

**Salesians
of Don
Bosco
UK**

**Consolidated Annual Report and
Accounts**

31 December 2021

Charity Registration Numbers
233779 (England and Wales)
SC039294 (Scotland)

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Reference and administrative details of the charity, its trustees and advisers
31 December 2021

Trustees	Rev James Gerrard Briody SDB Rev Anthony Francis Fernandes SDB Rev James Robert Gardner SDB Rev Saju John SDB Rev Martin Gerard Poulson SDB Rev Jakub Wojciech Ruszniak SDB
Custodian trustee	S.D.B. Trustees Limited
Registered office	Salesian Provincial Office Thornleigh House Sharples Park Bolton BL1 6PQ
Telephone	01204 600720
Facsimile	01204 309874
Website	www.salesians.org.uk
Charity Registration Numbers	
England and Wales	233779
Scotland	SC039294
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Royal Bank of Scotland plc St Ann Square Branch St Ann Street PO Box 320 Manchester M60 2SS

Reference and administrative details of the charity, its trustees and advisers
31 December 2021

Investment managers	Rathbones Investment Management Limited 8 Finsbury Circus London EC2M 7AZ
	Aberdeen Capital Bow Bells House 1 Bread Street London EC4M 9HH
	Cazenove Capital Schroder & Co. Limited 1 London Wall Place EC2Y 5AU
Solicitors	Addleshaw Goddard LLP One St Peter's Square Manchester M2 3DE

Trustees' report 31 December 2021

The trustees present their report together with the accounts of the Salesians of Don Bosco UK and its subsidiary, Salesian College Farnborough Limited, for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 36 to 43 of the attached accounts and comply with the charity's governing document, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The object of the charity is to apply the capital or income of the charity for such charitable purposes as shall advance the religious, educational and other charitable work of the British Province of the Salesians of Don Bosco ('the Congregation'). If at any time the Congregation shall cease to carry on religious or other charitable work within the Province, then the capital and income is to be applied for such other lawful charitable purposes connected with the advancement of the Roman Catholic religion as the trustees shall determine.

The accounts accompanying this report are the accounts of the charitable trust which holds the assets of the British Province of the Salesians of Don Bosco.

Mission

St John Bosco (1815 – 1888), a Roman Catholic priest (Don Bosco), was a tireless worker on behalf of young people in Turin, Italy, especially the poor, the homeless and the uneducated. Through a range of educational, religious and other activities he helped them to become 'good Christians and honest citizens'. The religious order that he founded (the Salesians of Don Bosco) with 14,500 members continues his work



in 133 countries. In 2009 the Province celebrated the 150th anniversary of the founding of the Salesian Congregation by St John Bosco, in 2012 celebrated 125 years since the first Salesians came to England to a parish and school mission in Battersea, and in 2015 celebrated the bi-centenary of the birth of John Bosco.

The aims of the charity are to deliver the mission of the British Province of the Salesians of Don Bosco as enshrined in the Constitutions of the Congregation. Key elements of this mission, in quotations from the Constitutions, are as follows:

- ♦ To be in the Church signs and bearers of the love of God for young people, especially those who are poor. We are evangelizers of the young. (Constitutions 2 & 6).

Mission (continued)

- ◆ The needs of the young and of working-class areas, the desire to work with the Church and in her name, inspire and shape our concrete pastoral activity so as to bring about a more just world and one of greater brotherhood in Christ. (Constitution 7).
- ◆ As educators we work together with our young people to bring all their talents and aptitudes to full maturity. Making the concern of Don Bosco our own, we encounter the young at their present stage of freedom. We then accompany them so that they may develop solid convictions and gradually assume responsibility for the delicate process of their growth as human beings and as men and women of faith, ready to take their place in the Church and in the Christian transformation of social life. (Constitutions 27, 32, & 38).
- ◆ We cooperate with all who are trying to build a society more worthy of the dignity of all. The advancement to which we dedicate ourselves in the spirit of the Gospel makes tangible the love of Christ which makes men and women free, and is a sign that the Kingdom of God is among us. (Constitution 33).
- ◆ For us evangelising and catechising are the fundamental characteristics of our mission. Like Don Bosco, we are all called to be educators to the faith at every opportunity. Our highest knowledge therefore is to know Jesus Christ, and our greatest delight is to reveal to all people the unfathomable riches of his mystery. We walk side by side with the young so as to lead them to the risen lord, and so discover in him and in his Gospel the deepest meaning of their own existence, and thus grow into new men and women. (Constitution 34).

Policies

The policies adopted in order to fulfil our mission have been developed over the 130 years since the Salesian Congregation started work in the UK. They include:

- ◆ Working in educational establishments.
- ◆ Working in parishes.
- ◆ An out-reach policy which covers a wide variety of works (youth centres, youth work, social activities, etc.).
- ◆ Maintaining and developing a residential retreat centre where young people can experience community living, leadership training, personal and spiritual formation and reflect on their life situations and roles, and enjoy fresh air and good fellowship.
- ◆ Continuing to financially support the English speaking Salesian West Africa Province, formed in 2004, particularly Liberia which had been a part of the British Province until that year. Work in Liberia seeks to rebuild the nation after civil war and the more recent ravages of the Ebola virus through the provision of schools, training centres and care for orphans, street children and ex-child soldiers, alongside parish ministry and catechetical programmes.

Objectives, activities and relevant policies

Activities and Specific Objectives

The main purpose for which the Salesian Congregation was founded is the Christian education and pastoral and practical care of young people, especially those in most need of help and support. The specific ongoing activities which are in place to achieve these objectives in this Province are detailed below.

Parish, Social and Pastoral Work

We have the responsibility of seven parishes with nine Salesians involved in parish ministry in Battersea, Chertsey and Farnborough in the South-East, Bollington and Bootle in the North-West. Several of our parishes include areas with high levels of social deprivation.

Education

There are five Salesian secondary schools in England. Three are voluntary aided. Two of these are under Salesian trusteeship (Bolton and Bootle) and since September 2011 one (Battersea) is under joint trusteeship with the Southwark Archdiocese. The Salesian School at Chertsey, a Salesian foundation, previously a voluntary aided school under the trusteeship of the Diocese of Arundel and Brighton, became a founder member of the Xavier Catholic Education Trust on 1 September 2016.

The Salesian College at Farnborough, an independent school since 1902, was established as a separate charitable company (Salesian College Farnborough Limited) from 1 September 2009. The results of Salesian College Farnborough Limited are included in the consolidated financial statements of the Salesians of Don Bosco UK. The principal object of this charity as enshrined in the Memorandum of Association is 'the advancement of the religious and other charitable work of the Salesians of Don Bosco UK.

The schools in Battersea, Chertsey, Bolton and Bootle are coeducational comprehensives serving their local areas. While several members of the Province work full time as teachers or school chaplains, others in initial formation work full time on a voluntary basis in chaplaincy and classroom support. Several Salesians are Governors in our secondary schools.

The Provincial on behalf of the trustees, appoints all the Foundation Governors at Bootle and Bolton, and half the Foundation Governors at the new St John Bosco College, Battersea.

Youth Work

The Province runs a youth retreat centre at Savio House, Bollington, near Macclesfield. Here short residential courses and retreats are provided for schools, mainly from Greater Manchester, Cheshire, Wirral and Merseyside. Most of the young people are from school Years 10 and 11, but some are younger. Young volunteers, working and living in the community alongside Salesians and salaried staff, provide a major part of the input to these retreats and courses. There are also day groups from schools and from parishes. Some 2,000 young people pass through each year. At the weekends, there are adult groups of various kinds.

Objectives, activities and relevant policies (continued)

Youth Work (continued)

Other forms of non-formal youth work in the Province and abroad are directed from the Salesian Youth Ministry Office based in Bolton since 2020 to link with Social Communications, Publications and the central Province administration. Activities include parish youth ministry, training courses and activities for young youth leaders, summer activities and safeguarding training.

Overseas Activities

There are a number of our Salesians priests working abroad in Kenya, Zimbabwe, South Africa, Hong Kong and Malta.

Social Media Communications and Publications

Don Bosco Publications publishes and distributes a range of books on Salesian approaches to youth ministry, education and spirituality. The Office of Social-Media and Communications uses digital multimedia channels of communication to inform, animate and evangelise from a Salesian perspective, with a focus on Salesian youth ministry. They are an important way of spreading the Salesian charism, supporting and informing others working in education and youth and parish ministry. These are based in Bolton.

Mission Office

The Mission Office, based in Bolton, seeks to promote the missionary dimension of our Salesian charism by encouraging missionary awareness and raising and distributing funds to our overseas Salesian projects.

Volunteers

In addition to the work of the volunteers at Savio House, a great deal of volunteering takes place across the Province. Volunteers contribute in many ways to parish life, facilitating the life of the parish community (liturgy, music, Eucharistic ministry, hospitality) and supporting the parish priest by visiting the housebound and the bereaved, preparing candidates for the reception of the Sacraments, running youth clubs, etc. The Youth Ministry Team, through its BOVA (Bosco Volunteer Action) sub-group, promotes volunteering abroad, finding placements, providing training and follow up.

There are volunteers involved in various support groups in the Province, such as Finance, Investment and Property Committee.

Lay members are also part of the Community Support Team which reviews the support being provided for elderly confreres.

Objectives, activities and relevant policies (continued)

Investment Policy

Until September the charity's investments were managed by three firms: Rathbone Investment Management Limited, Brewin Dolphin Limited and Investec Wealth & Investment Limited. In September the Investec portfolio was transferred to Aberdeen Capital and in October the Brewin Dolphin portfolio was transferred to Cazenove Capital. These managers have delegated authority to invest as they deem appropriate within the charity's stated policy guidelines which exclude certain areas of investment unacceptable to the trustees. The objectives set by the trustees are that the charity's investments are to produce a mutually agreed annual level of income (£1,226,270 received in 2021; 2020 – £1,105,761) and to protect the underlying capital value of the investments in the medium to long term. Quarterly meetings are held with the investment managers on a rotational basis to review performance.

Public Benefit

In formulating the charity's aims and in planning the work of the members of the Congregation, the trustees have had regard to the general guidance published by the Charity Commission on public benefit.

Achievements and performance

The Academic Year 2020/21 began with new hopes and plans. Covid-19 has been quite challenging for us and all those who work closely with us. In all these months during the pandemic, we kept optimistic and many lessons were learnt. Our beneficiaries continued to be supported through our SDB members and support staff as will be outlined in this report.

During the pandemic, our parishes continued to offer services, though in limited form, making use of online streamed liturgies where this facility was available. In this way those who were housebound were able to take part and get spiritually enriched.

Chaplaincies

What follows is a report from our chaplaincies on an event/project of special significance and its impact and outcomes.

Battersea – St John Bosco College

Making Things Anew

Since the beginning of this academic year, amidst the pandemic, St. John Bosco College Battersea (SJBC), has diversified ways of ensuring that every student flourishes and develops their potential through different platforms of learning and engaging experiences. The chaplaincy team on the same hand, has championed different events within and outside the school in order to give the students some gospel experience in action.

Recently, following the call of ecological harmony by Pope Francis, we have selected six students across the year groups to learn how to build bicycles from scratch. This means that they can recycle any old bike and transform it to a new operational one, thereby, making 'things anew'.

Achievements and performance (continued)

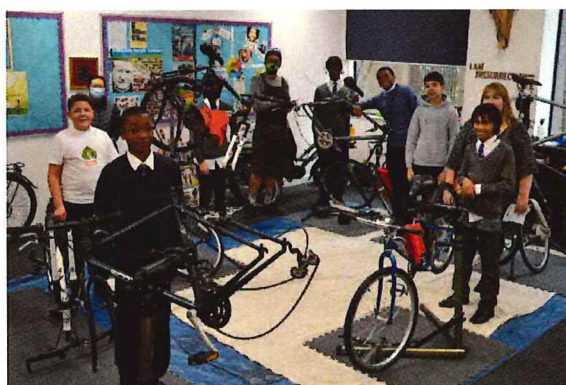
Battersea – St John Bosco College (continued)

Making Things Anew (continued)

The second week of the new Spring Term was a full week of studious learning and experience among these students. We invited two professional bike engineers to teach our students this magnificent skill. These students exhibited some extraordinary skilful ability in the dismantling and reassembling of six old bikes and transformed them into full strong new bikes. The joy, passion, and enthusiasm shown by them were exceptional. Another piece of good news was that each person went home with his newly built bike.

This skill acquisition was organised to help our students to realise and to celebrate the hidden talents within them. In the same way, inculcating a positive attitude towards their daily usage of things. Ecologically, we would like to encourage students to develop the habit of cycling to school and around. This will help our ecosystem and provide numerous other health benefits. Through this medium, we are strengthening the principle of RUAH (respect, understanding, affection, and humour). Practically, helping them to find meaning in what they are doing and the motives behind it; and to love and celebrate their strengths. Most of the participants expressed that building bikes in school has been one of the most beautiful experiences in their academic journey.

In the coming days, these six bicycle magicians, will be involved in passing their knowledge and experience to other students. Some of our students will benefit enormously from this life skill. We are also planning further opportunities for our marvellous mechanics, for example with some big bicycle shops like Halfords to give them more practical experience there during the summer holiday.



Father Gregory Echegwo SDB

Bolton – Thornleigh Salesian College (TSC)

Urban Outreach

Chaplaincy has been an interesting and challenging experience in the past couple years in the midst of the pandemic. The focus was always to keep to the ethos of TSC in the spirit of Don Bosco and to reach out to the young people and their families.

The advent appeal this year was directed towards Urban Outreach. For a number of weeks in advent students and staff donated and brought in crackers for the "Christmas Dinner on Jesus" project, which aimed to support over 7,000 local families over the Christmas season. It was a great effort from everyone.

Achievements and performance (continued)

Bolton – Thornleigh Salesian College (continued)

Urban outreach (continued)

In fact, David Bagely, one of the leads of Urban Outreach, addressed the students during the assemblies on the theme of 'sharing what you can' and encouraged them to be part of this massive endeavour in Bolton. Staff volunteered with Urban Outreach to deliver these Christmas hampers to families in Bolton.

Again, Christmas is time to be inclusive and bring the community closer. These years Thornleigh has led the way even in the midst of restrictions and lockdowns. They have found



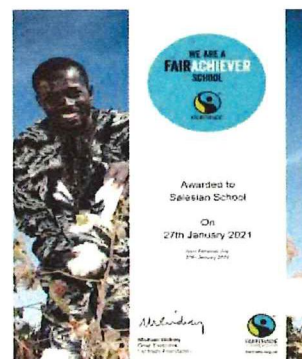
alternative ways to bring joy and happiness into the lives of vulnerable people in our community. Over 125 Christmas hampers were delivered to different families and individuals, with personalised messages written by our students. Some of them even delivered the hampers to the elderly. These tokens of appreciation in the midst of isolation were very well received, with a number of them writing back to thank the school community.

Father Saju John SDB

Chertsey – Salesian School

FairAchiever

On 27 January 2021, Salesian School Chertsey was awarded FairAchiever status by the Fairtrade Foundation in recognition of the work undertaken by the school to promote the ethics of Fairtrade amongst pupils, students and staff in our school community. Evidence needed to be collected and sent in order to achieve this highest tier of award. Examples of evidence include: links made between Fairtrade and aspects of the curriculum such as PSHE; assemblies to inform and educate about the rationale behind Fairtrade; the issues posed by unjust trading conditions and how Fairtrade seeks to address this; and fundraising Bake Sales.



Achievements and performance (continued)

Chertsey – Salesian School (continued)

Beneficiaries

Pupils and staff members were reminded about how Fairtrade makes a difference to the lives of some of the world's farmers, producers and artisans in lesser economically developed countries. Pupils and staff were reminded about the impact of their purchases on the standard of living of those who produce much of our food.

Outcomes

Pupils have had their knowledge and understanding of Fairtrade deepened and enhanced so that they know how to make a difference to the lives of others.

Father Marco Villani SDB

Chertsey – Salesian College

1. Introducing meditation during a Tutor time per week.
2. Special focus for Lent: Assemblies and 'Freedom Fridays' to raise awareness of fasting and reconciliation, supporting our local charities and our brothers and sisters in Ukraine.



3. A big campaign during Advent to raise awareness about the environment in light of COP26 which raised enough money to plant 381 trees (£1,905) We planted a tree in our college as part of our prayer service together.

Father Kevin O'Donnell SDB

Achievements and performance (continued)

Chertsey – Royal Holloway University of London (continued)

University Chaplaincy in the time of the Pandemic.

From the end of March 2020 the university was closed to students apart from those who could not get home and as a result all the teaching and activities had to move online.

To this challenge, maintaining the normal pattern of Morning Prayer and week-day and weekend services by use of Facebook was and has continued to be a significant part of our offering as a university Chaplaincy. The fact that my Anglican Colleague was off with stress meant that I took over and maintained the whole public face of Chaplaincy during those months until the summer break and I decided to continue our on-line daily worship all during the summer vacation.

When the university returned in September 2020 we planned a series of invited speakers to offer a reflection at our Sunday Evening Ecumenical Services. Given the circumstances, with us only being allowed to have the Choir present but no congregations, we learned to conduct online services from the Chapel with the choir only and our invited Speakers.

A highlight of that term was the BBC 1 Sunday Worship Service which I led from the University Chapel and which was broadcast on the Third Sunday of Advent on BBC1.

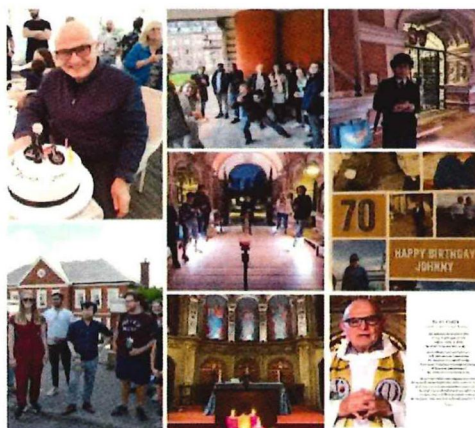
We also managed to have a Christmas Eve Candlelight Service for students and staff some of whom were unable to go home because of Covid Travel bans.

As the restrictions were gradually lifted, we were able to recommence in person services without choir and the Catholic Students came back to Chapel and very much enjoyed the chance to meet again face to face.

Given that in person meetings were forbidden for the whole academic year what was so encouraging was that the President and committee decided to organise meetings via Zoom and we ended up meeting twice not once a week and students from as far away as Japan, Rumania, Spain, Portugal and France were regularly joining us.

As the Summer Term allowed more in person events we organised a very successful pilgrimage walk on the Pilgrim's Way in Guildford with a visit to Guildford Cathedral and climbing the Cathedral. Below is a selection of our photos.

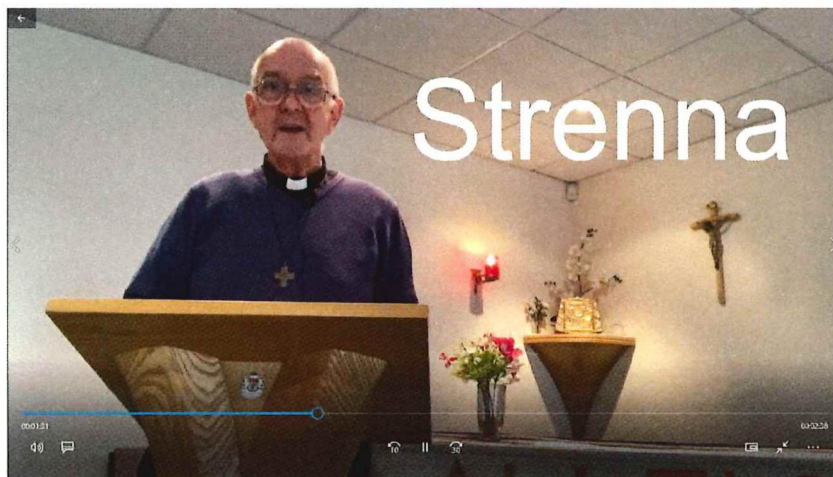
Father John Dickson SDB



Achievements and performance (continued)

Farnborough – Salesian College

The Year began with students once again learning from home. One of the first events led by the chaplain was an online Assembly on the theme of the Salesian Strenna, a message from our Rector Major to the Salesian Family all over the world. This year the Strenna was 'Moved by Hope – behold I make all things new'.



These weekly online assemblies continued until it was considered safe to gather the students in person in the Chapel or College hall. Usually the chaplain presented them together with members of the student leadership team.

Throughout the lockdown, the chaplain also provided a 'Thought for the Day' and a 'Joke for the Day' which appeared on the College VLE (Virtual Learning Environment). These, along with many initiatives from other members of staff, contributed to the sustaining of morale.

Father Patrick Sherlock SDB

Heads of Schools

Heads of schools were also asked to report on a special event that reflected the ethos of the school and its impact on the community at large.

Battersea – St John Bosco College

The Beacon Programme at St John Bosco College Battersea

Sixth form students at St John Bosco College Battersea recently completed a ground-breaking 11- week work experience programme in partnership with internationally renowned building firm Wates. The 39 students who took part celebrated their achievement alongside teachers, Wates executives and local councillors from Wandsworth.

The Beacon Programme is a first of its kind work experience programme that is taking a novel approach to give Year 12 students the opportunity to explore the careers they might wish to pursue, as well as build their confidence, motivation and professionalism.

Achievements and performance (continued)

Battersea – St John Bosco College (continued)

The Beacon Programme at St John Bosco College Battersea (continued)

Operating at a much larger scale than work experience schemes typically offered within the construction industry and broader businesses, the programme covers eleven career routes to enable students to learn about a full spectrum of business functions, from project management to marketing and health and safety. With a fully integrated timetable, the 16-17-year-old students participate in one five-hour session per week, delivered via a hybrid model which combines virtual sessions with travelling to Wates offices wherever possible.



The programme aims to challenge preconceptions about the jobs available in construction and introduce students, teachers and their families to the diverse career opportunities within the industry, which they may not have otherwise considered. It aims to bridge the gap between sixth form and the experience needed to enter the world of work, by providing them with transferable skills that will set them up for future success.

One student commented that the Beacon Programme “has allowed me to open my mind to new opportunities”, with another saying: “I quickly picked up how I could incorporate what I have learnt to help me when applying for apprenticeships in the future.”

Paul Dunne, Headteacher at St John Bosco College, Wandsworth, said: “I am delighted that we’ve been able to provide this unique opportunity for our students through our partnerships with Wates. The practical hands-on experience that students are gaining is invaluable and is something that few students of their age get the chance to experience. Working together with Wates we are helping to equip the young men and women of today with the skills that they will need for the future.”

Danielle Buckley, Community Investment Manager at Wates Residential and one of the creators of the pilot programme, said: “It has been brilliant to work with the students at St John Bosco College over the last 11 weeks, watching their skills and confidence develop. This programme is a perfect example of that ambition in action, and we cannot wait to meet the next cohort.”

Achievements and performance (continued)

Battersea – St John Bosco College (continued)

***The Beacon Programme at St John Bosco College Battersea* (continued)**

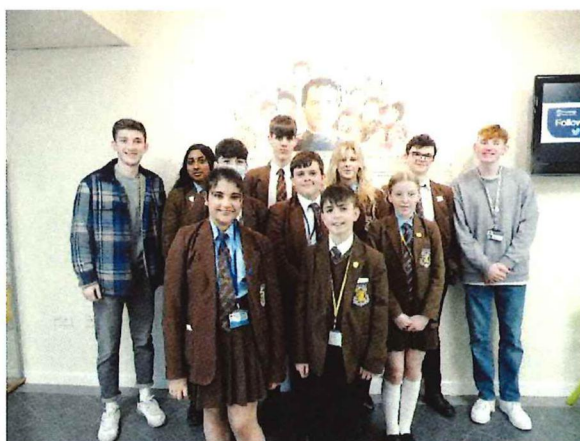
Councillor Rhodri Morgan, Cabinet Member for Economic Development, Skills and Employment at Wandsworth Council, said: "This is an incredibly interesting and unique scheme. It is important that students are given engaging work experience opportunities, but the value of this programme lies in the range of areas that it covers, allowing the students to see the diverse functions of a business."

Bolton – Thornleigh Salesian College

During this academic year, Thornleigh Salesian College has redeveloped its Student Leadership Programme. We wanted to broaden the reach of student leaders in school, equip them further for adult life and to ensure that they had a meaningful voice in the effective running of the school – responding to the call to make our students 'Good Christians and honest citizens'.



Our first step was to launch with staff in June 2021 and to recruit staff to lead the students in their area. All our staff have a 'Mission Goal' so this was an ideal opportunity for them. We were delighted to be able to offer eighteen leadership groups across the school led by almost forty staff members ranging from individual subjects to Global leaders, RUAH leaders and Inclusion leaders. These cross-curricular groups were especially significant as we sought meaningful ways to re-connect students with the wider life of the school.



The Student Leadership Programme was then launched in September 2021. All students in the school watched a promotional video and were then given a booklet which outlined the benefits and opportunities that each leadership area had and what a student leader in that area would be expected to do. We were thrilled to then appoint 200 student leaders across the school. Students have gone on over the academic year to take more and more responsibility across the

school, planning and leading events, undertaking training, delivering sessions to other students on our school and our partner primary schools, writing newsletters, meeting guests, leading assemblies, organising activities and trips and capturing student voice and feedback on a range of issues. The impact on the school from this programme has been significant. The student leaders are growing in confidence and are already planning further developments for 2022.

Financial review

Results for the Year

During 2021, total income amounted to £12,438,917 (2020 – £12,276,484). Of the income, a total of £8,832,563 (2020 – £9,262,207) related to the fees receivable and other income of the Salesian College Farnborough and the Retreat Centre and the Youth Centre. £2,166,548 (2020 – £1,365,318) was received by way of voluntary income, of which £1,472,964 (2020 – £625,983) was from legacies and donations and £693,584 (2020 – £739,335) from salaries and pensions covenanted to the charity by the members of the Congregation. Investment income and interest receivable totalled £1,271,533 (2020 – £1,161,982).

Expenditure totalled £10,968,554 compared to £11,736,982 in 2020. The total expenditure of the Salesian College, Farnborough amounted to £7,641,699 (2020 – £7,857,568) with staff costs representing a very significant proportion of this and amounting to £4,729,905 (2020 – £4,665,349). Expenditure incurred in maintaining and supporting the members of the Congregation so that, unless sick and elderly, they can engage in pastoral work and ministry amounted to £2,171,087 (2020 – £2,191,502). Expenditure on raising funds, including the fees paid to the charity's investment managers and costs in respect of rental income amounted in total to £194,115 (2020 – £179,709).

Net income before investment losses, therefore, was £1,470,363 (2020 – £539,502). Investment gains of £4,191,260 arose (2020 – losses of £150,758) resulting in a net surplus and a net increase in funds for the year of £5,661,623 (2020 – an increase in funds of £388,744). The trustees continue to take a long term view and believe that their investment policy remains appropriate.

Reserves policy and financial position

Reserves policy

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

The trustees consider that, given the nature of the charity's work and its commitments, the level of free reserves should be relatively high. Free reserves should be approximately equal to eighteen months' expenditure.

The trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to timing differences in income flows, adequate working capital to cover care costs, and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented. In particular, it will help the charity respond to the continuing significant fluctuations in world stock markets as a result of the continuing COVID-19 pandemic, geopolitical situation and other economic concerns.

Financial Review (continued)

Reserves policy and financial position (continued)

Financial position (continued)

The group's balance sheet shows total reserves of £71,568,956 (2020 – £65,907,333). Included in total funds is an amount of £1,343,298 (2020 – £841,863) which is restricted. These monies have either been raised for, and their use restricted to specific purposes, or they comprise donations subject to donor-imposed conditions. Full details of these restricted funds can be found in note 22 to the accounts, together with an analysis of movements in the year.

The trustees have designated or set aside £37,299,551 (2020 – £36,329,236) for specific purposes:

- ◆ £15 million comprises the ministry of the members of the Congregation and their support and retirement fund. This consists of monies which the trustees have set aside in order to support the confrères in the future and, in particular, to provide for the confrères who need support due to illness or frailty and as they grow older. This latter category of support may include additional help or the need for specialist assistance in care homes. Over the coming years, it is anticipated that such support will be required for an increasing number at an increasing cost which will need to be met by the charity as none of the confrères have resources of their own. The amount set aside was reassessed as at 31 December 2021 to ensure provision has been made based on the current age of the confrères, their expected remaining lives as derived from life expectancy tables used by actuaries, the estimated cost of care for older people in the United Kingdom, and the estimated return on investment assets.
- ◆ The Savio House support fund of £10 million. This fund is represented by investments set aside to generate income to be applied towards assisting with funding the operating deficits at Savio House Retreat Centre. Income generated by the investments representing the fund is added to the fund each year and withdrawn if needed to meet any shortfall in income. During the year, all income generated was released as the deficit exceeded the figure, due to the ongoing impact of the COVID-19 pandemic during the year.
- ◆ The youth ministry fund of £5 million. One of the key missions of the Congregation and hence of the charity is to minister to the needs of the young to bring all their talents and aptitudes to full maturity. Whilst the work of Savio House in part assists in the achievement of the mission, the charity reaches out to the young in many other ways and seeks always to develop further its work on the education and pastoral and practical care of young people, especially those in most need of such care and support. The £5 million designated by the trustees will enable such work and its development to continue and flourish in the years ahead through the Youth Ministry Team, the Office for Social Media and Communications, via the charity's connections to the schools founded by the Congregation and through a myriad of other means.

Financial Review (continued)

Reserves policy and financial position (continued)

Financial position (continued)

- ♦ The Salesian College of Farnborough Fund represents the accumulated funds and net assets of the Salesian College, Farnborough Limited and had a balance of £7,299,551 (2020 – £6,329,236) as at 31 December 2021.

The tangible fixed assets fund totals £20,446,808 (2020 – £20,855,013) and is represented by those tangible fixed assets not financed out of restricted funds or designated funds.

Funds available to support the work of the confrères in the future, in particular the support of the Congregation's missionary and youth care work, are shown as general funds on the balance sheet and amount to £12,479,299 (2020 – £7,881,221). This figure needs to be considered in the light of annual expenditure, the increasing age profile of the confrères and the need for the charity to continue to support the work of the Congregation, both in this country and overseas. It needs also to be seen in the context of the aftermath of the COVID-19 pandemic, recent geopolitical events and the economic and financial challenges they bring both generally and to the group. Over the course of 2022, the trustees intend to review their reserves policy to ensure it is appropriate to the charity's changing needs. In the meantime, they note that the level of free reserves at 31 December exceeded the level demanded by their current policy. However, the trustees are content with this position at the current time given the macro-economic and geopolitical which is, in part, responsible for the volatility on world stock markets experienced throughout 2022.

Investments

As at 31 December 2021 the listed investments held amounted to £40,110,791 (2020 – £36,292,821); these are managed by professional investment managers. The Finance, Investment and Property committee meet the fund managers on a rotational basis so that each is seen twice a year. A detailed investment policy is provided that sets out the ethical considerations the trustees wish to follow. Monthly reports are provided to the Finance, Investment and Property committee.

Despite falls of 10 to 12% in the market value of the charity's listed investments during 2020, the portfolios regained value in 2021 as global markets have recovered and the market value of the province's listed investment portfolio as at 31 December 2021 of £39,081,811 was more than 10% up on the position as at 31 December 2020 (£35,417,625). The trustees will continue to monitor the position especially in light of the volatility in markets witnessed in 2022.

In addition to listed investments, the charity and group retain two investment properties in London with a combined value of £2,325,000 (2020 – £2,325,000).

Custodian Funds

As at 31 December 2020 the charity held funds on behalf of members of other religious orders with a value of £217,322. As these funds were not controlled by the charity, these assets were not included in the accounts. No custodial funds were held as at 31 December 2021.

Governance, structure and management

Governance

In terms of Canon Law, the Salesian Congregation is governed at an international level by the Rector Major and his General Council in Rome. They are elected every six years at a General Chapter which is a meeting of representatives of all provinces of the Congregation. The person responsible for the leadership of the British Province in fulfilment of its mission is the Provincial, helped by his Council.

The Provincial is appointed by the Rector Major with the consent of his Council after consultation with the members of the Province and serves a six year term in office. The Provincial Council has five members who are appointed by the Rector Major in the same way and serve for three years. The Provincial and his councillors can be reappointed.

Members of the Provincial Council are chosen for their personal qualities, their understanding and experience of the ministries of the confrères throughout Great Britain and to secure a good skills mix among them. In terms of Civil Law, the charity is an unincorporated trust governed by a Scheme of the Charity Commissioners dated 1 August 2003 (which replaced the trust deed of 7 March 1964) and is a charity registered in England and Wales - Charity Registration No. 233779, and in Scotland – Scottish Charity No. SCO39294.

The trustees of the charity are the Provincial and the five members of the Provincial Council. As all trustees are members of the Congregation they have a detailed knowledge of the work of the charity and of its structure. The training of the Provincial Council in their role as trustees is facilitated by the Provincial Economist who uses the material provided by the Charity Commission, major conferences, the Association of Provincial Bursars and the literature available from major firms of solicitors and accountants specialising in charity practice and procedures.

The names of the trustees who served during the year and those who were in office at the date on which this annual report and accounts was approved are set out as part of the reference and administrative details on page 1 of this annual report. Brief biographical details of each of the trustees are given below.

Rev James Gerard Briody was appointed Provincial in August 2016. He has twenty-two years' experience as a secondary school teacher including ten years as a comprehensive school Headteacher at Savio Salesian College in Bootle. In addition, he has many years' experience of less formal youth ministry and parish catechetical programmes.

Rev Anthony Francis Fernandes has been a trustee since 1 September 2015. Soon after his ordination in 1977, in India, he was appointed as administrator of the new Salesian Formation House, after which he was sent to Tanzania where he worked as Director of the Archdiocesan Youth Centre until 1986. He was then sent to Kenya to serve as the Provincial Economist of the East African Province for nine years and was then appointed as Director of the Technical School in Tanzania. He then served as Shrine Director in Nairobi for nine years until 2005. In 2008 he joined the British Province and was Rector of the Salesian Community at Savio House Youth Retreat Centre, Bollington from 2014 to 2016.

Governance, structure and management (continued)

Governance *(continued)*

He took the position of Provincial Economist on 15 August 2020 and now has the responsibility of managing the business of the charity on behalf of the trustees and works full time at the Provincial Office in Bolton.

Rev James Robert Gardner has been a trustee and Vice-Provincial since 1 September 2015. He previously served as a trustee from 2004 to 2010 with responsibility for Youth Ministry. After ordination in 1991 he spent twelve years in Easterhouse, Glasgow, where he worked in youth projects, a job creation scheme for unemployed young adults, as chaplain for three years to a further education college, and was for five years a member of the 'Children's Panel'. In 2000 he completed his postgraduate in Management Studies at Glasgow Caledonian University. He was a trustee of a children's mental health charity for two years. After six years working in youth ministry, he was appointed to lead social media and communications in the Province and in 2016 to be responsible for publications.

Rev Saju John has been a trustee since September 2018. He joined the British Province in 2011 after service at the Salesian headquarters in Rome in the area of IT support and then studied for a masters degree at the Institute of Education in London. He is currently full-time chaplain at Thornleigh Salesian College, Bolton.

Rev Martin Gerard Poulsom has been a trustee since 1 September 2016. He was Lecturer in Systematic Theology at Heythrop College, University of London, from 2006 and Head of Theology from September 2015. He is currently Senior Lecturer in Systematic Theology at Roehampton University. He has experience of three years' full-time parish ministry and over twenty years' experience of youth ministry and work with young adults, including running residential retreats, leadership training for youth ministers and various forms of music ministry, and ecumenical work. He is active in advocacy in the area of Justice, Peace and the Integrity of Creation. He has been a member of the Province Formation Commission since 2012 and took over responsibility for the initial and on-going formation of the Salesians of the British Province from September 2016.

Rev Jakub Ruszniak has been a trustee since 15 August 2020. He was born in Gdansk, Poland and studied philosophy for two years in the Salesian Seminary (WSDTS) in Łódź, Poland. He then completed his practical training in Chertsey, England focusing mainly on the chaplaincy ministry in a Salesian secondary school. Following this, he completed his theological studies in Jerusalem, Israel and was awarded BA in Catholic Theology (STS, Jerusalem Campus). On 13 June 2015 he was ordained as a priest in Rumia, Poland. He then began his ministry in Bootle, England, as Chaplain in Savio Salesian College, a Catholic secondary school. During his ministry in Bootle, he began part-time studies at Hope University in order to obtain a Masters Degree in Pedagogy and Religious Education. Having completed his degree, he is currently undertaking initial teacher training. He is also involved in the parish ministry in the local parish of St James, Bootle.

Governance, structure and management (continued)

Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the accounts in accordance with applicable law and the required Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The law applicable to charities in England and Wales and in Scotland requires 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 application of resources of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ 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 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, the relevant Charity (Accounts and Reports) Regulations, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. 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.

The trustees, led by the Provincial are ultimately responsible for the policies, activities and assets of the charity. They meet each month for one and a half days to discuss Province business, receive reports, and make decisions. There are two longer meetings in March and September to allow for reflection, evaluation and strategic planning. Each year the Provincial makes a formal personal visit to each community in the Province to ensure that the work of the Congregation is being carried forward in the best possible manner.

Governance, structure and management (continued)

Key management responsibilities and personnel

In canon law, overall responsibility for the management of the works of the British Salesian Province rests with the Rev James Gerrard Briody, Provincial, a responsibility exercised in his absence by the Vice Provincial (currently the Rev James Robert Gardner). In civil law, as an unincorporated charitable trust, the Provincial and his Council carry joint responsibility as trustees for the works of the Salesians of Don Bosco UK. In practice the business of the charity is managed on behalf of the trustees on an operational basis by the Rev Anthony Fernandes, Provincial Economist and trustee, working full time from the central Provincial Office located at Thornleigh House, Bolton.

He is assisted by a small team of employed professional staff with expertise in finance and other key areas of charity management, including human resources, health & safety, risk management, property maintenance, project management, vehicle leasing and insurance provision.

The key management personnel in charge of directing and controlling, running and operating the charity on a day to day basis are the trustees, including the Provincial Economist. All trustees, including the Provincial Economist, are members of the Congregation and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees.

External legal, property and financial consultants are engaged to advise and inform the trustees' decision making as required. The Provincial and his Council are supported by a number of committees as they exercise their responsibilities as charity trustees.

The Finance, Investment and Property Committee meets every six weeks to receive reports on the major current issues and to make recommendations about these to the Provincial Council. This Committee meets with the charity's investment managers on a quarterly basis and receives annual reports on (inter alia) insurance cover and provision, the vehicle leasing scheme, the staff pension scheme, health and safety implementation, and the risk assessment process.

Other teams are in place to deal with Formation, the Promotion of Vocations, Youth Ministry, Community Support with a particular focus on care for the elderly Salesians, Social Communications and various projects. Lay people as well as Salesians serve on a number of these teams. The Salesians of Don Bosco are also members of the Safeguarding Commission for Orders in Education (SCOE).

Local Salesian communities are led by the Rectors and domestic bursar responsibilities are covered by community members or employed staff, with guidance and support from the Provincial Office especially in relation to employed personnel matters, health & safety and property.

Governance, structure and management (continued)

Key management responsibilities and personnel (continued)

In respect to Salesian College, Farnborough, the charity's subsidiary, the key management personnel comprise the Governors of the College (i.e. the trustees and directors of the charitable company) together with the senior management team comprising the Headteacher, the Deputy Headteachers, the Assistant Headteachers and the Bursar & Clerk to the Governing Body. The remuneration of the key management personnel at the College is set by the Governors, with the policy objective of ensuring that the personnel are provided with appropriate incentives to encourage enhanced performance and are rewarded in a fair and reasonable manner. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with other schools to ensure that the College remains sensitive to the broader issues of pay and employment conditions elsewhere.

The College aims to recruit, subject to experience, at the lower to medium point within a salary scale providing scope for progression and reward for excellence. Delivery of the College's charitable vision and purpose is primarily dependent on its key management personnel and staff costs are the largest single element of its charitable expenditure.

Employees

The charity strives to be an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, ethnic or national origin, gender, marital status, sexual orientation or disability. Selection criteria and procedures are reviewed regularly to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunities and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. The charity is committed to a programme of action to make this policy effective, and brings it to the attention of all employees.

The charity provides pensions for all its employees using Royal London as sole provider. The Royal London provision meets all employer auto-enrolment requirements of the Pensions Act 2008.

Risk management

The trustees review the major risks facing the charity through their Finance, Investment and Property Committee which provides a detailed report to the trustees. The principal risks and the steps taken to mitigate these risks are as follows:

Financial viability and security in order to ensure sufficient income for the delivery and continuity of the charity's ongoing works and community presences, especially in the light of the impact of the COVID-19 pandemic, the geopolitical situation in the Ukraine and other economic pressures. The central Provincial Office employs a qualified accountant as Finance Manager to manage, monitor and oversee all charity expenditure and income for all accounts and locations, along with proper regulatory compliance, with guidance from the external Province Accountant as needed.

Governance, structure and management (continued)

Risk management (continued)

The Province investment portfolios are under the discretionary management of three firms experienced in the management of charity funds and commissioned to deliver an agreed level of annual income whilst preserving the capital value of the investments. The trustees' Finance, Investment and Property Committee meeting every six weeks monitors overall Province income and expenditure and prepares the annual budget for approval by the Salesian Trustees. External auditors scrutinise relevant financial procedures and compliance matters.

At the current time, the finances and investments are being monitored especially closely given the aftermath of the COVID-19 pandemic, the geopolitical situation in the Ukraine and other economic pressures, and the potential impact of these factors on investment markets and the economy more generally.

Recruitment, retention and the proper management of staff and voluntary workers to ensure necessary levels of household, care and administrative personnel within communities, and with reducing numbers of professed Salesians the personnel necessary to ensure the effectiveness of the works of the Province. The proper personnel management of all the trustees' employed staff and voluntary workers is under the general oversight of the Provincial Office Manager as are all recruitment procedures to help ensure good practice and compliance with employment legislation. Personnel policies are regularly updated with associated guidance. External professional advice on all employment matters is available to the Provincial Office. The Savio House Youth Retreat Centre is dependent on the annual recruitment of young voluntary residential workers. As failure to recruit is the major risk a well-established process is in place through targeted alerts, notices and established links to seek to ensure the engagement of voluntary residential workers each year.

Reputational, safeguarding and insurance risks. The trustees seek through regular contact with all centres and works, through meetings with rectors of all communities, through annual meetings with all administrators and through regular administrative guidance to ensure good practice in all aspects of the charity's work. Comprehensive insurance cover is in place to protect property, employment, safeguarding and all other liabilities carried by the charity trustees including terrorism cover for the London properties. Historical allegations of failures in due care for the charity's beneficiaries have the potential to bring the charity into disrepute. On the occurrence of any such allegations, professional, legal and insurance advice guides the actions of the trustees and a press spokesperson has been engaged to speak on behalf of the charity. Any new safeguarding issues are referred to the Safeguarding Commission for Orders in Education (SCOE).

Health and Safety and the proper management of associated risks. Detailed guidance on legislative requirements and good on-site local practice is overseen by the Provincial Office Manager in her role as Health and Safety Coordinator. She visits communities on a regular basis to conduct Health and Safety audits and reviews. The charity contracts with the PIB Risk Management Service (part of DE Ford, insurance brokers for the charity) for the services of a Risk Manager who is a Chartered Health and Safety Practitioner with the Chartered Institute of Occupational Health and Safety (IOSH) and on the Occupational Safety and Health Consultants Register (OSCHR). The Risk Manager makes regular site visits.

Governance, structure and management (continued)

Risk management (continued)

All new employees and voluntary workers are instructed as to workplace and on-site Health and Safety policies and practice and regular training and updating sessions are arranged for staff with compulsory attendance. The Province Health & Safety Coordinator submits a detailed annual report to the charity trustees reporting in the first instance to their Finance, Investment and Property Committee. The report, with an annual action plan, is a comprehensive overview of all Health and Safety matters across the Province including occupational health issues.

The quality of the provision of education in the charity's schools. Four secondary schools are active in delivering the charity's educational mission under the sole trusteeship of the Salesians of Don Bosco or under partnership arrangements with the local diocese. Key risks to the schools are loss of numbers, falling standards, loss of reputation, loss of a Salesian ethos, insufficient funding and failure to recruit high quality staff. In all four schools the Salesian trustees, through appointment or nomination of governors, seek to ensure that the composition of the governing bodies is such that the necessary skills are present to monitor standards, support, challenge and recruit high quality staff, promote the educational charism of St John Bosco and fully meet all statutory and legislative requirements. Salesian advisors assist with all Headship appointments.

The **General Data Protection Regulations (GDPR)** came into full effect on 25 May 2018 and the charity has worked to manage the risk of non-compliance through a detailed audit of data held and current practice, along with staff training co-ordinated by the Provincial Office Manager as the designated person. Clear Province policies and privacy statements have been formulated and all communities and works received GDPR compliant guidance as to the gathering, processing and storage of personal data, with no more than essential data held at local level.

In respect to **Salesian College, Farnborough**, the College's governors have assessed the major risks to which the College is exposed including those arising because of COVID-19, and believe them to be those in connection with specific operational areas and the finances. Examples include loss of numbers, falling standards, loss of reputation, loss of Salesian ethos and loss of, or failure to recruit, high quality staff. The governors believe that by monitoring borrowing and reserve levels, by ensuring controls exist over key financial systems, and by examining the operational business risks faced by the College, they have established effective systems to mitigate those risks.

The key controls used by the College include: formal written policies; clear authorisation and approval levels; vetting procedures as required by law for the protection of the vulnerable; established organisational structures and lines of reporting; formal agendas for all committee and Governing Body activity; detailed terms of reference for all committees; and comprehensive planning, budgeting and management accounting.

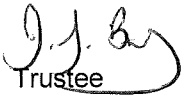
Trustees' report 31 December 2021

Governance, structure and management (continued)

Risk management (continued)

The Provincial Chapter convened every three years and the on-going 3 year Provincial Plan also seek to identify any risks that the charity will have to face. The trustees are satisfied that the necessary controls are in place to cope with these risks, within the constraints of their mission objectives.

Approved by the trustees and signed on their behalf by:


Trustee

Approved by the trustees on: 16th July 2022

Independent auditor's report 31 December 2021

Independent auditor's report to the trustees of Salesians of Don Bosco UK

Opinion

We have audited the accounts of Salesians of Don Bosco UK (the 'parent charity') and of Salesians of Don Bosco UK and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the group and parent charity statement of financial activities, the group and parent balance sheets, the consolidated 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 group's and of the parent charity's affairs as at 31 December 2021 and of the group's and the parent charity's 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 group and 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 group's and charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements 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.

Independent auditor's report 31 December 2021

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Consolidated 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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 and proper accounting records have not been kept by the parent charity; or
- ◆ the parent charity 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 group's and the parent 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 group or the parent 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 financial statements 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 financial statements.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ 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; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation), education legislation (including the Children's Act) and safeguarding regulations.
- ◆ We understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of trustees' meetings and reports from regulatory bodies.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur. Audit procedures performed by the engagement team included:

- ◆ Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;
- ◆ Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;

Independent auditor's report 31 December 2021

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

- ◆ Challenging assumptions and judgements made by management in its significant accounting estimates;
- ◆ Identifying and testing journal entries;
- ◆ Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant accounts item to which they relate.

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ performed substantive testing on expenditure; and
- ◆ tested journal entries to identify unusual transactions.

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

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

As part of our consideration of the above areas, we also reviewed the audit work undertaken by the auditor of the charity's subsidiary, Salesian College Farnborough, to satisfy ourselves that comparable procedures to those undertaken on the parent charity had been undertaken. Where necessary, the above procedures were extended to cover the College.

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 other 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 financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report 31 December 2021

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, and in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

26th July 2022

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

Consolidated (group) statement of financial activities Year to 31 December 2021

	Notes	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Income							
Donations and legacies	1	1,707,981	458,567	2,166,548	867,912	497,406	1,365,318
Other trading activities	2	45,349	—	45,349	30,192	—	30,192
Investment income and interest receivable	3	1,271,533	—	1,271,533	1,161,982	—	1,161,982
Income from charitable activities	4	8,832,563	—	8,832,563	9,245,207	17,000	9,262,207
Other income:							
· Surplus on disposals	5	—	—	—	348,273	—	348,273
· Coronavirus Job Retention Scheme and similar grants		72,126	—	72,126	76,701	—	76,701
· Other government grants		43,575	—	43,575	—	—	—
· Foreign exchange gains		—	—	—	20,978	—	20,978
· Miscellaneous		7,223	—	7,223	10,833	—	10,833
Total income		11,980,350	458,567	12,438,917	11,762,078	514,406	12,276,484
Expenditure							
Raising funds							
· Investment management costs		185,861	—	185,861	165,415	—	165,415
· Rental property expenses		6,027	—	6,027	10,512	—	10,512
· Interest payable		2,227	—	2,227	3,782	—	3,782
Charitable activities							
· Donations and support of overseas missions	6	7,045	275,729	282,774	23,565	725,643	749,208
· Salesian College Farnborough	7	7,641,699	—	7,641,699	7,857,568	—	7,857,568
· Savio House Retreat Centre, Bollington	8	438,116	—	438,116	468,985	—	468,985
· Ministry of the members of the Congregation and their support	9	2,171,087	—	2,171,087	2,191,502	—	2,191,502
· Publicity and promotion	10	213,640	—	213,640	281,908	—	281,908
Other expenditure		27,123	—	27,123	8,102	—	8,102
Total expenditure		10,692,825	275,729	10,968,554	11,011,339	725,643	11,736,982
Net income (expenditure) before net gains (losses) on investments		1,287,525	182,838	1,470,363	750,739	(211,237)	539,502
Net gains (losses) on investments	17	4,191,260	—	4,191,260	(150,758)	—	(150,758)
Net income (expenditure)	13	5,478,785	182,838	5,661,623	599,981	(211,237)	388,744
Transfer between funds		(318,597)	318,597	—	—	—	—
Net movement in funds		5,160,188	501,435	5,661,623	599,981	(211,237)	388,744
Funds reconciliation:							
Balances brought forward at 1 January 2021		65,065,470	841,863	65,907,333	64,465,489	1,053,100	65,518,589
Balances carried forward at 31 December 2021		70,225,658	1,343,298	71,568,956	65,065,470	841,863	65,907,333

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

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

Charity statement of financial activities Year to 31 December 2021

	Notes	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Income							
Donations and legacies	1	1,724,670	458,567	2,183,237	884,061	497,406	1,381,467
Other trading activities	2	45,349	—	45,349	30,192	—	30,192
Investment income and interest receivable	3	1,566,090	—	1,566,090	1,424,586	—	1,424,586
Income from charitable activities	4	77,785	—	77,785	71,384	—	71,384
Other income:							
· Surplus on disposals	5	—	—	—	348,273	—	348,273
· Coronavirus Job Retention Scheme and similar grants		72,126	—	72,126	76,701	—	76,701
· Other government grants		43,575	—	43,575	—	—	—
· Foreign exchange gains		—	—	—	20,978	—	20,978
Total income		3,529,595	458,567	3,988,162	2,856,175	497,406	3,353,581
Expenditure							
Raising funds							
· Investment management costs		177,728	—	177,728	159,753	—	159,753
· Rental property expenses		6,027	—	6,027	10,512	—	10,512
· Interest payable		2,227	—	2,227	3,782	—	3,782
Charitable activities							
· Donations and support of overseas missions	6	7,045	275,729	282,774	23,565	725,643	749,208
· Salesian College Farnborough	7	47,061	—	47,061	47,061	—	47,061
· Savio House Retreat Centre, Bollington	8	438,116	—	438,116	468,985	—	468,985
· Ministry of the members of the Congregation and their support	9	2,171,087	—	2,171,087	2,191,502	—	2,191,502
· Publicity and promotion	10	213,640	—	213,640	281,908	—	281,908
Other expenditure		27,123	—	27,123	8,102	—	8,102
Total expenditure		3,090,054	275,729	3,365,783	3,195,170	725,643	3,920,813
Net income (expenditure) before net gains (losses) on investments		439,541	182,838	622,379	(338,995)	(228,237)	(567,232)
Net gains (losses) on investments	17	4,068,929	—	4,068,929	(206,438)	—	(206,438)
Net income (expenditure)	13	4,508,470	182,838	4,691,308	(545,433)	(228,237)	(773,670)
Transfer between funds		(318,597)	318,597	—	—	—	—
Net movement in funds		4,189,873	501,435	4,691,308	(545,433)	(228,237)	(773,670)
Funds reconciliation:							
Balances brought forward at 1 January 2021		58,736,234	807,355	59,543,589	59,281,667	1,035,592	60,317,259
Balances carried forward at 31 December 2021		62,926,107	1,308,790	64,234,897	58,736,234	807,355	59,543,589

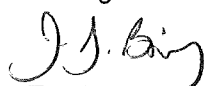
All of the charity's activities derived from continuing operations during the above two financial periods.

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

Balance sheets 31 December 2021

	Notes	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
Fixed assets					
Tangible assets	16	25,290,358	25,810,001	20,446,808	20,855,013
Investments	17	42,435,791	38,617,821	41,406,811	37,742,625
		67,726,149	64,427,822	61,853,619	58,597,638
Current assets					
Stocks		111,560	107,114	111,560	107,114
Debtors receivable after more than one year	18	—	11,520	—	11,520
Debtors receivable within one year	19	1,065,914	263,432	640,325	178,872
Cash at bank and in hand		4,655,082	2,986,184	1,775,799	1,010,702
		5,832,556	3,368,250	2,527,684	1,308,208
Creditors: amounts falling due within one year	20	(1,739,328)	(1,466,712)	(146,406)	(362,257)
Net current assets		4,093,228	1,901,538	2,381,278	945,951
Total assets less current liabilities		71,819,377	66,329,360	64,234,897	59,543,589
Creditors: amounts falling due after one year	21	(250,421)	(422,027)	—	—
Total net assets		71,568,956	65,907,333	64,234,897	59,543,589
The funds of the charity					
Income funds:					
Restricted funds	22	1,343,298	841,863	1,308,790	807,355
Unrestricted funds					
.. Designated funds	23				
.. Ministry of the members of the Congregation and their support and retirement fund		15,000,000	15,000,000	15,000,000	15,000,000
.. Savio House support fund		10,000,000	10,000,000	10,000,000	10,000,000
.. Youth ministry fund		5,000,000	5,000,000	5,000,000	5,000,000
.. Salesian College Farnborough fund		7,299,551	6,329,236	—	—
		37,299,551	36,329,236	30,000,000	30,000,000
.. Tangible fixed assets fund	24	20,446,808	20,855,013	20,446,808	20,855,013
.. General funds		12,479,299	7,881,221	12,479,299	7,881,221
	25	71,568,956	65,907,333	64,234,897	59,543,589

Approved by the trustees
and signed on their behalf by:


Trustee

Approved on: 16th July 2022

Consolidated statement of cash flows Year to 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided (used in) by operating activities	A	525,562	(467,594)
Cash flows from investing activities:			
Investment income and interest received		1,271,533	1,161,982
Proceeds from the disposal of tangible fixed assets		—	400,000
Purchase of tangible fixed assets		(186,638)	(107,101)
Proceeds from the disposal of investments		19,508,874	7,349,949
Purchase of investments		(17,685,254)	(8,765,690)
Net cash provided by investing activities		2,908,515	39,140
Cash flows from financing activities:			
Repayments of borrowing		(314,849)	(306,847)
Net cash used in financing activities		(314,849)	(306,847)
Change in cash and cash equivalents in the year		3,119,228	(735,301)
Cash and cash equivalents at 1 January 2021	B	3,590,909	4,326,210
Cash and cash equivalents at 31 December 2021	B	6,710,137	3,590,909

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

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	5,661,623	388,744
Adjustments for:		
Depreciation charge	706,281	712,184
(Gains) losses on investments	(4,191,260)	201,118
Surplus on disposal of tangible fixed assets	—	(346,496)
Investment income and interest receivable	(1,271,533)	(1,161,982)
Increase in stock	(4,446)	(21,343)
(Increase) decrease in debtors	(790,962)	201,312
Increase (decrease) in creditors	415,859	(441,131)
Net cash provided by (used in) operating activities	525,562	(467,594)

Consolidated statement of cash flows Year to 31 December 2021

B Analysis of changes in net debt

	2020 £	Cash Flows £	Other Non- cash movements £	2021 £
Cash and cash equivalents				
Cash at bank and in hand	2,986,184	1,668,898	—	4,655,082
Cash held by investment managers	604,725	1,450,330	—	2,055,055
Total cash and cash equivalents	3,590,909	3,119,228	—	6,710,137
Borrowings				
Loans due within one year	(368,348)	314,849	(111,722)	(165,221)
Loans due after more than one year	(111,722)	—	111,722	—
Total borrowings	(480,070)	314,849	—	(165,221)
Total Net Debt	3,110,839	3,434,077	—	6,544,916

Principal accounting policies 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 provided in respect to the year 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 United Kingdom 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 and management to make significant judgements and estimates.

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

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the valuation of the charity's investment properties, which has been estimated by the trustees based on advice received regarding property values in the local area;
- ◆ the estimation of legacy income to which there was entitlement at the year end;
- ◆ the provision against doubtful and bad debts in respect to school tuition fees and related charges and in respect to retreat centre charges;
- ◆ the allocation of Provincial Office overheads and governance costs between charitable expenditure categories;
- ◆ estimates in respect to accrued expenditure;
- ◆ the assumptions adopted by the trustees in determining the value of any designations required from the charity's general unrestricted funds; and
- ◆ the estimation of future income and expenditure for the purpose of assessing going concern (see below).

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts and have considered carefully the impact of economic circumstances on the charity's finances – both for the short term and medium term.

The Trustees have concluded that it is appropriate to prepare the accounts on a going concern basis as the Charity has adequate cash and liquid asset resources for future activities. Financial projections that consider the current and future impact of economic conditions indicate that the Charity will continue to operate successfully and fulfil its charitable objectives.

The trustees are therefore of the opinion that the charity and group will have sufficient resources to meet their liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

Basis of consolidation

The group accounts consolidate the accounts of the charity and of its subsidiary undertakings (see notes 26 and 27) drawn up to 31 December 2021. The results of the subsidiaries are consolidated on a line by line basis.

Income recognition

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

Income comprises donations, legacies, trading income, school tuition fees and related charges, retreat centre income, investment income, interest receivable, the surplus on disposal of tangible fixed assets, grants from the Coronavirus Job Retention Scheme and miscellaneous income.

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.

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.

Principal accounting policies 31 December 2021

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

Other trading income consists of income from publication sales and is recognised when the significant risks and rewards of ownership have transferred to the buyer. This is usually at the point of sale.

Income recognition (continued)

Fees receivable in respect to Salesian College, Farnborough and retreat centre community and youth work are recognised to the extent that it is probable that the economic benefits will flow to the group and charity and the revenue can be reliably measured. It is measured at the fair value of the consideration received or receivable, excluding discounts and rebates. In particular, Salesian College, Farnborough fees receivable represent gross tuition fees and related charges before deduction of bursaries in respect to enrolled pupils. Retreat Centre community and youth work income represents fees receivable for the provision of retreats and similar activities.

Investment income comprises dividends and interest receivable. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest payable on investment assets is recognised on an accruals basis.

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.

The surplus on the disposal of tangible fixed assets, including on the sale of land and buildings, 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.

Grant income from the Government's Coronavirus Job Retention Scheme and similar schemes is recognised in the period in the claim has been made and when the amount receivable is quantifiable and receipt is probable.

Principal accounting policies 31 December 2021

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure includes any attributable VAT which cannot be recovered.

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

- a. Expenditure on raising funds includes expenditure incurred in generating voluntary income, the fees paid to investment managers in connection with the management of the charity's listed investments, the costs in connection with the rental and upkeep of the charity's investment properties and interest payable on loan finance.
- b. Expenditure on charitable activities includes expenditure on the charity's primary charitable purposes as described in the trustees' report and include:

Expenditure recognition (continued)

- ◆ The making of grants and donations. In the main, grants and donations are made to support the Congregation's overseas missions. Other 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 incurred in providing education at The Salesian College, Farnborough.
- ◆ Expenditure incurred in operating the Savio House Retreat Centre, Bollington.
- ◆ Expenditure on the support of education generally.
- ◆ Expenditure on the support of the work of the Province of the Society of the Salesians of Don Bosco. Such expenditure enables the members to carry out the work of the charity in the areas of the advancement of the Roman Catholic faith, the relief of poverty, and the general provision of education by supporting Salesians who teach in state schools and which aim to preserve the Salesians ethos. In addition, the charity provides for the needs of the elderly and sick members of the Congregation.
- ◆ Expenditure in connection with the "promotion of the work" of the Salesians of Don Bosco.

Principal accounting policies 31 December 2021

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

Support and governance costs

Support costs or Provincial Office overheads 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 comprises the costs directly attributable to the governance of the charity including audit costs and the necessary legal procedures for compliance with statutory requirements.

Support costs including governance costs are allocated out to the activities they are supporting on the basis described in note 12.

Tangible fixed assets

Land and buildings

The freehold land and buildings legally owned by the charity and occupied rent free on behalf of the trustees or the governing bodies of Catholic voluntary-aided and similar schools, which are separate charities and publicly funded, are valued at £nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

Tangible fixed assets (continued)

Land and buildings (continued)

In the event of the Congregation ceasing its ministry in a parish, the trustees would consider themselves obliged to allow assets owned by the charity but used specifically for that parish and for no other purpose to continue to be used indefinitely and rent free to meet the needs of the parish for a church and/or related accommodation. As a result such properties are excluded from the accounts.

The valuation of major non-residential properties owned by the charity as at 31 December 1997 is based on one third of their insurance value as at 31 December 1991 and is now regarded as deemed cost under the transitional provisions of FRS 102.

Additions to major non-residential properties on or after 1 January 1998 are included at cost. Depreciation on such freehold buildings is calculated on a straight line basis at 1% per annum. The trustees regularly assess the state of repair and value of these properties and believe that the nature of the properties, their age and the use to which they are put mean that a 100 year depreciation period is justifiable and appropriate.

Principal accounting policies 31 December 2021

The valuation of residential properties occupied by the confrères is based on the Council Tax valuation of the buildings as at 31 December 1997 inflated by 25% to provide an estimate of their existing use basis as at that date. Under the transitional provisions of FRS 102 this valuation is now deemed to be cost. Additions to residential properties on or after 1 January 1998 are included at cost. Depreciation on such freehold buildings is calculated on a straight line basis at 2% per annum. Freehold buildings in the course of construction are not depreciated until brought into use.

Other assets

Prior to 1 January 1997 all capital expenditure (other than land and buildings) was written off as incurred. At that date the trustees entered the current cost of assets not previously shown in the balance sheet where this was available and the estimated market value as at that date where original cost was not available. Subsequent acquisitions or improvements are capitalised at cost.

Expenditure below £5,000 (Salesian College Farnborough – £500) is not capitalised.

Depreciation is calculated by the straight-line method to write off the cost/value, less anticipated residual value, over the expected useful lives of assets as follows:

♦ Leasehold property improvements	40 years
♦ Domestic equipment	4 years
♦ Motor vehicles	4 years
♦ Computers	3 years

Principal accounting policies 31 December 2021

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 middle market price.

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

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

The valuation of investment properties (not occupied by Salesians), which are rented out to non-Salesians, is based on current open market valuation. These properties are not depreciated.

Realised and unrealised gains (or losses) are reflected in the statement of financial activities in the year in which they occur.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Principal accounting policies 31 December 2021

Fund structure

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

The tangible fixed assets fund represents the net book value of those tangible fixed assets which are not financed out of restricted funds or included in the Salesian College Farnborough fund.

The designated funds are monies set aside out of general funds and designated for specific purposes, although the trustees may ultimately use such funds for other purposes.

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

Leased assets

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

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those leases where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Pension costs

Contributions in respect of the defined benefit scheme represent contributions to the Teachers Pensions Scheme and are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

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

Services provided by members of the Congregation

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

1 Donations and legacies

Group and charity	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Salaries and pensions of individual religious received under Gift Aid or deed of covenant	710,273	—	710,273	755,484	—	755,484
Legacies	802,863	15,841	818,704	11,095	175,670	186,765
Mass offerings, stole fees and clergy offerings	58,413	—	58,413	39,340	—	39,340
Other donations	153,121	442,726	595,847	78,142	321,736	399,878
Charity total	1,724,670	458,567	2,183,237	884,061	497,406	1,381,467
Less: Farnborough salaries	(16,689)	—	(16,689)	(16,149)	—	(16,149)
Group total	1,707,981	458,567	2,166,548	867,912	497,406	1,365,318

The figure of £710,273 (2020 – £755,484) for salaries and pensions of individual religious is made up of £262,582 (2020 – £250,144) earned by members of the Congregation, both working and semi-retired, working in schools, seminaries and in Roman Catholic dioceses and £447,691 (2020 – £505,340) from members' pension entitlements.

2 Other trading activities

Group and charity	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Publication sales	45,199	—	45,199	29,984	—	29,984
Other receipts	150	—	150	208	—	208
Total	45,349	—	45,349	30,192	—	30,192

3 Investment income and interest receivable

Group and charity	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Listed on UK Stock Exchange						
. UK fixed interest	149,973	—	149,973	222,151	—	222,151
. UK equities	1,075,527	—	1,075,527	882,535	—	882,535
. Other investment income	770	—	770	1,075	—	1,075
	<u>1,226,270</u>	<u>—</u>	<u>1,226,270</u>	<u>1,105,761</u>	<u>—</u>	<u>1,105,761</u>
Income from investment property						
. Rent	37,251	—	37,251	42,522	—	42,522
Interest receivable						
. Bank interest	3,287	—	3,287	12,385	—	12,385
. Cash held by investment managers	4,725	—	4,725	1,314	—	1,314
	<u>8,012</u>	<u>—</u>	<u>8,012</u>	<u>13,699</u>	<u>—</u>	<u>13,699</u>
Group total	1,271,533	—	1,271,533	1,161,982	—	1,161,982
Less: Interest received by Salesian College Farnborough Limited	(2,323)	—	(2,323)	(10,759)	—	(10,759)
Less: Dividends received by Salesian College Farnborough Limited	(39,262)	—	(39,262)	(25,506)	—	(25,506)
Add: Interest paid from Salesian College Farnborough Limited	2,459	—	2,459	4,496	—	4,496
Add: Rents paid from Salesian College Farnborough Limited	333,683	—	333,683	294,373	—	294,373
Charity total	1,566,090	—	1,566,090	1,424,586	—	1,424,586

4 Income from charitable activities

Group	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Salesian College Farnborough fees and related charges	8,754,778	—	8,754,778	9,173,823	17,000	9,190,823
Retreat centre community and youth work income	77,785	—	77,785	71,384	—	71,384
Total	8,832,563	—	8,832,563	9,245,207	17,000	9,262,207
Charity	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Retreat centre community and youth work income	77,785	—	77,785	71,384	—	71,384

5 Surplus on disposals

Group and charity	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Surplus on disposal of tangible fixed assets – freehold land and buildings	—	—	—	348,273	—	348,273
Group and charity total	—	—	—	348,273	—	348,273

6 Donations and support of overseas missions

Group and charity	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Missionary work of the Congregation abroad	—	275,729	275,729	—	725,643	725,643
Donations to other organisations (see below)	7,045	—	7,045	23,565	—	23,565
	7,045	275,729	282,774	23,565	725,643	749,208

During the year donations comprised:

Group and charity	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Savio Salesian College	—	—	—	7,500	—	7,500
Salesian College Thornleigh	3,000	—	3,000	4,050	—	4,050
Other donations under £1,000	4,045	—	4,045	2,015	—	2,015
Donations to individuals	—	—	—	10,000	—	10,000
	7,045	—	7,045	23,565	—	23,565

During 2021 there were no donations made to an individual (2020 – one).

7 Salesian College Farnborough

Group	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Teaching costs	3,778,243	—	3,778,243	3,693,281	—	3,693,281
Finance costs	9,199	—	9,199	17,144	—	17,144
Premises	1,110,900	—	1,110,900	1,098,281	—	1,098,281
Administration of the College	2,089,650	—	2,089,650	2,404,081	—	2,404,081
Marketing and publicity	20,589	—	20,589	15,806	—	15,806
Bursaries granted	633,118	—	633,118	628,975	—	628,975
	7,641,699	—	7,641,699	7,857,568	—	7,857,568

Charity	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Premises	47,061	—	47,061	47,061	—	47,061

8 Savio House Retreat Centre, Bollington

Group and charity	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Staff costs	164,561	—	164,561	171,152	—	171,152
Premises	91,087	—	91,087	132,735	—	132,735
Operational costs	57,664	—	57,664	45,360	—	45,360
Administration of the retreat centre	124,804	—	124,804	119,738	—	119,738
Group and charity total	438,116	—	438,116	468,985	—	468,985

9 Ministry of the members of the Congregation and their support

Expenditure incurred in maintaining and supporting members of the Congregation, so that they can engage in pastoral work and ministry, enables the members to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic faith, the advancement of education and the relief of poverty. Such expenditure comprises:

Group and charity	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Staff costs	446,889	—	446,889	470,114	—	470,114
Members' living and personal expenses	619,748	—	619,748	581,213	—	581,213
Premises	771,371	—	771,371	785,211	—	785,211
Education, training and spiritual renewal	72,636	—	72,636	119,699	—	119,699
Allocation of Provincial office overheads (note 12)	260,443	—	260,443	235,265	—	235,265
Group and charity total	2,171,087	—	2,171,087	2,191,502	—	2,191,502

10 Publicity and promotion: costs of goods sold and other costs

Group and charity	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Publication and other costs	213,640	—	213,640	281,908	—	281,908

11 Governance costs

Group and charity	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Auditor's remuneration	24,100	—	24,100	21,100	—	21,100

12 Allocation of Provincial Office overheads

Group and charity	Savio House Retreat Centre, Bollington £	Support of members of the Congregation and their ministry £	Publicity and promotion £	Total 2021 £	Basis of apportionment
Staff costs	20,893	66,161	6,964	94,018	Per full-time equivalent employees
Office running costs	7,870	24,923	2,623	35,416	
Administration	1,766	5,592	589	7,947	
Travelling expenses	869	2,752	290	3,911	
Professional fees	34,681	109,823	11,560	156,064	
Vehicle leasing	1,417	4,488	472	6,377	
Irrecoverable VAT	9,393	29,745	3,131	42,269	
Governance costs (note 11)	5,356	16,959	1,785	24,100	
Group and charity total	82,245	260,443	27,414	370,102	

Group and charity	Savio House Retreat Centre, Bollington £	Support of members of the Congregation and their ministry £	Publicity and promotion £	Total 2020 £	Basis of apportionment
Staff costs	18,724	53,496	8,024	80,244	Per full-time equivalent employees
Office running costs	12,673	36,209	5,431	54,313	
Administration	4,450	12,715	1,907	19,072	
Travelling expenses	1,788	5,108	766	7,662	
Professional fees	25,299	72,282	10,842	108,423	
Vehicle leasing	6,367	18,193	2,729	27,289	
Irrecoverable VAT	8,118	23,195	3,479	34,792	
Governance costs (note 11)	4,923	14,067	2,110	21,100	
Group and charity total	82,342	235,265	35,288	352,895	

13 Net income (expenditure) and net movement in funds

This is stated after charging:

	Group Total 2021 £	Group Total 2020 £	Charity Total 2021 £	Charity Total 2020 £
Staff costs (note 14)	5,502,961	5,532,729	773,056	867,380
Auditor's and component auditor's remuneration				
. Statutory audit – group accounts	18,600	16,600	18,600	16,600
. Salesian College Farnborough	17,824	10,020	5,500	4,500
Depreciation	706,281	712,184	408,205	408,205
Operating lease rentals	98,864	67,428	98,864	67,428

Notes to the accounts 31 December 2021

14 Staff costs and trustees' remuneration

Group	2021 £	2020 £
Staff costs during the year were as follows:		
Wages and salaries	4,335,418	4,386,197
Social security costs	435,601	426,877
Other pension costs	731,942	719,655
	5,502,961	5,532,729

Group	2021 £	2020 £
Staff costs per function were as follows:		
Publicity and promotion	65,739	79,828
Youth work	1,849	66,042
Salesian College Farnborough	4,729,905	4,665,349
Savio House Retreat Centre, Bollington	164,561	171,152
Support of the members of the Congregation and their ministry	446,889	470,114
Support (note 12)	94,018	80,244
	5,502,961	5,532,729

Charity	2021 £	2020 £
Staff costs during the year were as follows:		
Wages and salaries	676,032	768,111
Social security costs	63,946	63,946
Other pension costs	33,078	35,323
	773,056	867,380

Charity	2021 £	2020 £
Staff costs per function were as follows:		
Publicity and promotion	65,739	79,828
Youth work	1,849	66,042
Savio House Retreat Centre, Bollington	164,561	171,152
Support of the members of the Congregation and their ministry	446,889	470,114
Support (note 12)	94,018	80,244
	773,056	867,380

The number of employees receiving annual remuneration in excess of £60,000 per annum was as follows:

Group and charity	2021	2020
£60,000 to £69,999	1	—
£70,000 to £79,999	2	2
£80,000 to £89,999	1	1
£90,000 to £99,999	—	1
£100,000 to £109,999	1	—

14 Staff costs and trustees' remuneration (continued)

No contributions have been made to defined contribution pension schemes for the above employees (2020 – none). Three of the above employees (2020 – three) are accruing benefits under a defined benefit pension scheme.

No employees of the charity earned in excess of £60,000 during the year.

The average number of employees during the year was as follows:

	Group		Charity	
	2021	2020	2021	2020
Publications and promotion	2	3	2	3
Provision of education	100	100	—	—
Retreat Centre	6	7	6	7
Support of the members of the Congregation	25	27	25	27
	133	137	33	37

As members of the Congregation, the trustees' living and personal expenses during the year were borne by the charity and they received no remuneration or any reimbursement of expenses in connection with their duties as trustees during the year (2020 – £nil).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, including the Provincial Economist, and the key management personnel of Salesian College, Farnborough, comprising the Governors of the College, together with the senior management team, comprising the Headmaster, the Deputy Headteachers, the Assistant Headteachers and the Bursar & Clerk to the Governing Body.

The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the year was £461,047 (2020 – £450,515).

15 Taxation

The Salesians of Don Bosco UK is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities. The charity is registered for VAT and is partially exempt.

Notes to the accounts 31 December 2021

16 Tangible fixed assets

Group	Freehold land and buildings £	Computers and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2021	31,350,059	2,350,339	144,415	33,844,813
Additions	(9,026)	195,664	—	186,638
Disposals	—	—	(13,101)	(13,101)
At 31 December 2021	<u>31,341,033</u>	<u>2,546,003</u>	<u>131,314</u>	<u>34,018,350</u>
At cost	22,185,680	2,546,003	131,314	24,862,997
At deemed cost	<u>9,155,353</u>	<u>—</u>	<u>—</u>	<u>9,155,353</u>
	<u>31,341,033</u>	<u>2,546,003</u>	<u>131,314</u>	<u>34,018,350</u>
Depreciation				
At 1 January 2021	5,874,528	2,017,102	143,182	8,034,812
Charge for year	591,113	113,935	1,233	706,281
Eliminated on disposals	—	—	(13,101)	(13,101)
At 31 December 2021	<u>6,465,641</u>	<u>2,131,037</u>	<u>131,314</u>	<u>8,727,992</u>
Net book values				
At 31 December 2021	<u>24,875,392</u>	<u>414,966</u>	<u>—</u>	<u>25,290,358</u>
At 31 December 2020	<u>25,475,531</u>	<u>333,237</u>	<u>1,233</u>	<u>25,810,001</u>

Included within the net book value of the group's tangible fixed assets is £90,035 (2020 – £nil) relating to assets held under finance leases.

Charity	Freehold land and buildings £
Cost or valuation	
At 1 January 2021 and 31 December 2021	<u>25,513,231</u>
At cost	16,357,878
At deemed cost	<u>9,155,353</u>
	<u>25,513,231</u>
Depreciation	
At 1 January 2021	4,658,218
Charge for year	408,205
Eliminated on disposals	—
At 31 December 2021	<u>5,066,423</u>
Net book values	
At 31 December 2021	<u>20,446,808</u>
At 31 December 2020	<u>20,855,013</u>

Capital commitments

As at 31 December 2021 the group and charity had no capital commitments (2020 – £nil).

17 Investments

At 31 December 2021 investments comprised:

Group and charity	2021 £	2020 £
Freehold investment property (see a. below)	2,325,000	2,325,000
Listed investments and cash held for re-investment (see b. below)		
· Investec Wealth & Investment Limited	416,184	8,376,938
· Aberdeen Capital Limited	8,659,491	—
· Brewin Dolphin Limited	—	8,659,708
· Cazenove Capital	9,406,069	—
· Rathbone Investment Management Limited (charity)	20,600,067	18,380,979
· Rathbone Investment Management Limited (Salesian College Farnborough Limited)	1,028,980	875,196
	40,110,791	36,292,821
Group total	42,435,791	38,617,821
Less: Rathbone Investment Management Limited (Salesian College Farnborough Limited)	(1,028,980)	(875,196)
Charity total	41,406,811	37,742,625

Movements on each category of investment are summarised below:

a. Freehold investment property

Group and charity	2021 £	2020 £
Market value at 1 January 2021 and 31 December 2021	2,325,000	2,325,000

The investment properties were last revalued in 2018 by the trustees with professional assistance and by taking advantage of knowledge of the local property market following recent disposals of similar property. The trustees are of the opinion that at 31 December 2021 there had been no material change in the value of the properties since the valuation.

17 Investments (continued)

b. Listed investments

Group and charity	2021 £	2020 £
Listed investments (Investec Wealth & Investment Limited)		
Market value at 1 January 2021	8,274,319	8,643,656
Additions at cost	508,215	2,642,128
Disposals at opening book value (realise gains of £151,743)	(1,877,994)	(2,900,053)
Net unrealised investment losses	—	(111,412)
Investments transferred to Aberdeen Capital Limited	(6,904,540)	—
Market value at 31 December 2021	—	8,274,319
Cash held in short term deposits and by investment managers	416,184	102,619
	416,184	8,376,938
Cost of listed investments at 31 December 2021	—	7,402,028

Group and charity	2021 £	2020 £
Listed investments (Aberdeen Capital Limited)		
Market value at 1 January 2021	—	—
Investments transferred from Investec Wealth & Investment Limited	6,904,540	—
Additions at cost	4,833,413	—
Disposals at opening book value (realised gains of £303,257)	(3,793,445)	—
Net unrealised investment gains	377,174	—
Market value at 31 December 2021	8,321,682	—
Cash held in short term deposits and by investment managers	337,809	—
	8,659,491	—
Cost of listed investments at 31 December 2021	7,754,085	—

Group and charity	2021 £	2020 £
Listed investments (Brewin Dolphin Limited)		
Market value at 1 January 2021	8,535,839	7,521,058
Additions at cost	1,483,201	2,704,224
Disposals at opening book value (realised gains of £202,693)	(4,272,780)	(1,575,991)
Net unrealised investment losses	—	(113,452)
Investments transferred to Cazenove Capital	(5,746,260)	—
Market value at 31 December 2021	—	8,535,839
Cash held in short term deposits and by investment managers	—	123,869
	—	8,659,708
Cost of listed investments at 31 December 2021	—	7,732,045

Notes to the accounts 31 December 2021

17 Investments (continued)

b. Listed investments (continued)

Group and charity	2021 £	2020 £
Listed investments (Cazenove Capital)		
Market value at 1 January 2021	—	—
Investments transferred from Brewin Dolphin Limited	5,746,260	—
Additions at cost	8,353,393	—
Disposals at opening book value (realised gains of £521,966)	(5,099,414)	—
Net unrealised investment gains	167,584	—
Market value at 31 December 2021	9,167,823	—
Cash held in short term deposits and by investment managers	238,246	—
	9,406,069	—
Cost of listed investments at 31 December 2021	8,967,469	—

Group and charity	2021 £	2020 £
Listed investments (Rathbones Investment Management Limited (charity))		
Market value at 1 January 2021	18,014,801	17,508,759
Additions	2,482,745	3,263,503
Disposals at opening book value (realised gains of £222,735)	(3,062,847)	(2,553,154)
Net unrealised investment gains (losses)	2,121,777	(204,307)
Market value at 31 December 2021	19,556,476	18,014,801
Cash held in short term deposits and by investment managers	1,043,591	366,178
	20,600,067	18,380,979
Cost of listed investments at 31 December 2021	13,675,103	13,723,846

Group	2021 £	2020 £
Listed investments (Rathbones Investment Management Limited (Salesian College Farnborough Limited))		
Market value at 1 January 2021	863,137	800,000
Additions	24,287	155,835
Disposals at opening book value (realised losses of £nil)	—	(99,305)
Net unrealised investment gains	122,331	6,607
Market value at 31 December 2021	1,009,755	863,137
Cash held in short term deposits and by investment managers	19,225	12,059
	1,028,980	875,196
Cost of listed investments at 31 December 2021	854,584	825,185

17 Investments (continued)

b. Listed investments (continued)

The charity's listed investments managed by Rathbones Investment Management Limited are subject to a formal charge as security for loans to the charity used to finance work at Salesian College Farnborough and the development of the community house at Battersea (see note 20).

Listed investments held at 31 December 2021 comprised the following:

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
UK equities	19,481,250	16,389,360	18,995,370	15,981,817
UK fixed interest stocks	2,832,107	3,834,792	2,731,069	3,749,416
Overseas equities	10,732,097	11,507,741	10,398,586	11,270,457
Overseas fixed interest stocks	586,727	1,395,816	586,727	1,359,294
Alternatives	4,423,555	2,560,387	4,334,229	2,463,974
	38,055,736	35,688,096	37,045,981	34,824,958

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

No listed investment holding was material in the context of the total value of the combined portfolio at 31 December 2021.

18 Debtors: amounts receivable after one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Amount due from the Roman Catholic Parish of Battersea	—	11,520	—	11,520

19 Debtors: amounts receivable within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Education fees receivable	17,030	40,459	—	—
Sundry debtors	33,678	76,631	31,320	73,872
Prepayments	458,701	146,342	—	—
Legacies receivable	556,505	—	556,505	—
Loan to Salesian College Farnborough Limited (see below)	—	—	52,500	105,000
	1,065,914	263,432	640,325	178,872

19 Debtors: amounts receivable within one year

The charity has advanced a loan of up to £1 million to Salesian College Farnborough Limited to assist with the development of facilities at the College. The loan has been granted by the charity subject to it being able to seek immediate repayment or give notice of termination at any time. In the absence of the charity giving such notice, the loan is repayable by 30 June 2022. Interest is payable on the loan quarterly in arrears and accrues at a rate of 3% above the published Bank Rate. The loan is repayable by annual instalments and there is no penalty for early repayment.

20 Creditors: amounts falling due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Education fees paid in advance	619,481	465,158	—	—
Bank overdrafts and loans	111,721	262,348	—	—
Expense creditors	329,793	146,319	3,568	8,184
Taxation and social security	95,814	97,069	—	—
Loan in respect to development of facilities at Salesian College, Farnborough (see (a) below)	52,500	105,000	52,500	105,000
Loan in respect to development of the community house, Battersea (see (b) below)	1,000	1,000	1,000	1,000
Hire purchase obligations	19,414	—	—	—
Other creditors	334,352	139,392	—	—
Accruals	175,253	250,426	89,338	248,073
	1,739,328	1,466,712	146,406	362,257

At 31 December 2021, the group and charity had the following loan facilities with Rathbone Investment Management Limited:

- (a) The charity has negotiated a loan facility with Rathbones Investment Management Limited, (the "Lender"), to assist with the financing of the development of facilities at Salesian College, Farnborough. The facility is granted subject to the Lender's right to seek immediate repayment or give notice of termination at any time. In the absence of such notice, the facility is repayable in equal instalments with the final repayment due on 31 July 2022. Interest is payable on 24 July annually and accrues at a rate of 2.5% per annum above the published Bank Rate.
- (b) The charity has a loan facility with Rathbones Investment Management Limited for capital projects. The loan account currently has a balance of £1,000 pending future use for projects that are being planned.

Both loans are secured by a mortgage and charge against all listed investments managed on behalf of the charity by Rathbone Investment Management Limited.

21 Creditors: amounts falling due after one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Education fees paid in advance	179,800	299,475	—	—
Bank overdrafts and loans	—	111,722	—	—
Hire purchase obligations	70,621	—	—	—
Other creditors	—	10,830	—	—
	250,421	422,027	—	—

22 Restricted funds

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

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
Overseas funds	216,822	408,725	(225,970)	326,993	726,570
Bursary funds	34,508	—	—	—	34,508
Development funds	36,340	47,342	(49,759)	—	33,923
Legacy fund	554,193	2,500	—	(8,396)	548,297
Group Total	841,863	458,567	(275,729)	318,597	1,343,298
Less Bursary Funds Farnborough College	(34,508)	—	—	—	(34,508)
Charity total	807,355	458,567	(275,729)	318,597	1,308,790

	At 1 January 2020 £	Income £	Expenditure £	Transfers £	At 31 December 2020 £
Overseas funds	550,533	331,792	(665,503)	—	216,822
Bursary funds	17,508	17,000	—	—	34,508
Development funds	34,480	60,462	(58,602)	—	36,340
Legacy fund	450,579	105,152	(1,538)	—	554,193
Group Total	1,053,100	514,406	(725,643)	—	841,863
Less Bursary Funds Farnborough College	(17,508)	(17,000)	—	—	(34,508)
Charity total	1,035,592	497,406	(725,643)	—	807,355

Overseas funds

This fund comprises monies for Salesian work carried out in selected overseas locations.

22 Restricted funds (continued)

Bursary funds

The bursary funds held at Salesian College Farnborough are for providing assistance for meeting fees in cases of hardship. At 31 December 2021 the fund amounted to £34,508 (2020 – £34,508).

Development funds

The development funds comprise amounts collected via direct debit into a dedicated bank account to be distributed for community support in the UK and overseas, as specified by the donors.

Legacy fund

The legacy fund represents monies administered by the charity on behalf of individual members of the British Province of the Salesians of Don Bosco.

23 Designated funds

	At 1 January 2021 £	Withdrawals £	Designations £	At 31 December 2021 £
Ministry of the members of the Congregation and their support and retirement fund	15,000,000	—	—	15,000,000
Savio House support fund	10,000,000	—	—	10,000,000
Youth ministry fund	5,000,000	—	—	5,000,000
Salesian College Farnborough fund	6,329,236	8,925,917	(7,955,602)	7,299,551
Group total	36,329,236	8,925,917	(7,955,602)	37,299,551
Less: Salesian College Farnborough fund	(6,329,236)	(8,925,917)	7,955,602	(7,299,551)
Charity total	30,000,000	—	—	30,000,000

	At 1 January 2020 £	Withdrawals £	Designations £	At 31 December 2020 £
Ministry of the members of the Congregation and their support and retirement fund	15,000,000	—	—	15,000,000
Savio House support fund	10,000,000	—	—	10,000,000
Youth ministry fund	5,000,000	—	—	5,000,000
Salesian College Farnborough fund	5,183,822	(8,131,187)	9,276,601	6,329,236
Group total	35,183,822	(8,131,187)	9,276,601	36,329,236
Less: Salesian College Farnborough fund	(5,183,822)	8,131,187	(9,276,601)	(6,329,236)
Charity total	30,000,000	—	—	30,000,000

23 Designated funds (continued)

Ministry of the members of the Congregation and their support and retirement fund

This consists of monies which the trustees have set aside in order to support the confrères in the future and, in particular, to provide for the confrères who need support due to illness or frailty and as they grow older. This latter category of support may include additional help or the need for specialist assistance in care homes. Over the coming years, it is anticipated that the age profile of the confrères will mean that such support will be required for an increasing number at an increasing cost which will need to be met by the charity as none of the confrères have resources of their own. The amount set aside was reassessed as at 31 December 2021 to ensure provision has been made based on the ages of the confrères, their expected remaining lives as derived from life expectancy tables used by actuaries, the estimated cost of care for older people in the United Kingdom, and the estimated return on investment assets. Those calculations suggest that a reserve of £15 million was still required and so the trustees, following professional advice, have left the designated reserve at £15 million.

Savio House support fund

This fund is represented by investments set aside to generate income to be applied towards assisting with funding the operating deficits at Savio House Retreat Centre. Income generated by the investments representing the fund is added to the fund each year and withdrawn if needed to meet any shortfall in income. The trustees increased this reserve to £10 million as at 31 December 2019 in anticipation of the deficits suffered during the Coronavirus pandemic. As at 31 December 2021, no further designations were considered to be necessary.

Youth ministry fund

One of the key missions of the Congregation of the Salesians of Don Bosco and hence of the charity is to minister to the needs of the young to bring all their talents and aptitudes to full maturity. Whilst the work of Savio House in part assists in the achievement of the mission, the charity reaches out to the young in many other ways and seeks always to develop further its work on the education and pastoral and practical care of young people, especially those in most need of such care and support. To this end, the trustees have designated £5 million to enable such work and its development to continue and flourish in the years ahead through the Youth Ministry Team, the Office for Social Media and Communications, via the charity's connections to the schools founded by the Congregation and through a myriad of other means.

Salesian College Farnborough fund

This fund represents the accumulated funds and net assets of the Salesian College Farnborough Limited.

24 Tangible fixed assets fund

	Total 2021 £	Total 2020 £
Group and charity		
At 1 January 2021	20,855,013	21,231,251
Net movement in year	(408,205)	(376,238)
At 31 December 2021	20,446,808	20,855,013

The tangible fixed assets fund represents the net book value of the group's and charity's land and buildings, excluding investment properties, those financed out of restricted funds and those financed directly by Salesian College Farnborough which are included as part of the Salesian College Farnborough fund within designated funds. The decision was made to separate this fund from the other funds of the group in recognition of the fact that the tangible fixed assets are essential to the day to day work of the charitable group and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

25 Analysis of net assets between funds

Group	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2021 £
Fund balances at 31 December 2021 are represented by:					
Tangible fixed assets	—	20,446,808	4,843,550	—	25,290,358
Investments	11,406,811	—	31,028,980	—	42,435,791
Net current assets	1,072,488	—	1,677,442	1,343,298	4,093,228
Creditors: amounts falling due after one year	—	—	(250,421)	—	(250,421)
Total net assets	12,479,299	20,446,808	37,299,551	1,343,298	71,568,956

Group	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2020 £
Fund balances at 31 December 2020 are represented by:					
Tangible fixed assets	—	20,855,013	4,954,988	—	25,810,001
Investments	7,742,625	—	30,875,196	—	38,617,821
Net current assets	138,596	—	921,079	841,863	1,901,538
Creditors: amounts falling due after one year	—	—	(422,027)	—	(422,027)
Total net assets	7,881,221	20,855,013	36,329,236	841,863	65,907,333

25 Analysis of net assets between funds (continued)

Charity	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2021 £
Fund balances at 31 December 2021 are represented by:					
Tangible fixed assets	—	20,446,808	—	—	20,446,808
Investments	11,406,811	—	30,000,000	—	41,406,811
Net current assets	1,072,488	—	—	1,308,790	2,381,278
Total net assets	12,479,299	20,446,808	30,000,000	1,308,790	64,234,897

Charity	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2020 £
Fund balances at 31 December 2020 are represented by:					
Tangible fixed assets	—	20,855,013	—	—	20,855,013
Investments	7,742,625	—	30,000,000	—	37,742,625
Net current assets	138,596	—	—	807,355	945,951
Total net assets	7,881,221	20,855,013	30,000,000	807,355	59,543,589

The total unrealised gains (losses) as at 31 December 2021 constitutes movements on revaluation and are as follows:

Group and charity	2021 £	2020 £
Unrealised gains included above:		
On tangible fixed assets *	7,322,276	7,184,842
On investment properties *	2,325,000	2,325,000
On listed investments	6,804,495	5,967,040
Total unrealised gains at 31 December 2021	16,451,771	15,476,882
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2021	15,476,882	16,032,907
Difference between historical cost realised gains/losses on listed investments and the actual realised gains/losses thereon calculated on the revalued amounts	(1,951,411)	(6,607)
Unrealised gains (losses) on listed investments arising in the year	2,788,866	(422,564)
Difference between the depreciation charge based on historic cost and that based on the deemed cost	137,434	(126,854)
Total unrealised gains at 31 December 2021	16,451,771	15,476,882

*Certain of the charity's freehold land and buildings were acquired many years ago and precise figures for the historical cost of some properties are not available. However, it is known that the original purchase price of those properties was insignificant in today's terms. Hence the cost of the land and buildings of those properties has been assumed to be £nil.

26 Salesian College Farnborough Limited

The trustees of the charity are also the trustees of Salesian College Farnborough Limited, a charitable company separately registered with the Charity Commission (Company Registration No. 06753037 (England and Wales) and Charity Registration No. 1130166). The charitable company was incorporated to undertake the activities of Salesian College Farnborough.

The following is a summary of the accounts of Salesian College Farnborough:

	31 December 2021 £	31 December 2020 £
Summary balance sheet		
Tangible fixed assets	4,843,550	4,954,988
Investments	1,029,980	875,193
Debtors	478,089	273,725
Cash at bank and in hand	2,879,283	1,975,482
Creditors: amounts falling due within one year	(1,571,829)	(1,220,355)
Creditors: amounts falling due after more than one year	(250,421)	(422,027)
Net assets and total funds	7,408,652	6,437,006

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Summary of the statement of financial activities		
Total income	8,926,247	9,287,608
Total expenditure	(7,955,601)	(8,125,525)
Net movement in funds	970,646	1,162,083
Fund balances brought forward at 1 January 2021	6,437,006	5,274,923
Fund balances carried forward at 31 December 2021	7,407,652	6,437,006

27 Connected charity

The Stacpoole Trust ("the Trust") (Charity Registration Number 1137378) is connected to the charity by virtue of the fact that it has a trustee in common. The objects of the Trust are to further the Roman Catholic Religion for the public benefit of the Diocese of Southwark.

28 Pension commitments

Teacher's Pension Scheme (TPS)

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- ♦ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and

28 Pension commitments (continued)

Teacher's Pension Scheme (TPS) (continued)

Scheme Changes (continued)

- ◆ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.
- ◆ The next valuation result is due to be implemented from 1 April 2023.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The amount charged to the group statement of financial activities for the year ending 31 December 2021 was £636,579 (2020 – £621,155). The total amount charged to the charity statement of financial activities was £nil (2020 – £nil).

Pension contributions in respect to other employees

Pension contributions are also made by the trustees under money purchase arrangements on behalf of other employees not employed by Salesian College Farnborough Limited. In addition, contributions are also made for employees of the Salesian College Farnborough Limited who are not members of the Teachers' Pension Scheme. Contributions payable in respect to the year ended 31 December 2021 and charged to the group statement of financial activities amounted to £95,363 (2020 – £98,500). Contributions payable charged to the charity statement of financial activities amounted to £33,078 (2020 – £35,323).

29 Leasing commitments

Finance leases

At 31 December 2021 the group and charity had total commitments under non-cancellable finance leases as follows:

	Computer Equipment	
	2021	2020
Group	£	£
Operating lease commitments:		
Within one year	19,414	—
Within two to five years	70,621	—
	90,035	—

Operating leases

At 31 December 2021 the group and charity had total commitments under non-cancellable operating leases as follows:

	Motor vehicles and other	
	2021	2020
Group	£	£
Operating lease commitments:		
Within one year	119,768	156,673
Within two to five years	116,477	170,654
	236,245	327,327

	Motor vehicles	
	2021	2020
Charity	£	£
Operating lease commitments:		
Within one year	68,154	68,154
Within two to five years	38,025	106,179
	106,179	174,333

30 Contingent liability

A contingent liability arises in respect of potential claims against the charity concerning the welfare of children during the 1960s through to the 1980s. The amounts that may be involved cannot be fully quantified but are not expected to be material to the accounts.

31 Custodian funds

As at 31 December 2020 the charity held funds on behalf of members of other religious orders with a value of £217,322. As these funds were not controlled by the charity, these assets were not included in the accounts. No custodial funds were held as at 31 December 2021.

32 Related party transactions

Income from donations includes the salaries and pensions of the trustees of the Congregation received under Gift Aid or deed of covenant. During the year ended 31 December 2021, £64,819 (2020 – £68,455) was receivable by the charity, being pensions and salary income of the trustees donated to the charity.

There were no other related party transactions requiring disclosure during the year (2020 – none).

33 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Society of the Salesians of Don Bosco by virtue of the fact that the General Council in Rome appoint the trustees after consultation with the members of the Province. The Society within the United Kingdom does not hold any assets, incur liabilities or enter into transactions in its own right. Assets and liabilities of the Congregation in the United Kingdom are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Society's charitable activities in the United Kingdom.