

**The Province of  
Great Britain of the  
Institute of the Brothers  
of the Christian Schools  
Charitable Trust**  
**Annual Report and Accounts**

31 December 2021

Charity Registration Number  
232632

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## Reference and administrative information Year to 31 December 2021

<b>Trustees</b>	Brother Ben Hanlon Brother Michael Curran Brother John Deeney Brother Bernard Hayward Brother James Kilty Brother Nicholas Sellors  The trustees are incorporated under the Charities Act 2011.
<b>Provincial superior</b>	Brother Ben Hanlon
<b>Chief Financial Officer</b>	Kevin Humphrey
<b>Administrative address</b>	140 Banbury Road Oxford OX2 7BP
<b>Charity registration number</b>	232632
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	The Royal Bank of Scotland PLC 62-63 Threadneedle Street London EC2R 8LA
<b>Investment managers</b>	Rathbones Investment Management Limited 8 Finsbury Circus London EC2M 7AZ

## Reference and administrative information Year to 31 December 2021

<b>Solicitors</b>	Clyde & Co LLP 1 George Square Glasgow G2 1DY
	Clyde & Co LLP 2 New Bailey Square Stanley Street Salford M3 5GS
	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR
<b>Insurance brokers</b>	Marsh Commercial 1 <sup>st</sup> Floor Gail House 5 Lower Stone Street Maidstone ME15 6NB

## **Trustees' report** Year to 31 December 2021

The trustees have pleasure in presenting the report and accounts of The Province of Great Britain of the Institute of the Brothers of the Christian Schools Charitable Trust (the "charity" or the "Trust") for the year to 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 30 to 36 of the attached accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### **Introduction**

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

The Province of Great Britain of The Institute of the Brothers of the Christian Schools also known as the "De La Salle Brothers", had 28 members at 31 December 2021. Of these, 2 lived overseas and the remainder lived in 3 regionally separate groups known as "communities".

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

### **Objectives and activities**

#### **Objectives**

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

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

**Objectives and activities** (continued)

**Objectives** (continued)

- ◆ The relief of poor persons in Great Britain or Ireland, or nearly related to members of the Institute;
- ◆ The provision of living requirements for members of the Institute; and
- ◆ The acquisition and maintenance of the properties needed to carry out the work of the Institute.

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

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

**Activities**

The principal areas of activity are:

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

### **Objectives and activities** (continued)

#### **Activities** (continued)

- ◆ Enabling all members of the Institute to continue with their individual ministries for as long as possible;
- ◆ Providing in-service programmes and other support for headteachers and staff in the Lasallian network of schools.

### **Relevant policies**

#### **Fundraising statement**

The income of the charity derives mainly from the covenanted salaries and statutory pensions of members of the Institute and the proceeds of investment funds. The general public are not asked to contribute to the funds of the charity but on occasions the charity receives donations and voluntary income. It aims always to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on donors and supporters. It applies best practice to protect their data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity manages its own activities in respect to raising funds and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its activities for raising funds and to learn from them and improve its service. During the year ended 31 December 2021, the charity received no formal complaints about its activities for raising funds.

#### **Protection of Children and Vulnerable Adults**

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

#### **Investment policy**

The charity has a portfolio of listed investments which, together with cash held for investment, had a market value at 31 December 2021 of £22,822,051 (2020 – £23,120,583).

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

**Relevant policies** (continued)

***Investment policy*** (continued)

The objectives of the charity's listed investments are to produce a mutually agreed annual level of income and to protect the underlying capital value of the investments in the medium to long term without taking undue risk. The level of income required is determined as part of an annual budget and where necessary may be supplemented by a managed capital drawdown. The income raised is essential to the objectives and activities of the charity.

***Environmental policy***

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

**Achievements and performance**

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

***Support for Schools***

The Trust continues to support the work of the *Lasallian Educational Mission Committee, known as MEL Committee*. The members of the Committee include Heads, Chaplains, Brothers and other educators. The MEL Committee's main aims are: to promote the Lasallian Mission across the network of Lasallian schools in the country; and to empower all stakeholders in the Lasallian network of schools to fulfil the mission of the Trust, which is to provide a human and Christian education to the young, especially the poor and vulnerable.

During this year, the Trust had access to the services of a *Director of Mission* who coordinates efforts in these areas and accompanies this Committee in its work. Additionally, since September 2021, the Trust secured the services of a *Director of Formation and Vocation Ministry* (on secondment from De La Salle School, St. Helens, September 2021 to August 2023).

During this period, the Trust also enrolled the services of an *Educational Consultant* who is responsible for:

- ◆ Relations with Local Authorities and the Department for Education on behalf of the Trust;
- ◆ Entering into dialogue with Directors of Education of the various Dioceses and Archdioceses on behalf of the Trust;
- ◆ Leading the reflection concerning the future of our individual schools in the context of the academisation and Multi Academy Trusts in the English educational system;
- ◆ Dialoguing with Heads and Chairs of Governors concerning future directions;



**Achievements and performance** (continued)

**Support for Schools** (continued)

The Trust was able to support opportunities for key groups of educators to receive training, to network and to share good practice. The main in-person conference offered this year (in between Covid-19 spikes) was:

- ♦ A gathering of all Heads of De La Salle Trust and Associate Schools, and Chairs of Governing Boards of Trust Schools. This was held at St Cassian's Centre in Kintbury (November 2021).

The year continued to be deeply disrupted by Covid-19. Among the events cancelled are:

- ♦ A follow-up formation programme (originally planned for March 26-28, 2021) that was aimed for those who already have an interest and a basic understanding of the Lasallian Ethos, and who are willing to deepen their involvement. This was a series of three weekend residential experiences spread over three years. This programme was to take place at St Cassian's in Kintbury and was open to other De La Salle teachers from other countries. This year the programme would also have included participants from Belgium, Ireland and Malta.
- ♦ An induction formation programme (originally planned for August 18-25, 2021) for those new to De La Salle schools and who were interested in learning more about the heritage, vision and practices of a Lasallian school. This would have been a week-long programme that was set to take place during the summer in Malta. This programme was to be open to practitioners from Lasallian schools from other countries. This experience would usually also include De La Salle teachers from Belgium, Ireland, Malta and other countries alongside participants from the UK.

The Trust, through the work and services of the *MEL Committee*, the *Director of Mission* and the *Director of Formation and Vocation Ministry*, would typically provide schools and others ministries in the network with various formation programmes. These programmes are aimed at different groups with varied experience and understanding of the Lasallian Mission. (A formation programme is an experience that would typically span 24 hours to a week. It consists of several components that are organised so that a person may integrate their reflection with their experience and continue their personal, professional and spiritual development.)

The Covid-19 Pandemic has also presented new opportunities, mainly through the use of online platforms like *Zoom*. This included an induction formation programme for those new to De La Salle schools. Typically, participants are those who are interested in learning more about the heritage, vision and practices of a Lasallian school. This year this was held online over five sessions starting in October 2021.

## **Achievements and performance** (continued)

### **Support for Schools** (continued)

The *Director of Mission* and *Director of Formation and Vocation Ministry* are also available to schools through visits and in-service Ethos and Mission training. The work of the *Director of Mission* and the *MEL Committee* continue to be complemented and supported by the efforts of two other groups whose aim is also that of fulfilling the De La Salle mission. Namely, the *District MEL Council* and the *District Young Lasallians Council*. These two councils have a broad remit that includes the UK. The projects and initiatives of these two Councils are supported by the Trust and contribute greatly to all schools in the De La Salle network in the UK.

Some of the initiatives of the *District Young Lasallian Council* that have been of great benefit to schools in UK this year were:

- ◆ Lasallian Awards 2021 – which culminated in an online Awards Ceremony on Founder's Day (May 2021)
- ◆ International Lasallian Days for Peace 2020 - 21 September to 21 October 2021

### **St Cassian's Pastoral Centre**

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



Volunteer Team 2021-22

**Achievements and performance** (continued)

***St Cassian's Pastoral Centre*** (continued)

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

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

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

2021 began with a further lockdown. The Volunteer Team worked from home, continuing online community activities. The Retreat Team worked from home for part of January also and participated in prayer online and prepared for upcoming online retreats.

The Volunteer Team returned to the Centre at the beginning of February and undertook further Team Training and Formation. They also took part in Community Retreats and Days of Reflection. The schools lockdown meant that the online retreats did not begin until April 2021.

Students from about a fifth of all the Catholic schools in Great Britain usually participate in the retreats annually. The total number attending being around three and a half thousand. During 2021 many of our retreats were cancelled due to the Covid 19 pandemic, so retreats were run online. In the academic year 2020-2021 the Centre hosted one residential school group – St Charles Sixth Form College, Kensington, in June 2021. All other retreats that year were online or in school – St Margaret ward, Stoke (online), St Edward's, Poole, St Bede's, Basingstoke.

The annual Past Teams Retreat ran online in February 2021



**Achievements and performance** (continued)

***St Cassian's Pastoral Centre*** (continued)

In June 2021 the team travelled to DLS School, Jersey to run 4 day retreats. The team enjoyed working with Year 8 students from a Lasallian School.

In September 2021 the new Volunteer Team moved in. This team included 3 International Volunteers, from Brazil and Bolivia, recruited through the International Lasallian community. The volunteer team also includes 4 from GB, bringing the total to seven with expectations of running retreats in person and online.



The start of the new academic year in September 2021 saw the outreach and online retreats continue, with residential retreats beginning again with groups from DLS School, St Helens; St Augustine's School, Trowbridge; St Joseph's, Reading; Bishop Challoner, London; St Paul's, Milton Keynes; St Simon Stock, Maidstone; the Campion School, Hornchurch; St Joseph's, Swindon; Bishop Ullathorne; Coventry and St Catherine's, Twickenham. Primary schools St Bonaventure's and St Teresa's, Bristol also returned for residential retreats.

Since the start of the winter term in January 2022 the number of residential retreats increased with a reduction in online retreats. The Past Teams Retreat was in person again and the centre also welcomed the annual CPD for Lasallian Teachers from across Europe again too.

Retreats now benefit from having more outdoor activities, the Low Ropes Challenge course, archery and the all-weather pitches for tennis, football and basketball are in use. The new traversing wall will be in use by the end of May.



**Achievements and performance** (continued)

***St Cassian's Pastoral Centre*** (continued)



The conference centre – The Old Stables - plays host to parish and hospitality groups. The hospitality groups that have used the Old Stables Conference Centre in 2021 range from Koinonia, Don Bosco Youth Camp, Catholic People's Week, Stories of Hope and Home (refugee group) Fanning The Flame youth group, wedding reception, the De La Salle District Leadership Team, Lasallian Heads and Principles and the Wimbledon Scouts.

***Lasallian Projects***

Despite having hopes that they would be able to run projects in summer 2021, the emergence of new strains of Covid and continuing disruption to health services and international travel meant that for a second summer they were unable to function as desired. Despite having a good number of people interested in taking part in a project, they never got to the stage of actively preparing groups since the situation seemed so fluid and uninviting and lockdowns such an obstacle.

The time away from in person projects was put to good use with a new website being launched and a remote project being sponsored in Kenya for 2022.

***Investment performance***

The performance of the charity's investments was deemed satisfactory especially given the volatility in investment markets during 2020 due to Covid-19 and other factors such as Brexit, the US presidential elections and the successful development of vaccinations against Covid-19. Income from listed investments for the year totalled £829,896 (period to 31 December 2020 – £1,080,834) and realised and unrealised gains were £2,815,494 (period to 31 December 2020 – £1,080,820).



## **Achievements and performance** (continued)

### ***Vicarious liability and similar claims***

In recent years, vicarious liability claims have been brought against the charity and more recently these have been followed by other similar claims against the charity. An overview of the claims is given below with further details given in note 19 to the attached accounts.

There are, at present, two claims against the charity within the jurisdiction of the Courts in England and Wales relating to historic incidents of alleged child abuse. No liability is accepted at the date of this report and there is currently insufficient corroborative evidence to establish any possible quantum of cost.

There are over 60 outstanding claims relating to historic incidents of alleged physical or sexual abuse of children being brought against the charity in Scotland in respect to alleged incidents that took place at educational establishments in that country. All of these claims relate to events that allegedly took place many years ago. Given the abolition of Limitation by the Scottish Parliament (as of 4 October 2017), the historic claims are now being pursued. To date 13 claims have been settled or withdrawn at a total cost of over £1.3 million.

It is estimated that the aggregate of the reserve on damages and legal costs on the outstanding claims will be around £8.25 million. Since the charity was not the employer, attempts are being made by the charity in Scotland to seek a division of damages and costs with the employer organisations which owned and managed the educational establishments but, at present, those organisations have yet to agree any liability. Hence, the estimated full aggregate reserve of £8.25 million, without any allowance for recovery from the owners and managers, has been provided for in the attached accounts (see note 19 to the accounts).

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

### **Covid 19**

As with most businesses and charities within the UK and indeed worldwide the operations of the De La Salle trust have been greatly affected by the restrictions put in place on our society as a result of the Covid 19 pandemic.

2021 saw the promise of a return to normal operations as the pandemic appeared to come under control. A number of surges in cases meant that operations took on a hybrid form with some online and some in person operation in progress. The uncertainty continued to have a negative effect on retreat income at St Cassian's whilst a return to work for all meant expenses were back to normal.

**Covid 19** (continued)

The two care homes have continued throughout any lockdowns with all staff being considered key workers. Careful planning and control by their respective managers has ensured that the brothers have remained safe in their home environments. As most of the brothers are considered to be in a high risk or vulnerable category they have remained in their homes throughout lockdown but with all brothers now fully vaccinated a gradual easing is possible.

The investment portfolio recovered well from the dramatic falls in value during 2019/20.

Despite the ongoing challenges presented by Covid-19, the trustees consider that the charity's viability will not be threatened given the strategies which have been, and are being, implemented to deal with the situation in the short to medium term

**Financial review**

***Financial results for the year***

A summary of the year's results can be found on page 26 of the attached accounts.

Income for the year amounted to £2,200,013 (period to 31 December 2020 – £2,418,743), of which £557,356 (period to 31 December 2020 – £818,121) was received by way of covenanted salaries and pensions from members of the Institute and £1,046,523 (period to 31 December 2020 – £1,323,838) was interest and investment income receivable including £208,335 (period to 31 December 2020 – £83,570) being rental income from St John's College, Southsea (see below). A further £107,456 (period to 31 December 2020 – £114,048) related to education fees and related charges and there was also a gain of £369,840 on the disposal of programme related investments ie part of the St John's College, Southsea land and buildings. Other income comprised £37,507 relating to Coronavirus Job Retention Scheme grants (period to 31 December 2020 – £68,703).

Expenditure on raising funds amounted to £114,017 (period to 31 December 2020 – £140,596). Expenditure on charitable activities in the year related to the provision of education, the support of the members of the Institute and their ministry and donations and contributions to projects. These amounted to £641,138 (period to 31 December 2020 – £478,250), £2,056,154 (period to 31 December 2020 – £2,860,275) and £145,707 (period to 31 December 2020 – £134,226) respectively.

Expenditure in connection with the vicarious liability and similar claims against the charity of £1,188,983 (period to 31 December 2020 – 'negative' expenditure of £130,900) is explained under "vicarious liability and similar claims" above and also in note 19 to the attached accounts.

Overall, after taking into account realised and unrealised gains on investments of £2,815,494 (2020 – £1,080,820) there was a net increase in total funds of £869,508 (2020 – £17,116).

**Financial review** (continued)

***Reserves policy and financial position***

At 31 December 2021, the charity had net assets amounting to £17,036,269 (2020 – £16,166,761), primarily represented by tangible fixed assets of £3,542,404 (2020 – £3,563,041), investments of £22,822,051 (2020 – £23,120,583), programme related investments of £4,138,000 (2020 – £4,450,000), debtors of £39,073 (2020 – £394,230) and cash at bank of £401,458 (2020 – £448,080) offset by creditors and provisions totalling £13,906,717 (2020 – £15,809,173). The creditors and provisions include amounts in respect to the vicarious liability and similar claims referred to earlier.

The balance sheet shows total funds of £17,036,269 (2020 – £16,166,761). The funds comprise:

- ◆ Care and development fund of £10,200,000 (2020 - £8,961,000). These are assets (including tangible fixed assets) set aside to assist with the care of members of the Institute, who have no funds or assets of their own, and to enable them to carry out and support the ongoing pastoral work and ministry of the charity;
- ◆ Educational support fund of £5,500,000 (2020- £6,068,000). These are assets (including tangible fixed assets) set side to assist with the running of the St Cassian's Pastoral Centre in Kintbury and other ongoing educational support activity including St John's College, Southsea;
- ◆ General funds of £1,295,079 (2020- £1,108,999).

The trustees are satisfied that there are sufficient liquid assets allocated to each of the funds to be able to maintain expenditure of the charitable activities for at least twelve months at the current level of expenditure.

However, the trustees note that if the provision for potential future liability for vicarious and similar claims becomes an actual liability at the level of the provision, it would in the longer term put in jeopardy the charity's ability to continue its valuable and necessary work and objectives.

The charity also has restricted funds of £41,190 (2020- £28,762).

At 31 December 2021, the charity's general funds were showing a balance of £1,295,079 (2020 – £1,108,999).

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



**Financial review** (continued)

***Reserves policy and financial position*** (continued)

The balance on the general funds at 31 December 2021 is after accounting for the creditors and provisions of £9 million (2020 – £8.2 million) towards the payment of compensation in respect to the vicarious liability and similar claims described earlier in this report. However, it is clear that if the charity is to finance the full cost of the vicarious liability and similar claims it will need to raise the liquid funds with which to do so. If it were to do so by disposing of investments, this will lead to a fall in essential investment income and may jeopardise the aim of retaining general fund balances at the level needed to meet at least six to twelve months' expenditure. Hence, it will be necessary for the charity to continue with its programme of disposing of properties and to retain the loan finance secured on the investment portfolio. Whilst such disposals together with the cost of servicing loan finance will have an adverse effect on the charity, thereby reducing the charity's impact by diminishing the potential outreach of its work, it is believed that they are the only way in which the long term future of the charity may be assured and the general funds sustained.

**Governance, structure and management**

***Trustees***

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

The trustees are ultimately responsible for the policies, activities and assets of the charity. The trustees who were in office during the year ended 31 December 2021 and to the date of this report are set out below:

***Brother James Kilty***

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

***Brother Laurence Hughes – resigned June 2021***

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

**Governance, structure and management** (continued)

**Trustees** (continued)

*Brother John Deeney*

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

*Brother Bernard Hayward*

Brother Bernard joined the Institute in 1956. He taught in Manchester, at the Brothers' house of training near Basingstoke, in London and in Bournemouth. He was Provincial Bursar and a trustee from 1993 to 1997 and was re-appointed Provincial Bursar in August 2009 and thereafter a trustee. Brother Bernard retired from his post as Provincial Bursar in 2019 but remains a member of the finance and general purposes committee.

*Brother Nicholas Sellors*

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

*Brother Michael Curran*

Brother Michael became a member of the Institute in 1981. He was appointed Auxiliary Provincial on 1 September 2019 and was appointed Trustee on 1 October 2019. He holds a master's degree in educational development and management from London University. He spent most of his teaching career teaching science. After retiring from teaching, he worked in the St. Helens care community until he was appointed Auxiliary Provincial.

*Brother Ben Hanlon Provincial*

Brother Ben Hanlon was born in Kilkenny, Ireland in 1952. He made his final profession as a De La Salle Brother in 1978. Having completed Bachelor of Music and Diploma of Music degrees at University College Dublin, he taught at De La Salle College Waterford from 1979 – 1991. He was appointed Auxiliary Visitor for Ireland from 1991 – 1996. He was a member of staff of the International Novitiate located in Skaneateles, NY from 1996 – 1997. He returned to Waterford and taught there until he retired in 2017. In the meantime, he completed post graduate studies in composition, achieving his Ph.D. from Waterford Institute of Technology in 2015. He returned to leadership, becoming one of two Auxiliary Visitors for Ireland Great Britain and Malta, in 2019. In June 2021 he was appointed as Visitor (Provincial) pro-tempore, a position he will hold until Easter 2023, when the next Visitor will be appointed. He was appointed as a trustee on 29 June 2021.

**Governance, structure and management** (continued)

***Trustees' meetings***

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

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

***Key management personnel***

The trustees consider that the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, the Manager of St John's House, a care home for the care of older and frail members of the Institute, the Director of St Cassian's Pastoral Centre, the Director of Mission, The Director of Formation and Vocations and the Chief Financial Officer.

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

The remuneration of the Manager of St John's House, the Director of St Cassian's Pastoral Centre, the Director of Mission and the Chief Financial Officer is approved by the trustees. Such remuneration is set having regard to market salaries for similar roles and after taking into account specific circumstances relating to the charity's needs and circumstances.

***Statement of trustees' responsibilities***

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;

**Governance, structure and management** (continued)

**Statement of trustees' responsibilities** (continued)

- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

**Risk management**

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

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

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

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

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

**Reputational** looks at possible damage to the Institute's, and hence the charity's, reputation.

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

**Governance, structure and management** (continued)

***Risk management*** (continued)

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

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

◆ Age profile

The age profile and health of the members and future operation of the charity. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the members have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the members. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual members encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

◆ Investments

The value of investments and properties. The value of listed investments is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs, both now and in the future.

◆ Safeguarding

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

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

**Governance, structure and management** (continued)

***Risk management*** (continued)

◆ Key staff

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

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

***Schools and educational establishments***

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

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

De La Salle School Ghyllgrove, Basildon, Essex SS14 2LA	11-16 mixed comprehensive
St Matthew Academy Lee Terrace, Blackheath, London SE3 9TY	City academy The trusteeship resides with the R.C. Archdiocese of Southwark
De La Salle Academy Trust Carr Lane East, Liverpool L11 4SG	11-18 boys' academy
De La Salle School Mill Brow, St Helens WA10 4QH	11-16 mixed comprehensive
St Joseph's College Beulah Hill, London SE19 3HL	11-18 boys' academy (16 – 18 mixed)
St Peter's School St Catherine's Road, Bournemouth BH6 4AH	3-18 mixed academy The trusteeship is shared with the R.C. Diocese of Portsmouth.
St John's College Grove Road South, Southsea PO5 3QW	2-18 mixed independent

**Governance, structure and management** (continued)

***Schools and educational establishments*** (continued)

*Financial support for St John's College, Southsea*

In September 2020, the charity significantly restructured the provision of financial support relating to the College through a Deed of Master Agreement with the College. As part of this, the College agreed to surrender its long lease of the school buildings and to transfer the freehold of playing fields to the charity for aggregate consideration of £4,450,000. As a consequence, all of these properties have been classified in these accounts as programme related investments (see note 14). At the same time, the charity entered into new leases with the College in respect to four properties on the Southsea site (for two year terms), the remaining Southsea main site (for a ten year term) and the playing fields (for a ten year term).

As part of the Deed of Master Agreement, with effect from September 2020, a loan facility of up to £300,000 was made available to St John's College and this was drawn down in December 2020. Interest is payable on the loan from the date of drawdown at a rate that is the higher of 3.5% and 3.5% above the Bank of England base rate and will accrue daily with unpaid amounts compounded and added to the principal sum. The loan is repayable in three instalments of £40,000 due on 30 April 2021, 30 September 2021 and 31 January 2022 followed by four instalments of £45,000 due on 30 April 2022, 30 September 2022, 31 January 2023 and 30 April 2023. The first two instalments have been received by the charity but no subsequent instalments have been received and full provision has been made in respect to the remaining loan balance of £220,000 (see note 7) as the College is now in voluntary liquidation.

***Foundations***

The following foundation is owned and administered by the charity.

*Pastoral Centre*

St Cassian's Centre  
Kintbury, Hungerford,  
Berkshire  
RG17 9SR

Organises short retreats for young people and courses for teachers. The Centre is managed by a Management Committee which is appointed by, and reports to, the trustees.

Approved by the trustees and signed on their behalf by:

Trustee Michael B. Curran

Approved by the trustees on 13 October 2022:

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

**Opinion**

We have audited the accounts of The Province of Great Britain of the Institute of the Brothers of the Christian Schools Charitable Trust (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2021 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**

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.



### **Other information**

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

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

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

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

### **Responsibilities of trustees**

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

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

### **Auditor's responsibilities for the audit of the accounts**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charity through discussions with management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charity, including Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS 102) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, and safeguarding, vetting and barring regulations;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of trustees and management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected financial relationships;
- ◆ performed substantive testing of expenditure including the authorisation thereof;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made were indicative of potential bias.

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

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing accounts disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

14 October 2022

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 December 2021

				Year to 31 December 2021			16 month period to 31 December 2020
	Notes	Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
<b>Income from:</b>							
Donations and legacies	1	568,156	18,736	586,892	820,983	6,124	827,107
Primary purpose trading activities	2	51,795	—	51,795	85,047	—	85,047
Investments and interest receivable	3	1,046,521	2	1,046,523	1,323,809	29	1,323,838
Charitable activities							
. Provision of education	4	107,456	—	107,456	114,048	—	114,048
. Gain on disposal of programme related investments	14	369,840	—	369,840	—	—	—
Other sources	5	37,507	—	37,507	68,703	—	68,703
<b>Total income</b>		<b>2,181,275</b>	<b>18,738</b>	<b>2,200,013</b>	<b>2,412,590</b>	<b>6,153</b>	<b>2,418,743</b>
<b>Expenditure on:</b>							
Raising funds	6	114,017	—	114,017	140,596	—	140,596
Charitable activities							
. Provision of education	7	634,828	6,310	641,138	465,990	12,260	478,250
. Support of members of the Institute and their ministry	8	2,056,154	—	2,056,154	2,860,275	—	2,860,275
. Donations and contributions to projects	9	145,707	—	145,707	134,226	—	134,226
Other items							
. Vicarious liability and similar claims	10	1,188,983	—	1,188,983	(130,900)	—	(130,900)
<b>Total expenditure</b>		<b>4,139,689</b>	<b>6,310</b>	<b>4,145,999</b>	<b>3,470,187</b>	<b>12,260</b>	<b>3,482,447</b>
<b>Net (expenditure) income before net gains on investments</b>		<b>(1,958,414)</b>	<b>12,428</b>	<b>(1,945,986)</b>	<b>(1,057,597)</b>	<b>(6,107)</b>	<b>(1,063,704)</b>
Net gains on investments	15	2,815,494	—	2,815,494	1,080,820	—	1,080,820
<b>Net income (expenditure) and net movement in funds</b>		<b>857,080</b>	<b>12,428</b>	<b>869,508</b>	<b>23,223</b>	<b>(6,107)</b>	<b>17,116</b>
<b>Balances brought forward at 1 January 2021</b>		<b>16,137,999</b>	<b>28,762</b>	<b>16,166,761</b>	<b>16,114,776</b>	<b>34,869</b>	<b>16,149,645</b>
<b>Balances carried forward at 31 December 2021</b>		<b>16,995,079</b>	<b>41,190</b>	<b>17,036,269</b>	<b>16,137,999</b>	<b>28,762</b>	<b>16,166,761</b>

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

## Balance sheet 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible fixed assets	13		<b>3,542,404</b>		3,563,041
Programme related investments	14		<b>4,138,000</b>		4,450,000
Investments	15		<b>22,822,051</b>		23,120,583
			<b>30,502,455</b>		31,133,624
<b>Current assets</b>					
Debtors: amounts due within one year	16	<b>39,073</b>		174,230	
Debtors: amounts due after more than one year	16	—		220,000	
Cash at bank and in hand		<b>401,458</b>		448,080	
		<b>440,531</b>		842,310	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	17	<b>(1,040,339)</b>		(7,699,173)	
<b>Net current liabilities</b>			<b>(599,808)</b>		(6,856,863)
<b>Total assets less current liabilities</b>			<b>29,902,647</b>		24,276,761
<b>Creditors:</b> amounts falling due after more than one year	18		<b>(4,616,378)</b>		—
			<b>25,286,269</b>		24,276,761
<b>Provision for liabilities and charges</b>	19		<b>(8,250,000)</b>		(8,110,000)
<b>Total net assets</b>			<b>17,036,269</b>		16,166,761
<b>The funds of the charity:</b>					
Restricted funds	20		<b>41,190</b>		28,762
Unrestricted funds					
. Designated funds	21	<b>15,700,000</b>	□	15,029,000	
. General funds		<b>1,295,079</b>		1,108,999	
			<b>16,995,079</b>		16,137,999
<b>Total funds and reserves</b>			<b>17,036,269</b>		16,166,761

Approved by the trustees and signed on their behalf by:

Trustee Michael B. Curran

Approved by the trustees on 13 October 2022:

## Statement of cash flows Year to 31 December 2021

	Notes	Year to 31 December 2021 £	16 month period to 31 December 2020 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(4,420,497)</b>	(5,526,961)
<b>Cash flows from investing activities:</b>			
Investment income and interest received		<b>912,478</b>	1,427,697
Proceeds from the disposal of programme related investments		<b>681,840</b>	—
Purchase of tangible fixed assets		<b>(109,184)</b>	(21,375)
Purchase of programme related investment		—	(4,450,000)
Proceeds from the disposal of investments		<b>6,008,175</b>	4,679,851
Purchase of investments		<b>(2,678,199)</b>	(4,322,554)
Proceeds from loan repayments		<b>80,000</b>	3,950,000
New loan funding		—	(700,000)
<b>Net cash provided by investing activities</b>		<b>4,895,110</b>	563,619
<b>Cash flows from financing activities:</b>			
(Decrease) increase in borrowing		<b>(305,285)</b>	2,708,860
<b>Change in cash and cash equivalents in the year</b>		<b>169,328</b>	(2,254,482)
<b>Cash and cash equivalents at 1 January 2021</b>	B	<b>575,886</b>	2,830,368
<b>Cash and cash equivalents at 31 December 2021</b>	B	<b>745,214</b>	575,886

### Notes to the statement of cash flows for the year to 31 December 2021

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

	Year to 31 December 2021 £	16 month period to 31 December 2020 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>869,508</b>	17,116
<b>Adjustments for:</b>		
Depreciation charge	<b>129,487</b>	168,648
Investment income and interest receivable	<b>(1,046,523)</b>	(1,323,838)
Investment gains	<b>(2,815,494)</b>	(1,080,820)
Gain on disposal of programme related investment	<b>(369,840)</b>	—
Deficit on disposal of tangible fixed assets	<b>334</b>	607
Decrease (increase) in debtors	<b>260,867</b>	(21,287)
Decrease in creditors:		
. Due within one year	<b>(1,588,836)</b>	(2,577,387)
. Due after more than one year	—	(400,000)
Increase (decrease) in provision for liabilities and charges	<b>140,000</b>	(310,000)
<b>Net cash used in operating activities</b>	<b>(4,420,497)</b>	(5,526,961)

## Statement of cash flows Year to 31 December 2021

### B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<b>401,458</b>	448,080
Cash held by investment managers	<b>343,756</b>	127,806
<b>Total cash and cash equivalents</b>	<b>745,214</b>	575,886

### C Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash and cash equivalents	575,886	169,328	<b>745,214</b>
Loan	(4,921,663)	305,285	<b>(4,616,378)</b>
Total	(4,345,777)	474,613	<b>(3,871,164)</b>

## **Principal accounting policies** Year to 31 December 2021

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

### **Basis of preparation**

These accounts have been prepared for the year to 31 December 2021 with comparative information given in respect to the sixteen months to 31 December 2020.

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

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

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

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

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

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

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

- ◆ estimating accrued expenditure and, in particular, the liability of the charity in respect to damages and related costs of vicarious liability and similar claims;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation rate;
- ◆ assessing the probability of the receipt of, and the measurement of, legacy income;
- ◆ assessing the recoverability of any debts and estimating any provisions needed;
- ◆ determining the value of designated funds needed at the year end; and
- ◆ assessing future income and expenditure flows used in the trustees' assessment of the going concern basis of accounting.

### **Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts, including consideration of the impact of Covid-19 and of the current macroeconomic and geopolitical climate on the charity's operations and finances. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.



## **Principal accounting policies** Year to 31 December 2021

### **Assessment of going concern** (continued)

The aftermath of Covid-19 and the current macroeconomic and geopolitical environment have led to greater instability and volatility on world stock markets in 2022 and this is expected to continue at least for the remainder of the calendar year. This may have a negative impact on income yield from the investment portfolio but this possibility has been factored into the investment portfolio management strategy in order to provide the charity with its required operating income. Ultimately, the charity is a long-term investor and the trustees intend to continue to liaise regularly with their investment managers and wait for markets to stabilise.

Therefore, despite the challenges presented by the aftermath of Covid-19 and the current macroeconomic and geopolitical environment, the trustees consider that the charity's viability will not be threatened given the strategies which have been, and are being, implemented to deal with the situation in the short to medium term.

As such, the trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2022, 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 above and also the investment policy and the risk management sections of the trustees' report for more information).

### **Income recognition**

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

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

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

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

## **Principal accounting policies** Year to 31 December 2021

### **Income recognition** (continued)

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

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

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

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

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

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

Monies receivable from the Government's Coronavirus Job Retention Scheme are recognised when the charity has entitlement to the income and when the amount receivable can be quantified.

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

### **Expenditure recognition**

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

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

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

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

- ◆ The provision of education being costs in relation to St Cassian's Pastoral Centre primarily.

**Expenditure recognition** (continued)

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

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

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

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

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

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

**Tangible fixed assets**

- ♦ Land and buildings and improvements thereto

***Non-specialised buildings***

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

## Principal accounting policies Year to 31 December 2021

### Tangible fixed assets (continued)

- ◆ Land and buildings and improvements thereto (continued)

#### ***Specialised buildings***

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

#### ***Other land and buildings***

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

#### ***Outdoor educational facilities***

Outdoor educational facilities such as tennis courts, are capitalised and depreciated at a rate of 10% per annum on a straight line basis in order to write off the cost of the facilities over their expected useful economic life to the charity.

No depreciation is provided on freehold land.

- ◆ Furniture, equipment and motor vehicles

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

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

## **Principal accounting policies** Year to 31 December 2021

### **Fixed asset investments**

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

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

### **Programme related investments**

Programme related investments comprise property assets to which the charity has freehold title but which are used by other charitable organisations (including schools) for purposes consistent with the charity's own objectives but where there is also a financial return.

Programme related investments are included in the accounts at cost with any permanent diminution in value below such cost accounted for as charitable expenditure.

Realised gains are calculated as the difference between disposal proceeds, net of costs of disposal, and their carrying value and are classified as other income in the statement of financial activities.

### **Debtors**

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

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

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

### **Creditors and provisions**

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

## **Principal accounting policies** Year to 31 December 2021

### **Fund structure**

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

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects. They include the net book value of the charity's tangible fixed assets used for the support of the members of the Institute and their ministry in recognition of the fact that the assets are used in the day to day work of the charity and the fund value would not be realisable easily if needed to meet future contingencies.

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

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

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

### **Pension costs**

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

## 1 Income from: Donations and legacies

	Year to 31 December 2021 £	16 month period to 31 December 2020 £
Salaries and pensions of individual members of the Institute received under deed of covenant	557,356	818,121
Other donations and legacies	29,536	8,986
<b>Total funds</b>	<b>586,892</b>	<b>827,107</b>

All income from donations and legacies is unrestricted except for other donations and legacies of £18,736 (period to 31 December 2020 – £6,124) which have been given specifically towards the support of the St Cassian's Pastoral Centre. Kintbury, Berkshire (note 20).

## 2 Income from: Primary purpose trading activities

Income from primary purpose trading activities relates to activities for generating funds, the principal component of which is rental and hospitality income.

	Year to 31 December 2021 £	16 month period to 31 December 2020 £
<b>Total funds: Activities for generating funds</b>	<b>51,795</b>	<b>85,047</b>

All income from activities for generating funds was unrestricted in both periods

## 3 Income from: Investments and interest receivable

	Year to 31 December 2021 £	16 month period to 31 December 2020 £
Listed investment income	829,896	1,080,834
Income from programme related investments	208,335	83,570
Loan interest	8,275	151,416
Bank interest	17	8,018
<b>Total funds</b>	<b>1,046,523</b>	<b>1,323,838</b>

All income from investments and interest receivable is unrestricted except for bank interest of £2 (period to 31 December 2020 – £29) which is restricted.

**4 Income from: Charitable activities - Provision of education**

	Year to 31 December 2021 £	16 month period to 31 December 2020 £
<b>Total funds:</b> St Cassian's Pastoral Centre fees and similar income	<b>107,456</b>	114,048

**5 Income from: Other sources**

	Year to 31 December 2021 £	16 month period to 31 December 2020 £
<b>Total funds:</b> Coronavirus Job Retention Scheme funding	<b>37,507</b>	68,703

**6 Expenditure on: Raising funds**

	Year to 31 December 2021 £	16 month period to 31 December 2020 £
<b>Total funds:</b> Investment managers' fees	<b>114,017</b>	140,596

**7 Expenditure on: Charitable activities - Provision of education**

	Year to 31 December 2021 £	16 month period to 31 December 2020 £
Staff and related costs	<b>282,364</b>	305,610
Provision against loan advanced to St John's College, Southsea (see note 16)	<b>220,000</b>	—
Other costs	<b>138,774</b>	172,640
<b>Total funds</b>	<b>641,138</b>	478,250

All expenditure on the provision of education is unrestricted except for other costs of £6,310 (period to 31 December 2020 – £12,260) which are restricted.



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

	Year to 31 December 2021 £	16 month period to 31 December 2020 £
Staff costs (including agency staff)	893,250	1,146,528
Premises	351,735	459,197
Brothers' living and ministry expenses	235,566	294,875
Education, training and spiritual renewal	13,258	29,225
Depreciation	129,486	168,648
Legal and professional fees	301,775	610,923
Interest payable	94,715	108,860
Governance costs	27,200	24,400
Other costs	9,169	17,619
<b>Total funds</b>	<b>2,056,154</b>	<b>2,860,275</b>

Governance costs include auditor's remuneration for statutory audit services of £27,200 (2020 – £24,400 for statutory audit services and advisory services).

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

	Year to 31 December 2021 £	16 month period to 31 December 2020 £
The Generalate of the Institute	—	20,398
The District of Ireland, Great Britain and Malta	125,000	81,918
Overseas missions and projects	20,000	30,000
Other	707	1,910
<b>Total funds</b>	<b>145,707</b>	<b>134,226</b>

All donations and contributions to projects relate to unrestricted funds.

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

	Year to 31 December 2021 £	16 month period to 31 December 2020 £
Provision for liabilities in respect to claims of alleged abuse inclusive of costs (note 19):		
· England and Wales	(72,192)	(287,326)
· Scotland	1,261,175	156,426
	<b>1,188,983</b>	<b>(130,900)</b>

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

# **11 Staff costs and remuneration of trustees and key management personnel**

Staff costs during the year were as follows

	Year to 31 December 2021 £	16 month period to 31 December 2020 £
Wages and salaries	<b>1,073,023</b>	1,326,809
Social security costs	<b>75,706</b>	90,169
Pension costs	<b>26,885</b>	35,160
	<b>1,175,614</b>	1,452,138

Staff costs analysed by function were as follows:

	Year to 31 December 2021 £	16 month period to 31 December 2020 £
Provision of education	<b>282,364</b>	305,610
Support of members of the Institute	<b>893,250</b>	1,146,528
	<b>1,175,614</b>	1,452,138

The above costs include £98,518 (period to 31 December 2020 – £nil) in respect to redundancy costs.

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

	Year to 31 December 2021 £	16 month period to 31 December 2020 £
£60,001 to £70,000	<b>1</b>	1

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

	Year to 31 December 2021 £	16 month period to 31 December 2020 £
Provision of education	<b>13</b>	14
Support of members of the Institute	<b>30</b>	46
	<b>43</b>	60

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

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

All trustees are members of the Institute and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or key management (16 month period to 31 December 2020 – none). During the year, the total amount donated by the trustees to the charity was £95,928 (16 month period to 31 December 2020 – £162,216).

The total remuneration for the year of the other key management personnel (including taxable benefits and employer's national insurance and pension contributions) was £246,166 (16 month period to 31 December 2020 – £374,046).

The charity purchases insurance to protect the charity from loss arising from any wrongful or dishonest act of trustees and to indemnify trustees in respect of losses arising from actions they have taken in good faith. The total cover provided by such insurance is £5 million (16 month period to 31 December 2020 – £5 million) and the total premium paid in respect of such insurance was £6,073 (16 month period to 31 December 2020 – £11,888).

## **12 Taxation**

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

## **13 Tangible fixed assets**

	<u>Freehold land and buildings</u>			Furniture, equipment and motor vehicles	
	Specialised £	Non-specialised £	Outdoor educational facilities £	£	Total £
<b>Cost or valuation</b>					
At 1 September 2020	5,153,272	550,000	—	549,329	<b>6,252,601</b>
Additions	—	—	104,940	4,244	<b>109,184</b>
Disposals	—	—	—	(30,707)	<b>(30,707)</b>
At 31 December 2021	<u>5,153,272</u>	<u>550,000</u>	<u>104,940</u>	<u>522,866</u>	<b>6,331,078</b>
At cost	—	—	104,940	522,866	<b>627,806</b>
At deemed cost	<u>5,153,272</u>	<u>550,000</u>	<u>—</u>	<u>—</u>	<b>5,703,272</b>
	<u>5,153,272</u>	<u>550,000</u>	<u>104,940</u>	<u>522,866</u>	<b>6,331,078</b>
<b>Depreciation</b>					
At 1 September 2020	2,198,387	—	—	491,173	<b>2,689,560</b>
Charge for the year	103,065	—	10,494	15,928	<b>129,487</b>
On disposals	—	—	—	(30,373)	<b>(30,373)</b>
At 31 December 2021	<u>2,301,452</u>	<u>—</u>	<u>10,494</u>	<u>476,728</u>	<b>2,788,674</b>
<b>Net book values</b>					
At 31 December 2021	<u><b>2,851,820</b></u>	<u><b>550,000</b></u>	<u><b>94,446</b></u>	<u><b>46,138</b></u>	<b>3,542,404</b>
At 31 December 2020	<u>2,954,885</u>	<u>550,000</u>	<u>—</u>	<u>58,156</u>	<b>3,563,041</b>

### 13 Tangible fixed assets (continued)

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

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

Since the year end, a property has been sold realising gross proceeds of £765,000.

### 14 Programme related investments

Programme related investments represent land and buildings owned by the charity but which are used by other charitable organisations for purposes consistent with the charity's objectives.

	2021 £	2020 £
At 1 January 2021	4,450,000	—
Additions (note 16)	—	4,450,000
Disposals (note 16)	(312,000)	—
At 31 December 2021	4,138,000	4,450,000
<b>Programme related investments comprise:</b>		
St John's College, Southsea land and buildings	4,138,000	4,450,000

During the year, part of the land and buildings was disposed of. The realised gain of £369,840 is shown as income in the statement of financial activities.

In May 2022, St John's College, Southsea announced that the school will close at the end of the summer term 2022. The school is now in voluntary liquidation. As a result, in due course the remaining land and buildings will be marketed with a view to disposal.

## 15 Listed investments

	2021 £	2020 £
<b>Listed investments</b>		
Market value at 1 January 2021	22,992,777	22,269,254
Additions at cost	2,678,199	4,322,554
Disposals at opening market value (proceeds: £6,008,175; gains: £28,047)	(5,980,128)	(4,956,739)
Net unrealised investment gains	2,787,447	1,357,708
Market value at 31 December 2021	22,478,295	22,992,777
<b>Cash held by investment managers for re-investment</b>	<b>343,756</b>	<b>127,806</b>
	<b>22,822,051</b>	<b>23,120,583</b>
Cost of listed investments at 31 December 2021	15,757,792	17,245,787

Listed investments (excluding cash) held at 31 December 2021 comprised the following:

	2021 £	2020 £
Equities (UK)	10,947,755	11,249,842
Equities (overseas)	6,765,268	7,000,505
Fixed interest investments (UK)	1,687,239	1,929,777
Fixed interest investments (overseas)	429,154	718,451
Property funds	914,340	564,301
Other listed investments (Infrastructure and private equity (property))	1,734,539	1,529,901
	<b>22,478,295</b>	<b>22,992,777</b>

## 16 Debtors

	2021 £	2020 £
<b>Amounts due within one year</b>		
Prepayments	2,261	2,164
Investment income receivable	13,812	28,102
Other debtors	23,000	63,964
Loan to St John's College, Southsea	130,000	80,000
Less: provision for non-recoverability	(130,000)	—
	<b>39,073</b>	<b>174,230</b>

	2021 £	2020 £
<b>Amounts due after more than one year</b>		
Loan to St John's College, Southsea	90,000	220,000
Less: provision for non-recoverability	(90,000)	—
	<b>—</b>	<b>220,000</b>

## 16 Debtors (continued)

### *Financial support for St John's College, Southsea*

In September 2020, the charity significantly restructured the provision of financial support relating to the College through a Deed of Master Agreement with the College. As part of this, the College agreed to surrender its long lease of the school buildings and to transfer the freehold of playing fields to the charity for aggregate consideration of £4,450,000. As a consequence, all of these properties have been classified in these accounts as programme related investments (see note 14). At the same time, the charity entered into new leases with the College in respect to four properties on the Southsea site (for two year terms), the remaining Southsea main site (for a ten year term) and the playing fields (for a ten year term).

As part of the Deed of Master Agreement, with effect from September 2020, a loan facility of up to £300,000 was made available to St John's College and this was drawn down in December 2020. Interest is payable on the loan from the date of drawdown at a rate that is the higher of 3.5% and 3.5% above the Bank of England base rate and will accrue daily with unpaid amounts compounded and added to the principal sum. The loan is repayable in three instalments of £40,000 due on 30 April 2021, 30 September 2021 and 31 January 2022 followed by four instalments of £45,000 due on 30 April 2022, 30 September 2022, 31 January 2023 and 30 April 2023. The first two instalments have been received by the charity but no subsequent instalments have been received and full provision has been made in respect to the remaining loan balance of £220,000 (see note 7) as the College is now in voluntary liquidation.

## 17 Creditors: amounts falling due within one year

	2021 £	2020 £
Loan (see below)	—	4,921,663
Expense creditors	13,220	24,635
Other creditors	86,258	94,806
Accruals	107,766	131,639
Deferred income	83,095	231,430
Liability in respect to claims of alleged abuse inclusive of costs (see note 19)	750,000	95,000
Amount due to the Generalate of the Institute of the Brothers of the Christian Schools	—	2,200,000
	<b>1,040,339</b>	<b>7,699,173</b>

Until March 2021, the charity had a loan facility with its investment managers, Rathbone Investment Management Limited with the maximum amount available to the charity under this loan facility agreement at any one time of £5 million. This loan was repayable on demand and was subject to review annually and interest was payable at 1.75% per annum above the Bank of England bank rate. The loan was secured against the charity's listed investment portfolio (see note 15).

**17 Creditors: amounts falling due within one year** (continued)

With effect from March 2021, the facility was replaced with a 5 year loan facility with the maximum amount of the new loan facility being £6 million. The new loan facility is repayable in full by March 2026. Interest is payable at 1.75% per annum above the Bank of England bank rate and is charged quarterly. The loan is secured against the charity's listed investment portfolio (see note 15).

**18 Creditors: amounts falling due after more than one year**

	2021 £	2020 £
Loan (see note 17)	<b>4,616,378</b>	—

**19 Provision for liabilities and charges**

	2021 £	2020 £
Provision for liabilities in respect to claims of alleged abuse inclusive of costs (see below):		
. England & Wales	—	110,000
. Scotland	<b>8,250,000</b>	8,000,000
	<b>8,250,000</b>	8,110,000

The movements in the provisions are as follows:

	2021 £	2020 £
As at 1 January 2021	<b>8,110,000</b>	8,420,000
Payments made since the period end and classified as a creditor (note 17)	<b>(750,000)</b>	—
Increase (decrease) in provision	<b>890,000</b>	(310,000)
As at 31 December 2021	<b>8,250,000</b>	8,110,000

***Vicarious Liability Claims in England and Wales***

There are, at present two claims against the charity within the jurisdiction of the Courts in England and Wales relating to historic incidents of alleged child abuse. No liability is accepted at the date of this report and there is currently insufficient corroborative evidence to establish any possible quantum of cost.

***Vicarious Liability Claims in Scotland***

There are over 60 outstanding claims relating to historic incidents of alleged physical or sex abuse of children now being brought against the charity in Scotland in respect to alleged incidents that took place at educational establishments in that country. All of these claims relate to events that allegedly took place many years ago. Given the abolition of Limitation by the Scottish Parliament (as of 4 October 2017), the historic claims are now being pursued.

## 19 Provision for liabilities and charges (continued)

### *Vicarious Liability Claims in Scotland (continued)*

It is estimated that, excluding resolved claims, the aggregate of the reserve on damages and legal costs may be £8.25 million. These Scottish claims are not part of the Agreement reached in England and Wales in November 2015. Since the charity was not the employer, attempts are being made by the charity in Scotland to seek a division of damages and costs with the employer organisations which owned and managed the educational establishments but, at present, those organisations have yet to agree any liability. Hence, the estimated full aggregate reserve of £8.25 million, without any allowance for recovery from the owners and managers, has been provided for in the accounts.

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

## 20 Restricted funds

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

	At 1 January 2021 £	Income £	Expenditure £	At 31 December 2021 £
St Cassian's Appeal fund	8,763	18,738	(6,310)	21,191
Other funds	19,999	—	—	19,999
	<b>28,762</b>	<b>18,738</b>	<b>(6,310)</b>	<b>41,190</b>

	At 1 September 2019 £	Income £	Expenditure £	At 31 December 2020 £
St Cassian's Appeal fund	14,870	6,153	(12,260)	8,763
Other funds	19,999	—	—	19,999
	<b>34,869</b>	<b>6,153</b>	<b>(12,260)</b>	<b>28,762</b>

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



## 21 Designated funds

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

	At 1 January 2021 £	New designations (releases) £	At 31 December 2021 £
Care and Development Fund	8,961,000	1,239,000	10,200,000
Education Support Fund	6,068,000	(568,000)	5,500,000
	<b>15,029,000</b>	<b>671,000</b>	<b>15,700,000</b>

	At 1 September 2019 £	New designation £	At 31 December 2020 £
Care and development fund	8,961,000	—	8,961,000
Educational support fund	6,068,000	—	6,068,000
	<b>15,029,000</b>	<b>—</b>	<b>15,029,000</b>

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

- ◆ The care and development fund represents assets (including tangible fixed assets) set aside to assist with the care of members of the Institute, who have no funds or assets of their own, and to enable them to carry out and support the ongoing pastoral work and ministry of the charity;
- ◆ The educational support fund represents assets (including tangible fixed assets) set aside to assist with the running of the St Cassian's Pastoral Centre in Kintbury and other ongoing educational support activity, including St John's College, Southsea.

## 22 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total 2021 £
<b>Fund balances at 31 December 2021 are represented by:</b>				
Tangible fixed assets	1,631,886	1,910,518	—	3,542,404
Investments	8,554,191	18,405,860	—	26,960,051
Net current (liabilities) assets	(640,998)	—	41,190	(599,808)
Creditors due after one year	—	(4,616,378)	—	(4,616,378)
Provisions for liabilities and charges	(8,250,000)	—	—	(8,250,000)
<b>Total net assets</b>	<b>1,295,079</b>	<b>15,700,000</b>	<b>41,190</b>	<b>17,036,269</b>

	General funds £	Designated funds £	Restricted funds £	Total 2020 £
Fund balances at 31 December 2020 are represented by:				
Tangible fixed assets	534,120	3,028,921	—	3,563,041
Investments	15,570,504	12,000,079	—	27,570,583
Net current (liabilities) assets	(6,885,625)	—	28,762	(6,856,863)
Provisions for liabilities and charges	(8,110,000)	—	—	(8,110,000)
<b>Total net assets</b>	<b>1,108,999</b>	<b>15,029,000</b>	<b>28,762</b>	<b>16,166,761</b>

## 23 Contingent liabilities

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

In addition to the vicarious liability and similar claims explained in note 19, it is possible that there may be further potential claims against the charity concerning the welfare of children. The likelihood of these arising, the amounts that may be claimed and the associated costs cannot be quantified at the current time.

## 24 Related party transactions

Except as disclosed in note 11 to the accounts, there are no other related party transactions requiring disclosure (16 month period to 31 December 2020 – none).