

**The English
Province of
The Community of
The Religious
Of Jesus and
Mary
Charitable Trust**

Annual Report and Accounts

31 August 2020

Charity Registration Number
247358

Reports

Reference and administrative information	1
Trustees' report	3
Independent auditor's report	20

Accounts

Statement of financial activities	23
Balance sheet	24
Statement of cash flows	25
Principal accounting policies	26
Notes to the accounts	34

Reference and administrative information

Trustees	Sister C Aymar Sister P Donovan Sister H M Haigh Sister J Hunter Sister G Lawlor Sister B Kilbride Rev J M Williams (The trustees are incorporated under the Charities Act 2011)
Provincial Superior	Sister H M Haigh
Provincial Administrator	Sister J Hunter
Provincialate	63 Orwell Road Felixstowe Suffolk IP11 7PP
Charity registration number	247358
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Rathbone Investment Management Limited Port of Liverpool Building Pier Head Liverpool L3 1NW
Bankers	HSBC Bank plc Essex and Suffolk Commercial Centre Fenton House 85-89 New London Road Chelmsford Essex CM2 0PP The Royal Bank of Scotland plc PO Box 39952 4 th Floor 2 ½ Devonshire Square London EC2M 4WS

Reference and administrative information

Solicitors	Pulham & Co Egmere House Market Place Saxmundham Suffolk IP17 1AG J Garrard & Allen 4 High Street Olney Buckinghamshire, MK46 4BB
-------------------	---

Trustees' report 31 August 2020

The trustees present their statutory report together with the accounts of The English Province of the Community of the Religious of Jesus and Mary Charitable Trust ("the charity") for the year ended 31 August 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 26 to 33 of the attached accounts and comply with the charity's trust deed, 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 Community of Jesus and Mary ("the Congregation") is an international Roman Catholic religious congregation founded by St Claudine Thevenet in Lyons (France) in 1818. The Congregation is organised into thirteen provinces and two delegations with members active in educational ministries in 28 countries.

The accounts accompanying this report are the accounts of the charitable trust on which the assets of the Congregation in England and Wales are held.

Objectives and mission

The English Province of the Community of the Religious of Jesus and Mary Charitable Trust aims to support the religious and other charitable work carried out by members of the Congregation. These works fall into the following main areas:

1. The provision and running of a Catholic school, Thornton College, in Buckinghamshire. It is an independent boarding and day school for girls with around 400 pupils, aged from four to eighteen years. Boys are received into the nursery and pre-school sections.
2. The provision of educational, care, social and pastoral services offered by individual sisters. As well as the private prayer and worship offered by them, the sisters pray and worship in the wider community and their houses are open and receive people of all faiths and none to pray and benefit from places of quiet and reflection, spiritual guidance and a listening presence. A Retreat House in Felixstowe is now also part of their apostolic work as well as an "outreach" project with a large secondary school in London formerly owned and administered by the Sisters.
3. Support for the charitable work of the Congregation in other countries. It is the specific responsibility of the sisters of the English Province to care for the two missions in the Middle East. On account of the present circumstances, they are now unable to send sisters to the Middle East. However, the assistance provided from the UK enables the sisters who do live there to contribute to the life and welfare of the Christians and others among whom they live.

In the realisation of these objectives, it is the view of the trustees that due care is taken to ensure that the Charity Commission's guidelines on public benefit have been followed.

Activities, achievements and relevant policies

Thornton College



Thornton College, Convent of Jesus and Mary, is an independent, non-selective day and boarding school for girls aged between 4 and 18 years. It also has the Genevieve Nursery as part of the establishment, catering for both boys and girls, aged between 2½ and 4 years.

The mission statement of the school is: *“To educate young people to meet the challenges of life courageously, to use their talents to the full, and to live the values of Christ’s gospel.”*

To this end, Thornton College aims to provide a broad Christian education in the Catholic tradition for all of its pupils and encourages high academic achievement. The social, moral and creative dimensions of the pupils’ lives are given priority in the programmes followed and in the ethos of the College.



A community of the Sisters of Jesus and Mary lives at the heart of the College. They support the staff and pupils through their prayers, and practically within the classroom and beyond. They are available to comfort and counsel the pupils and the staff and they are witness to the living presence of Christ within the community. The work of the parishes continues to be supported and several parishes, as well as the Diocese of Northampton, regularly use the facilities at Thornton for retreats, talks, courses and celebrations. The College is always happy to welcome them to Thornton and this invitation is also extended to local schools and those in Milton Keynes and the wider Diocese. One sister is the Chair of the Ecumenical Executive of the Diocese which holds its meetings in Thornton.

Hospitality and sharing of resources



In a rural area with few local facilities, the College offers hospitality to local schools, parishes and groups which wish to take advantage of its grounds and facilities. For example, Thornborough Primary School has time-tabled use of the College sports hall; pilgrims walking to Walsingham; Diocesan courses for deacons, priests, religious and the laity; courses for teachers from the Diocese; and the Village Council for public meetings.

Activities, achievements and relevant policies (continued)

Thornton College (continued)

Scholarships and bursaries

The governors and trustees continue to ensure that scholarships and bursaries are awarded regularly in accordance with the budgetary considerations of Thornton College and are offered to enhance one of the core purposes of the College in offering education to all. Scholarships are offered in Years 7, 9 and 12. Many bursaries and scholarships are awarded to benefit pupils who would not normally be able to experience the learning atmosphere at Thornton without the College's long term support. In the College's experience, the recipients would be unable to attend the school without this help. Bursaries are also awarded for the short-term assistance of families who are experiencing a downturn in the financial ability to pay fees. Discounts are also offered to all parents for two years if they move to the College directly from the Genevieve Nursery.

Formation

The Head & Deputy Head have completed the appropriate Safeguarding and Safer Recruitment training. There is an Assistant Head who is the Designated Safeguarding Lead and the Head of Learning Support and the EYFS Manager are also Deputy Safeguarding Leads. All members of staff have Safeguarding Training annually, along with FGM and Prevent. Governors also receive annual Safeguarding Training.

Covid-19

The College closed on 23 March 2020 and again in early January 2021 in line with Government instructions to all schools. However, it remained open on site for the children of key workers and also vulnerable children. Full curriculum and pastoral programmes were put in place and were monitored by teachers and staff during the normal school day. This was extended to all students, national and international. Personal day-to-day contact was maintained with parents and guardians through e-mail, letters and phone calls. The College has also committed to supporting parents who are facing difficulties with paying fees. It is expected that pupil numbers will decrease, particularly international boarders who may not be able to return to school due to border restrictions. All of these factors will impact on the income receivable by the College.

To limit non-essential expenditure as many as possible of the non-teaching staff were furloughed with an immediate saving on certain costs from catering, transport, housekeeping, maintenance and administration. In order to help families a 10% reduction of fees was agreed for Trinity Term 2020 and no increase in fees for autumn 2020. In addition, it was agreed that there would be no salary increases for autumn 2020. A programme of recruitment, especially internationally, during the academic year 2020-2021 with effect from 2021-2022 onwards is being developed in order to rebuild in particular the boarding area of the College.

Given the importance of the College as a mission of the Religious and Mary, the trustees will continue to support Thornton College financially and to steer it through this crisis in the short term. A longer-term appraisal of the viability of the College is underway with the intention of securing its future.

Activities, achievements and relevant policies (continued)

Social and pastoral work

The social and pastoral work carried out by the sisters is largely on a voluntary basis. Given the age of the majority of the sisters, salaried employment is now not possible. However, where appropriate, the trustees try to ensure that the work carried out by the sisters is remunerated by a stipend, which is donated to the charity thus enabling this service to continue into the future. At Thornton College, each of the sisters is active in helping the pupils and staff, teaching some students and generally offering wise counselling when needed.

The overall aim in all this is to ensure that the sisters are enabled to contribute where possible, to the life of the local area in which they live and also further afield.

Felixstowe

In Felixstowe, the Community continues to offer its services in terms of welcome, retreat and hospitality. This year saw a further extended Youth Retreat, in September, with 70 youth joining us from the Convent of Jesus and Mary Language College Willesden.

The Community makes its facilities available to a number of groups from the town as well as for parish activities. The Association of the Family of Jesus and Mary meets monthly and undertakes a variety of activities which include the raising of funds for the "foreign missions". A weekly Craft Group, two Art Groups, Orwell Connection Choir, annual meetings of a local housing group and a bi-weekly Elderly Citizens Parish Group also make use of the hall. A small thriving nursery continues to use both the hall and other spaces on a daily basis from Monday to Friday. Felixstowe continues to run as a Manual Handling Centre, where a local outside care company comes to receive Manual Handling Training from the resident Care Manager.

March, saw the halt of all activities with COVID 19 forcing us to close the Convent to outside activities, which included the Nursery school. However, this did not stop the Convent from offering services to the Community. An online retreat programme was started and has reached a number of lonely and vulnerable older people. Over 70 sets of scrubs and gowns were produced for our local District Nursing Team and 200 masks were made and sent to our schools.

The ongoing COVID issues have seen the permanent closure of the Nursery school in its present state. But with Nursery places at critical levels in Suffolk the Congregation has undertaken to reopen a new upgraded Nursery in 2021 to meet those local needs.



Activities, achievements and relevant policies (continued)

Social and pastoral work (continued)

Felixstowe (continued)



Ipswich

The property, which was extensively renovated, is not big enough or now practical for the community in Felixstowe. This year a lease on the house was offered to L'Arche, (French for "The Ark"), a Catholic movement which was founded in France in 1964 by Jean Vanier, L'Arche is an International Federation of 143 communities in 35 countries, in which people with learning disabilities and others make their home together to everyone's benefit.

Caring for members of the Congregation

On being accepted as members of the Congregation, the sisters commit themselves entirely to its life and work and in return, the Congregation accepts the responsibility to care for them throughout their lives. The trustees seek to fulfil this moral and legal obligation by the appropriate use of resources, finances, personnel and property, according to need and always within the fundamental objective of the Congregation. In England, specific "geriatric" care facilities are provided at present in the house at Felixstowe. Therefore, the sisters are assured that, except in special cases, they will be cared for within the community.

Caring for the members of the Congregation remains an important obligation, both morally and legally. These sisters have no independent means and have given the greater part of their lives to the mission undertaken by the Congregation in England and abroad. Given that the median age of the sisters, including our Arab sisters in the Middle East, is now 78 years, this care is a focus for the attention of the trustees.

Activities, achievements and relevant policies (continued)

Overseas missionary work

The community of the Religious of Jesus and Mary, has been responsible for the missions in the Middle East for over fifty years. Many of the sisters of the Province have spent time in these communities. It continues to be an important part of the trustees' responsibilities to support these missions which offer moral and educational support to the dwindling (and now threatened) Christian communities in that region of the world. At present, there are two communities in the region.

Middle East

The 2 Sisters living in Lebanon continued a pastoral presence in the school until the Covid-19 pandemic caused the periodic closure of the school. The death of a student and the loss of property and businesses caused by the explosions at the port in Beirut in August 2020 has also affected the school community. Nonetheless they are actively seeking practical ways to help their neighbourhood.

The work in the Patriarchal University Residence in the Old City of Damascus continues and the community there takes care of nearly 50 young women from different parts of Syria and some other Arab countries who come to study in Damascus. Though studies have been interrupted this year the Residence has remained open for the needs of the students.

The community property in Damascus Old City is used to house "Hope Centre" a project which aims to help young adults and local women. Two young women have formally joined the community to begin formation for Religious Life. The small factory making underwear garments in the ancient Christian village of Ma'aloula and a factory making jeans in Aleppo are under the responsibility of the community in Damascus and these places of work give employment to over fifty persons. The economic consequences of the sanctions have caused difficulties with sourcing material for the factories and the work has been intermittent. While these projects show the shift in emphasis in Syria towards helping people resettle with security, as well as providing emergency aid, the huge increase in prices and the dramatic further fall in value of the Syrian currency have made the need for help with basic provisions a real necessity for many families. The Community continues to work closely with Aid to the Church in Need and other aid agencies distributing clothing and resources to many families.

Middle East

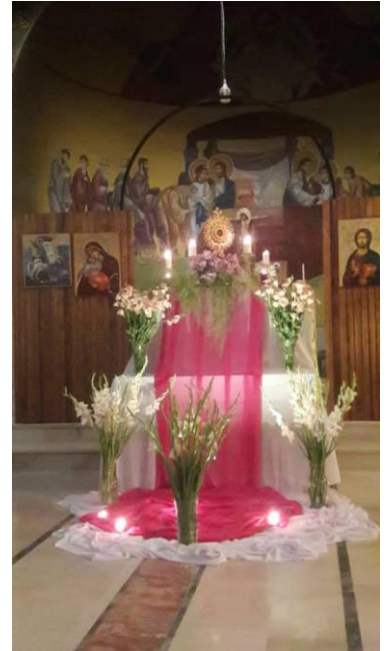
The project "The Dina Belanger Centre for Healing through art and music", funded by aid from Caritas in Germany and our own communities in Canada, has also continued to function intermittently.

Regular prayer meetings in Ma'arouni village and the Franciscan parish in the Old City are prepared and animated by the community to help the spiritual life of young people.

Activities, achievements and relevant policies (continued)

Middle East (continued)

It is proving difficult to support the mission in the Middle East both financially and with regular visits. No visit has been possible in 2020 and this is a cause of concern. Thanks to social media, other regular contacts are possible.



Donations in support of miscellaneous charitable activities

The charity is not a grant making charity. However, it does support the international work of the Congregation and it donates funds directly to the Congregation's communities established in impoverished regions.

Activities, achievements and relevant policies (continued)

Investment policy

At 31 August 2020, the charity had a portfolio of investments with a market value of £15,215,123 (2019 - £15,151,463). This portfolio is managed by Rathbones Investment Management (UK) Limited. The objectives of the trustees' investment policy are:

- ◆ to achieve a balance between income generation and capital appreciation;
- ◆ the balance of the fund should lean towards equities, but with diversification, achieved by investing in common investment funds;
- ◆ an overall strategy of maximising total return, within acceptable levels of risk.

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

The trustees meet with the investment managers regularly to review the performance of the portfolio, the investment strategy and the ethical policy.

The careful management of these investments is seen as essential if the charity is to be able to continue its work of education and care adequately for the needs of its elderly members.

Financial review

Results for the year

A summary of the year's results can be found on page 23 of the attached accounts.

During the year, total income amounted to £7,011,391 (2019 - £7,698,028). Income for the year included donations of £364,318 (2019 - £388,015). These include £302,631 being the pensions and related income received by members of the Congregation and donated to the charity under a Gift Aid compliant deed of covenant. Income also includes £468,179 being investment income and interest receivable, income from other sources of £76,241 and income from the government furlough scheme of £138,942. However, the principal source of income is from the provision of education at the charity's independent school, Thornton College. In the year to 31 August 2020 this amounted to £5,952,478 (2019 - £6,679,576) with the reduction due to the impact of Covid-19 and a consequential 10% reduction of the summer term fees

Expenditure for the year totalled £7,472,207 (2019 - £7,678,798). Expenditure on Thornton College amounted to £6,561,067 (2019 - £6,662,881) with the largest expense item continuing to be staff costs which totalled in excess of £4.1 million. Expenditure by the charity on the support of members of the Congregation and their ministry amounted to £707,928 (2019 - £838,475) with the decrease primarily in respect to higher premises costs in the prior year. Donations in support of various charitable causes amounted to £115,975 (2019 - £105,403).

Net expenditure before investment losses was £461,042 (2019 – net income of £19,230).

Net expenditure after investment losses was £787,467 (2019 – net income after investment gains £348,106).

Financial review (continued)

Investment performance

The investment managers continued to invest in accordance with the trustees' investment policy set out earlier. During the year, the charity's investments, excluding cash instruments, achieved an income yield of 3.3% (2019 – 3.5%). The stock market results in a negative capital yield of 2.3% (2019 – capital yield of 3.3%).

The trustees are satisfied with the performance of the portfolio in the current climate.

Reserves policy

The trustees consider that, given the nature of the charity's work, the level of free reserves should be sufficient to meet at least six months' annual expenditure at any time i.e. £3.9 million approximately.

In particular, at the current time, the reserves need to be sufficient to enable the charity to operate in the exceptional circumstances created by the Covid-19 pandemic.

The balance sheet shows total reserves of £26.5 million (2019 - £27.2 million).

£8.4 million (2019 - £8.5 million), representing the net assets of Thornton College, has been designated by the trustees for use by the school only.

£7.6 million (2019 - £7.6 million) is designated by the trustees to provide for the sisters in their retirement. The value of the fund has been calculated using actuarial principles. Given the increasing age profile of the sisters and the lack of new vocations, this sum will provide only modest resources to look after the sisters, many of whom will need increasing, and increasingly expensive, residential and nursing care.

The trustees continue to set aside the congregational development fund set up in 2017 of £1.5 million. These monies are to be applied as and when needed, to develop the work of the Congregation both in the United Kingdom and overseas.

The trustees have also continued to set aside £393,721 (received in 2017 from the Generalate of the Congregation) towards the care of the sisters in the Middle East.

A further £1.2 million (2019 - £1.7 million) represents the tangible fixed assets of the charity (excluding those used by Thornton College) and comprises a separate fund in recognition of the fact that such assets are required to support the day-to-day work of the sisters and cannot therefore be realised easily if needed to meet future contingencies.

A programme related investment fund of £1.4 million was established in 2018 following the decision and agreement to lease out one of the charity's properties in Ipswich on favourable terms to L'Arche, an organisation which uses the property for purposes consistent with the charity's charitable objectives. The fund highlights the fact that the value representing the property cannot be realised in the short to medium term.

The free reserves available to support the sisters and their work generally in the future are shown on the balance sheet as the general fund and amounted to £6.0 million at 31 August 2020 (2019 – £6.1 million).

Financial review (continued)

Reserves policy (continued)

The trustees acknowledge that this figure exceeds the reserves policy set out above. However, they are conscious also that the figure includes significant unrealised gains that have accrued on the charity's listed investments over the past few years and which are dependent on the performance of world stock markets. At the current time, markets are volatile because of economic uncertainties and Covid-19 and, as such, the trustees believe it prudent to hold higher reserves. They believe that the charity's free reserves at 31 August 2020 were adequate but not excessive. In particular, the level of reserves is deemed sufficient when considered in the light of the uncertainties arising due to the Covid-19 pandemic.

Future plans

Congregation

The Trustees see continuity in their future plans and their planning has 5 main areas:

- ◆ Continued support for Thornton College
- ◆ Continued support for the Middle East
- ◆ Strengthen the mission in London through a Greater collaboration with Convent of Jesus and Mary Language College, Willesden.
- ◆ Extend the retreat centre in Felixstowe at a local and national level
- ◆ Opening a nursery in Felixstowe
- ◆ Congregational support for increased Ministry, with a particular emphasis for Vocations.

Thornton College

The Governors and Trustees are pleased with the numbers of students at all levels within the school and, in particular that the new sixth form is settling well. It is recognised that the significant investment in the expansion of facilities will take some years to generate returns and existing infrastructure will require investment to ensure that it is maintained up to date. The reputation of the College is key to continued success and the marketing and development manager has worked hard enhancing and spreading the College's reputation more widely. This is evident from the increased interest from the overseas market. The College recognises that boarding is an area of likely positive growth and as such consideration into increasing the number will be the focus going forward when the effects of the Covid-19 pandemic subside.

Over the last three years significant, largely invisible, investment had been made in the infrastructure of the buildings to support growth and the College must now enter a period of consolidation to generate funds before it can embark on the next phase of expansion and investment. This period of consolidation is necessary to ensure the financial stability of the College into the next decade.

Governance, structure and management

Governance

In terms of Canon Law, the Congregation is governed at an international level by the Superior General and her Council in Rome. These sisters are elected every six years at a General Chapter during which members of all the provinces of the Congregation meet to evaluate the previous years and set goals and objectives for the future. Each province is governed by a Provincial Superior appointed by the Superior General and her councillors. Similarly, each community has its own Local Superior. The Superior General and/or her councillors visit the provinces at least once during her mandate to encourage the sisters in their mission and life.

In terms of civil law, the charity is governed by a trust deed dated 18 February 1966 and is registered under the Charities Act 2011, Charity Registration Number 247358.

In accordance with the terms of the trust deed, trustees are appointed by the Provincial Superior. In assisting and supporting the province, trustees work closely with the Provincial and General Councils of the Congregation.

Thornton College has a board of governors, all of whom are appointed by the trustees. The trustees of the charity maintain overall responsibility for the College and its assets. The governing body of the College works with the trustees in determining the general direction of the College and operates within the powers set out in the Instrument of Governance which was last reviewed in August 2018

In accordance with the Instrument of Governance, the governing body should comprise:

- ◆ A maximum number of sixteen and a minimum number of ten governors appointed by the trustees of whom at least three shall be members of the Congregation of Jesus and Mary (one of these being the Provincial Superior or her delegate).

Governors hold office for three years and are eligible for reappointment.

All except one of the trustees are members of the Congregation of Jesus and Mary. But all are trained teachers with university degrees and/or teaching qualifications. Several have been head teachers; two have been involved in the government of the Congregation at an international level; one of the trustees has lived for several years in the Middle East and the majority have visited the area on several occasions; and two of the trustees have previously served as Provincial or General Administrators/Bursars.

All trustees have knowledge of the charity and of its structures. The trustees are responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regards to the charity and its activities and make any important decisions. The trustees regularly seek advice and support from the charity's professional advisers, including property consultants, investment managers, solicitors and accountants, to ensure that the charity is properly administered.

The names of the Trustees who were in office between 1 September 2019 to the date on which this report was signed are set out on page 1 and brief biographical details of each of the current trustees is given below:

Governance, structure and management (continued)

Governance (continued)

Sister Carmen Aymar

Sister Carmen Aymar worked for many years in Jesus and Mary schools in Spain (Alicante and Zaragoza), initially as a physics teacher for final year students and later as school principal for fifteen years. She has served on the General Council of the Congregation for fifteen years: during the first six as the person responsible for education and subsequently as General Bursar. As a member of the General Government she visited and supported communities and apostolic works of the Congregation in 28 different countries. She is currently responsible for the communities in France, Italy and Germany.

Sister Joan Hunter - Charity Administrator

Sister Joan is originally from the Irish province where she spent several years as a qualified teacher of Home Economics. She joined the English province over twenty years ago and has since been responsible for the care of the elderly sisters at Felixstowe. She has experience of governance within the Irish province as well as in the English province. She has been the Charity Administrator since January 2017. She is a Governor at Convent of Jesus and Mary Language College, Willesden.

Sister Patricia Donovan

Sister Patricia worked for many years in several primary schools in the London Borough of Brent. She was, for twenty years, the headmistress of the Congregation's infant school in Willesden Green which has now been passed to the trusteeship of the Diocese of Westminster. She is currently the Superior of the Thornton Community.

Sister Helen Mary Haigh – Chair of Trustees

Sister Helen Mary was appointed Provincial Superior by the General Council of the Congregation in March 2010 and formally assumed the responsibilities on 23 May 2010. Her mandate was renewed for a further 4 years until May 2020. She is now responsible for the communities in England, Lebanon and Syria. Previously, Sister Helen Mary was Charity Administrator for six years. She had worked for several years as a teacher in the Congregation's schools in Ipswich and London before going to the community in Damascus, Syria. She worked for twelve years in Damascus and Lebanon, as a teacher and subsequently as a principal in the school near Beirut. Sister Helen also served as a general councillor with responsibility at an international level for overseeing the formation sector of the Congregation.

Sister Brenda Kilbride

Sister Brenda has taught in the Congregation's schools for many years, latterly working at Thornton College as a Religious Education teacher, as well as being responsible for the preparation of the liturgical music for the boarders and the community, a task that she now undertakes in our local parish, no other organist being available. She has a long experience of the work of a Provincial Councillor and a trustee. Sister Brenda went as a volunteer to our community in Lagos, Nigeria, in 2008-09 and then again in 2012-13. She returned to Thornton in August 2013 and resumed her previous duties there.

Governance, structure and management (continued)

Governance (continued)

Rev John Mervyn Williams

Father Mervyn has been a professed member of the Salesians of Don Bosco, a Roman Catholic Religious Order, since 1965 and a Roman Catholic Priest since 1975. He has considerable experience of religious life, education and charity management and administration. He was a secondary school head-teacher for over seventeen years and for the eighteen years until 2020 was responsible for managing the business of the registered charity Salesians of Don Bosco UK as Provincial Bursar. He was also a Salesian trustee for eighteen years until 2020. He first met the Religious of Jesus and Mary in 1972.

Sister Gerarda Lawlor

Sister Gerarda belongs to the Irish province of the Congregation of Jesus and Mary. In 1974, she completed a BA Degree in Irish and Spanish and an MA in Spanish in 2005. She has also completed one-year courses in Theology and Pastoral Leadership at the Mater Dei and All Hallows Institutes respectively. Having taught for some years in several Jesus and Mary schools in Ireland, Sister Gerarda was appointed in 1990 as Principal of the Jesus and Mary Secondary All-Girls School Salerno, Galway, a post which she still holds. Sister Gerarda contributed to the setting up of the Le Chéile Schools Trust in Ireland and has served as a Director since its establishment in 2009. The Trust is responsible for over 60 schools which belong to over 14 Congregations.

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources 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 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);
- ◆ 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.

Governance, structure and management (continued)

Statement of trustees' responsibilities (continued)

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Key management personnel

The trustees consider that they, together with the Executive Team at Thornton College, (i.e. the Head, Deputy Head, Bursar, Assistant Heads and Development and Marketing Director), the Lay Administrator and Care Manager at Felixstowe Community comprise the key management of the charity in charge of directing, controlling, running and operating the charity on a day to day basis. Living costs and personal expenses of the trustees who belong to the English Province are borne by the charity. They, and the other trustees receive no remuneration or reimbursement of expenses in connection with their duties or responsibilities as trustees.

Structure and management

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet on average every three months, and more often when necessary, to review developments regarding the charity and to make any necessary decisions. All meetings are carefully minuted and records are properly kept. The day-to-day management of the charity's activities is delegated to the appropriate members of the Congregation or senior staff.

In the year ended 31 August 2020, there were two communities in England and two in the Middle East. One of the two communities in England, Felixstowe, is in Suffolk (the community in which the elderly and infirm sisters are cared for). The second community is in Thornton, Milton Keynes, where the sisters are actively involved in the day-to-day life of Thornton College. On 31 August 2020, 26 sisters belonged to the Province; six of whom were in the Middle East communities and one in the Community in Lyon.

The day-to-day responsibility for Thornton College is in the hands of the Head teacher. Mrs Val Holmes, who was appointed Head teacher from 1 September 2018. The Head teacher works closely with the trustees and the governors to ensure the professional leadership of the College. There are meetings of the full governing body as well as of the different committees that make up that body each term. Three of the seven trustees serve as governors of the College.

The Bursar, Mrs Jane Sanders, is responsible for the financial administration of the school and she works closely with the trustees, the Finance and General Purposes Committee of the governing body and the Head. She is responsible for preparing for the audit of the school's accounts.

Governance, structure and management (continued)

Structure and management (continued)

The Community Care Manager and Lay Administrator, Mrs Carol Charles, is responsible for the day to day running of the Care and staff for the Community in Felixstowe. She is responsible for the financial administration at local community level and is directly accountable to the Trustees for her management of the Charity's finances and other resources. She prepares the annual charity audit.

There is a formal meeting between the trustees and the senior management of the College each term, and more often when needed, to discuss the rolling maintenance, capital projects, and major needs of the College.

Working with other organisations

The charity works closely with a number of other charities and public bodies in the field of education, care, social and pastoral services. Some examples of organisations with which some of the sisters and the school community work on a voluntary basis are:

- ◆ The Roman Catholic Dioceses of East Anglia and Northampton
- ◆ The Greek Melkite and Latin Dioceses of Damascus and Aleppo, and the Maronite Diocese of Antelias
- ◆ The Association for the Propagation of the Faith, Caritas-Liban
- ◆ CAFOD
- ◆ Aid to the Church in Need
- ◆ Children Helping Children
- ◆ The Congregation's Mission in Pakistan
- ◆ The Congregation's Mission in Syria
- ◆ Northampton Hope Centre
- ◆ Milton Keynes Food Bank
- ◆ The Luffield Group (which promotes partnership and co-operation between local state and independent schools)
- ◆ St Paul's, St Thomas Aquinas School and St Monica's Schools in Milton Keynes
- ◆ Catholic Schools Liaison Group, Milton Keynes
- ◆ Girls' Schools Association
- ◆ I.S.A. (Independent Schools' Association)
- ◆ AGBIS
- ◆ Catholic Independent Schools' Conference
- ◆ Diocese of Northampton Independent Catholic Schools Association
- ◆ The Convent of Jesus and Mary Language College, Willesden

Governance, structure and management (continued)

Risk management

The trustees have assessed the major risks which the charity is exposed to, in particular those relating to the specific operational areas of the charity, its investments and its finances. The trustees believe that by monitoring reserves levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks. The risk assessment policy of the charity is reviewed annually by the trustees, and that of the College is reviewed annually by the governors.

We maintain frequent, even at times daily, contact with the sisters in the Middle East. However, there is little we can do to assure their physical safety though the political situation seems to be more stable.

The Trustees have seen three key risks which may face the charity and are taking measures to mitigate against them.

- ◆ **The financial viability of Thornton College.** The charity views the College as a major work of the Charity and has adequate financial reserves should a temporary crisis arise. The trustees are able to monitor this aspect of the College on a regular and frequent basis through meetings with the Senior Management of the College and because three trustees live at the College. The opening of a VI Form at the College is seen as an advantage to the future viability at financial and pupil/education levels.
- ◆ **Loss of key staff across the charity.** In Felixstowe a recruitment and management structure has been put in place to mitigate the future retirement or changes in personnel. This will ensure the continued care for the elderly sisters. The financial reserves of the charity are able to underpin these structures.
- ◆ **Maintaining appropriate governance of the charity.** Monitoring of the governance of the charity is under regular review and where appropriate new trustees are appointed with the necessary skills and experience. This policy gives continuity of governance for the present and the future.

Protection of children and vulnerable adults

As with all other organisations who serve the community, the trustees recognise the absolute necessity of ensuring the protection and safety of all they serve. The trustees and governors are committed to ensuring that a safe environment is provided for the pupils at Thornton College. Staff references are required and are checked; the College is registered with an umbrella organisation, Atlantic Data, which undertakes the Disclosure and Barring Service (DBS) checks on its behalf; and child protection (safeguarding) training is mandatory. All the sisters who work at the College and elsewhere with children, as well as the staff who work and care for the elderly sisters in Felixstowe, have also undergone DBS checks.

Governance, structure and management (continued)

Raising funds

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

Employees, volunteers and members of the Congregation

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

Signed on behalf of the trustees:

Helen M Haigh

Trustee

Approved by the trustees on: 15 April 2021

Independent auditor's report to the trustees of The English Province of the Community of the Religious of Jesus and Mary Charitable Trust

Opinion

We have audited the accounts of The English Province of the Community of the Religious of Jesus and Mary Charitable Trust (the 'charity') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

Use of our report

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

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

21 April 2021

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

Statement of financial activities Year to 31 August 2020

	Notes	Un-restricted funds £	Restricted funds £	Total funds 2020 £	Un-restricted funds £	Restricted funds £	Total funds 2019 £
Income from:							
Donations and legacies	1	364,318	—	364,318	386,880	1,135	388,015
Investments and interest receivable	2	468,179	—	468,179	494,077	—	494,077
Charitable activities							
. Provision of education		5,952,476	—	5,952,476	6,679,576	—	6,679,576
Other sources							
. Miscellaneous sources	3	76,241	—	76,241	136,360		136,360
. Coronavirus Job Retention Scheme grants		138,942	—	138,942	—	—	—
Surplus on disposal of tangible fixed assets		11,235	—	11,235	—	—	—
Total income		7,011,391	—	7,011,391	7,696,893	1,135	7,698,028
Expenditure on:							
Raising funds							
. Investment management costs		87,463	—	87,463	72,039	—	72,039
Charitable activities							
. Provision of education	4	6,560,841	226	6,561,067	6,661,746	1,135	6,662,881
. Support of members of the Congregation and their ministry	5	707,928	—	707,928	838,475	—	838,475
. Donations in support of miscellaneous charitable activities	6	115,975	—	115,975	105,403	—	105,403
Total expenditure		7,472,207	226	7,472,433	7,677,663	1,135	7,678,798
Net (expenditure) income before net investment (losses) gains	8	(460,816)	(226)	(461,042)	19,230	—	19,230
Net investment (losses) gains	13	(326,425)	—	(326,425)	328,876	—	328,876
Net (expenditure) income and net movement in funds		(787,241)	(226)	(787,467)	348,106	—	348,106
Reconciliation of funds:							
Fund balances brought forward							
at 1 September 2019		27,224,389	9,886	27,234,275	26,876,281	9,886	26,886,167
Fund balances carried forward							
at 31 August 2020		26,437,148	9,660	26,446,808	27,224,389	9,886	27,234,275

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

Balance sheet 31 August 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	12		11,372,734		11,994,680
Investments	13		15,215,123		15,151,463
Programme related investments	14		1,382,479		1,382,479
			<u>27,970,336</u>		<u>28,528,622</u>
Current assets					
Stock		22,652		17,378	
Debtors	15	307,300		405,140	
Cash at bank and in hand		1,075,581		1,184,952	
		<u>1,405,533</u>		<u>1,607,470</u>	
Creditors: amounts falling due within one year	16	(2,497,387)		(2,495,846)	
Net current liabilities			<u>(1,091,854)</u>		<u>(888,336)</u>
Total assets less current liabilities			<u>26,878,482</u>		<u>27,640,246</u>
Creditors: amounts falling due after more than one year	17		(431,674)		(405,971)
Total net assets			<u>26,446,808</u>		<u>27,234,275</u>
The funds of the charity:					
Funds and reserves					
Restricted funds	18		9,660		9,886
Unrestricted funds					
. Designated funds	19		17,855,142		17,988,214
. Tangible fixed assets fund	20		1,273,944		1,746,655
. Programme related investment fund	21		1,382,479		1,382,479
. General fund			5,925,583		6,107,041
Total funds			<u>26,446,808</u>		<u>27,234,275</u>

Approved by the trustees and signed on their behalf:

Helen M Haigh

Trustee

Approved by the trustees on: 15 April 2021

Statement of cash flows Year to 31 August 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(275,568)	(210,042)
Cash flows from investing activities:			
Investment income and interest received		471,687	504,288
Proceeds from the disposal of tangible fixed assets		465,266	—
Purchase of tangible fixed assets		(396,682)	(639,142)
Proceeds from the disposal of investments and redemption of bonds		2,508,803	1,618,400
Purchase of investments		(3,325,632)	(1,666,845)
Increase in loan facility		16,011	—
Net cash used in investing activities		(260,547)	(183,299)
Change in cash and cash equivalents in the year		(536,115)	(393,341)
Cash and cash equivalents at 1 September 2019	B	2,390,332	2,783,673
Cash and cash equivalents at 31 August 2020	B	1,854,217	2,390,332

Notes to the statement of cash flows for the year to 31 August 2020.

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

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	(787,467)	348,106
Adjustments for:		
Depreciation	591,827	609,689
Losses (gains) on investments	326,425	(328,876)
Investment income and interest receivable	(468,179)	(494,077)
Increase in stock	(5,274)	(6,541)
Decrease (increase) in debtors	94,332	(97,604)
Increase (decrease) in creditors	(27,232)	(240,739)
Net cash used in operating activities	(275,568)	(210,042)

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,075,581	1,184,952
Cash held by investment managers	778,636	1,205,380
Total cash and cash equivalents	1,854,217	2,390,332

Principal accounting policies 31 August 2020

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

Basis of preparation

These accounts have been prepared for the year to 31 August 2020 with comparative information provided in respect to the year to 31 August 2019.

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating accrued expenditure;
- ◆ estimating the useful economic life of tangible fixed assets for the purpose of calculating the depreciation charge;
- ◆ assessing the recoverability of outstanding debtors for school fees;
- ◆ determining the value of designated funds needed at the year end, in particular in respect to the assumptions made in determining the value of the retirement fund; and
- ◆ estimating future income and expenditure flows for the purpose of assessing the charity's going concern.

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.

Assessment of going concern (continued)

Since March 2020, the Covid-19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of the social interactions but has also had a significant economic impact at every level in ways which have been outside of the charity's control.

The full impact on the charity's income and expenditure and financial position following the emergence of the global Covid-19 pandemic is still unknown. However, the trustees do not consider that there will be any material impact on income or expenditure and, therefore, on the charity's financial position.

The charity's income will be affected because of falls in dividends as investment markets and the corporate sector, in particular, react to the economic difficulties caused by the pandemic.

Thornton College will continue to face some operational challenges. The College closed on 23 March 2020 and again in early January 2021 in line with Government instructions to all schools. However, it remained open on site for the children of key workers and also vulnerable children. Full curriculum and pastoral programmes were put in place and were monitored by teachers and staff during the normal school day. This was extended to all students, national and international. Personal day-to-day contact was maintained with parents and guardians through e-mail, letters and phone calls. The College has also committed to supporting parents who are facing difficulties with paying fees. It is expected that pupil numbers will decrease, particularly international boarders who may not be able to return to school due to border restrictions. All of these factors will impact on the income receivable by the College.

To limit non-essential expenditure as many as possible of the non-teaching staff were furloughed with an immediate saving on certain costs from catering, transport, housekeeping, maintenance and administration. In order to help families a 10% reduction of fees was agreed for Trinity Term 2020 and no increase in fees for autumn 2020. In addition, it was agreed that there would be no salary increases for autumn 2020. A programme of recruitment, especially internationally, during the academic year 2020-2021 with effect from 2021-2022 onwards is being developed in order to rebuild in particular the boarding area of the College.

Throughout the pandemic, the trustees will continue to keep all income and expenditure under review.

Whilst there will undoubtedly be challenges ahead, the trustees do not expect concerns to arise over the charity's financial position. Therefore, the trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Assessment of going concern (continued)

The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 August 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return, the performance of the investment markets or a fall in the number of pupils attending Thornton College (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

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

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future accounting period.

Income comprises donations, investment income and interest receivable, income from the provision of education and other income including the surplus on the disposal of tangible fixed assets.

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

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

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

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

Income from the provision of education comprises fees and related income from the activities of Thornton College. Such income is measured at the fair value of the consideration received or receivable after deducting bursaries, scholarships and prompt payment discounts. Fee income is recognised when the College is entitled to receipt under the relevant contractual agreements. This is usually at the point at which the College has commenced the provision of education in respect to the relevant student at the start of each academic term.

Income recognition (continued)

A surplus on the disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of disposal and after deducting any costs associated with the disposal.

Income from the Government's Coronavirus Job Retention Scheme is recognised when the charity has made a valid claim for the income, the amount can be measured and when it is entitled to receive the income.

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

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. 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:

- ◆ Expenditure on raising funds includes expenditure associated with raising funds for the charity. This comprises those investment management fees charged directly to the charity. Fees in respect to those investments which comprise pooled investment vehicles, including common investment funds, are inherent within the relevant investment holding.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and indirect expenditure on the provision of education which includes all costs associated with the Congregation's independent school, Thornton College, direct and support costs in respect to the support of members of the Congregation and enabling their ministry (including governance costs) and the provision of charitable grants and donations.

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. 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 period end.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are allocated directly to support of members of the Congregation and their ministry.

Tangible fixed assets

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

◆ Freehold land and buildings

Non-specialised buildings are those designed as, and used wholly or mainly for, private residential accommodation. They are stated at a trustees' valuation made, with professional assistance, in 1997 based on market value for existing use. Under the transitional arrangements set out in FRS 102, this valuation is deemed to be the cost of the relevant assets as at 1 September 2014. Additions to non-specialised land and buildings since are stated at cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

Specialised buildings comprise the Congregation's independent school, Thornton College, and large residential or specialist care convents. They are stated at a trustees' valuation made, with professional assistance, in 1997, based on replacement cost for existing use, with additions since being stated at cost. Under the transitional arrangements set out in FRS 102, this valuation is deemed to be the cost of the relevant assets as at 1 September 2014. Additions to specialised buildings since are stated at cost. Depreciation is provided at rates between 2% and 7½% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the charity.

No depreciation is provided on freehold land.

◆ Plant, furniture and equipment

Expenditure on the purchase and replacement of plant, furniture and equipment is capitalised and depreciated over a five to fifteen year period on a straight-line basis.

◆ Motor vehicles

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

Investments

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

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

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.

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

Programme related investments

Programme related investments comprise land and buildings owned by the charity but used by another organisation for purposes consistent with the charity's objectives. The assets are stated at deemed cost. The original cost of the land and buildings classified as programme related investment is not known. Before the reclassification as a programme related investment, the book value of the freehold land and building was based on a valuation made in 1997 with subsequent additions and improvements included at cost. As permitted under the transitional provisions of FRS 102 (section 35), the trustees had elected to use these valuations as deemed cost. Any gains (or losses) arising from disposal or any losses arising from impairment are credited (or charged) to the statement of financial activities.

Stock

Stock of school uniforms and educational supplies is stated at the lower of count 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.

Creditors and provisions

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

Fund structure

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

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

The tangible fixed assets fund represents the net book value of charity's tangible fixed assets excluding those utilised by Thornton College, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as realisable.

The programme related investment fund represents the net book value of the charity's programme related investments. The existence of the fund highlights the fact that the value representing the property cannot be realised in the short to medium term.

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

Services provided by members of the Congregation

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

Pension costs

The charity's independent school, Thornton College, makes contributions to the Teachers' Pension Scheme (TPS), which is a defined benefit scheme. Teaching staff employed, under a contract of service are eligible to contribute to the TPS which is a statutory, contributory, final salary scheme administered by Teachers' Pensions. As the College is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the charity has taken advantage of the exemption in FRS 102 and has accounted for the contributions to the scheme as if it were a defined contribution scheme.

The charity also offers staff membership of various defined contributions schemes. Contributions to such schemes are accounted for when payable to the relevant scheme. The charity has no liability beyond making its contributions and paying across the deduction for the employees' contributions

Principal accounting policies 31 August 2020

Leased assets

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

Assets held under finance leases are capitalised and depreciated over their useful lives. The corresponding lease obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to the statement of financial activities over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Salaries and pensions of individual religious received under deed of covenant	302,631	—	302,631	322,720	—	322,720
General donations	61,687	—	61,687	64,160	1,135	65,295
	364,318	—	364,318	386,880	1,135	388,015

2 Income from: Investments and interest receivable

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Income from listed investments	463,041	—	463,041	488,300	—	488,300
Interest receivable	5,138	—	5,138	5,777	—	5,777
	468,179	—	468,179	494,077	—	494,077

3 Income from: Miscellaneous sources

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Property rentals	67,496	—	67,496	91,511	—	91,511
Insurance claim	—	—	—	4,104	—	4,104
Other income	8,745	—	8,745	14,907	—	14,907
Exchange rate gain	—	—	—	25,538	—	25,538
	76,241	—	76,241	136,360	—	136,360

4 Expenditure on: Provision of education

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Teaching	3,486,028	226	3,486,254	3,624,060	1,135	3,624,060
Welfare	673,602	—	673,602	913,857	—	913,857
Premises	1,266,928	—	1,266,928	1,066,807	—	1,066,807
Management and administration of the school	852,243	—	863,243	829,087	—	829,087
Marketing and publicity	282,040	—	282,040	227,935	—	227,935
	6,580,769	226	6,580,995	6,661,746	1,135	6,662,881

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

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Staff costs (note 9)	257,009	—	257,009	242,106	—	242,106
Premises	201,560	—	201,560	367,066	—	367,066
Sisters' living and personal expenses	114,628	—	114,628	113,687	—	113,687
Education, training and spiritual renewal	6,318	—	6,318	18,349	—	18,349
Exchange rate variance	38,672	—	38,672	—	—	—
Governance costs (note 7)	89,742	—	89,742	97,267	—	97,267
	688,000	—	688,000	838,475	—	838,475

6 Expenditure on: Donations in support of miscellaneous charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Annual contribution to the Generalate of the Congregation	90,483	—	90,483	30,488	—	30,488
Donations to European Province	20,927	—	20,927	7,447	—	7,447
Donations to the Congregation in the Middle East	—	—	—	67,468	—	67,468
	115,975	—	115,975	105,403	—	105,403

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Legal and professional fees	87,726	—	87,726	95,259	—	95,259
Bank charges	2,016	—	2,016	2,008	—	2,008
	89,742	—	89,742	97,267	—	97,267

8 Net (expenditure) income before net investment (losses) gains

This is stated after charging (crediting):

	Total funds 2020 £	Total funds 2019 £
Staff costs (note 9)	4,378,768	4,283,821
Auditor's remuneration (including VAT)		
. Audit - current year	31,922	30,820
. Audit - prior year (over)/under provision	(2,580)	420
. Non audit services: Accountancy support	8,267	8,480
Finance lease charges	13,752	19,762
Operating lease charges	1,380	7,957
Depreciation (note 12)	591,824	588,437
Surplus on disposal of tangible fixed assets	11,234	—

9 Staff costs and remuneration of key management personnel

	2020 £	2019 £
Staff costs during the year were as follows:		
Wages and salaries	3,539,813	3,587,381
Social security costs	338,830	339,861
Other pension costs	508,392	356,579
	4,387,034	4,283,821
Staff costs per function were as follows:		
Provision of education	4,130,025	4,041,715
Support of members of the Congregation	257,009	242,106
	4,387,034	4,283,821

One employee earned between £70,001 and £80,000 per annum and one employee earned between £80,001 and £90,000 (including taxable benefits but excluding employer pension contributions) during the year (2019 – one employee earned between £70,001 and £80,000 per annum and one employee earned between £80,001 and £90,000 during the year).

The average number of employees during the year calculated on an average head count basis, analysed by function, was as follows:

	2020 No.	2019 No.
Provision of education	118	124
Support of members of the Congregation	14	12
	132	136

Certain members of staff at Thornton College, including members of the senior management team, are entitled to a discount on the fees payable in respect to their children and grandchildren attending the school. The total value of such discounts awarded to the senior management team for the year ended 31 August 2020 was £12,555 (2019 – £27,835).

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

The trustees consider that they together with the Executive Team at Thornton College (i.e. the Head, Deputy Head, Bursar, Assistant Heads and Development and Marketing Director), the Lay Administrator and Care Manager at Felixstowe Community comprise the key management of the charity in charge of directing, controlling, running and operating the charity on a day to day basis. The total remuneration (including taxable benefits and employers pension contributions) of the key management personnel for the year was £508,355 (2019 – £519,931).

During the current and prior year, the daughter of the Lay Administrator and Care Manager at Felixstowe Community was employed as a chef at Felixstowe.

10 Trustees' expenses and remuneration and transactions with trustees

As members of the Congregation, the trustees' living expenses during the year were borne by the charity but they received no remuneration or reimbursement of expenses in connection with their duties as trustees during the year (2019 – £nil).

Those trustees who are members of the Community of Jesus and Mary have no resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by these trustees to the charity was £46,432 (2019 – £70,601).

11 Taxation

The England Province of the Community of the Religious of Jesus and Mary Charitable Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

12 Tangible fixed assets

	Land and buildings				
	Non specialised freehold and long leasehold £	Specialised freehold £	Plant, furniture and equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	1,955,935	15,164,798	1,701,902	130,974	18,953,609
Additions	—	318,715	57,745	58,684	435,114
Disposals and eliminations of fully written down items	(468,833)	—	(63,979)	(85,750)	(618,562)
At 31 August 2020	<u>1,478,102</u>	<u>15,483,513</u>	<u>1,695,668</u>	<u>103,908</u>	<u>18,770,191</u>
At cost	1,478,102	8,180,043	1,695,668	103,908	11,466,721
At deemed cost – 1997 valuation	—	7,303,470	—	—	7,303,470
	<u>1,478,102</u>	<u>15,483,513</u>	<u>1,695,668</u>	<u>103,908</u>	<u>18,770,191</u>
Depreciation					
At 1 September 2019	18,833	5,778,191	1,062,357	99,548	6,958,929
Charge for the year	—	335,479	236,328	20,017	591,824
On disposals and eliminations of fully written down items	(18,833)	—	(63,979)	(70,484)	(153,296)
At 31 August 2020	<u>—</u>	<u>6,113,670</u>	<u>1,234,706</u>	<u>49,081</u>	<u>7,397,457</u>
Net book values					
At 31 August 2020	<u>1,487,102</u>	<u>9,369,843</u>	<u>460,962</u>	<u>54,827</u>	<u>11,372,734</u>
At 31 August 2019	<u>1,937,102</u>	<u>9,386,607</u>	<u>639,545</u>	<u>31,426</u>	<u>11,994,680</u>

The book value of non-specialised land and buildings is stated at a trustees' valuation made in 1997 based on market value for existing use. The book value of specialised land and buildings is stated at a trustees' valuation made in 1997 based on replacement cost for existing use. Under the transitional arrangements set out in FRS 102 these values are deemed to be equal to cost. Additions to all land and buildings since 1997 are stated at cost. Other tangible fixed assets are stated at cost.

Non-specialised land and buildings are freehold with the exception of one property which is held on a long leasehold.

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

The net book value of furniture and equipment includes £165,397 (2019 – £220,529) in respect to assets held under finance leases. The amount of accumulated depreciation in respect to such assets amounted to £110,266 (2019 – £130,033).

Capital commitments

At 31 August 2020, the charity had capital commitments in respect to building improvements authorised but not contracted for of £75,000 (2019 - £nil).

13 Investments

	2020 £	2019 £
Listed investments		
Market value at 1 September 2019	13,946,083	13,568,766
Additions at cost	3,325,632	1,666,845
Disposals at book value (proceeds: £2,508,803 realised losses: £98,983)	(2,607,786)	(1,765,951)
Net unrealised investment (losses) gains	(227,442)	476,423
Market value at 31 August 2020	14,436,487	13,946,083
Cash instruments and cash held by investment managers	778,636	1,205,380
	15,215,123	15,151,463
Cost of listed investments at 31 August 2020	13,462,980	12,844,175

Listed investments comprised the following:

	2020 £	2019 £
UK fixed interest	3,445,987	4,461,392
UK equity	6,542,574	5,960,826
Overseas equity	4,447,926	3,523,866
	14,436,487	13,946,083

All listed investments were dealt on a recognised stock exchange.

The charity's listed investments managed by Rathbone Investment Management Limited are subject to a formal charge as security for loans to the charity used to finance work and working capital at Thornton College (see note 16).

14 Programme related investments

The charity leases one of its properties in Ipswich on favourable terms to L'Arche, an organisation that uses the property for purposes consistent with the charity's charitable objectives. The property which was previously shown as a tangible fixed asset was reclassified as a programme related investment in 2018. The value at which the programme related investment is included in the accounts is equivalent to its net book value immediately prior to reclassification.

	2020 £	2019 £
At 1 September 2019 and 31 August 2020	1,382,479	1,382,479

15 Debtors

	2020 £	2019 £
School fees and related charges	79,076	151,171
Investment income receivable	65,968	69,478
Prepayments and other accrued income	162,256	184,491
	307,300	405,140

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Loan (secured) (see below)	531,022	515,011
Obligations under finance leases (note 24)	122,175	53,359
Tangible fixed asset additions	—	42,243
School fees received in advance	1,002,499	1,141,536
Returnable fee deposits	21,566	8,193
PAYE, National Insurance and related costs	137,106	134,414
Accruals	118,393	61,500
Amounts held on behalf of individual members of the Congregation	367,219	367,219
Other creditors	158,941	172,371
Capital creditor	38,464	—
	2,497,387	2,495,846

The charity has negotiated a loan facility with Rathbone Investment Management Limited (the “Lender”) under which a maximum principal amount of £1 million was made available to the charity for draw down to assist with the financing of development work and the working capital at Thornton College. 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 2025 (or such later date as may be agreed between the parties in writing). Interest is payable quarterly on 31 March, 30 June, 30 September and 31 December and accrues at a rate of 2.5% per annum above the published Bank Rate. The loan is secured by a mortgage and charge against all listed investments managed on behalf of the charity by Rathbone Investment Management Limited.

17 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Obligations under finance leases (note 24)	202,774	165,125
Returnable fee deposits	228,900	240,846
	431,674	405,971

18 Restricted funds

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

	At 1 September 2019 £	Movement in funds		At 31 August 2020 £
		Income £	Expenditure £	
School prizes fund	8,000	—	—	8,000
Nursery School training fund	1,886	—	(226)	1,660
	9,886	—	(226)	9,660

	At 1 September 2018 £	Movement in funds		At 31 August 2019 £
		Income £	Expenditure £	
School prizes fund	8,000	135	(135)	8,000
Nursery School training fund	1,886	—	—	1,886
Salters Institute of Chemistry Fund	—	1,000	(1,000)	—
	9,886	1,135	(1,135)	9,886

Restricted funds held in the year to 31 August 2020 comprise:

- ♦ The School prizes fund consists of monies donated to the College to award prizes to students.
- ♦ The Nursery School training fund consisted of a donation received towards training to aid in the retention of quality nursery staff at the College.
- ♦ The Salters Institute of Chemistry Fund consisted of money won by a teacher at Thornton College from the Salters' National Award for Science.

19 Designated funds

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

	At 1 September 2019 £	New designations £	Utilised/ released £	At 31 August 2020 £
Thornton College fund	8,494,493	—	(133,072)	8,361,421
Retirement reserve	7,600,000	—	—	7,600,000
International fund	393,721	—	—	393,721
Congregational development fund	1,500,000	—	—	1,500,000
	17,988,214	—	(133,072)	17,855,142

19 Designated funds (continued)

	At 1 September 2018 £	New designations £	Utilised/ released £	At 31 August 2019 £
Thornton College fund	8,499,323	—	(4,830)	8,494,493
Retirement reserve	7,600,000	—	—	7,600,000
International fund	393,721	—	—	393,721
Congregational development fund	1,500,000	—	—	1,500,000
	<u>17,993,044</u>	<u>—</u>	<u>(4,830)</u>	<u>17,988,214</u>

♦ *Thornton College fund*

The Thornton College fund represents the net assets of the school excluding the restricted funds, which have been designated by the trustees for use by the school only.

♦ *The Retirement reserve*

The retirement reserve has been calculated using actuarial principles and consists of monies set aside by the trustees to assist in providing for the sisters in their retirement.

♦ *International fund*

The international fund represents funds set aside to care for sisters in the Middle East.

♦ *Congregational development fund*

The Congregational development fund represents monies set aside and to be applied, as and when needed, to develop the work of the Congregation both in the United Kingdom and overseas.

20 Tangible fixed assets fund

The tangible fixed asset fund represents the net book value of the charity's tangible fixed assets excluding those designated as part of the Thornton College fund (see note 19). A decision was made to separate this fund from the general fund in recognition of the fact that the tangible fixed assets are used in the day-to-day activities of the charity, and the fund value would not be easily realisable if needed to meet future contingencies.

	2020 £	2019 £
At 1 September 2019	1,746,655	1,643,676
Net movement in the year	(472,711)	102,979
At 31 August 2020	<u>1,273,944</u>	<u>1,746,655</u>

21 Programme related investment fund

	2020 £	2019 £
At 1 September and 31 August 2020	<u>1,382,479</u>	<u>1,382,479</u>

21 Programme related investment fund (continued)

The programme related investment fund represents the net book value of the charity's programme related investments. The existence of the fund highlights the fact that the value representing the property leased out on favourable terms to L'Arche, an organisation that will use the property for purposes consistent with the charity's charitable objectives, cannot be realised in the short to medium term.

22 Analysis of net assets between funds

	General funds £	Designated funds £	Tangible fixed assets fund £	Programme related investment fund £	Restricted funds £	Total 2020 £
Fund balances at 31 August 2020 are represented by:						
Tangible fixed assets	—	10,098,790	1,273,944	—	—	11,372,734
Investments	6,234,593	8,980,530	—	—	—	15,215,123
Programme related investments	—	—	—	1,382,479	—	1,382,479
Current assets	631,652	764,221	—	—	9,660	1,405,533
Creditors: amounts falling due within one year	(940,662)	(1,556,725)	—	—	—	(2,497,387)
Creditors: amounts falling due after more than one year	—	(431,674)	—	—	—	(431,674)
Total net assets	5,925,583	17,855,142	1,273,944	1,382,479	9,660	26,446,808

	General funds £	Designated funds £	Tangible fixed assets fund £	Programme related investment fund £	Restricted funds £	Total 2019 £
Fund balances at 31 August 2019 are represented by:						
Tangible fixed assets	—	10,248,024	1,746,655	—	—	11,994,681
Investments	5,657,742	9,493,721	—	—	—	15,151,463
Programme related investments	—	—	—	1,382,479	—	1,382,479
Current assets	786,165	717,507	—	—	9,886	1,513,558
Creditors: amounts falling due within one year	(336,866)	(2,065,069)	—	—	—	(2,401,935)
Creditors: amounts falling due after more than one year	—	(405,971)	—	—	—	(405,971)
Total net assets	6,107,041	17,988,214	1,746,655	1,382,479	9,886	27,234,275

23 Operating leases

Future minimum lease payments at 31 August 2020 under non-cancellable operating leases in respect to office equipment and motor vehicles were as follows:

	2020 £	2019 £
Operating leases which expire:		
. Within one year	1,104	1,104
. Within one to two years	276	1,104
. Within two to five years	—	368
	1,380	2,576

23 Operating leases (continued)

The operating lease liabilities are subject to the terms of the agreement relating to the relevant pieces of office equipment and motor vehicles.

24 Finance leases

The charity leases certain equipment and fixtures under leases classified as finance leases. The future minimum payments to which the charity was committed at 31 August 2020 were as follows:

	2020 £	2019 £
Payable within:		
. One year	105,469	58,040
. Two to five years	239,625	165,125
	345,094	223,165
Amounts representing interest	(20,145)	(4,681)
	324,949	218,484
Summary		
Amounts repayable within one year (note 16)	122,175	53,359
Amounts repayable after more than one year (note 17)	202,774	165,125
	324,949	218,484

25 Pension commitments

Thornton College is a member of the Teachers' Pension Scheme (TPS), a defined benefit pension scheme.

Teacher's Pension Scheme (TPS)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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);

25 Pension commitments (continued)

Valuation of the Teachers' Pension Scheme (continued)

- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £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
- ♦ 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.

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#).

Contributions paid to the Scheme during the year amounted to £652,210 (2019 – £501,750), £466,910 (2019 – £326,596) of which were employer's contributions.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. Thornton College has accounted for its contributions to the scheme as if it were a defined contribution scheme. The College has set out above the information available on the scheme.

Other schemes

Employer contributions paid to defined contribution schemes during the year amounted to £41,482 (2019 – £29,983).

26 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the year by The English Province of the Community of the Religious of Jesus and Mary by virtue of the fact that the Provincial Superior of the Congregation appoints all of the trustees.

27 Related party transactions

With the exception of the transactions detailed in notes 9 and 10 to these accounts, there were no other related party transactions in the year that require disclosure (2019 – none).