of the General Council in 1995 she returned to England and was assigned to the house of formation: first as assistant Novice Director and from 1997 to 2007 as Novice Director. From 2000 to 2007 she became co-ordinator of the formation community and also worked part time in Cambridge University Catholic Chaplaincy. In 2001 she gained an MA in Christian Spirituality from Heythrop College, University of London.

At the General Chapter in 2007 she was elected Prioress General of the Congregation and re-elected for another term of office of six years in 2013.

Asked about her interests she says: 'I still miss the scenic beauty of Northern Norway and the possibilities for outdoor life next to the sea and mountains but I also appreciate English scenery when pursuing gentler country walks and drives. I enjoy reading, reflecting, praying and exchanging on theological and contemporary topics.'

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

### **Trustees** (continued)

#### ***Sister Margaret Teresa Billington O.P***

*Appointed 4 August 2007 and re-appointed 4 August 2013*

Sister Teresa was born in Stoke-on-Trent and received her secondary education from the Dominican Sisters. She qualified as a chartered physiotherapist in 1965 and worked in a district general hospital and also treated professional sportsmen.

She joined the Congregation in 1968 and after formation worked in St Rose's Special School in Stroud as a Paediatric Physiotherapist gaining further post graduate qualifications. She qualified as a doctor in 1988 after training in Bristol and after house officer posts in Bristol and Gloucester specialised in paediatrics. She changed specialities to general practice and qualified as a member of the Royal College of General Practitioners in 2000. After many happy and fulfilling years in general practice she retired in 2012.

She became a trustee in 2007 and was re-elected in 2013 and is a Governor of St Rose's School and a member of the Management Board of St Mary's Home. Sister Teresa also serves on the Safeguarding Commission of the Archdiocese of Birmingham and much time is spent on training and meetings. She also serves on the selection committee for seminarians in the Clifton Diocese. Retirement has also given her time to pursue further study.

Her interests include politics and economics and all sport except boxing and wrestling as she dislikes seeing people hurting each other. She has renewed her childhood interest in the piano and has begun to teach herself.

#### ***Sister Mary Julie Alves***

*Appointed 4 August 2013*

Sister Mary Julie was born on 3 April 1944, in Porthcawl, South Wales. She spent her childhood in Wales, Scotland and England where she easily absorbed the dialects of each country.

Sister Mary Julie entered the Congregation from Glasgow in 1963 and made her profession in 1964.

In 1967, Sister Julie began her training as a Home Economics Teacher at Digby Stuart College, London, with supporting courses being Social Studies and Divinity. Following her training in 1970 she taught Home Economics and Religious Education (RE) to young people for 40 years in main stream sector schools in Stoke on Trent and Birmingham and then in Special Education in the Congregation's school in Stroud where she coordinated the Home Economics and RE departments.

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Trustees (continued)

#### ***Sister Mary Julie Alves (continued)***

The years in education were interspersed with further training with the Samaritans and courses linked with teaching children with special needs including an Advanced Open University Diploma in Education in Special Needs in Education, diplomas in speech and language disorders as well as in service training including safeguarding and health and safety. Throughout her years in Stroud Sister Julie supported and advised the Clifton Diocesan Education Department in the teaching of RE to children with special needs. During this time Sister Mary Julie was also involved in adapting the National Syllabus 'Come and See' for children with special needs.

Within the Congregation Sister Julie was elected Prioress of Newcastle-upon-Tyne from 1984 to 1986 and later Prioress of Stroud from 1987 to 1993. At the General Chapter of 2001 she was elected as a Councillor and Trustee for six years and again at the General Chapter of 2013. In 2014 Sister Julie was elected Prioress of Stone.

Her interests are supporting families with children who have a disability, listening to music, musing in the countryside and meeting people.

#### ***Sister Angela Mary Leydon***

*Appointed 4 August 2013*

Sister Angela was born in Dublin, Ireland and entered the Congregation at the age of 20, making her profession in 1966. She qualified as a teacher in 1974, working initially at a school in Newcastle-upon-Tyne. She developed an interest in learning sign language in order to communicate with deaf children and their parents who attended the local Parish Church. She subsequently qualified as a teacher of the deaf and was employed as a peripatetic teacher working in Newcastle and Middlesbrough. In 1993 she was appointed Coordinator of Hexham and Newcastle Diocesan Centre for the Deaf. Her work in this role included promoting and organising deaf awareness programmes for employees in the Health Service, in Social Services and in various businesses, which involved teaching sign language to the employees. The aim was to enable deaf people to have easier access to these services.

She also set up various projects in schools and clubs involving drama and sports to foster and promote integration between deaf and hearing young people. In 1993 she moved back to the mother house in Stone as Prioress.

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Trustees (continued)

#### ***Sister Angela Mary Leydon (continued)***

In 1995 she was elected Prioress General of the Congregation, and was re-elected for a second term in 2001. During this time she also served on the Council of the Dominican Sisters International. In this capacity, she was involved in setting up a solidarity fund to provide training for Dominican sisters, particularly in indigenous congregations in Africa and Asia-Pacific, in a range of fields including leadership, formation, the use of social media and theology. In 2007 she was again appointed as Prioress of the Stone community. At the General Chapter in 2013, she was re-elected as a member of the General Council for a six year term. In 2014 she was appointed as Novice Mistress for the Congregation and is the co-ordinator of the formation community at Cambridge.

Her hobbies include reading, listening to music, learning new skills in IT and watching various sporting events on television.

#### ***Sister Ann Catherine Swailes***

*Appointed 4 August 2013*

Sister Ann Catherine Swailes was born in Bangor, Wales in 1966, and grew up in rural North Devon. She studied at Merton College, Oxford, gaining an honours degree in English Language and Literature in 1987 and a Diploma in Theology in 1990.

After graduation, she taught English and Religious Studies and worked with children with special educational needs in Oxford. She entered the Congregation's noviciate in Cambridge in 2003 and made her first profession in Stone in 2005. From 2005-2010 she was assigned to St Dominic's Convent, Ealing, where she worked at King's College London, as a member of the Westminster Diocesan University Chaplaincy Team, alongside other Catholics and also ecumenical colleagues from the Anglican, Orthodox and Baptist traditions, and taught a series of adult education courses in theology and literature at the Benedictine Study and Arts Centre based at Ealing Abbey. During this period she also returned to theological studies, completing a Lectorate in Sacred Theology at Blackfriars, Oxford, in 2008.

Since 2010, Sister Ann has been a member of the formation community at St Catherine's Convent, Cambridge, and Assistant Roman Catholic Chaplain to the University of Cambridge, working with two priests to provide pastoral care and Catholic formation to staff and students of the university. She combines this with lecturing at Blackfriars, Oxford, on a range of theological topics including ecclesiology, ecumenism and liturgy. She has contributed articles and reviews to a variety of Catholic journals and periodicals including *The Catholic Herald*, *The Tablet*, *Magnificat*, *New Blackfriars* and *The Pastoral Review*. She is also a member of the British Methodist-Roman Catholic Dialogue, and on the editorial board of *Magnificat UK* and Ireland.

Sister Ann enjoys reading, especially poetry, choral singing and swimming.

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

### **Trustees' responsibilities statement**

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, 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.

### **Structure and management reporting**

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet monthly to review developments with regard to the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investments managers, solicitors and accountants. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation or senior staff.

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

### **Structure and management reporting** (continued)

The Congregation comprises 26 sisters who live as part of four communities situated in the Midlands and South of England. As stated above, each community has a local Prioress elected by the community and ratified by the Prioress General and her Council. The local Prioress is responsible for both the needs and the care of the sisters in her community and she liaises regularly with the Prioress General. Two of the trustees are local Prioresses. All the trustees meet regularly with the Prioresses of the other houses of the Congregation to discuss developments and future plans.

The day-to-day responsibility for St Mary's Home in Stone lies with the Registered Manager. Management reporting lines within the Home are clearly defined and the Management Board comprises The Manager; The Finance Manager; The Prioress General; The Vice Prioress General; and the Prioress of Stone who meet regularly to discuss any issues that may arise.

The day-to-day responsibility for St Rose's School (incorporating St Martin's Centre) is delegated to the Head Teacher and the Leadership Management Team. They are supported by a highly dedicated team of teachers, therapists, carers, domestic and clerical staff and work closely with the Board of Governors. Two of the trustees are also members of the School's Board of Governors.

### **Key management personnel**

The trustees consider that they, together with the Management Board of the Home and Leadership Management Team of the School comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis.

All trustees are members of the Congregation and as such their living and personal costs are borne by the charity. However they receive no remuneration of expenses for their services as trustees or members of key management.

With regards to the Home, pay of the Registered Manager and the Finance Manager are reviewed annually by the remaining members of the Management Board (who are all trustees) and is normally increased in accordance with average earnings and also bench-marked with similar roles to ensure that the remuneration set is fair and not out of line with that generally paid.

With regards to the School, the remuneration of key management personnel is set by the Governing Body. Note is taken of market conditions, national and local pay scales and levels of performance. The Principal and Vice Principal have had an annual performance review, where their targets are agreed/reviewed with a panel of two Governors and the Strategic Improvement Partner (appointed by the full Governing Body).

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

### **Working with other organisations**

The charity works closely with a number of other charities and public bodies which work in the fields of education and of providing care to the vulnerable and the elderly. Working together with other charities and public bodies enhances communication and understanding, thus enabling services to be provided more efficiently and effectively and avoiding duplication of effort. Examples of the organisations with which the charity has cooperated during the year are as follows:

- ◆ Roman Catholic Dioceses of Birmingham, Clifton, East Anglia, and Nottingham;
- ◆ Care Quality Commission;
- ◆ Gloucestershire County Council;
- ◆ Stoke-on-Trent City Council;
- ◆ Staffordshire County Council.

### **EMPLOYEES, VOLUNTEERS AND MEMBERS OF THE CONGREGATION**

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Congregation. Their dedication and positive approach is very much appreciated.

Signed on behalf of the trustees:

Sister Mary Pauline (B Burling)  
Chair of Trustees

Approved by the trustees on: 29 July 2019



**Independent auditor's report to the trustees of The English Dominican Congregation (Stone) Charitable Fund**

**Opinion**

We have audited the accounts of The English Dominican Congregation (Stone) Charitable Fund (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities, the comparative 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 March 2019 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 statement of trustees' responsibilities, 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.

**Auditor's responsibilities for the audit of the accounts** (continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

**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

19 September 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 March 2019

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total funds £	2018 Total funds £
<b>Income from:</b>						
Donations, grants and legacies	1	499,369	48,354	—	<b>547,723</b>	556,186
Other trading activities		42,546	—	—	<b>42,546</b>	49,691
Investments and interest receivable	2	306,145	—	—	<b>306,145</b>	301,020
Charitable activities	3	4,522,345	550,299	—	<b>5,072,644</b>	4,826,813
Other sources						
. Value of land and buildings subject to a reversionary clause in favour of the charity	4	—	—	—	<b>—</b>	450,000
. Miscellaneous income		30,828	—	—	<b>30,828</b>	33,034
<b>Total income</b>		<b>5,401,233</b>	<b>598,653</b>	<b>—</b>	<b>5,999,886</b>	<b>6,216,744</b>
<b>Expenditure on:</b>						
Raising funds		215	—	—	<b>215</b>	485
Charitable activities						
. Support of members of the Congregation and their ministry	5	946,955	—	—	<b>946,955</b>	926,514
. Provision of residential and nursing care	6	2,478,567	—	—	<b>2,478,567</b>	2,544,085
. Provision of education and care	7	2,283,767	518,118	—	<b>2,801,885</b>	2,581,153
. Grants and donations	8	21,901	—	—	<b>21,901</b>	35,290
. Strategic property development	9	274,256	—	—	<b>274,256</b>	367,311
<b>Total expenditure</b>		<b>6,005,661</b>	<b>518,118</b>	<b>—</b>	<b>6,523,779</b>	<b>6,454,838</b>
<b>Net (expenditure) income before investment gains and losses</b>		<b>(604,428)</b>	<b>80,535</b>	<b>—</b>	<b>(523,893)</b>	<b>(238,094)</b>
Net gains on the revaluation of investments	15	306,803	—	—	<b>306,803</b>	133,809
<b>Net (expenditure) income</b>	11	<b>(297,625)</b>	<b>80,535</b>	<b>—</b>	<b>(217,090)</b>	<b>(104,285)</b>
Transfers between funds	21	112,068	(112,068)	—	<b>—</b>	<b>—</b>
<b>Net movement in funds</b>		<b>(185,557)</b>	<b>(31,533)</b>	<b>—</b>	<b>(217,090)</b>	<b>(104,285)</b>
<b>Reconciliation of funds</b>						
Fund balances brought forward at 1 April 2018		22,120,251	260,166	12,830	<b>22,393,247</b>	22,497,532
Fund balances carried forward at 31 March 2019		<b>21,934,694</b>	<b>228,633</b>	<b>12,830</b>	<b>22,176,157</b>	<b>22,393,247</b>

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

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

A full comparative statement of financial activities is shown on page 35.

## Comparative statement of financial activities Year to 31 March 2018

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £
<b>Income from:</b>					
Donations, grants and legacies	1	518,165	38,021	—	556,186
Other trading activities		49,691	—	—	49,691
Investments and interest receivable	2	301,020	—	—	301,020
Charitable activities	3	4,272,555	554,258	—	4,826,813
Other sources					
. Value of land and buildings subject to a reversionary clause in favour of the charity	4	450,000	—	—	450,000
. Miscellaneous income		33,034	—	—	33,034
<b>Total income</b>		<b>5,624,465</b>	<b>592,279</b>	<b>—</b>	<b>6,216,744</b>
<b>Expenditure on:</b>					
Raising funds		485	—	—	485
Charitable activities					
. Support of members of the Congregation and their ministry	5	926,514	—	—	926,514
. Provision of residential and nursing care	6	2,544,085	—	—	2,544,085
. Provision of education and care	7	2,044,100	537,053	—	2,581,153
. Grants and donations	8	35,290	—	—	35,290
. Strategic property development	9	367,311	—	—	367,311
<b>Total expenditure</b>		<b>5,917,785</b>	<b>537,053</b>	<b>—</b>	<b>6,454,838</b>
<b>Net (expenditure) income before investment gains and losses</b>		<b>(293,320)</b>	<b>55,226</b>	<b>—</b>	<b>(238,094)</b>
Net gains on the revaluation of investments	15	133,809	—	—	133,809
<b>Net (expenditure) income</b>	11	<b>(159,511)</b>	<b>55,226</b>	<b>—</b>	<b>(104,285)</b>
Transfers between funds	21	31,065	(31,065)	—	—
<b>Net movement in funds</b>		<b>(128,446)</b>	<b>24,161</b>	<b>—</b>	<b>(104,285)</b>
<b>Reconciliation of funds</b>					
Fund balances brought forward at 1 April 2017		22,248,697	236,005	12,830	22,497,532
Fund balances carried forward at 31 March 2018		22,120,251	260,166	12,830	22,393,247

**Balance sheet** 31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Tangible assets	14		<b>7,580,274</b>		7,728,371
Investments	15		<b>7,524,341</b>		7,217,538
Programme related investments	16		<b>2,678,187</b>		2,700,438
			<b>17,782,802</b>		17,646,347
<b>Current assets</b>					
Stock		<b>3,085</b>		2,688	
Debtors	17	<b>548,884</b>		540,437	
Property awaiting disposal	4,18	—		450,000	
Short term deposits		<b>1,789,460</b>		1,309,077	
Cash at bank and in hand		<b>2,498,625</b>		2,797,079	
		<b>4,840,054</b>		5,099,281	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	19	<b>(446,699)</b>		(352,381)	
<b>Net current assets</b>			<b>4,393,355</b>		4,746,900
<b>Total net assets</b>			<b>22,176,157</b>		22,393,247
<b>The funds of the charity:</b>					
Capital funds:					
. Endowment funds	20		<b>12,830</b>		12,830
Income Funds:					
. Restricted funds	21		<b>228,633</b>		260,166
. Unrestricted funds:					
.. General funds			<b>2,805,591</b>		2,914,925
.. Tangible fixed assets fund	22		<b>7,580,274</b>		7,728,371
.. Designated funds	23		<b>11,548,829</b>		11,476,955
			<b>22,176,157</b>		22,393,247

Approved by the trustees and signed on their behalf by:

Sister Mary Pauline (B Burling)  
Chair of Trustees

Approved by the trustees on: 29 July 2019

# Statement of cash flows Year to 31 March 2019

	Notes	2019 £	2018 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(413,897)</b>	(943,037)
<b>Cash flows from investing activities:</b>			
Investment income and interest received		<b>306,142</b>	247,537
Repayment of loan made to St Dominic's Priory School		<b>22,251</b>	22,251
Proceeds from the disposal of tangible fixed assets		<b>423,735</b>	1,221
Purchase of tangible fixed assets		<b>(156,302)</b>	(176,394)
<b>Net cash provided by investing activities</b>		<b>595,826</b>	94,615
<b>Change in cash and cash equivalents in the year</b>		<b>181,929</b>	(848,422)
<b>Cash and cash equivalents at 1 April 2018</b>	B	<b>4,106,156</b>	4,954,578
<b>Cash and cash equivalents at 31 March 2019</b>	B	<b>4,288,085</b>	4,106,156

## Notes to the statement of cash flows for the year to 31 March 2019.

### A Reconciliation of net expenditure to net cash used in operating activities

	2019 £	2018 £
<b>Net expenditure (as per the statement of financial activities)</b>	<b>(217,090)</b>	(104,285)
<b>Adjustments for:</b>		
Depreciation charge	<b>296,330</b>	297,082
Tangible fixed assets written off	<b>—</b>	18,057
Gains on investments	<b>(306,803)</b>	(133,809)
Investment income and interest receivable including rent receivable	<b>(306,145)</b>	(301,020)
Land and buildings subject to a reversionary clause in favour of the charity	<b>—</b>	(450,000)
Loss on disposal of tangible fixed assets and property awaiting disposal	<b>34,332</b>	—
(Increase) decrease in stocks	<b>(397)</b>	1,964
Increase in debtors	<b>(8,442)</b>	(251,053)
Increase (decrease) in creditors	<b>94,318</b>	(19,973)
<b>Net cash used in operating activities</b>	<b>(413,897)</b>	(943,037)

### B Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<b>2,498,625</b>	2,797,079
Short term deposits (all maturing within three months)	<b>1,789,460</b>	1,309,077
<b>Total cash and cash equivalents</b>	<b>4,288,085</b>	4,106,156

## **Principal accounting policies** Year to 31 March 2019

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 March 2019 with comparative information provided in respect to the year to 31 March 2018.

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

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

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

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

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

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

- ◆ The estimates of the useful economic life of tangible fixed assets used to determine the annual depreciation charge;
- ◆ The provision required for any bad or doubtful debts in respect to fees receivable by St Mary's Home, Stone or St Rose's School, Stroud. Any such provision has been determined following an assessment of the likelihood of recovery on long-standing debts;
- ◆ The valuation of property awaiting disposal at the balance sheet date. The valuation has been based on anticipated sale proceeds which is deemed to equate to fair value at that date; and
- ◆ Assumptions adopted by the trustees in determining the value of any designations required from the charity's unrestricted funds, in particular the sisters' retirement fund.



### **Assessment of going concern**

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

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The most recent Care Quality Commission Report (published on 16 February 2017) gave an overall rating of 'Requires Improvement' and the Home was moved out of 'Special Measures'. Whilst there are still improvements to be made, the trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Home to continue as a going concern and in turn, there are no doubts for regarding the going concern position of the overall charity.

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 March 2020, 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 is entitled to receipt, the amount can be measured with reasonable certainty and receipt of the income is probable.

Income comprises income from donations, grants and legacies; income from other trading activities (principally the hire of St Rose's School's facilities); income from fundraising; investment income and bank interest; and income from charitable activities deriving from educational fee income and government grant allocations at St Rose's School, and fees receivable from the provision of residential and nursing care to the residents of St Mary's Home.

Donations and grants, 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 or grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant 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.

**Income recognition** (continued)

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.

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

Income from other trading activities comprises, in the main, charges made for the hire of facilities at St Rose's School to third parties. It is accounted for on an accruals basis with the income being recognised when due contractually. The income is recognised at the amount due under the contract for hire less any rebates or discounts.

Income from fundraising comprises income raised as a result of local fundraising events held by either St Mary's Home, Stone or St Rose's School, Stroud. The income raised is accounted for when received i.e. on the day of the relevant event.

Investment income is recognised once the dividend (or similar) has been declared and the funds are receivable by the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.

Fees for the provision of education and care comprise agreements with local authorities in respect to specific students aged up to 19 years and funding from the Education Funding Authority (EFA) in respect to the provision for those students aged 19 and over. Such income is recognised when the charity is entitled to receipt under the relevant contractual arrangements and funding agreements. This is usually at the point at which the charity has commenced the provision of educational and care services in respect to the relevant students.

Fees derived from the provision of care to the residents of the care home are recognised as income in the period to which the residency relates and when it is probable that the income will be received.

**Income recognition** (continued)

The value attached to the reversion to the charity of an unencumbered title and beneficiary interest in land and buildings, previously leased to third parties on long lease agreements, is based on the anticipated sale proceeds as at the balance sheet date of the property in question. Such value is deemed to equate to the fair value of the property at that date.

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

**Expenditure recognition**

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

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

- a. Expenditure on raising funds includes the costs associated with fundraising activities.
- b. Expenditure on charitable activities includes expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include:
  - (i) Expenditure on the support of members of the Congregation and their ministry. Such expenditure enables the members to carry out the work of the charity in the areas of the advancement of the Roman Catholic faith, the provision of residential and nursing care, the advancement of education and the relief of poverty.
  - (ii) Expenditure incurred in providing education and care at the charity's school, St Rose's School, Stroud.
  - (iii) Expenditure incurred in the provision of residential and nursing care facilities for the elderly at St Mary's Home, Stone.
  - (iv) 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.
  - (v) Expenditure incurred on the strategic planning for property development i.e. looking at ways in which the trustees might develop a complex of senior living accommodation on the site at Stone, Staffordshire, including the construction of a new care home.

**Expenditure recognition** (continued)

The majority of expenditure can be attributed directly to the above categories. Some staff costs are apportioned between the above categories of expenditure based on the time spent by staff on the relevant area. Governance costs which comprise the costs directly attributable to the governance of the charity, including audit costs and the necessary legal procedures for compliance with statutory requirements are allocated directly to the charitable activities to which they relate.

**Tangible fixed assets**

All assets costing more than £2,000, and with an expected useful life exceeding one year, are capitalised.

- ◆ **Non-specialised freehold land and buildings**  
Non-specialised land and buildings are those designed as, and used wholly or mainly for, private residential accommodation, including residential convents. They are stated in the accounts at cost. Such land and 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 freehold land and buildings**  
Specialised buildings comprise the Congregation's care home and school.

Land and buildings comprising a care home and school are stated at cost, or where cost is not available, at deemed cost at the date of transition to Charities SORP FRS 102 based on a trustees' valuation made in 1994 on the basis of continuing use with no value being attributed to freehold land. Depreciation on the property used by the care home, 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. The properties used by the School are depreciated at rates between 2% to 5% per annum on a straight line basis.

- ◆ **Furniture and equipment**  
Computer equipment is depreciated at 33.3% per annum, on a straight line basis, in order to write off the cost of each asset over its estimated useful life.

Expenditure on the purchase and replacement of furniture and other equipment is capitalised and depreciated over periods of between five and twenty years, in order to write off the cost of each asset over its estimated useful life.

Certain items of furniture and equipment used by the School are depreciated at rates between 15% to 33% per annum on a reducing basis.

- ◆ **Motor vehicles**  
Motor vehicles are capitalised and depreciated at 25% per annum, on a straight line basis, in order to write off the cost of each vehicle over its estimated useful life.

The motor vehicles used by the School are depreciated at 25% per annum on a reducing basis.

### **Investments**

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

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

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

Cash held by the investment manager for re-investment is included as a component of fixed asset investments.

### **Programme related investments**

Programme related investments include buildings owned by the charity but occupied by St Dominic's Priory School (Stone), an independent day school, for the advancement of education and a loan granted to St Dominic's Priory School (Stone) for the advancement of education. The buildings are included on the balance sheet based at their carrying value as at the date on which the building was made available to St Dominic's Priory School (Stone). All investments are carried on the balance sheet net of any impairment provisions. Any gains (or programme related losses) arising from the disposal of such investments are credited (or debited) to the statement of financial activities in the year in which they arise.

### **Stocks**

Stocks of miscellaneous education and other supplies are included on the balance sheet at the lower of cost and net realisable value.

### **Debtors**

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

### **Property awaiting disposal**

The value attached to property awaiting disposal at the balance sheet date, and which arises from the reversion to the charity of an unencumbered title and beneficiary interest in land and buildings previously leased to third parties on long lease agreements, is based on the anticipated sale proceeds of the property as at the balance sheet date. Such value is deemed to equate to the fair value of the property at that date.

#### **Cash at bank and in hand**

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

#### **Creditors and provisions**

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

#### **Fund accounting**

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

The tangible fixed assets fund represents the net book value of the charity's freehold properties and other tangible fixed assets which represent unrestricted funds.

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

The restricted funds comprise assets and monies raised where their use is restricted to a specific purpose or donations subject to donor imposed conditions.

The endowment funds comprise monies which must be held indefinitely as capital. The income therefrom can be used for general purposes and is credited directly to unrestricted funds.

#### **Services provided by members of the Congregation**

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

#### **Foreign currencies**

Income received and costs incurred overseas are translated into sterling at the rate of exchange in force at the year end. This policy does not comply with FRS 102 Section 30, but has been adopted to avoid over-complexity. The amounts involved are not material.

**Pension costs**

Contributions made in respect of the charity's defined contribution scheme are charged to the statement of financial activities in the year in which they are payable to the scheme.

Full-time and part-time teaching staff at St Rose's School employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Teachers' Pensions on behalf of the Department for Education (DfE). As the School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, it has taken advantage of the exemption within section 28 of FRS 102 and has accounted for its contributions to the scheme as if it were a defined benefit contribution scheme. Contributions to the Scheme are charged to the statement of financial activities as they become payable in accordance with the rules of the Scheme.

**Lease commitments**

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

**1 Income from: donations, grants and legacies**

	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	461,873	—	461,873	468,646	—	468,646
Grants receivable	5,000	2,710	7,710	—	5,730	5,730
Other donations and legacies	32,496	45,644	78,140	49,519	32,291	81,810
<b>Total funds</b>	<b>499,369</b>	<b>48,354</b>	<b>547,723</b>	<b>518,165</b>	<b>38,021</b>	<b>556,186</b>

**2 Income from: investments and interest receivable**

	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Income from listed investments						
. UK common investment funds	223,728	—	223,728	221,043	—	221,043
. UK equities	13,560	—	13,560	6,668	—	6,668
	237,288	—	237,288	227,711	—	227,711
Income from programme related investments	62,302	—	62,302	69,708	—	69,708
Interest receivable						
. Bank interest	6,555	—	6,555	3,601	—	3,601
<b>Total funds</b>	<b>306,145</b>	<b>—</b>	<b>306,145</b>	<b>301,020</b>	<b>—</b>	<b>301,020</b>

**3 Income from: Charitable activities**

	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Charges for residential and nursing care services	2,302,654	—	2,302,654	2,255,585	—	2,255,585
Charges for educational and care services	2,219,691	14,034	2,233,725	2,016,970	11,767	2,028,737
Other grants receivable from the Central and Local Government	—	536,265	536,265	—	542,491	542,491
<b>Total funds</b>	<b>4,522,345</b>	<b>550,299</b>	<b>5,072,644</b>	<b>4,272,555</b>	<b>554,258</b>	<b>4,826,813</b>

Charges for residential and nursing care services represent fees charged in respect to residents at the charity's residential and nursing care home, St Mary's Home, Stone. The fees charged are stated net of charitable discounts of £71,053 (2018 - £129,953).

Charges for educational and care services represent the fees and related income of the charity's school, St Rose's School, Stroud.



#### 4 Income from: Value of land and buildings subject to a reversionary clause in favour of the charity

Included within total income for the year ended 31 March 2018 was an amount of £450,000 being the value placed on a property, the unencumbered freehold title and beneficial interest of which had reverted to the charity during that financial year. The property, situated in St Marychurch, Torquay, Devon, was leased to the Margaret Clitheroe Housing Association (the Association) with effect from 21 January 1981 for a period of 99 years but reverted to the charity following the winding up of the Association. The existence of the long lease has meant that the property had not been valued for the purposes of the charity's accounts in prior periods. The property was sold during the year to 31 March 2019 for gross proceeds of £450,000. Net costs of disposal amounted to £26,265 and have been included within the costs of supporting members of the congregation and their ministry (see note 5).

#### 5 Expenditure on Charitable activities: Support of members of the Congregation and their ministry

	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Premises	324,406	—	324,406	311,663	—	311,663
Staff costs	314,350	—	314,350	330,391	—	330,391
Sisters' personal expenses	164,108	—	164,108	172,289	—	172,289
Education, training and spiritual renewal	50,619	—	50,619	24,278	—	24,278
Administrative and other expenses	48,487	—	48,487	67,973	—	67,973
Loss on disposal of St Marychurch property (note 4)	26,265	—	26,265	—	—	—
Governance costs (note 10)	18,720	—	18,720	19,920	—	19,920
<b>Total funds</b>	<b>946,955</b>	<b>—</b>	<b>946,955</b>	<b>926,514</b>	<b>—</b>	<b>926,514</b>

#### 6 Expenditure on charitable activities: Provision of residential and nursing care

	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Staff costs – care staff	1,836,215	—	1,836,215	1,935,887	—	1,935,887
Staff costs – management and administration	138,827	—	138,827	120,291	—	120,291
Premises	301,156	—	301,156	286,118	—	286,118
Provisions	82,549	—	82,549	77,091	—	77,091
Welfare of residents	28,697	—	28,697	33,429	—	33,429
Other expenses	82,243	—	82,243	82,629	—	82,629
Governance costs (note 10)	8,880	—	8,880	8,640	—	8,640
<b>Total funds</b>	<b>2,478,567</b>	<b>—</b>	<b>2,478,567</b>	<b>2,544,085</b>	<b>—</b>	<b>2,544,085</b>

**7 Expenditure on charitable activities: Provision of education and care**

	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Staff costs	1,722,036	500,865	2,222,901	1,510,575	522,796	2,033,371
Education supplies and welfare	125,698	17,253	142,951	91,721	14,257	105,978
Premises	348,296	—	348,296	236,779	—	236,779
Other expenses	43,547	—	43,547	157,975	—	157,975
Governance costs (note 10)	44,190	—	44,190	47,050	—	47,050
<b>Total funds</b>	<b>2,283,767</b>	<b>518,118</b>	<b>2,801,885</b>	<b>2,044,100</b>	<b>537,053</b>	<b>2,581,153</b>

**8 Expenditure on charitable activities: Grants and donations**

Donations and grants payable during the year were as follows:

	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Donations and grants payable to individuals	6,772	—	6,772	17,602	—	17,602
Donations and grants payable to institutions (£1,000 or more)						
. Dominican Sisters of the Holy Trinity, India	7,150	—	7,150	4,850	—	4,850
. Dominican Sisters of the Holy Trinity	—	—	—	4,448	—	4,448
. The Catholic Trust for England and Wales	2,400	—	2,400	—	—	—
. CAFOD	—	—	—	1,000	—	1,000
. Aid to the Church in Need	—	—	—	1,000	—	1,000
Donations and grants payable to institutions (less than £1,000)	5,579	—	5,579	6,390	—	6,390
<b>Total funds</b>	<b>21,901</b>	<b>—</b>	<b>21,901</b>	<b>35,290</b>	<b>—</b>	<b>35,290</b>

During the year, donations and grants were paid to 26 individuals (2018 – 18).

**9 Expenditure on: Strategic property development**

As noted below under “future plans” within the trustees’ report, the trustees are considering ways in which the charity’s site at Stone, Staffordshire may be developed to provide a complex of senior living accommodation including the construction of a new larger care home on the site and the continued existence of a convent for the Sisters. Plans are in still being considered and various feasibility and other studies have been commissioned. During the year, this work led to professional and related fees in respect to the strategic property development of £274,256 (2018 - £367,311). These costs have been expensed during the year as the work is in connection with various options being considered with a view to reaching Heads of Terms.

## 10 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Audit and accountancy						
. Generalate and communities	18,720	—	18,720	19,920	—	19,920
. St Mary's Home	8,880	—	8,880	8,640	—	8,640
. St Rose's School	15,800	—	15,800	15,000	—	15,000
Other professional fees						
. St Rose's School	28,390	—	28,390	32,050	—	32,050
<b>Total funds</b>	<b>71,790</b>	<b>—</b>	<b>71,790</b>	<b>75,610</b>	<b>—</b>	<b>75,610</b>

## 11 Net (expenditure) income

This is stated after charging:

	Total 2019 £	Total 2018 £
Staff costs (note 12)	4,512,293	4,419,940
Auditor's remuneration		
. Statutory audit fees	18,720	19,920
. Non statutory audit fees	24,680	23,640
Depreciation (note 14)	296,330	297,082

## 12 Staff costs and remuneration of key management personnel

	Total 2019 £	Total 2018 £
Staff costs during the year were as follows:		
Wages and salaries	3,700,251	3,550,364
Social security costs	250,171	248,570
Other pension costs	117,612	88,983
	<b>4,068,034</b>	<b>3,887,917</b>
Agency staff	444,259	531,839
Apprenticeship levy	—	184
	<b>4,512,293</b>	<b>4,419,940</b>
Staff costs per function were as follows:		
Support of members of the Congregation and their ministry	314,350	330,391
Provision of residential and nursing care	1,975,042	2,056,178
Provision of education	2,222,901	2,033,371
	<b>4,512,293</b>	<b>4,419,940</b>

The number of employees whose remuneration (salaries, wages and benefits in kind) exceeded £60,000 per annum was as follows:

	2019 No.	2018 No.
£60,000 – £70,000	1	1

## 12 Staff costs and remuneration of key management personnel (continued)

The average number of employees, analysed by function, was:

	2019 No.	2018 No.
Support of members of the Congregation and their ministry	19	17
Provision of residential and nursing care	96	103
Provision of education and care	119	113
	<b>234</b>	<b>233</b>

The key management personnel in charge of directing and controlling, running, and operating the charity on a day-to-day basis comprise the trustees, the Management Board of St Mary's Home and the Leadership Management Team of St Rose's School. The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the year was £356,460 (2018 - £361,327).

No trustee received any remuneration or reimbursement in connection with their duties as trustees or key management personnel during the year (2018 – none). The charity's trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Congregation, are borne by the charity.

## 13 Taxation

The English Dominican Congregation (Stone) Charitable Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 14 Tangible fixed assets

	Freehold land and buildings		Furniture and equipment	Motor vehicles	Total
	Non-specialised £	Specialised £	£	£	£
<b>Cost or valuation</b>					
At 1 April 2018	2,651,525	6,471,580	1,393,932	173,708	<b>10,690,745</b>
Additions	—	10,243	146,059	—	<b>156,302</b>
Disposals	—	—	(100,897)	(904)	<b>(101,801)</b>
At 31 March 2019	<b>2,651,525</b>	<b>6,481,823</b>	<b>1,439,094</b>	<b>172,804</b>	<b>10,745,246</b>
At cost	2,185,424	2,092,711	1,439,094	172,804	<b>5,890,033</b>
At deemed cost based on valuation – 1994	466,101	4,389,112	—	—	<b>4,855,213</b>
	<b>2,651,525</b>	<b>6,481,823</b>	<b>1,439,094</b>	<b>172,804</b>	<b>10,745,246</b>
<b>Depreciation</b>					
At 1 April 2018	—	1,978,517	855,756	128,101	<b>2,962,374</b>
Charge for year	—	138,452	141,347	16,531	<b>296,330</b>
Released on disposal	—	—	(92,896)	(836)	<b>(93,732)</b>
At 31 March 2019	—	<b>2,116,969</b>	<b>904,207</b>	<b>143,796</b>	<b>3,164,972</b>
<b>Net book values</b>					
At 31 March 2019	<b>2,651,525</b>	<b>4,364,854</b>	<b>534,887</b>	<b>29,008</b>	<b>7,580,274</b>
At 31 March 2018	<b>2,651,525</b>	<b>4,493,063</b>	<b>538,176</b>	<b>45,607</b>	<b>7,728,371</b>

#### 14 Tangible fixed assets (continued)

The book value of non-specialised freehold land and buildings is based on cost. The book value of specialised land and buildings comprising a nursing home and school acquired prior to 1 April 1994 is based on a valuation made by the trustees in 1994. Under the transitional arrangements set out in FRS 102, these valuations are, with effect from 1 April 2015, deemed to be their cost. Additions to specialised land and buildings since 1 April 1994 and other tangible fixed assets are stated at historic cost less depreciation.

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

#### 15 Investments

	2019 £	2018 £
<b>Listed investments</b>		
Market value at 1 April 2018	7,217,538	7,083,729
Unrealised gains on revaluation	306,803	133,809
Market value at 31 March 2019	<u>7,524,341</u>	<u>7,217,538</u>
Cost of listed investments at 31 March 2018	<u>5,270,057</u>	5,270,057

All listed investments were dealt in on a recognised stock exchange and comprised UK equities and UK managed funds.

Listed investments held at 31 March 2019 comprised the following:

	2019 £	2018 £
UK common investment funds - Charifaith Distribution Fund	7,483,389	7,169,140
UK equities	40,952	48,398
	<u>7,524,341</u>	<u>7,217,538</u>

Charifaith Distribution Fund is a common investment fund managed by BlackRock Investment Management (UK) Limited.

#### 16 Programme related investments

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

	2019 £	2018 £
At 1 April 2018	2,700,438	2,722,689
Repayments	(22,251)	(22,251)
At 31 March 2019	<u>2,678,187</u>	<u>2,700,438</u>

## 16 Programme related investments (continued)

The programme related investments comprise the school property owned by the Congregation but which was made available to St Dominic's Priory School (Stone), an independent day school, with effect from 25 May 2011 for educational purposes.

In addition, programme related investments include a loan of £111,250 made to the School to assist with the advancement of education. The loan is repayable in full together with any unpaid interest by 15 January 2021. The principal amount of the loan outstanding carries interest at the rate of 2 per cent above the Official Bank Rate as determined by the Monetary Policy Committee of the Bank of England, accruing daily. Interest is payable every four months with effect from 15 September 2011. Capital repayments commenced on 15 May 2016 and are due quarterly from this date. The repayments will comprise fourteen payments of £7,417 and one final payment of £7,412. As at 31 March 2019, £66,753 had been repaid, leaving an outstanding loan balance of £44,497 at that date. At any time the loan may be repaid early without penalty but the School may not re-borrow any amount so repaid.

## 17 Debtors

	2019 £	2018 £
School fees and related charges	169,954	253,271
Residential and nursing care home fees and related charges	225,419	168,439
Investment income and interest receivable	55,933	55,927
Prepayments and accrued income	97,578	62,800
	<b>548,884</b>	<b>540,437</b>

## 18 Property awaiting disposal

	2019 £	2018 £
At 1 April 2018	450,000	—
Disposal	(450,000)	450,000
At 31 March 2019	<b>—</b>	<b>450,000</b>

See note 4 to the accounts for further details.

## 19 Creditors: amounts falling due within one year

	2019 £	2018 £
Expense creditors	93,343	93,211
Monies administered by the charity on behalf of individual members of The English Dominican Congregation (Stone)	111,620	111,620
Fees received in advance	1,373	19,096
Social security and other taxes	52,204	40,300
Accruals	188,084	86,776
Other creditors	75	1,378
	<b>446,699</b>	<b>352,381</b>

## 20 Endowment funds

The capital funds of the charity include endowed monies which must be retained indefinitely.

	At 1 April 2018 £	Income £	Expenditure £	At 31 March 2019 £
Sundry endowments	12,830	—	—	12,830

	At 1 April 2017 £	Income £	Expenditure £	At 31 March 2018 £
Sundry endowments	12,830	—	—	12,830

## 21 Restricted funds

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

	1 April 2018 £	Income £	Expenditure £	Transfers £	31 March 2019 £
St Rose's School fund	188,250	598,653	(518,118)	(98,455)	170,330
Cambridge fund	71,166	—	—	(13,613)	57,553
Other restricted funds	750	—	—	—	750
	<b>260,166</b>	<b>598,653</b>	<b>(518,118)</b>	<b>(112,068)</b>	<b>228,633</b>

	1 April 2017 £	Income £	Expenditure £	Transfers £	31 March 2018 £
St Rose's School fund	164,089	592,279	(537,053)	(31,065)	188,250
Cambridge fund	71,166	—	—	—	71,166
Other restricted funds	750	—	—	—	750
	<b>236,005</b>	<b>592,279</b>	<b>(537,053)</b>	<b>(31,065)</b>	<b>260,166</b>

### ♦ St Rose's School fund

The St Rose's School fund comprise monies raised and grants received to be spent on specific activities and includes monies received from the Department for Education for the improvement of the school's standards. The transfer from the restricted fund to unrestricted funds has been made to reflect the fact that the funds have been used to purchase tangible fixed assets in accordance with the terms on which the funding was received.

### ♦ Cambridge fund

The Cambridge fund comprised monies used to provide board, lodgings and study facilities in Cambridge for The Dominican Sisters from central and eastern Europe.

### ♦ Other restricted funds

Other restricted funds comprised other monies received by the charity which can only be applied in accordance with conditions imposed by the donor.

**22 Tangible fixed assets fund**

	Total 2019 £	Total 2018 £
At 1 April 2018	7,728,731	7,868,337
Net movements in year	(148,457)	(139,966)
At 31 March 2019	7,580,274	7,728,371

The tangible fixed assets fund represented the net book value of the charity's freehold property and other tangible fixed assets held as part of unrestricted funds. A decision was made to separate this fund from the general funds of the charity in recognition of the fact that the tangible fixed assets are essential to the day-to-day work of the charity and as such their value should not be regarded as funds that would be available in order to meet future contingencies.

**23 Designated funds**

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

	At 1 April 2018 £	New designations £	Utilised/ released £	At 31 March 2019 £
Sisters' retirement fund	5,000,000	—	—	5,000,000
School and residential home fund	3,765,351	5,276,974	(5,182,849)	3,859,476
Programme related investment fund	2,700,438	—	(22,251)	2,678,187
Other funds	11,166	—	—	11,166
	11,476,955	5,276,974	(5,205,100)	11,548,829

	At 1 April 2017 £	New designations £	Utilised/ released £	At 31 March 2018 £
Sisters' retirement fund	5,000,000	—	—	5,000,000
School and residential home fund	3,790,977	5,024,640	(5,050,266)	3,765,351
Programme related investment fund	2,722,689	—	(22,251)	2,700,438
Other funds	11,166	—	—	11,166
	11,524,832	5,024,640	(5,072,517)	11,476,955

♦ **Sisters' retirement fund**

This consisted of monies which the trustees have set aside in order to provide for the sisters in their retirement. The amount which can be designated is constrained by the resources available and is less than that indicated as being needed by actuarial calculations.



## 23 Designated funds (continued)

### ♦ School and residential home fund

This fund represented the net current assets and the investments held on unrestricted funds of the charity's school, St Rose's School and the net current assets held on unrestricted funds of the residential home, St Mary's Home. The assets have been designated for use by the respective schools and home only.

### ♦ Programme related investment fund

This fund represented the carrying value of the charity's programme related investments. The amount has been set aside from the charity's general funds in recognition of the fact that the assets have been made available to St Dominic's Priory School (Stone) and therefore cannot be regarded as funds that would be available to meet future contingencies.

### ♦ Other funds

These represented funds designated by the trustees for use in connection with particular projects.

## 24 Analysis of net assets between funds

Fund balances at 31 March 2019 are represented by:

	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Endowment funds £	Total 2019 £
Tangible fixed assets	—	7,580,274	—	—	—	7,580,274
Investments	—	—	7,511,511	—	12,830	7,524,341
Programme related investments	—	—	2,678,187	—	—	2,678,187
Net current assets	2,805,591	—	1,359,131	228,633	—	4,393,355
<b>2019 Total net assets</b>	<b>2,805,591</b>	<b>7,580,274</b>	<b>11,548,829</b>	<b>228,633</b>	<b>12,830</b>	<b>22,176,157</b>

Fund balances at 31 March 2018 are represented by:

	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Endowment funds £	Total 2018 £
Tangible fixed assets	—	7,728,371	—	—	—	7,728,371
Investments	—	—	7,204,708	—	12,830	7,217,538
Programme related investments	—	—	2,700,438	—	—	2,700,438
Net current assets	2,914,925	—	1,571,809	260,166	—	4,746,900
<b>2018 Total net assets</b>	<b>2,914,925</b>	<b>7,728,371</b>	<b>11,476,955</b>	<b>260,166</b>	<b>12,830</b>	<b>22,393,247</b>

## 24 Analysis of net assets between funds (continued)

The total unrealised gains as at 31 March 2019 constitutes movements on the revaluation of listed investments:

	Total 2019 £	Total 2018 £
<b>Unrealised gains included above</b>		
Total unrealised gains at 31 March 2019	<b>2,254,284</b>	1,947,481
<b>Reconciliation of movements in unrealised gains</b>		
Total unrealised gains at 1 April 2018	<b>1,947,481</b>	1,813,672
Net gains arising on revaluations in the year	<b>306,803</b>	133,809
Total unrealised gains at 31 March 2019	<b>2,254,284</b>	1,947,481

## 25 Pension commitments

Full-time and part-time teaching staff employed at St Rose's School, Stroud under a contract of service are eligible to contribute to the Teachers' Pensions Scheme (TPS).

### *Teachers' Pensions Scheme (TPS)*

Under the definitions set out in section 28 of FRS 102, the TPS is a multi-employer pension scheme. The School has accounted for its contributions to the Scheme as if it were a defined contribution scheme. The information available on the scheme is set out below.

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

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

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

Not less than every four years, the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directives 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

## 25 Pension commitments (continued)

### *Teachers' Pensions Scheme (TPS) (continued)*

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

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay effective from 1 September 2019. For the year ended 31 March 2019, the employer contribution rate was 16.48% of pensionable pay. Employer's contributions paid to the scheme during the year amounted to £50,974 (2018 - £46,961).

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

<https://ccasset.azureedge.net/4018/Teachers%20Pension%20Scheme%20Actuarial%20valuation%202016.pdf>

### *National Employment Savings Trust*

This is a defined contribution scheme and contributions made by St Rose's School for its non-teaching staff and St Mary's Home for its staff amounted to £44,873 (2018: £29,043).

## 26 Lease commitments

At 31 March 2019, the charity had the following future minimum commitments under non-cancellable operating leases as follows:

	2019 £	2018 £
Office equipment		
. Due within one year	1,514	1,558
. Due between one and five years	1,113	3,082
	<b>2,627</b>	<b>4,640</b>

**27 Related party transactions**

As members of the Congregation, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £95,767 (2018 - £101,216).

During the year, a grant of £2,500 (2018 - £5,000) was made towards the care cost of a relative of one of the charity's trustees. The grant was discussed and approved without the trustee who was conflicted having any part in the process.

There were no other related party transactions during the year (2018 – none).

**28 Ultimate control**

The charity, which is constituted as a trust, was controlled throughout the period by the English Dominican Congregation of Sisters by virtue of the fact that the Prioress General appoints the trustees. The Congregation does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Congregation are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Congregation's charitable activities.