

**Teachers' Enterprise in
Religious Education**

**Annual Report and Financial
Statements**

31 August 2018

Company Registration Number
6035087 (England and Wales)

Charity Registration Number
1117900



WEDNESDAY



A7WSUUMH

A09

09/01/2019

#250

COMPANIES HOUSE

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	9

Financial Statements

Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Principal accounting policies	15
Notes to the financial statements	19

Reference and administrative information

Trustees	E L Barton (appointed 18 September 2017) G A Cooney D A Lester B McArdle K McSharry (Chair) M A Ruane R L Smith
Secretary	G A Cooney
Registered office	40 Duncan Terrace Islington London N1 8AL
Company registration number	6035087 (England and Wales)
Charity registration number	1117900
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	Royal Bank of Scotland plc 40 Islington High Street London N1 8XB Cater Allen Private Bank 9 Nelson Street Bradford BD1 5AN Metro Bank plc One Southampton Row London WC1B 5HA
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

The trustees present their report together with the financial statements of the Teachers' Enterprise in Religious Education (the charitable company) for the year to 31 August 2018.

This report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 15 to 18 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws and *Accounting and Reporting by Charities: Statement of Recommended Practice* applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Principal aim and objectives

The principal aim of the charitable company is to support teachers in Catholic schools and in the wider Christian community in their daily task of unfolding for pupils the mystery of God, the teaching of the Church and its application in daily life.

The objectives that the trustees have set in order to achieve this aim are as follows:

- ◆ To promote the teaching of religious education with the same academic rigour as other subjects in the curriculum;
- ◆ To provide opportunities for teachers to deepen their theological understanding of the Christian Faith and its application to daily life;
- ◆ To create a rich variety of resources, for example, textbooks, website with online interactive elements for classroom use, CD ROMS, etc.

Public benefit

In setting the charitable company's objectives and planning its activities the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

Review of the year

Looking back over the last twelve months the first consideration is to see to what extent Teachers' Enterprise in Religious Education has met its aims and objectives.

Development of resources for schools and parishes

This year there was a focus on parishes as well as schools. It began with the publication of a video and a textbook *Exploring the Mass* with Cardinal Vincent Nichols. These resources are now being used widely in schools and parishes in the British Isles.

Two groups of dedicated and enthusiastic teachers came together to help edit the new edition of *The Way, the Truth & the Life* Teacher's & Pupils Books Two for 6-7 year olds. This completes the second edition of this programme for key stages one, two and three.

Review of the year (continued)

Development of resources for schools and parishes (continued)

A new DVD ROM for Years 1 and 2 was created and published in June 2018. This DVD offers a wide variety of PowerPoint presentations, worksheets, fine art pictures and a video of Jesus as a little boy. Together with *The Way, the Truth & the Life* books, this DVD ROM greatly enriches the quality of resources available for teaching and learning.

Opportunities for teachers to deepen their theological understanding of the Christian Faith

In March 2018, Cardinal Vincent Nichols accepted our invitation to give an in-service on *Exploring the Mass*. It was attended by 120 teachers, catechists, priests, governors and advisers. Feedback from participants was excellent; here is an example:

"Listening to Cardinal Vincent made everything so easy to understand. Perfect! I also valued listening to the contributions of others – lots of really practical ideas for me as a co-ordinator to take back to school. We now have very useful resources for INSET with staff and older pupils".

"Everything was extremely helpful - from Cardinal Vincent Nichols' introduction about the meaning of the Mass, to the informative and enlightening video, to the beautifully simplistic and equally challenging content of the "Exploring the Mass" book, and finally the discussions and valuable input from all present – Thank YOU!"

Inset

Teachers from primary schools in various parts of the country have attended six in-service sessions in London. Some comments from the teachers:

"Thank you for this amazing introduction to using "The Way, the Truth & the Life" programme. I feel more confident in going back to school and teaching it. It is very useful to know how to use the books as I have never used them before. The higher order thinking questions are excellent for Year Two children."

"The in-service on 'The Way, The Truth & The Life' for Years 5 & 6 offered teachers a wonderful guide on how to use the scheme. The PowerPoints were exceptionally brilliant because essentially they enable the pupils to achieve success and I firmly believe they would engage the pupils and be meaningful to their lives. It was good to explore the wide range of texts, modern day saints as well as the Old Testament and the range of sources the scheme covers. The child friendly layout and pitch is an instant hit. I thought the way the Trinity and the New Covenant were explained was brilliant. It inspired and instilled in me much confidence."

"It was a brilliant explanation of how to use the books efficiently and effectively as well as links to assessment. It was very helpful to see how the children can use the books to refer back if they are lost or forget. Also, it was good to have highlighted the key quotations in scripture that children need to learn".

Website www.tere.org

The website has recently been updated with examples of 'Assessment without Levels' for 7-14 year olds. This is the type of help which all schools are currently seeking in order to comply with the requirements of the Department for Education and the dioceses.

Review of the year (continued)

Website www.tere.org (continued)

Teachers greatly appreciate the wide range of free resources available for all age groups and in the next twelve months these resources will be revised.

Reported Period	Total Sessions	Total Users	Total Page Views
Sept 2017- Aug 2018	10,028	7,472	31,489

Support to other organisations

Teacher's Enterprise in Religious Education (TERE) continues to support and work with other bodies and organisations which include: The Religious Education Council of England and Wales and The Board of Deputies of British Jews. The teaching of Judaism for GCSE is compulsory for Catholic Schools and TERE has supported and advised The Board of Deputies on two Conferences for Teachers on the teaching of Judaism.

Future Plans

The trustees' plans for the future are to:

- ◆ Revise the layout of the website so that it is easier for busy teachers to navigate;
- ◆ Update the website with examples of ways to assess all pupils and a wide variety of additional resources;
- ◆ Update the weekly lesson plans based on the new editions of the books and CD ROMs; and
- ◆ Continue to provide in-service when necessary.

Financial review

Results for the year

The charitable company's total income amounted to £160,281 (2017 - £122,832) during the year and included £149,759 (2017 - £113,842) from publications, training materials and courses, royalties receivable of £4,606 (2017 - £3,738) and interest receivable of £5,742 (2017 - £5,085).

Expenditure amounted to £80,932 (2017 - £88,038) and included £70,633 (2017- £67,529) for publication and development of teaching materials and £10,299 (2017 - £20,509) of donations. Further details about donations are given in note 2 to the financial statements.

The charitable company's funds increased during the year by £79,349 from £768,350 to £847,699.

Financial review (continued)

Reserves policy

The charitable company's intention is to retain sufficient reserves to continue to finance the development of educational materials. The trustees are of the opinion that the charitable company should aim to have free reserves of approximately £675,000.

Financial position

At the year end total reserves amounted to £847,699 (2017 - £768,350).

Whilst the free reserves at 31 August 2018 were in excess of those required under the reserves policy, the trustees are cautious given the current economic and other uncertainties and the impact such conditions may have on the funding available to schools and on confidence going forward. As such the trustees are content to hold the reserves that the charity has currently. The charitable company is in a financially sound position as it continues to develop its teaching materials.

Risk management

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

The charitable company's material assets are its bank balances and its stock holding. The trustees obtain external financial advice to ensure that returns on the cash balances are maximised. The stock of publications is held and managed by Redemptorist Publications, a registered charity and private limited company based in Hampshire England, which specialises in the distribution of Christian books, not only their own titles but books published by other UK and US religious publishers.

The other principal financial risk faced by the charitable company remains the impact of the general economic conditions on the ability of schools to purchase its publications and teaching materials. Whilst the current level of activity for 2018/19 and beyond suggests that the targets set by trustees are achievable, they remain mindful that changes in general economic confidence can quickly translate into reduced spending and, consequently, levels of income for the charitable company. The trustees continue to monitor this against budgets and expectations and their reserves policy (see above) reflects the potential risk.

Governance, structure and management

Constitution

Teachers' Enterprise in Religious Education (TERE) is a company limited by guarantee (Company Registration No 6035087 (England and Wales)) and is a charity registered for charitable purposes (Charity Registration No. 1117900).

In the event of the charitable company being wound up, members and those within one year of ceasing to be members are required to contribute an amount not exceeding £1 per person.

Trustees

The trustees constitute directors of the charitable company for the purposes of the company legislation.

New trustees are elected by those trustees who are in office at the time of the new appointment. At each Annual General Meeting one third of the trustees retire in rotation, but are eligible for re-election.

The trustees who served during the year were as follows:

Trustees	Appointed / Resigned
E A Barton	Appointed 18 September 2017
G A Cooney	
D A Lester	
B McArdle	
K McSharry (Chair)	
M A Ruane	
R L Smith	

No trustee received any remuneration for services as a trustee during the year. During the year ended 31 August 2018 out of pocket expenses of £323 were reimbursed to 3 trustees (2017 - out of pocket expenses of £290 were reimbursed to one trustee) and, in accordance with the charitable company's Memorandum and Articles, £150 was paid to one trustee for work on the charity's stock count (2017 - no payments).

Three of the charitable company's trustees, G A Cooney (Sister Marcellina), B McArdle and R L Smith contribute to the research and writing of material for the publications produced by the charitable company. Under the terms of the contracts with the charitable company and as permitted by the charitable company's Memorandum of Association, they receive royalty payments for these services. Royalties payable for the year to 31 August 2018 to G A Cooney were £8,990 (2017 - £7,351), to B McArdle were £29 (2016 - £34) and to R L Smith £29 (2017 - £34).

No other trustee had any beneficial interest in any contract with the charitable company during the year.

Governance, structure and management (continued)

Key management personnel

The trustees consider that they comprise the key management of the charitable company in charge of directing and controlling, running and operating the charitable company on a day to day basis.

All trustees are members of the charitable company and they receive no remuneration in connection with their duties as trustees or work as key management.

Transactions with the trustees are disclosed in note 5 to the financial statements.

Statement of trustees' responsibilities

The trustees (who are also directors of Teacher's Enterprise in Religious Education for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, 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 financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and

Governance, structure and management (continued)

Statement of trustees' responsibilities (continued)

- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charitable company. As the charitable company is fairly small in size, for much of the year the trustees were responsible also for much of the day to day work of the charitable company. They meet when necessary to review the charitable company's activities, possible developments, make important decisions and to seek advice and support from the charitable company's professional advisers including solicitors and accountants.

Acknowledgment

We take this opportunity to express thanks and gratitude to all who ensure that the work of the Teachers' Enterprise in Religious Education continues to be a dynamic force in evangelisation: Our thanks, in particular, to Sister Marcellina for her unstinting hard-work, long hours and selfless dedication to the work of TERE and to the cause of Religious Education.

We thank also the teachers who generously give of their expertise and enterprise to develop 'The Way, The Truth and The Life' as a Religious Education Programme of rigour which seeks to meet the needs and aspirations of young people in a format that is attractive, well-illustrated, relevant and topical. To TERE's administrative staff fulsome thanks for all their great work - unseen, perhaps, but not unacknowledged. As Trustees we work strategically to support the work of Sister Marcellina and the teachers in the work of TERE and evangelisation.

Signed on behalf of the trustees by:

 (KEVIN MCSHARRY)

Trustee

Teachers' Enterprise in Religious Education
Company Registration Number 6035087 (England and Wales)

Approved by the trustees on

29.11.2018

Independent auditor's report to the members of Teachers' Enterprise in Religious Education

Opinion

We have audited the financial statements of Teachers' Enterprise in Religious Education (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the financial statements. 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 financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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 Companies Act 2006.

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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report, thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Amanda Francis (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

21 December 2018

Statement of financial activities Year to 31 August 2018

	Notes	Unrestricted funds	
		2018 £	2017 £
Income from:			
Donations		174	167
Interest receivable		5,742	5,085
Charitable activities			
• Publications, training materials and courses		149,759	113,842
• Royalties receivable		4,606	3,738
Total income		160,281	122,832
Expenditure on:			
Publication and development of teaching materials	1	70,633	67,529
Donations and grants	2	10,299	20,509
Total expenditure		80,932	88,038
Net movement in funds i.e. net income	4	79,349	34,794
Reconciliation of funds:			
Fund balances brought forward at 1 September 2017		768,350	733,556
Fund balances carried forward at 31 August 2018		847,699	768,350

The charitable company has no recognised gains and losses other than those shown above.

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

Balance sheet 31 August 2018

	Notes	2018 £	2017 £
Current assets			
Stocks	7	71,297	50,350
Debtors	8	14,717	10,219
Current asset investments – short term deposits		708,405	676,805
Cash at bank and in hand		80,726	51,965
		<u>875,145</u>	<u>789,339</u>
Liabilities			
Creditors: amounts falling due within one year	9	(27,446)	(20,989)
Total net assets		<u>847,699</u>	<u>768,350</u>
The funds of the charity:			
Unrestricted funds		<u>847,699</u>	<u>768,350</u>

Approved by the trustees and signed on their behalf by:


Trustee (KEVIN MCSHARRY)

Teachers' Enterprise in Religious Education
Company Registration Number 6035087 (England and Wales)

Approved by the trustees on:

29.11.2018

Statement of cash flows Year to 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	54,761	33,229
Cash flows used in investing activities:			
Interest received		5,600	4,344
Cash withdrawn from short term deposits		5,105	77,592
Cash added to short term deposits		(36,705)	(160,422)
Net cash used in investing activities		(26,000)	(78,486)
Change in cash and cash equivalents in the year		28,761	(45,257)
Cash and cash equivalents at 1 September 2017	B	51,965	97,222
Cash and cash equivalents at 31 August 2018	B	80,726	51,965

Notes to the statement of cash flows for the year to 31 August 2018.

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

	2018 £	2017 £
Net movement in funds (as per the statement of financial activities)	79,349	34,794
Adjustments for:		
Interest receivable	(5,742)	(5,085)
(Increase) decrease in stocks	(20,947)	10,086
(Increase) decrease in debtors	(4,356)	1,747
Increase (decrease) in creditors	6,457	(8,313)
Net cash provided by operating activities	54,761	33,229

B Analysis of cash and cash equivalents

	2018 £	2017 £
Total cash and cash equivalents: Cash at bank and in hand	80,726	51,965

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

Basis of preparation

These financial statements have been prepared for the year to 31 August 2018 with comparative information provided in respect to the year to 31 August 2017.

The financial statements 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 financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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 Companies Act 2006.

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

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

Critical accounting estimates and areas of judgement

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

The principal item in the financial statements where judgement and estimate has been made is in respect to assessing the value of any obsolete stock.

Assessment of going concern

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

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

Income recognition

Income is recognised in the period in which the charitable company 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 charitable company has to fulfil conditions before becoming entitled to it or where the provider of the income has specified that the income is to be expended in a future accounting year.

Income comprises donations, interest receivable, royalties receivable, income from the sale of publications, training materials and courses and miscellaneous income.

Donations are recognised when the charitable company 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 charitable company 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 charitable company 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.

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

Income in respect to publications, training materials and courses comprises income from the sale of such items together with income receivable in respect to royalties and licence fees. Such income is accounted for when the charitable company has been informed that it has entitlement to the income (usually via notification from the Publishers Licensing Society), the amount is able to be quantified and where receipt is deemed probable.

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

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company 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 recognition (continued)

- ◆ Expenditure on provision of publications and teaching materials, their development and study visits for teachers enables the charitable company to perform its main charitable work.
- ◆ Donations and grants include monies given to organisations with charitable objectives consistent with those of the charitable company are included in the statement of financial activities when approved for payment. Provision is made for any grants and donations approved but unpaid at the end of the financial year.

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charitable company it is necessary to provide support in the form of financial procedures, provision of office services and equipment.

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

All expenditure on support and governance is attributed directly to the charitable activities of publications and development of teaching materials as any costs in relation to provision of donations and grants or raising funds is considered to be minimal.

Stocks

Stocks of books, pamphlets and CD ROMS for resale are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving stock.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Fund accounting

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

Services provided by trustees

For the purposes of these financial statements, no monetary value has been placed on the administrative and other services provided by the trustees.

1 Expenditure on: Publication and development of teaching materials

	2018 £	2017 £
Costs of publications; teaching materials and cost of training		
. Writing, editing, proof reading, art work, filming etc	7,664	9,209
. Printing of publications	7,141	15,884
. Provision for obsolete stock	834	—
. Royalties payable	12,695	9,374
. Costs of training	855	992
Distribution costs		
. Distribution fees	20,875	16,492
Support costs		
. Accountancy and secretarial services	6,743	3,518
. Website and development	60	350
. Professional fees	1,692	1,105
. Office and other sundry costs	4,285	3,218
. Bank charges	9	31
. Governance costs (note 3)	7,780	7,356
	70,633	67,529

2 Expenditure on: Donations and grants

	2018 £	2017 £
Donation to the Sisters of the Cross and Passion (note 5)	10,000	20,000
Crown of Thorns – donation of books	299	509
	10,299	20,509

The value attributed to books donated to Crown of Thorns is based on cost.

3 Governance costs

	2018 £	2017 £
Legal and professional fees	6,656	6,283
Trustees' indemnity insurance (note 5)	732	685
Trustees' meeting expenses	392	388
	7,780	7,356

4 Net movement in funds i.e. net income

This is stated after charging:

	2018 £	2017 £
Auditor's remuneration (excluding VAT)		
. Statutory audit services		
.. Current year	6,658	6,575
.. Previous year	(25)	(292)
. Other services: general advisory	1,666	1,105

5 Staff costs, key management personnel and trustees' remuneration

The charitable company employed no staff during the year (2017 - none).

The trustees consider that they comprise the key management of the charitable company in charge of directing and controlling, running and operating the charitable company on a day to day basis.

No trustee received any remuneration in respect of their services as a trustee during the year (2017 - none). During the year ended 31 August 2018 out of pocket expenses of £323 were reimbursed to three trustees (2017 - out of pocket expenses of £290 were reimbursed to two trustee) and, in accordance with the charitable company's Memorandum and Articles, £150 was paid to one trustee for work on the charity's stock count (2017 - no payments).

Three of the charitable company's trustees contribute to the research and writing of material for the publications produced by the charitable company. Under the terms of the contracts with the charitable company and as permitted by the charitable company's Memorandum of Association, these trustees receive royalty payments for these services. Royalties payable for the year to 31 August 2018 were as follows:

	2018 £	2017 £
R Smith	29	34
G A Cooney	8,990	7,351
B McArdle	29	34

During the year a donation of £10,000 (2017 - £20,000) was made to the Sisters of the Cross and Passion, a registered charity (Charity Registration No 1038483) which holds on trust the assets of St Paul's Province of the Sisters of the Cross and Passion, a Roman Catholic religious congregation. G A Cooney is a member of the congregation.

5 Staff costs, key management personnel and trustees' remuneration (continued)

The charitable company has purchased insurance to protect the charitable company from any loss arising from negligent acts, errors or omissions on the part of the trustees, employees or agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charitable company during the year totalled £732 (2017 - £685) and provides cover of up to a maximum of £1 million (2017 - £1 million).

The trustees consider that they comprise the key management of the charitable company in charge of directing and controlling, running and operating the charitable company on a day to day basis.

All trustees are members of the charitable company and they receive no remuneration in connection with their duties as trustees or work as key management.

6 Taxation

Teachers' Enterprise in Religious Education is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities as they fall within the exemptions available to registered charities.

7 Stocks

	2018 £	2017 £
Publications for sale	71,297	50,350

8 Debtors

	2018 £	2017 £
Publication sales	10,777	6,422
Bank interest receivable	3,940	3,797
	14,717	10,219

9 Creditors: amounts falling due within one year

	2018 £	2017 £
Expense creditors	16,774	10,748
Accruals	7,790	7,660
VAT payable	2,882	2,581
	27,446	20,989

10 Members' liability

In the event of the charitable company being wound up, members and those within one year of ceasing to be members, are required to contribute an amount not exceeding £1 per person towards the costs of dissolution and the liabilities incurred by the charitable company while he or she was a member.