



Douai Abbey Trust

Annual Report and Accounts

31 August 2019

Charity Registration Number
236962

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	21

Accounts

Statement of financial activities	24
Balance sheet	25
Statement of cash flows	26
Principal accounting policies	26
Notes to the accounts	33

Reference and administrative information

Trustees	Rt Revd W G Scott OSB Revd A Hood OSB Revd T Bowe OSB Revd A Somerville Knapman OSB Revd P Gunter OSB Revd T Holt OSB
Principal address	Douai Abbey Upper Woolhampton Reading RG7 5TQ
Telephone	0118 971 5300
Website	www.douaiabbey.org.uk
Charity registration number	236962
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	NatWest Bank plc 30 Market Place Newbury RG14 5AJ
Investment managers	Ruffer LLP 80 Victoria Street London SW1E 5JL
Solicitors	Coffin Mew LLP Radnor House 28 Bartholomew Street Newbury RG14 5EU

Trustees' report Year to 31 August 2019

The trustees present their statutory report together with the accounts of Douai Abbey Trust ("the charity") for the year ended 31 August 2019.

The accounts have been prepared in accordance with the accounting policies set out on pages 26 to 32 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

Douai Abbey, the Community of St Edmund of the English Benedictine Congregation of the Order of St Benedict (the "Community"), is situated at Upper Woolhampton, Reading, Berkshire. It comprises a community of monks engaged in educational and pastoral and other work.

The accounts accompanying this report are the accounts of the charitable trust on which the assets of the Community in England are held. The charity is governed by a trust deed dated 22 September 1934, and is registered under the Charities Act 2011, Charity Registration Number 236962.

The trustees are incorporated under the Charities Act 2011 as a body known as "The Trustees of Douai Abbey" by a certificate granted by the Charity Commissioners on 7 May 1999.

Mission

Douai Abbey Trust aims to support the religious and other charitable work carried on by the members of the Community. These ministries carried out by the monks, all of which benefit members of the general public, fall into the following main areas:

- ◆ The administration of the sacraments and maintenance of the Divine Service in the Abbey Church and in other parishes for which the Community has responsibility;
- ◆ Caring for older and frail members of the Community;
- ◆ The provision of education in the broadest sense and the education of new members of the Community training for the monastic life;
- ◆ The provision of social and pastoral work, particularly in the field of hospitality; and
- ◆ Supporting financially by the provision of donations, other organisations with objectives consistent with those of the charity.

Activities, specific objectives and relevant policies

Activities and specific objectives

As stated above under "Mission", the charitable activities of the Douai Abbey Trust are undertaken by the monastic community at Douai Abbey and can be divided into a number of principal areas. Each of these areas is discussed in further detail in the paragraphs which follow.

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

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

♦ **Formal Divine Service and other services in the Abbey Church**

The monks gather in the Abbey Church five times a day for formal services and visitors are always welcomed and invited to participate. The masses on Sunday and on feast days are well attended by parishioners and by others from further afield. At other times, the Church is open and visitors may come and pray by themselves. The church is also used by the diocese and by other churches in the area who do not have enough space for large celebrations.



The Abbey Church is a listed building (Grade 2*) and some people come to appreciate the architecture; guide books and postcards are available. The trustees appreciate their responsibility to maintain the building to the highest standards.

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

♦ **Formal Divine Service and other services in the Abbey Church** (continued)

In addition, regular concerts in the Abbey Church are organised by the monastic community and by outside organisations and enhance the cultural opportunities of the locality.

It is made clear to those who attend such concerts that the Abbey Church is a sacred space. This highlights the aims of the charity, even if visitors' primary reason for attending is to listen to the music. The Abbey Church is also used by local primary schools, both Catholic and non-Catholic, for various functions, including Christmas carol services and formal gatherings to mark the end of the school year. Most of these events are made possible without a prescribed charge to the outside organisations.

♦ **Caring for older and frail members of the Community**

The trustees are very conscious of their moral and legal obligation to care for the older and frailer members of the Community. None of the monks has resources or private income of his own since any their earnings, gifts or donations, as well as their pensions, have been covenanted to the charity. As the Community's age profile increases, so too does the need to provide increasingly expensive care for the members. The trustees will continue to make this one of their priorities for the future and, as a consequence, they will assess how it affects the ministries of the individual members of the Community. They are aware of the financial implications for the charity's resources.

♦ **The provision of education**

The Community's work in the field of education is broad and includes the education of new members of the Community training for monastic life and Church Ministry, the education of young people in various ways through pastoral and chaplaincy work, and the education of adults by courses, lectures and university teaching.

In line with their vision for the future, members of the Monastic Community have in recent years moved from secondary into tertiary education by taking up teaching in university adult education programmes, by expanding adult education on site in the pastoral programme of talks, and by offering retreats and courses for spiritual and theological renewal. Furthermore, some monks publish books and articles in such disciplines as history and theology, which is another strand in the Community's educational outreach.

♦ **The provision of hospitality and pastoral work**

The Community is involved in the provision of hospitality and pastoral care by welcoming guests and visitors to the monastery; by serving parishes locally and further afield in Britain; by offering retreats and talks both within the Community's pastoral programme and elsewhere; by chaplaincy work especially in schools; by being available for spiritual direction and confession; by supplying priests to help in local parishes; or by other similar work on request.

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

♦ **The provision of hospitality and pastoral work** (continued)

Although there is a list of suggested charges for the use of the guest facilities, it is made clear to guests that the monastery welcomes all who seek to share in our hospitality and that inability to pay is no obstacle to using the Community's facilities. In practice, most people pay the suggested rate and thus contribute to the income of the charity, but others give only what they can afford. The trustees consider that this is a clear and significant means by which the charity is able to discharge its duty of public benefit. While a majority of our guests are Roman Catholic, increasing numbers from other Christian denominations and other religions are also welcomed.

Members of the Community continue to maintain and develop pastoral work in the parishes that are the responsibility of the Community. There are two clusters of parishes, in Lancashire and in the South Midlands, the specific affairs of which are overseen by the separate Douai Abbey Parishes Trust. One member of the Community cares for the parish in the immediate area of the monastery. Two members of the Community are currently working in diocesan parishes which do not belong to the Community.

♦ **Members of the Community working elsewhere**

One member of the Community is currently working in Rome at the international Benedictine college of St Anselm, where he teaches as well as supervising the formation of those students in training for the priesthood. He also served the English Benedictine Congregation for some years as its representative in Rome. Another member is both parish priest of one of our parishes and Secretary of the Department of Christian Life and Worship of the Conference of Bishops of England and Wales. During the first half of the year one member of the community lived at Downside Abbey to help with various projects.

♦ **Donations to other organisations**

When planning their budget at the beginning of the year, the trustees agree to set aside a certain amount for organisations whose work is consistent with the objects of the charity.

Activities, specific objectives and relevant policies (continued)

Protection of Children and Vulnerable Adults

Like all other organisations who serve in the community, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charity serves in any way. This means that members engaged in any ministry in Great Britain must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are fully committed to implementing all policies and procedures of the Catholic Safeguarding Advisory Service (CSAS). One member of the community is the named person responsible and he and the Abbot are joined by an outside professional to form the community's Child Protection Committee under the safeguarding authorities of the Roman Catholic Diocese of Portsmouth. In addition the community has recently, together with the other monasteries in the English Benedictine Congregation, engaged the services of an American, non-religious organisation called Praesidium who have compiled a preliminary report on the community's Safeguarding policies and practice. The Abbot and the monk responsible for safeguarding joined superiors and others in attending a training session run by Praesidium at Buckfast Abbey in May 2019.

The ongoing Independent Inquiry into Child Sexual Abuse ("the Inquiry") is investigating historical cases of child sexual abuse in various public bodies and institutions including the Roman Catholic Church and members of the English Benedictine Congregation (EBC). The Inquiry is focused on three other English Benedictine monasteries but the whole EBC is covered by the Inquiry and the trustees have been co-operating fully with it. They have been required to submit a great quantity of material to the Inquiry, which has resulted in significant expenditure on legal fees (see note 8 to the accounts). The final report of the Inquiry is still awaited but the trustees expect that it will contain important recommendations which they will consider carefully.

Investment policy

The charity has a portfolio of listed investments which together with cash awaiting investment had a market value as at 31 August 2019 of £4,609,861 (2018 – £4,644,916).

There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees and takes into account income requirements, the risk profile and the investment manager's view of the market prospects in the medium term; the trustees have agreed a detailed investment policy that includes ethical guidelines with the investment managers which they take into account in their choice of securities. According to the ethical policy, the trustees will not invest in companies which engage in activities which are contrary to the moral and social teaching of the Roman Catholic church, in so far as this can be practically established. With our change of investment manager to Ruffer LLP, the overall investment policy is to maximise total return through a diversified portfolio, prioritising total return and portfolio growth over the provision of a pre-determined level of income.

The performance of the portfolio and the charity's investment strategy are reviewed by the trustees whose representatives meet with the investment managers regularly.

In addition to the listed investments, the charity has £75,000 (2018 – £75,000) invested in National Savings Bonds.

The charity also has several properties which are used to generate rental income and which are classified in the accounts as investment properties.

Achievements and performance

Review of activities

♦ **Formal Divine Service and other services in the Abbey Church**

The Divine Office is one of the permanent features of the monastic life and there have been no major developments or changes during the year other than to revise some elements in our services. The nave of the Abbey Church suffered serious damage in a storm in November 2018 (see below under Buildings). This did not greatly affect the use of the Church for the monastic offices but other activities were curtailed from December 2018 until June 2019. There were consequently fewer concerts and events involving local schools in the church during that period. Some services including Sunday Mass were held in the Parish Church, St Mary's.

The Abbey Church now has new sanctuary furniture designed by George Pace for Ely Cathedral in the 1960s. The Cathedral was replacing these stalls with new lightweight furniture and the trustees are grateful to the Dean and Chapter for donating them.



The new sanctuary furniture

Achievements and performance (continued)

Review of activities (continued)

♦ **Caring for older and frail members of the Community**

During the year two members of the Community were permanently resident in the infirmary. One of them was moved into a local Care Home just after the end of this financial year and another died in October. Another member was suffering from the mental and physical afflictions of age; he was cared for in the community for some time but then had to go to hospital, where he currently remains. The trustees continue to ensure that the highest priority is given to ensuring that the sick and elderly are well cared for; one member of the community is in the Infirmary and outside help is engaged as needed.

♦ **Buildings**

The most significant event in the year was when Storm Diana blew out a high-level stained-glass window in the Abbey Church. Inspection of the damage revealed that there were serious defects in the condition of the bronze bars which should have kept the panes of glass securely in position. It became clear that making the glass safe would become a major operation. The nave of the church was scaffolded, inside and out so that the work could be done. Acting with the professional advice of an architect and a structural engineer, the work was done by our own staff. They were able to take the opportunity to clean the windows inside and out and to rectify another problem of the invasions of cluster flies at various times of the year. Our friends and supporters were very generous and the cost of the project (approximately £97,000) was mostly covered by donations and grants.



The storm damage 29 November 2018

Achievements and performance (continued)

Review of activities (continued)

♦ **Buildings** (continued)



The Douai engineering team

Otherwise there has been no major expenditure on the buildings during the year, only routine maintenance and some small-scale enhancements in the monastery and in our rented properties.

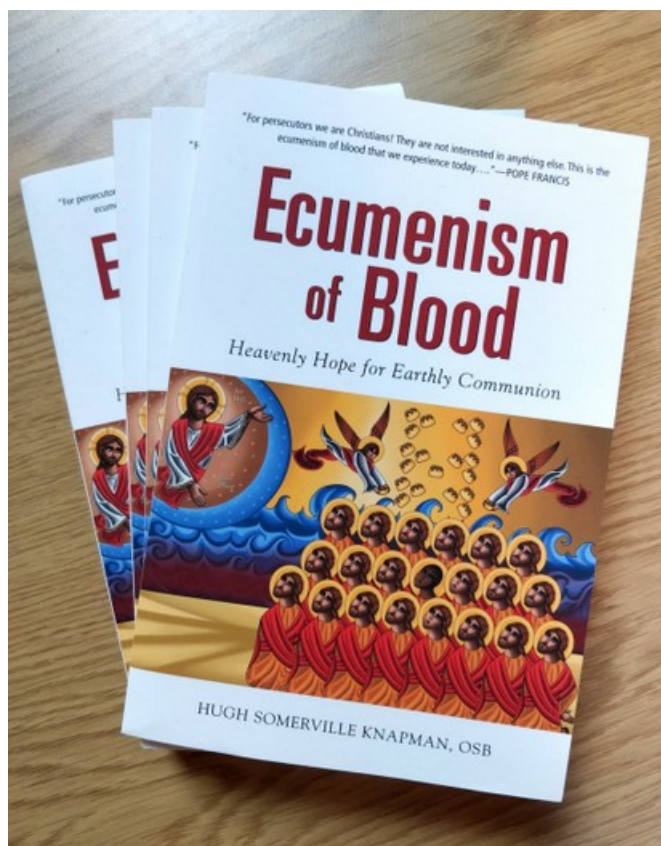
♦ **The provision of education**

During the year a new member completed his noviciate and took his first vows in September 2019. Since then another person has joined the community as a postulant. Some members of the Community act as part-time chaplains for the Roman Catholic pupils at Winchester College. Groups of pupils from other schools, such as London Oratory School, Thorngrove Preparatory School and Woolhampton Primary School, regularly visit the monastery and are offered an insight into the monastic life by one or more members of the Community. Pupils from a local school for children with significant autism and attendant learning difficulties attended the monastery regularly for work experience in the gardens and in the housekeeping department. Other schools have held retreats at the monastery for their pupils preparing for Confirmation. At the tertiary level, the abbot teaches part-time for one term at Oxford. Members of the community are often called on to give talks, mainly to groups who are visiting the monastery. In October we hosted an exhibition about Cardinal Manning from the Westminster Diocesan Archives in the Abbey Church. One member of the community is preparing for further studies and published a book on the Coptic Martyrs which was launched at the London Oratory in October 2018.

Achievements and performance (continued)

Review of activities (continued)

◆ **The provision of education** (continued)



The English Benedictine Congregation has set up a Continuing Formation Commission which has organised various events for the monks and nuns of the Congregation. In October three members of the community attended a four-day conference of over 50 participants from monasteries in the UK and the USA which focussed on human formation. The community is fully committed to the idea that formation should continue through the life of a monk.

The trustees consider the monastery's archive and library to be part of its service to education. Both facilities are very well utilised by visiting researchers and scholars. The archivist organises exhibitions in the library, giving visitors and members of the community an opportunity to see the richness of our collections. In June an exhibition of the English Carmelite convent founded in Antwerp was arranged and a catalogue produced. This community moved to England after the French Revolution but have now been dispersed. Their archives are among those of 14 different communities which are now stored in the Douai archive.

Achievements and performance (continued)

Review of activities (continued)

♦ **The provision of education** (continued)



Mother Anne of the Ascension Worsley
(from the Antwerp Carmelite collection)

♦ **The provision of hospitality and pastoral work**

During the year 3,239 (2018 – 3,528) over-night stays in the Guest House were recorded; this represents both individuals on retreat and groups attending conferences. In addition, 714 (2018 – 816) over-night stays were recorded in the self-catering Cottages. The income from the Guest House, including the Cottages, totalled approximately £173,982 (2018 – £188,000). We continue to subsidise the stays of those who cannot afford to pay either part or all of the suggested donation for accommodation. The kitchen and housekeeping staff deliver a high standard of service to guests and visitors, a fact frequently commented on by those staying at Douai.

Achievements and performance (continued)

Review of activities (continued)

♦ **The provision of hospitality and pastoral work** (continued)

Retreats during the year have included our traditional weekends focused on the seasons of the Church's year (Advent, Christmas, Lent and Easter) and on such themes as Icons, Christian Poetry, Ecology, Christian Mindfulness, Scripture, Spirituality, and the History of the English Church. Most of these retreats have centred on talks given by members of the Community, but outside speakers are also engaged from time to time.

Members of the Community have been involved in directing guests on individually guided retreats and have accompanied candidates in their preparation for ordination to the diaconate and priesthood.

Other groups have organised their own retreats or meetings, but often members of the Community are asked for some input and most guests will have some individual contact with the monks during their stay. The majority of our guests are Roman Catholic and we have welcomed priests from the Portsmouth, Northampton, Nottingham and Cardiff dioceses for group retreats and days of recollection, as well as Catholic parishes such as Tunbridge Wells, Reading, Bracknell, Newbury, Wokingham and Basingstoke. University chaplaincy groups have also stayed, both in the Guest House and in the Cottages. We have become a regular venue for a group of Catholic chaplains involved in the field of mental health.

The Anglican Diocese of Oxford has used our premises to offer training courses for its clergy. The Community has also welcomed Anglican parish groups, as well as Methodist and community church congregations, for retreats and days of recollection. For many years, we have welcomed a Zen Buddhist group who hold silent retreats here, making the most of our monastic atmosphere. Most of these groups have participated in the Community's round of worship in the Abbey Church.

The Community has continued to offer space for the President of the English Benedictine Congregation (EBC) and his secretary, both monks from other monasteries, to live and establish an office. The Community sees this as a form of fraternal hospitality offered to the EBC of which the Community is a member, from which we also benefit. The monastery has also been used regularly to host meetings of monastic superiors.

Members of the Community have continued to be involved in pastoral work in the area and further afield and many people of all faiths and of none consider the monastery to be a place where they will find peace and quiet.

Achievements and performance (continued)

Investment performance

During the year to 31 August 2019, the charity's listed investments produced an income yield of 1.39%% (2018 – £1.42%). The charity's listed investments rose in value during the year, giving rise to net investment gains of £61,370 (2018 – gains of £43,113) on the portfolio. The capital yield on the portfolio during the year showed a rise in value of 1.46% (2018 – 1.08%).

Investment properties produced rental income of £119,321 (2018 – £114,467) during the year.

Financial report for the year

Results for the year

A summary of the results for the year can be found on page 24 of the attached accounts.

Total income for the year amounted to £711,247 compared to £1,934,498 in the prior year when there was a significant surplus from the disposal of land in Evesham and tangible fixed assets of £1,200,113. Donations and legacies amount to £316,361 compared to £337,885. Whilst the total figures are little different to one another, the figure for 2019 includes donations of £76,111 being monies raised towards the restoration of a stained glass window in the Abbey Church which was damaged in storms during the 2018/19 winter. The 2018 figure for donations and legacies includes one particularly large legacy. Income from charitable activities i.e. retreat house income and related receipts remained stable at £173,982 (2018 – £188,272) as did income from visitors and other trading activities at £30,089 (2018 – £25,172). Income from listed and property investments, together with interest receivable, amounted to £177,969 (2018 – £172,256).

Expenditure amounted to £1,063,354 compared to £1,143,420 in 2018. The cost of raising funds decreased by £56,063 to £64,769 (2018 – £120,832), the costs in relation to supporting members of the Community and their ministry decreased to £998,585 (2018 – £1,022,588) due to a fall in governance costs, mainly consisting of legal fees (see note 8). There has been an increase in premises costs of £91,449 to £262,194. This is due to repairs costs relating to the stained glass windows in the Abbey Church. There has been a corresponding increase in donations of £76,111 which were raised to fund the repair.

The net expenditure for the year before investment gains was £352,107 (2018 – net income £791,078). The net investment gains totalled £61,370 (2018 – £43,113) and were in respect to listed investments. When these net gains are accounted for, the overall impact on the charity's funds is a decrease of £290,737 for the year (2018 – increase of £834,191).

Financial report for the year (continued)

Reserves policy and financial position

Reserves policy

As explained above, the charity carries out a diverse range of activities, some of which comprise short term and externally funded projects whilst others comprise long term projects requiring significant ongoing financial commitment and investment. The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work, the level of free reserves should be equivalent to 36 months expenditure. The trustees are of the opinion that this reflects the charity's reliance on investments to generate investment income to fund recurring expenditure. The policy also provides sufficient flexibility to cover temporary shortfalls in income due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

Financial position

The balance sheet shows total funds £14,991,325 (2018 – £15,282,062).

These funds include an amount of £99,695 (2018 – £86,947) which is restricted. These monies have either been raised for, and their use restricted to specific purposes, or they comprise donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 18 to the accounts together with an analysis of movements in the year.

The tangible fixed assets fund equal to the net book value of the tangible fixed assets and amounting to £6,907,322 (2018 – £7,103,744) has been identified as a separate fund in recognition of the fact that such assets are required to enable the Community to carry out its charitable work and are not available to fund activities or meet future commitments.

Funds totalling £4,600,000 (2018 – £4,600,000) have been designated, or set aside, by the trustees for specific purposes as follows:

- ♦ An amount of £4,150,000 (2018 – £4,150,000) has been designated to meet the costs of the care and welfare of members of the Community as they grow old or frail. The members are wholly dependent on the charity for their maintenance and care. The amount of funds set aside has been calculated using actuarial principles and will provide only modest amounts in the future.
- ♦ £450,000 (2018 – £450,000) has been set aside towards the cost of future improvements to, and maintenance of, the charity's freehold properties.

Further details of the purposes of the designated funds and an analysis of the movements on the funds are set out in note 19 to the accounts.

General funds or 'free reserves' of the charity at 31 August 2019 total £3,384,308 (2018 – £3,491,371).

Financial report for the year (continued)

Reserves policy and financial position (continued)

Reserves policy (continued)

The trustees consider that this level of free reserves is appropriate despite it being slightly higher than the amount set out in the charity's reserves policy above. The trustees are of this opinion given the volatility in world stock markets at the present time due to political and economic uncertainties and because of the unquantifiable expense arising from the Independent Inquiry into Child Sexual Abuse (see earlier). They also accept that in the years ahead, members of the Community may require increasing and increasingly expensive health care, and that the designated retirement fund of £4,150,000 (2018 – £4,150,000) described above may prove to be inadequate and it is the intention of the trustees to increase the fund over time. The trustees, therefore, consider free reserves to be adequate but not excessive, but they will keep this matter under review.

Raising funds

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

Future plans

The trustees have the intention of consolidating the charity's activity and income in the following ways:

- ◆ The trustees will continue to investigate alternative sources of income, particularly in the field of education and pastoral work. One particular proposal which is currently being investigated is the possibility of establishing a sabbatical programme for priests with a view to the first course taking place in October 2021.
- ◆ A quinquennial inspection of the Abbey Church was undertaken in 2019, but the demands of the project to repair the high-level windows damage took priority over the exercise of implementing the report's recommendations. We will be undertaking this during 2019/20.
- ◆ The trustees will explore new ideas for attracting vocations to the community.
- ◆ We will be keeping a close eye on our investments and consider alternative strategies with our investment managers, in view of changing market conditions and particularly the possible effects of Brexit.
- ◆ We will be conducting an energy audit of all the monastery buildings with a view to save money and to reduce the carbon footprint of our life-style.

Governance, Structure and Management

Governance

Douai Abbey is an autonomous monastery of the Roman Catholic English Benedictine Congregation. The conduct and administration of the monastery is subject to the Constitutions of the English Benedictine Congregation and to the precepts of the Code of Canon Law of the Roman Catholic Church.

In terms of civil law the charity is governed by a trust deed dated 22 September 1934 and is a registered charity – Charity Registration No 236962. The trustees of the Abbey are the Abbot and the members of his Council. The members of the Abbot's Council are each year partly appointed by the Abbot himself from members of the Community and partly elected by the monks of the Abbey.

As all the trustees are members of the Community, they have a detailed knowledge of the work of the charity and its structure. Unlike many charity trustees who might live at a distance and meet briefly quarterly or so, the trustees are involved on a daily basis with the work of the charity, live within the Abbey itself or in its parishes, and meet and interact on a frequent basis. The trustees seek advice from professional advisers where necessary on legal, accounting, property and other issues. In addition, a voluntary advisory group of professionals of varied financial experience advises the trustees on investment policy and strategic development. The secretary to the trustees, who is also the bursar, attends external meetings and conferences during the year which enable him to keep up to date with developments of interest to the charity and to the sector as a whole. The Abbot is also involved in other trusts and attends meetings with other religious superiors during the year. Other trustees are encouraged to attend relevant and appropriate courses and conferences so as to enable them to continue to be aware of their responsibilities and developments in the charity sector.

The names of the trustees who served during the year are set out as part of the reference and administrative information details on page 1 of this annual report and accounts. Brief biographical details of the trustees in office at 31 August 2019 are given below:

Rt Revd W G Scott OSB

Abbot of Douai since 1998, chairman of trustees, member of the community since 1966. MA (Oxford) PhD, FSA, FRHistS, Teacher of History in Douai School 1975 - 1993, Headmaster 1987 - 1993, librarian and archivist of the Abbey 1989 - present. Chair of Douai Abbey Parishes Trust, trustee of Oulton Abbey, member of Bishops' Patrimony Committee with responsibility for libraries and archives, President of the Catholic Archives Society and Vice-President of the Catholic Records Society and since 2017 has been analyst for the English Benedict Congregation.

Governance, Structure and Management (continued)

Governance (continued)

Revd A Hood MA, PhD, PGCE, AdvDip Couns

Prior of Douai Abbey since September 2014. Teacher at Douai School, 1992 - 1995, served on the Douai parish of Ormskirk, 1995 - 2002, (during which time he was a trustee of the Douai Abbey Parishes Trust), Novice Master and Choirmaster at Douai since 2002. He was formerly a trustee of the charity from 1998 until 2006. He is also a trustee of another Benedictine monastery at St Michael's Abbey, Farnborough, Hants. He gives retreats at Douai and elsewhere and sees people for spiritual direction on a regular basis.

Revd T Bowe OSB, MA, STL

Teacher of Economics and RE 1972-1982, housemaster 1972 – 1982, bursar 1996 – 2005, vice-chairman of Association of Provincial Bursars 2000 - 2005, Novice Master 1983 - 1990, founder member and bursar of Maison St Benoit, the dependent house in France 2005 – 2012; Prior of Douai September 2012 – September 2014, parish priest of Woolhampton since September 2012.

Revd T J Holt OSB MA

Teacher of English in Douai School 1977 - 1999, housemaster 1982 - 1999, Bursar of Douai Abbey since 2005, trustee since 1997, trustee of Priors Court School 2005 – 2014, trustee of Lejeune Clinic for children with Down's Syndrome 2006 - 2016, trustee of Friends of Newbury Spring Festival 2008 - present, member of Association of Provincial Bursars. Trustee of Downside Abbey 2016 – present.

Revd P Gunter OSB, BD, SL.L., SL.D

Currently Parish Priest of Alcester since 2016 and Secretary of the Department of Christian Life and Worship to the Catholic Bishop's Conference of England and Wales since 2012. Consulter to the Office of the Liturgical Celebrations of the Supreme Pontiff, Vatican City 2018-2013. Visiting Professor, Pontifical Athenaeum Regina Apostolorum, Rome 2008-2015, Professor at the Pontifical Institute of Liturgy, Rome 2006-2016. Further Studies, Rome 2002-2006. Parish Priest, Studley 1999-2002 and the Trustee of Douai Abbey Parishes Trust. Member, Council of Priests, Diocese of Clifton 1995-1999; assistant priest, school chaplain, hospital chaplain, Cheltenham 1992-1999.

Revd A Somerville Knapman OSB, MPhil, MA (Theol), STB, BA

Joining the monastery in early 2001, he was ordained a priest in April 2007 after studying in Oxford and Rome. His recently completed theological research at Bristol University was published by Paulist Press of New York in the autumn of 2018. Before entering the monastery, he studied at the University of Sydney and worked in education and then in a civilian role in communications for the New South Wales Police in Sydney, Australia. Currently he serves as Bursar, Abbey Church administrator, Community webmaster and IT officer, and undertakes various publishing projects for the Community. He is member of Association of Provincial Bursars.

The Douai Abbey trustees have a number of financial advisers who attend three meetings a year on a purely voluntary basis and are also available for consultation between meetings.

Governance, Structure and Management (continued)

Governance (continued)

Peter Bryan was bursar of another monastery, Ampleforth Abbey, for 16 years and is currently Director of Corporate Resources and Deputy Master of Marlborough College.

Margaret Chin-Wolf is a retired portfolio manager/investment analyst for the Pacific Region who qualified as an economist and barrister. She is a Governor of the Pilgrims' School, a Governor of the University of Winchester and a member of the Jesuit Refugee Service International Development Group. She is also a Professional Coach/ICF ACSTH and a graduate of the FT Non-Executive Director Diploma.

Denis Murtagh is a chartered accountant. Now retired, he spent most of his career with KPMG, one of the largest global accounting and advisory firms, where he was a tax adviser.

Trustees' responsibilities statement

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

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the 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 to the United Kingdom and Republic of Ireland (FRS 102);
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ♦ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations 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.

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

Governance, Structure and Management (continued)

Key management

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

The trustees and the Bursar are all members of the Community and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or as senior management.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet every two months to review developments with regard to the charity or its activities and make any important decisions.

As stated above, when necessary, the trustees seek advice and support from the charity's professional advisers, e.g. property consultants, investment managers, solicitors and accountants. For some matters the constitutions of the English Benedictine Congregation require the Abbot to seek the whole Community's consent, for other matters it is only necessary to consult the Community.

Working with other organisations

The Community is responsible for the administration of several Roman Catholic parishes in England. The property and finances of these parishes are administered through a separate registered charity – the Douai Abbey Parishes Trust (Registered Charity No: 1063237). Two of the trustees of the Douai Abbey Trust are also trustees of the Douai Abbey Parishes Trust. Details of transactions between the two charities are given in the notes to the accounts.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks. The trustees review a risk management matrix annually, which includes such potential risks as the loss of key staff, disaster recovery and reputational risk.

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

Governance, Structure and Management (continued)

Risk management (continued)

- ◆ **Loss of key management (Abbot, Bursar etc)**
The trustees are aware that they are very dependent on certain key people and the implications of losing these people would be serious. The trustees consider that strong support from financial advisers, training of trustees, and ongoing discussion of ways of lightening the load of the Abbot will all mitigate this risk. In addition, the English Benedictine Congregation, of which the Abbey is a member, has developed structures of congregational support, including the lending of personnel, to assist any communities who find themselves in difficulties.
- ◆ **Failure to recruit and retain new members**
The trustees are very much aware of the age profile of the members of the community and of the need to recruit new novices. One member of the community, who is a trustee, is responsible for directing vocations and for attracting younger people to visit the monastery.
- ◆ **Dependence of income from investments rather than operations**
The charity relies to a large extent on the returns from its investment portfolio to cover its outgoings. The performance of the investment portfolio and the investment strategy are reviewed in meetings of the trustees and in regular meetings with the investment managers, taking into account current and future political and economic uncertainties. During the year the trustees decided that a change of investment managers was appropriate and they have recently appointed as their investment managers, Ruffer LLP. As explained in "Reserves Policy" on page 14, the charity's reserves policy reflects the need to hold investments in order to generate investment income to fund recurring expenditure. In addition, the charity maintains sufficient reserves to cover temporary shortfalls in income.
- ◆ **Safeguarding and other reputational issues**
These are addressed under relevant policies on page 6.

Employees, volunteers and members of the Community

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and individual members of the Community. Their dedication is very much appreciated.

Approved by the trustees and signed on their behalf by:

Rt Revd W G Scott OSB

Trustee

Approved by the trustees on: 18 February 2020

Independent auditor's report to the trustees of Douai Abbey Trust

Opinion

We have audited the accounts of Douai Abbey Trust (the 'charity') for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, a summary of 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 2019 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

Use of our report

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

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

26 February 2020

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 2019

	Notes	Un-restricted funds £	Restricted funds £	2019 Total funds £	Un-restricted funds £	Restricted funds £	2018 Total funds £
Income from:							
Donations and legacies	1	225,827	90,534	316,361	323,839	14,046	337,885
Charitable activities	2	173,982	—	173,982	188,272	—	188,272
Other trading activities	3	30,089	—	30,089	25,172	—	25,172
Investments and interest receivable	4	177,969	—	177,969	172,256	—	172,256
Other sources							
. Surplus on disposal of land and tangible fixed assets	5	—	—	—	1,200,113	—	
. Miscellaneous income		12,846	—	12,846	10,800	—	10,800
Total income		620,713	90,534	711,247	1,920,452	14,046	1,934,498
Expenditure on:							
Raising funds	6	64,769	—	64,769	120,832	—	120,832
Charitable activities							
. Support of members of the Community and their ministry	7	920,799	77,786	998,585	1,005,111	17,477	1,022,588
Total expenditure		985,568	77,786	1,063,354	1,125,943	17,477	1,143,420
Net (expenditure) income before gains on investments	10	(364,855)	12,748	(352,107)	794,509	(3,431)	791,078
Other recognised gains and losses							
Gains on the revaluation and disposal of listed investments	15	61,370	—	61,370	43,113	—	43,113
Net (expenditure) income and net movement in funds		(303,485)	12,748	(290,737)	830,762	(3,431)	834,191
Reconciliation of funds:							
Fund balances brought forward at 1 September 2018		15,195,115	86,947	15,282,062	14,357,493	90,378	14,447,871
Fund balances carried forward at 31 August 2019		14,891,630	99,695	14,991,325	15,195,115	86,947	15,282,062

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

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

Balance sheet 31 August 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets:					
Tangible assets	14		6,907,322		7,103,744
Investments	15		7,929,861		7,964,916
			14,837,183		15,068,660
Current assets:					
Stocks		15,763		13,593	
Debtors	16	21,243		148,826	
Cash at bank and in hand		162,929		100,379	
		199,935		262,798	
Liabilities:					
Creditors: amounts falling due within one year	17	(45,793)		(49,396)	
Net current assets			154,142		213,402
Total net assets			14,991,325		15,282,062
The funds of the charity:					
Restricted funds	18		99,695		86,947
Unrestricted funds					
. General fund			3,384,308		3,491,371
. Designated funds	19		4,600,000		4,600,000
. Tangible fixed asset fund	20		6,907,322		7,103,744
Total charity funds			14,991,325		15,282,062

Approved by the trustees and signed on their behalf by:

Rt Revd W G Scott OSB

Trustee

Approved on: 18 February 2020

Statement of cash flows Year to 31 August 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(212,709)	(519,141)
Cash flows from investing activities:			
Investment income including rent received		178,833	201,243
Proceeds from the disposal of land		—	1,200,000
Purchase of tangible fixed assets		—	(22,148)
Proceeds from the disposal of investments		4,147,159	5,485,792
Purchase of investments		(4,089,676)	(5,871,271)
Net cash provided by investing activities		236,316	993,616
Cash flows from financing activities:			
Repayments of borrowing		—	(330,000)
Net cash used in financing activities		—	(330,000)
Change in cash and cash equivalents in the year		23,607	144,475
Cash and cash equivalents at 1 September 2018		553,072	408,597
Cash and cash equivalents at 31 August 2019	B	576,680	553,072

Notes to the statement of cash flows for the year to 31 August 2019.

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

	2019 £	2018 £
Net movement in funds (as per the statement of financial activities)	(290,737)	834,191
Adjustments for:		
Depreciation charge	196,422	193,974
Gains on investments	(61,370)	(43,113)
Investment income including rent receivable	(177,969)	(172,256)
Surplus on disposal of land	—	(1,200,000)
Increase in stocks	(2,170)	—
Decrease (increase) in debtors	126,718	(121,167)
Decrease in creditors	(3,603)	(10,770)
Net cash used in operating activities	(212,709)	(519,141)

B Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	162,929	100,379
Cash held by investment managers	413,751	452,693
Total cash and cash equivalents	576,680	553,072

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

Principal accounting policies Year to 31 August 2019

Basis of preparation

These accounts have been prepared for the year to 31 August 2019 with comparative information provided in respect to the year to 31 August 2018.

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:

- ◆ assessing the probability of the receipt of legacy income and estimating the amount to be received;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- ◆ estimating the fair value of investment properties; and
- ◆ 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.

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 one year from the date of approval of these accounts.

Assessment of going concern (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 August 2020, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

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

Income comprises donations, legacies, investment income, income from the sale of books and artefacts, income from retreats and visitors and other income including the surplus on disposal of land and 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.

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

Income recognition (continued)

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

Investment income is recognised once the dividend or equivalent 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 sale of books and artefacts and from retreats and other visitors is measured at fair value of the consideration received or receivable, excluding discounts.

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

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 all expenditure associated with raising funds for the charity. This includes investment management fees and investment property costs.
- ◆ 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 charitable donations and grants, costs in respect to the support of members of the Congregation and enabling their ministry, including governance costs.

Expenditure recognition (continued)

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.

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

a. Functional freehold property

Freehold properties used for the direct charitable work of the charity are included in these accounts at an estimate of their historic cost as determined by the trustees.

Due to its historic nature, the Abbey is depreciated at a rate of 1% per annum on a straight line basis.

Other functional freehold properties are depreciated at a rate of 2% per annum on a straight line basis in order to write the buildings off over their estimated useful economic life to the charity.

b. Other tangible fixed assets

Plant and other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- ◆ Plant, furniture and equipment – 5% to 20% per annum based on cost
- ◆ Motor vehicles – 25% per annum based on cost

Other tangible fixed assets which have been fully depreciated are written out of the accounts as their net realisable value is considered to be negligible.

Fixed asset investments

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

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.

Fixed asset investments (continued)

Properties held for investment purposes are included in these accounts at open market value. The valuation has been determined by the trustees, with professional assistance. Investment properties were last re-valued formally by professional valuers on 31 December 2015 on an open market basis by Messrs Carter Jonas LLP, Chartered Surveyors, in accordance with the appropriate sections of the current RICS Professional Standards (PS) and RICS Global Valuation Practice Statements (VPS) contained in the RICS Valuation – Professional Standards 2014 incorporating the IVSC International Valuation Standards (the ‘Red Book’).

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Fund structure

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

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

Fund structure (continued)

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Services provided by members of the Community

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

Pension contributions

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 11. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	2019 Total funds £	Unrestricted funds £	Restricted funds £	2018 Total funds £
Donations	33,256	90,534	123,790	20,133	14,046	34,179
Legacies	5,536	—	5,536	128,729	—	128,729
Collections and offertory	49,901	—	49,901	54,057	—	54,057
Amount receivable from parishes administered by Douai Abbey	61,795	—	61,795	50,450	—	50,450
Pensions and other income of individual religious received under deed of covenant	75,339	—	75,339	70,470	—	70,470
Total funds	225,827	90,534	316,361	323,839	14,046	337,885

2 Income from: Charitable activities

	Unrestricted funds £	Restricted funds £	2019 Total funds £	Unrestricted funds £	Restricted funds £	2018 Total funds £
Sales of religious books and artefacts	11,696	—	11,696	13,276	—	13,276
Retreat house and related income	155,147	—	155,147	164,937	—	164,937
Other	7,140	—	7,140	10,059	—	10,059
Total funds	173,982	—	173,982	188,272	—	188,272

3 Income from: Other trading activities

	Unrestricted funds £	Restricted funds £	2019 Total funds £	Unrestricted funds £	Restricted funds £	2018 Total funds £
Visitors for non-religious purposes	28,389	—	28,389	22,295	—	22,295
Other	1,700	—	1,700	2,877	—	2,877
Total funds	30,089	—	30,089	25,172	—	25,172

4 Income from: Investments and interest receivable

	Unrestricted funds £	Restricted funds £	2019 Total funds £	Unrestricted funds £	Restricted funds £	2018 Total funds £
Income from listed investments and National Savings Bonds						
. UK equities	11,812	—	11,812	21,094	—	21,094
. Overseas equities	33,942	—	33,942	17,395	—	17,395
. Corporate bonds	—	—	—	8,443	—	8,443
. Government bonds	6,180	—	6,180	3,810	—	3,810
. Income bonds	3,692	—	3,692	5,795	—	5,795
	55,626	—	55,626	56,537	—	56,537
Income from investment property						
. Rental income	119,321	—	119,321	114,467	—	114,467
Interest receivable	3,022	—	3,022	1,252	—	1,252
Total funds	177,969	—	177,969	172,256	—	172,256

5 Surplus on disposal of land and tangible fixed assets

	Unrestricted funds £	Restricted funds £	2019 Total funds £	Unrestricted funds £	Restricted funds £	2018 Total funds £
Surplus on disposal of land (see below)	—	—	—	1,200,000	—	1,200,000
Surplus on disposal of tangible fixed assets	—	—	—	113	—	113
Total funds	—	—	—	1,200,113	—	1,200,113

On 22 September 2015, the charity entered in to a legal agreement to dispose of approximately 18 acres of land at Hampton, Evesham, Worcestershire to a development company. The land had been subject to an option agreement signed previously in favour of the development company subject to the development company securing planning permission in respect to the site. The agreement provided for the land to be conveyed in two development Phases for a total consideration of £1.9 million. Consideration was payable in three tranches.

The first tranche of £700,000 less the price paid for the granting of the option i.e. £645,815 was received by the charity in November 2015 on completion of the conveyance of the land relating to Phase 1 of the development and was accounted for net of all related expenses in the charity's accounts for the year to 31 August 2016.

On 23 January 2018, the sale of the Phase 2 land to the developer was completed and the amounts due in respect to the second and third tranches (£1.2 million) were received by the charity and accounted for in the year to 31 August 2018.

6 Expenditure on: Raising funds

	Unrestricted funds £	Restricted funds £	2019 Total funds £	Unrestricted funds £	Restricted funds £	2018 Total funds £
Investment property expenses	11,637	—	11,637	13,185	—	13,185
Investment manager's fees	51,227	—	51,227	46,420	—	46,420
Foreign exchange losses	—	—	—	59,646	—	59,646
Other	1,905	—	1,905	1,581	—	1,581
Total funds	64,769	—	64,769	120,832	—	120,832

7 Expenditure on: Support of members of the Community and their ministry

	Unrestricted funds £	Restricted funds £	2019 Total funds £	Unrestricted funds £	Restricted funds £	2018 Total funds £
Staff costs (exc. pastoral activities)	150,108	—	150,108	165,479	—	165,479
Depreciation	196,422	—	196,422	193,974	—	193,974
Living and personal costs	151,175	—	151,175	163,844	—	163,844
Premises	186,083	76,111	262,194	170,745	—	170,745
Pastoral activities (inc. staff costs)	139,015	1,675	140,690	145,027	4,482	149,509
Governance (note 8)	84,881	—	84,881	142,792	—	142,792
Donations (note 9)	5,016	—	5,016	5,906	—	5,906
Other	8,099	—	8,099	17,344	12,995	30,339
Total funds	920,799	77,786	998,585	1,005,111	17,477	1,022,588

8 Governance

	Unrestricted funds £	Restricted funds £	2019 Total funds £	Unrestricted funds £	Restricted funds £	2018 Total funds £
Professional fees	5,115	—	5,115	4,762	—	4,762
Legal fees	69,326	—	69,326	127,830	—	127,830
Auditor's remuneration	10,440	—	10,440	10,200	—	10,200
Total funds	84,881	—	84,881	142,792	—	142,792

Legal fees above consist of amounts paid to Kingsley Napley LLP, the legal firm chosen to represent the Roman Catholic English Benedictine Congregation as a whole together with many of the autonomous monasteries, including Douai Abbey, at the Independent Inquiry into Child Sexual Abuse.

9 Donations

	Unrestricted funds £	Restricted funds £	2019 Total funds £	Unrestricted funds £	Restricted funds £	2018 Total funds £
Donation to an individual	—	—	—	3,000	—	3,000
Be here for me	—	—	—	1,000	—	1,000
Aid to the Church in Need	1,000	—	1,000	—	—	—
The Cardinal Hume Centre	—	—	—	1,000	—	1,000
Voluntary Service Overseas	1,000	—	1,000	—	—	—
Prisoners of Conscience	1,000	—	1,000	—	—	—
Providence Law	1,000	—	1,000	—	—	—
Missio	1,000	—	1,000	—	—	—
Donations of less than £1,000 each	16	—	16	906	—	906
Total funds	5,016	—	5,016	5,906	—	5,906

10 Net (expenditure) income before gains on investments

This is stated after charging:

	Unrestricted funds £	Restricted funds £	2019 Total funds £	Unrestricted funds £	Restricted funds £	2018 Total funds £
Staff costs (note 11)	236,817	—	236,817	241,232	—	241,232
Auditor's remuneration	—	—	—	—	—	—
. Statutory audit services	10,440	—	10,440	10,200	—	10,200
Depreciation	196,422	—	196,422	193,974	—	193,974

11 Employees and staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	214,522	219,181
Social security costs	15,205	15,590
Other pension costs	7,090	6,461
	236,817	241,232

No employee earned in excess of £60,000 per annum (including taxable benefits) or more during the year (2018 – none).

The average number of employees during the period was 14 (2018 – 15).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the Bursar. They received no remuneration or reimbursement of expenses in connection with their duties during the year (2018 – £nil).

12 Trustees' expenses and remuneration and transactions with trustees

The charity's trustees are all members of the Community and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Community, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2018 – none).

As members of the Community, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £17,504 (2018 – £17,153).

13 Taxation

Douai Abbey Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities or tax on capital gains, as it falls within the various exemptions available to registered charities.

14 Tangible fixed assets

	Freehold land and buildings £	Plant, furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2018 and at 31 August 2019	9,347,196	252,879	19,095	9,619,170
Depreciation				
At 1 September 2018	2,404,341	102,607	8,478	2,515,426
Charge for year	171,410	21,526	3,486	196,422
At 31 August 2019	2,575,751	124,133	11,964	2,711,848
Net book values				
At 31 August 2019	6,771,445	128,746	7,130	6,907,322
At 31 August 2018	6,942,855	150,272	10,617	7,103,744

As permitted under FRS 102, the charity has adopted a policy of not revaluing its tangible fixed assets. Tangible fixed assets are stated at cost. Where a valuation has been used in periods prior to the implementation of FRS102, this has been taken to be deemed cost under the transitional arrangements of FRS 102.

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

15 Fixed asset investments

At 31 August 2019 fixed asset investments comprised:

	2019 £	2018 £
Freehold investment property (see a below)	3,245,000	3,245,000
Listed investments and cash held for re-investment (see b below)	4,609,861	4,644,916
National Savings Bonds	75,000	75,000
	7,929,861	7,964,916

Movements on each category of investment are summarised below.

a. Freehold investment property

	2019 £	2018 £
Market value at 1 September 2018 and 31 August 2019	3,245,000	3,245,000

The investment properties were purchased many years ago and accurate cost figures for the properties are not available without considerable research. The trustees are of the opinion that the cost and time involved in such an exercise is not commensurate with the value to be obtained from ascertaining such information.

The charity's freehold investment properties were re-valued on 31 December 2015. In the opinion of the trustees, the values as at that date are not materially different from the valuations that would have been determined at 31 August 2019. The valuations were determined on an open market basis on behalf of Messrs Carter Jonas LLP, Chartered Surveyors, in accordance with the appropriate sections of the current RICS Professional Standards (PS) and RICS Global Valuation Practice Statements (VPS) contained in the RICS Valuation – Professional Standards 2014 incorporating the IVSC International Valuations Standards (the "Red Book").

b. Listed investments and cash held for re-investment

	2019 £	2018 £
Listed investments		
Market value at 1 September 2018	4,192,223	3,763,630
Additions at cost	4,089,676	5,871,271
Disposals at book value (proceeds: £4,147,159, gains: £3,526)	(4,143,633)	(5,406,683)
Net unrealised investment gains	57,844	18,004
Market value at 31 August 2019	4,196,110	4,192,223
Cash held by investment managers for re-investment	413,751	452,693
	4,609,861	4,644,916
Cost of listed investments at 31 August 2019	4,199,045	4,189,082

All listed investments were dealt in on recognised stock exchanges.

15 Fixed asset investments (continued)

Listed investments held at 31 August 2019 comprised the following:

	2019 £	2018 £
UK equities	163,442	296,160
Overseas equities	1,781,871	1,505,490
Government bonds	1,901,423	1,289,376
Alternatives	349,374	1,101,197
	4,196,110	4,192,223

At 31 August 2019, listed investments included the following individual holdings deemed material when compared with the overall valuation of listed investments as at that date:

	Market value £	Percentage %
LE Ruffer Gold	236,854	5%
Ruffer Illiquid Multi Strategies Fund 2015 Limited	217,136	5%
Ruffer SICAV Fixed Income Z GBP Cap	808,391	18%
0.125% Treasury Index Linked 22/03/2068	212,247	5%

16 Debtors

	2019 £	2018 £
Investment income and interest receivable	1,830	2,694
Gift Aid recoverable	11,193	11,746
Retreat and visitor income receivable	—	8,454
Other debtors and prepayments	8,220	12,197
Legacy receivable	—	113,735
	21,243	148,826

17 Creditors: amounts falling due within one year

	2019 £	2018 £
Expense creditors and accruals	23,034	35,839
Retreat and visitor income received in advance	14,379	8,819
Payroll taxes and pension payable	8,380	4,738
	45,793	49,396

18 Restricted funds

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

18 Restricted funds (continued)

	At 1 September 2018 £	Income £	Expenditure £	At 31 August 2019 £
Library Archives Fund	86,001	14,423	(1,675)	98,749
Stained glass window fund	—	76,111	(76,111)	—
Other restricted fund	946	—	—	946
	86,947	90,534	(77,786)	99,695

	At 1 September 2017 £	Income £	Expenditure £	At 31 August 2018 £
Library Archives Fund	89,432	14,046	(17,477)	86,001
Other restricted fund	946	—	—	946
	90,378	14,046	(17,477)	86,947

The specific purposes for which the funds are to be applied are as follows:

- ◆ Library Archives Fund
This fund represents monies received specifically for the development of an archives database at the library, the maintenance of the archive, and the employment of a cataloguer.
- ◆ Stained glass window fund
This fund represents monies received specifically for the repair of the Abbey stained glass window which was damaged during a storm in November 2018.
- ◆ Other restricted fund
This fund represents monies received for one off specific purposes. The income and expenditure in the current year related to repairing damage to the large Abbey window.

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 2018 £	New designations £	Utilised/ released £	At 31 August 2019 £
Retirement reserve	4,150,000	—	—	4,150,000
Property improvement and maintenance fund	450,000	—	—	450,000
	4,600,000	—	—	4,600,000

19 Designated funds (continued)

	At 1 September 2017 £	New designations £	Utilised/ released £	At 31 August 2018 £
Retirement reserve	3,200,000	950,000	—	4,150,000
Property improvement and maintenance fund	200,000	250,000	—	450,000
	3,400,000	1,200,000	—	4,600,000

The retirement reserve represents monies designated by the trustees to provide for the members of the Community in their retirement. It has been calculated using actuarial principles and will be reviewed regularly by the trustees in the light of the resources available and likely to be required.

The property improvement and maintenance fund comprises monies set aside for future work on the charity's freehold properties.

20 Tangible fixed assets fund

	£
At 1 September 2018	7,103,744
Movement in year	(196,422)
At 31 August 2019	6,907,322

	£
At 1 September 2017	7,275,570
Movement in year	(171,826)
At 31 August 2018	7,103,744

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets and has been set up in recognition of the fact that the assets are required for the day-to-day work of the charity and are not available to finance current expenditure or meet contingencies.

21 Analysis of net assets between funds

	General fund £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Total 2019 £
Fund balances at 31 August 2019 are represented by:					
Tangible fixed assets	—	—	6,907,322	—	6,907,322
Investments	3,329,861	4,600,000	—	—	7,929,861
Net current assets	76,299	—	—	99,695	154,142
Total net assets	3,406,160	4,600,000	6,907,322	99,695	14,991,325

21 Analysis of net assets between funds (continued)

	General fund £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Total 2018 £
Fund balances at 31 August 2018 are represented by:					
Tangible fixed assets	—	—	7,103,744	—	7,103,744
Investments	3,364,916	4,600,000	—	—	7,964,916
Net current assets	126,455	—	—	86,947	213,402
Total net assets	3,491,371	4,600,000	7,103,744	86,947	15,282,062

The total unrealised gains as at 31 August 2019 constitute movements on revaluation and are as follows:

	2019 £	2018 £
Unrealised gains (losses) included above:		
On investment properties	645,000	645,000
On listed investments	(2,935)	3,140
Total unrealised gains at 31 August 2019	642,065	648,140
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 September 2018	648,140	1,139,428
Less: in respect of disposals in the year	(63,919)	(509,292)
	584,221	630,136
Add: net gains arising on revaluation arising in the year	57,844	18,004
Total unrealised gains at 31 August 2019	642,065	648,140

22 Related party transactions

The Douai Abbey Trust is connected to the Douai Abbey Parishes Trust (Charity Registration Number: 1063237) by virtue of the fact that both charities have a number of trustees in common.

During the year rent of £12,000 (2018 – £10,800) for the use of St Mary's Church was received by Douai Abbey Trust from Douai Abbey Parishes Trust.

During the year, a restricted donation of £10,000 was received by Douai Abbey Trust from St Mary's Priory Fernham Residual Fund (Charity Registration Number: 229393) for the repair of the stained glass window in the Abbey Church. The Abbot is a trustee of both entities.

Other than the donations received by trustees disclosed in note 12 to these accounts, there were no other related party transactions during the year which require disclosure (2018 – none).