

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

Annual Report and Accounts

31 August 2021

Charity Registration Number
247358

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Reference and administrative information

Trustees	Sister C Aymar (resigned August 2021) 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

Reference and administrative information

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Trustees' report 31 August 2021

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 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 31 to 37 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 a number of provinces and 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. With effect from Easter 2021, the Nursery provision was restructured and going forward, following a short transition, will function as a one-year Pre-Prep for girls only.
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

The College is an independent, non-selective day and boarding school for girls. With the establishment of a Sixth Form with effect from September 2016, the College now accepts girls between the ages of 4 and 18 years. As noted above, with effect from Easter 2021, the Genevieve Nursery was restructured and going forward, following a short transition, will function as a one-year Pre-Prep for girls only.

Thornton College aims to provide a broad Christian education in the Catholic tradition for all of its pupils and encourages high academic achievement. Its mission statement 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”.

In addition to normal school activities, the College normally welcomes residential English for Speakers of Other Languages (ESOL) language and cultural exchange courses for overseas students during the summer months, through Cavendish School of English. During 2020 and 2021, the courses were cancelled due to the Covid-19 pandemic.



The trustees and governors are committed to ensuring that a safe environment is provided for the pupils. 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 for all staff and volunteers; and Child Protection (Safeguarding) training is mandatory.

When setting the objectives and planning the work of the College for the year, the trustees and governors have given careful consideration to the Charity Commission’s guidance on public benefit.

Achievements and performance

The year has in part been affected by the continuing Covid-19 pandemic and the impact on the College is addressed on pages 5 to 7 below.

Education

Educational provision at Thornton continues to be excellent with a wide-ranging choice of subjects at GCSE, A’ Level and growing vocational qualifications. Results this year were again outstanding. In the Sixth Form, girls were successful in receiving offers at their first choice university and several girls were successfully selected for apprenticeships. In our vocational qualification, again the girls achieved distinctions/distinction* across the board.

Activities, achievements and relevant policies (continued)

Thornton College (continued)

Education (continued)

Our co-curricular programme offers breadth of opportunity at all levels with keen participation both in and outside school. A full careers programme was run virtually, which resulted in Thornton College winning the Independent Schools of the Year Award for 2020. Numbers continue to be healthy and links with the wider community are strong. Excellent links have been developed with our local diocesan schools through our Sister Genevieve Award.

The quality of education offered across the school was nationally recognised in awards for our Careers Programme, our STEM programme, Remote Learning and a nomination for Independent Prep School of the Year.

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. However, this year, due to the risks associated with the spread of Covid-19, we have had to restrict those accessing the site to protect the safety of students and staff. Normally we would expect to welcome pilgrims walking to Walsingham; Diocesan courses for deacons, priests, religious and the laity; courses for teachers from the Diocese; a safeguarding Diocesan conference; and the Village Council for public meetings. Fundraising and charitable giving is a large part of Thornton life. The 'Love in a Box' charity encourages giving to children overseas in poorer countries. The three Thornton houses Cavendish, Ingleton and Tyrell hold events throughout the year and raised money to support the JM mission in India and The Samuel's Charity. Other charities supported include CAFOD, Aid to the Church in Need and Mission Together. Around £3,000 was raised in total throughout the year. Even during the pandemic, fundraising and charitable efforts continued, albeit virtually, and the school community continued to look outwards. We plan to build links with the JM schools in Agra following the previous trip to India and to establish links with our other communities across the world.



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. Governors' Awards are offered



to support families who are experiencing a downturn in their financial ability to pay fees; they are offered as both a long and short-term measure to support existing pupils depending on circumstance. Discounts are also offered to all parents for two years if they move to the College directly from the Genevieve Nursery. During the year the new Sister Genevieve Award was established to benefit Catholic girls, who could bring something positive to the school, who would not otherwise be able to come here. Applications for this award can only be made by introduction from their Headteacher to the school and links have been made with local Catholic Schools to facilitate this. Five awards ranging from 75%-95% were made for students admitted in September 2021. In 2020/21, 170 College pupils benefitted from some reduction in fees varying between 5% and 100%. The Bursaries and Scholarships awarded by the College directly amount to 4.9% of the fee income.

Formation

The majority of the Senior Management Team have completed the appropriate Safeguarding and Safer Recruitment training. The Assistant Head is the Designated Safeguarding Lead and our full-time Nurse and the EYFS Manager are Deputy Safeguarding Leads. All members of staff have Safeguarding Training annually, along with awareness of FGM, Peer-on-Peer Abuse and Prevent Strategy.

Covid-19

The current ongoing worldwide effects of the spread of Covid-19 have been wide-ranging globally with long term damage likely to both the economy of the UK and most countries across the globe. During the year Thornton College, at the instruction of the Government, had to operate remotely during the first half of the Lent Term and continued to provide an education to the students. The College continued to function as before under a virtual learning environment. The full timetable once again was taught using the 'Zoom' software. Students logged in from home and worksheets were uploaded into Firefly. The College continued to ensure the wider school experience was catered for in terms of pastoral care offered through daily form time, regular contact available with teachers and the extended curriculum being offered where possible. Safeguarding was of paramount importance and students were able to be in regular contact with the designated Safeguarding Lead, and all staff continued to use our existing web-based CPOMS for recording concerns. The Head Teacher regularly updated the parents through her weekly newsletters and parents could contact staff via email or by telephoning the College, where phones were monitored. Staff that could work from home were encouraged to do so.

Trustees' report 31 August 2021

Activities, achievements and relevant policies (continued)

Covid-19 (continued)

The trustees and governors took the decisions to support parents as follows during Lent term:

- ◆ Fees (less any discounts) for the Lent Term 2021 were discounted at 10% for the first half of the term. This was to cover cost savings created by physical closure, such as catering. The resulting loss of income was £81,290.
- ◆ Boarding students have been charged day fees, less the 10% discount for the Lent term. The half-termly cost equates to £51,663.
- ◆ Bus fees and wrap around care were not charged for the first half of the Lent term, plus 2 weeks. The termly loss in income equates to £19,486.
- ◆ Deferred payment plans were set up to support parents struggling to meet the demands of fees, affected by redundancy or furlough.
- ◆ Fees were not increased in September 2020 but were raised from September 2021 by 5% in respect to day fees and by 7% in respect to boarding fees for the financial year 2021/22.
- ◆ Staff salary scales were not increased for the financial year 2021/22.
- ◆ It should also be noted that the school's efforts in Remote Learning were recognised nationally in the ISA Remote Education Awards. Thornton College entered three of the four possible categories and won two of them, a testament to the success of the programme and the efforts of the staff to ensure continuity of education for the students, through the most difficult times.

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.

Activities, achievements and relevant policies (continued)

Felixstowe (continued)

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.

The Pandemic saw the halt of all activities with COVID 19 forcing the community to close the Convent to outside activities. However, this did not stop the Convent from offering services to the Community via Zoom.

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 to meet those local needs. A state of the art new carbon neutral extension has been added to the premises and the site of the new Nursery is now complete and welcomed children aged 2-5 in January 2022.

Ipswich

The property, which was extensively renovated, is not big enough or now practical for the community in Felixstowe. The house has been used by 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. Since the balance sheet date, the trustees have reached an agreement in principle to sell the property to L'Arche for gross proceeds of circa £850,000 and legal agreements are being drawn up.

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 79 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 in England 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

Visits from the sisters in England have not been possible during this period because of the restrictions imposed by the pandemic. However, there is frequent, often daily contact with the communities in Lebanon and Syria.

The work of the two missions has continued despite the Pandemic.

In Lebanon in response to the double catastrophes of the huge explosion at the Port of Beirut in August 2020, and the collapse of the Lebanese economy, a new aid project was begun. The two Lebanese sisters, supported by a dedicated group of lay people, have opened an aid centre in Bourj Hammoud near Beirut to help the many poor families in the area.

The sisters also continue their pastoral help in the large school founded by the Congregation in Rabweh.

In Syria the sisters continue to monitor the aid projects in Aleppo, providing different kinds of material help and support to the families there, especially distributing warm clothes for children in winter. This clothing is manufactured in the city of Aleppo enabling small factories to provide work and an income for local families.

Study Zone centres in Homs and Damascus help University Students to find a place to do their studies in a peaceful atmosphere.

In Damascus The Dina Belanger Centre for Healing through Art and Music continues to flourish with several hundred children from the city and its suburbs attending after school sessions in instrumental classes and art therapy. Local teachers offer their service as volunteers to teach the children.



Activities, achievements and relevant policies (continued)

Middle East (continued)

A large choir of over 80 young adults meets weekly at the Centre and prepares recitals for the local people. At Christmas and Easter they performed concerts in the Patriarchate Cathedral which were much appreciated by local people and were also broadcast on FaceBook and YouTube.

Pastoral and spiritual support is assured in two Christian villages, Ma'arouni and Ma'aloula, outside Damascus, as well as in local Damascus churches.



The sisters continue to run the University Residence at the Greek Catholic Patriarchate in the Old City of Damascus, caring for 50 female students.

In February a young woman from Ma'arouni joined the community as a novice and is now in formation in the community house, sharing life and mission with a view to becoming a professed religious of Jesus and Mary.



Activities, achievements and relevant policies (continued)

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.

Investment policy

At 31 August 2021, the charity had a portfolio of investments with a market value of £16,873,262 (2020 - £14,436,487). 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 27 of the attached accounts.

During the year, total income amounted to £6,738,276 (2020 – £7,011,391). Income for the year included donations of £384,524 (2020 – £364,318). These include £347,762 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 £489,084 being investment income and interest receivable, income from other sources of £71,765 and income from the government furlough scheme of £66,906. 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 2021 this amounted to £5,725,997 (2020 – £5,952,478) with the reduction due to the impact of Covid-19 and a consequential 10% reduction of the lent term fees.

Financial review (continued)

Results for the year (continued)

Expenditure for the year totalled £7,684,698 (2020 – £7,472,433). Expenditure on Thornton College amounted to £6,279,820 (2020 – £6,561,067) 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 £736,835 (2020 – £707,928) with the increase primarily in respect to increased medical costs. Donations in support of various charitable causes amounted to £45,200 (2020 – £115,975). Expenditure in 2021 includes an impairment provision of £535,000 against the value of one of the charity's freehold properties classified as a programme related investment. The house has been used by 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. Since the balance sheet date, the trustees have reached an agreement in principle to sell the property to L'Arche for gross proceeds of circa £850,000 and legal agreements are being drawn up. The impairment provision reduces the net book value of the property in the attached accounts to a figure that reflects the expected sale proceeds.

Therefore, net expenditure before investment gains of £2,400,171 (2020 – £326,425 losses) was £946,422 (2020 – net expenditure of £461,042).

Net income after investment gains was £1,453,749 (2020 – net expenditure after investment losses £787,467).

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 3.1% (2020 – 3.3%) and a positive capital yield of 15.3% (2020 – negative capital yield of 2.3%).

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 continuing Covid-19 pandemic.

The balance sheet shows total reserves of £28.4 million (2020 – £26.4 million).

£8.0 million (2020 – £8.4 million), representing the net assets of Thornton College, has been designated by the trustees for use by the school only.

Financial review (continued)

Reserves policy (continued)

£6.0 million (2020 – £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. The fund has been increased during the year and now amounts to £3.1 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 £1.4 million (2020 – £1.3 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. As noted above, an agreement in principle has been reached to sell this property to L'Arche for circa £850,000 and consequently the programme related investment fund has been reduced by £535,000 in these accounts to reflect the net realisable value of the asset.

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 £8.1 million at 31 August 2021 (2020 – £6.0 million).

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 continue to be subject to volatility and, as such, the trustees believe it prudent to hold higher reserves. They believe that the charity's free reserves at 31 August 2021 were adequate but not excessive. In particular, the level of reserves is deemed sufficient when considered in the light of the uncertainties including the continuing Covid-19 pandemic.

Trustees' report 31 August 2021

Future plans

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

Congregation

- ◆ Continuing support for Thornton College
- ◆ Continuing support for the Middle East
- ◆ Strengthening the mission in London through a Greater collaboration with Convent of Jesus and Mary Language College, Willesden
- ◆ Developing the Nursery facility in Felixstowe
- ◆ Providing congregational support for increased Ministry, with a particular emphasis for Vocations

Thornton College

With the retirement of Mrs Val Holmes, Headteacher, in August 2022 and the subsequent appointment of Dr Louise Shaw, Deputy Head as Headteacher from September 2022, the trustees are looking to build on the continuing successes and reputation of the school. Consideration of how we accommodate the increase in interest for boarding places is currently under review. The Scholarships and Bursaries will be considered and the offering reviewed going forward.

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/Delegation is governed by a Provincial/Delegation 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.

Governance, structure and management (continued)

Governance (continued)

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 2020 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:

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.

Governance, structure and management (continued)

Governance (continued)

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.

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.

Governance, structure and management (continued)

Governance (continued)

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.

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.

Governance, structure and management (continued)

Key management personnel

The trustees consider that they, together with the Executive Team at Thornton College, (i.e. the Head, Deputy Head, Bursar, Assistant Head, Head of Chaplaincy, Head of Sixth Form 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 2021, 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 2021, 25 sisters belonged to the Delegation; 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.

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 for 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.

Governance, structure and management (continued)

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, East Timor, Haiti
- ◆ 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

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.

Governance, structure and management (continued)

Risk management (continued)

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 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 of, 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. The trustees have set up a sub-committee for safeguarding which is made up of two trustees, the Thornton College named governor for safeguarding and the Felixstowe Care Manager.

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.

Trustees' report 31 August 2021

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: 28 March 2022

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 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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.

How the audit was considered capable of detecting irregularities including fraud

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and Safeguarding Regulations; and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

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

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

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

How the audit was considered capable of detecting irregularities including fraud
(continued)

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

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

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

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

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

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

We did not identify any irregularities, including fraud.

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

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

12 May 2022

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

Statement of financial activities Year to 31 August 2021

	Notes	Un-restricted funds £	Restricted funds £	Total funds 2021 £	Un-restricted funds £	Restricted funds £	Total funds 2020 £
Income from:							
Donations and legacies	1	384,524	—	384,524	364,318	—	364,318
Investments and interest receivable	2	489,084	—	489,084	468,179	—	468,179
Charitable activities							
. Provision of education		5,713,901	12,096	5,725,997	5,952,476	—	5,952,476
Other sources							
. Miscellaneous sources	3	71,765	—	71,765	76,241	—	76,241
. Coronavirus Job Retention Scheme grants		66,906	—	66,906	138,942	—	138,942
. Surplus on disposal of tangible fixed assets		—	—	—	11,235	—	11,235
Total income		6,726,180	12,096	6,738,276	7,011,391	—	7,011,391
Expenditure on:							
Raising funds							
. Investment management costs		87,843	—	87,843	87,463	—	87,463
Charitable activities							
. Provision of education	4	6,277,462	2,358	6,279,820	6,560,841	226	6,561,067
. Support of members of the Congregation and their ministry	5	736,835	—	736,835	707,928	—	707,928
. Provision for impairment of programme related investment	14	535,000	—	535,000	—	—	—
. Donations in support of miscellaneous charitable activities	6	45,200	—	45,200	115,975	—	115,975
Total expenditure		7,682,340	2,358	7,149,698	7,472,207	226	7,472,433
Net (expenditure) income before net investment gains (losses)	8	(956,160)	9,738	(946,422)	(460,816)	(226)	(461,042)
Net investment gains (losses)	13	2,400,171	—	2,400,171	(326,425)	—	(326,425)
Net income (expenditure) and net movement in funds		1,444,011	9,738	1,453,749	(787,241)	(226)	(787,467)
Reconciliation of funds:							
Fund balances brought forward at 1 September 2020		26,437,148	9,660	26,446,808	27,224,389	9,886	27,234,275
Fund balances carried forward at 31 August 2021		27,881,159	19,398	27,900,557	26,437,148	9,660	26,446,808

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

Balance sheet 31 August 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		11,204,544		11,372,734
Investments	13		16,993,103		15,215,123
Programme related investments	14		847,479		1,382,479
			<u>29,045,126</u>		<u>27,970,336</u>
Current assets					
Stock		10,960		22,652	
Debtors	15	306,677		307,300	
Cash at bank and in hand		<u>1,145,932</u>		<u>1,075,581</u>	
		1,463,569		1,405,533	
Creditors: amounts falling due within one year	16	<u>(2,209,085)</u>		<u>(2,497,387)</u>	
Net current liabilities			<u>(745,516)</u>		<u>(1,091,854)</u>
Total assets less current liabilities			<u>28,299,610</u>		<u>26,878,482</u>
Creditors: amounts falling due after more than one year	17		<u>(399,053)</u>		<u>(431,674)</u>
Total net assets			<u>27,900,557</u>		<u>26,446,808</u>
The funds of the charity:					
Funds and reserves					
Restricted funds	18		19,398		9,660
Unrestricted funds					
. Designated funds	19		17,321,683		17,855,142
. Tangible fixed assets fund	20		1,430,499		1,273,944
. Programme related investment fund	21		847,479		1,382,479
. General fund			<u>8,281,498</u>		<u>5,925,583</u>
Total funds			<u>27,900,557</u>		<u>26,446,808</u>

Approved by the trustees and signed on their behalf:

Helen M Haigh

Trustee

Approved by the trustees on: 28 March 2022

Statement of cash flows Year to 31 August 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(103,630)	(286,803)
Cash flows from investing activities:			
Investment income and interest received		489,084	471,687
Proceeds from the disposal of tangible fixed assets		—	476,501
Purchase of tangible fixed assets		(384,809)	(396,682)
Proceeds from the disposal of investments		1,713,942	2,508,803
Purchase of investments		(1,756,866)	(3,325,632)
Net cash used in investing activities		61,351	(249,312)
Cash flows from financing activities:			
Repayment of borrowings		(531,022)	—
Interest paid		(15,145)	—
Net cash used in financing activities		(546,167)	—
Change in cash and cash equivalents in the year		(588,445)	(536,115)
Cash and cash equivalents at 1 September 2020	B	1,854,217	2,390,332
Cash and cash equivalents at 31 August 2021	B	1,265,772	1,854,217

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

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

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	1,453,749	(787,467)
Adjustments for:		
Depreciation	552,989	591,827
Impairment of programme related investment	535,000	—
(Gains) losses on investments	(2,394,461)	326,425
Investment income and interest receivable	(489,084)	(468,179)
Losses (gains) on disposal of tangible fixed assets	10	(11,235)
Decrease (increase) in stock	11,692	(5,274)
Decrease in debtors	623	94,332
Increase (decrease) in creditors	242,721	(27,232)
Exchange rate gains	(16,869)	—
Net cash used in operating activities	(103,630)	(286,803)

Statement of cash flows Year to 31 August 2021

B Analysis of changes in net debt

	2020 £	Cash Flows £	2021 £
Cash at bank and in hand	1,075,581	70,351	1,145,932
Cash held by investment managers	778,636	(658,796)	119,840
Total cash and cash equivalents	1,854,217	(588,445)	1,265,772
Borrowings			
Loans due within one year	531,022	(531,022)	—

Principal accounting policies 31 August 2021

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

Basis of preparation

These accounts have been prepared for the year to 31 August 2021 with comparative information provided in respect to the year to 31 August 2020.

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

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

The Covid-19 pandemic continues to have an impact on 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.

Whilst the impact on the charity's income and expenditure and financial position of the continuing global Covid-19 pandemic is monitored the trustees do not believe the affect will be significant.

Thornton College has continued to face some operational challenges but, going forward, these are expected to be less impactful. The College closed for the early part of 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 is now operating normally although it has committed to supporting parents who are facing difficulties with paying fees following the pandemic and its aftermath.

Pupil numbers have decreased but every effort is being made to attract new students. A programme of recruitment, especially internationally, during the academic year 2020-2021 with effect from 2021-2022 onwards continues to be developed in order to rebuild in particular the boarding area of the College.

In order to help families a 10% reduction of fees was agreed for Lent 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.

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.

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.

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 2022, 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 failure to increase 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.

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.

Investments (continued)

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 used restricted to, a specific purpose, or donations subject to donor imposed conditions.

Fund structure (continued)

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.

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 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Salaries and pensions of individual religious received under deed of covenant	347,762	—	347,762	302,631	—	302,631
General donations	36,762	—	36,762	61,687	—	61,687
	384,524	—	384,524	364,318	—	364,318

2 Income from: Investments and interest receivable

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Income from listed investments	487,973	—	487,973	463,041	—	463,041
Interest receivable	1,111	—	1,111	5,138	—	5,138
	489,084	—	489,084	468,179	—	468,179

3 Income from: Miscellaneous sources

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Property rentals	48,599	—	48,599	67,496	—	67,496
Other income	6,297	—	6,297	8,745	—	8,745
Exchange rate gains	16,869	—	16,869	—	—	—
	71,765	—	71,765	76,241	—	76,241

4 Expenditure on: Provision of education

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Teaching	3,329,044	2,358	3,331,402	3,486,028	226	3,486,254
Welfare	764,100	—	764,100	673,602	—	673,602
Premises	1,129,444	—	1,129,444	1,266,928	—	1,266,928
Management and administration of the school	817,857	—	817,857	852,243	—	863,243
Marketing and publicity	237,017	—	237,017	282,040	—	282,040
	6,277,462	2,358	6,279,820	6,580,769	226	6,580,995

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

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Staff costs (note 9)	263,383	—	263,383	257,009	—	257,009
Premises	194,579	—	194,579	201,560	—	201,560
Sisters' living and personal expenses	174,108	—	174,108	114,628	—	114,628
Education, training and spiritual renewal	3,909	—	3,909	6,318	—	6,318
Exchange rate losses	—	—	—	38,672	—	38,672
Governance costs (note 7)	100,856	—	100,856	89,742	—	89,742
	736,835	—	736,835	688,000	—	688,000

6 Expenditure on: Donations in support of miscellaneous charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Annual contribution to the Generalate of the Congregation	45,200	—	45,200	90,483	—	90,483
Donations to European Province	—	—	—	20,927	—	20,927
Donations to the Congregation in the Middle East	—	—	—	4,565	—	4,565
	45,200	—	45,200	115,975	—	115,975

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Legal and professional fees	98,867	—	98,867	87,726	—	87,726
Bank charges	1,989	—	1,989	2,016	—	2,016
	100,856	—	100,856	89,742	—	89,742

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

This is stated after charging (crediting):

	Total funds 2021 £	Total funds 2020 £
Staff costs (note 9)	4,406,586	4,392,034
Auditor's remuneration (including VAT)		
. Audit - current year	33,890	31,922
. Audit - prior year (over)/under provision	(489)	(2,580)
. Non audit services: Accountancy support	9,157	8,267
Finance lease charges	13,752	13,752
Operating lease charges	276	1,380
Depreciation (note 12)	552,989	591,824
Impairment of programme related investment (note 14)	535,000	—
Surplus on disposal of tangible fixed assets	—	11,234

9 Staff costs and remuneration of key management personnel

	2021 £	2020 £
Staff costs during the year were as follows:		
Wages and salaries	3,545,633	3,539,813
Social security costs	334,501	338,830
Other pension costs	493,999	508,392
	4,374,132	4,387,043
Redundancy costs	32,454	5,000
	4,406,586	4,392,034
Staff costs per function were as follows:		
Provision of education	4,143,203	4,135,025
Support of members of the Congregation	263,384	257,009
	4,406,586	4,392,034

One employee earned between £60,000 and £70,000, 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 (2020 – 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:

	2021 No.	2020 No.
Provision of education	115	118
Support of members of the Congregation	14	14
	129	132

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

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 2021 was £21,458 (2020 – £12,555).

The trustees consider that they together with the Executive Team at Thornton College (i.e. the Head, Deputy Head, Bursar, Assistant Head, Head of Chaplaincy, Head of Sixth Form 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 £472,946 (2020 – £508,355).

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 nil remuneration or reimbursement of expenses in connection with their duties as trustees during the year (2020 – £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 £73,653 (2020 – £46,432).

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		Plant, furniture and equipment	Motor vehicles	Total
	Non specialised freehold and long leasehold £	Specialised freehold £	£	£	£
Cost or valuation					
At 1 September 2020	1,487,102	15,483,513	1,695,668	103,908	18,770,191
Additions	—	262,799	122,010	—	384,809
Disposals and eliminations of fully written down items	—	—	(139,036)	—	(139,036)
At 31 August 2021	<u>1,487,102</u>	<u>15,746,312</u>	<u>1,678,642</u>	<u>103,908</u>	<u>19,015,964</u>
At cost	1,487,102	8,442,842	1,678,642	103,908	11,712,494
At deemed cost – 1997 valuation	—	7,303,470	—	—	7,303,470
	<u>1,487,102</u>	<u>15,746,312</u>	<u>1,678,642</u>	<u>103,908</u>	<u>19,015,964</u>
Depreciation					
At 1 September 2020	—	6,113,669	1,234,706	49,081	7,397,456
Charge for the year	—	349,616	187,794	15,580	552,990
On disposals and eliminations of fully written down items	—	—	(139,026)	—	(139,026)
At 31 August 2021	<u>—</u>	<u>6,463,285</u>	<u>1,283,474</u>	<u>64,661</u>	<u>7,811,420</u>
Net book values					
At 31 August 2021	<u>1,487,102</u>	<u>9,283,027</u>	<u>395,168</u>	<u>39,247</u>	<u>11,204,544</u>
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>

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 £110,264 (2020 – £165,397) in respect to assets held under finance leases. The amount of accumulated depreciation in respect to such assets amounted to £165,399 (2020 – £110,266).

Capital commitments

At 31 August 2021, the charity had no capital commitments (2020 - £75,000 in respect to building improvements authorised but not contracted for).

13 Investments

	2021 £	2020 £
Listed investments		
Fair (market) value at 1 September 2020	14,436,487	13,946,083
Additions at cost	1,756,866	3,325,632
Disposals at book value (proceeds: £1,713,942; realised losses: £7,003)	(1,720,945)	(2,607,786)
Net unrealised investment gains (losses)	2,400,854	(227,442)
Fair (market) value at 31 August 2021	16,873,262	14,436,487
Cash instruments and cash held by investment managers	119,841	778,636
	16,993,103	15,215,123
Cost of listed investments at 31 August 2021	13,539,400	13,462,980

Listed investments comprised the following:

	2021 £	2020 £
UK fixed interest	3,437,441	3,445,987
UK equity	7,458,038	6,542,574
Overseas equity	5,977,783	4,447,926
	16,873,262	14,436,487

All listed investments were dealt on a recognised stock exchange.

The charity's listed investments managed by Rathbone Investment Management Limited were 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 was included in the accounts is equivalent to its net book value immediately prior to reclassification.

Since the balance sheet date, the trustees have reached an agreement in principle to sell the property to L'Arche for gross proceeds of circa £850,000 and legal agreements are being drawn up. The impairment provision reduces the net book value of the property to a figure that reflects the expected sale proceeds.

	2021 £	2020 £
At 1 September 2020	1,382,479	1,382,479
Impairment provision	(535,000)	—
At 31 August 2021	847,479	1,382,479

15 Debtors

	2021 £	2020 £
School fees and related charges	47,778	79,076
Investment income receivable	73,042	65,968
Prepayments and other accrued income	185,857	162,256
	306,677	307,300

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Loan (secured) (see below)	—	531,022
Obligations under finance leases (note 24)	122,175	122,175
School fees received in advance	1,063,217	1,002,499
Returnable fee deposits	24,200	21,566
PAYE, National Insurance and related costs	136,993	137,106
Accruals	140,225	118,393
Amounts held on behalf of individual members of the Congregation	367,219	367,219
Other creditors	330,133	158,941
Capital creditor	24,923	38,464
	2,209,085	2,497,387

The charity had agreed 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 was granted subject to the Lender’s right to seek immediate repayment or give notice of termination at any time. Interest was payable quarterly on 31 March, 30 June, 30 September and 31 December and accrued at a rate of 2.5% per annum above the published Bank Rate. The loan was secured by a mortgage and charge against all listed investments managed on behalf of the charity by Rathbone Investment Management Limited. During the year the outstanding loan balance together with accrued interest was repaid to Rathbone Investment Management Limited in full.

17 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Obligations under finance leases (note 24)	117,450	202,774
Returnable fee deposits	281,603	228,900
	399,053	431,674

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 2020 £	Movement in funds		At 31 August 2021 £
		Income £	Expenditure £	
School prizes fund	8,000	—	—	8,000
Nursery School training fund	1,660	—	(3)	1,657
SEN fund	—	12,096	(2,355)	9,741
	9,660	12,096	(2,358)	19,398

	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

Restricted funds held in the year to 31 August 2021 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 SEN fund consists of monies received from the local authority to be spent on one student attending the College who qualifies for Special Educational Needs (SEN) and requires extra educational support.

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 2020 £	New designations £	Utilised/ released £	At 31 August 2021 £
Thornton College fund	8,361,421	—	(533,459)	7,827,962
Retirement reserve	7,600,000	—	(1,600,000)	6,000,000
International fund	393,721	—	—	393,721
Congregational development fund	1,500,000	1,600,000	—	3,100,000
	17,855,142	1,600,000	(2,133,459)	17,321,683

19 Designated funds (continued)

	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
	<u>17,988,214</u>	<u>—</u>	<u>(133,072)</u>	<u>17,855,142</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.

	2021 £	2020 £
At 1 September 2020	1,273,944	1,746,655
Net movement in the year	156,555	(472,711)
At 31 August 2021	<u>1,430,499</u>	<u>1,273,944</u>

21 Programme related investment fund

	2021 £	2020 £
At 1 September 2020	1,382,479	1,382,479
Impairment provision	(535,000)	—
At 31 August 2021	847,479	1,382,479

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.

Since the balance sheet date, the trustees have reached an agreement in principle to sell the property to L'Arche for gross proceeds of circa £850,000 and legal agreements are being drawn up. The impairment provision reduces the fund value to a figure that reflects the expected sale proceeds.

22 Analysis of net assets between funds

	General funds £	Designated funds £	Tangible fixed assets fund £	Programme related investment fund £	Restricted funds £	Total 2021 £
Fund balances at 31 August 2021 are represented by:						
Tangible fixed assets	—	9,774,045	847,499	—	—	10,669,544
Investments	7,848,505	9,144,598	—	—	—	16,993,103
Programme related investments	—	—	—	1,382,479	—	1,382,479
Current assets	722,992	721,178	—	—	19,398	1,463,569
Creditors: amounts falling due within one year	(428,611)	(1,780,474)	—	—	—	(2,209,085)
Creditors: amounts falling due after more than one year	—	(399,053)	—	—	—	(399,053)
Total net assets	8,142,887	17,460,294	847,499	1,382,479	19,398	27,900,557

	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

23 Operating leases

Future minimum lease payments at 31 August 2021 under non-cancellable operating leases in respect to office equipment and motor vehicles were as follows:

	2021 £	2020 £
Operating leases which expire:		
. Within one year	276	1,104
. Within one to two years	—	276
. Within two to five years	—	—
	276	1,380

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 2021 were as follows:

	2021 £	2020 £
Payable within:		
. One year	105,468	105,469
. Two to five years	154,302	239,625
	259,770	345,094
Amounts representing interest	(20,145)	(20,145)
	239,625	324,949
Summary		
Amounts repayable within one year (note 16)	122,175	122,175
Amounts repayable after more than one year (note 17)	117,450	202,774
	239,625	324,949

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.

25 Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

- ♦ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ♦ 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 £637,407 (2020 – £652,210), £454,732 (2020 – £466,910) 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 £39,267 (2020 – £41,482).

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 (2020 – none).

28 Post balance sheet event

Since the balance sheet date, the trustees have reached an agreement in principle to sell the property classified in these accounts as a programme related investment to the current tenants, L'Arche, for gross proceeds of circa £850,000 and legal agreements are being drawn up (note 14).