

**The Trust of  
St Benedict's  
Abbey, Ealing**

**Annual Report and Accounts**

31 August 2020

Charity Registration Number 242715

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## Reference and administrative details of the charity, its trustees and advisers

Year to 31 August 2020

<b>Trustees</b>	Rt Revd Dominic Taylor OSB Very Revd Alexander Bevan OSB Revd Timothy Gorham OSB Revd Ambrose McCambridge OSB Revd Peter Burns OSB (The trustees are incorporated under of the Charities Act 2011)
<b>Parish Priest</b>	Revd Ambrose McCambridge OSB
<b>Monastic Bursar</b>	Very Revd Alexander Bevan OSB
<b>Lay Bursar</b>	Mrs S Daly FCA
<b>Trust Finance Committee</b>	Mr K Clark MRICS Mr G Gostwick BA Oxon Mr D Squire MA FCA
<b>Abbey address</b>	Ealing Abbey Charlbury Grove Ealing London W5 2DY
<b>Website</b>	<a href="http://www.ealingmonks.org.uk">www.ealingmonks.org.uk</a>
<b>Telephone</b>	020 8194 2300
<b>Charity registration number</b>	242715
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Allied Irish Bank (GB) Ealing Cross 85 Uxbridge Road London W5 5TH  HSBC Bank plc PO Box 260 46 The Broadway Ealing London W5 5JR

**Reference and administrative details of the charity, its trustees and advisers**  
Year to 31 August 2020

<b>Investment managers</b>	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
	Walker Crips Stockbrokers Limited Finsbury Tower 103-105 Bunhill Row London EC1Y 8LZ
<b>Insurance brokers</b>	D E Ford (Insurance Brokers) Limited Poppleton Grange Low Poppleton Lane York YO2 6AZ
<b>Solicitors</b>	Stone King LLP 13 Queen Square Bath BA1 2HJ
	Haworth & Gallagher LLP (Birkenhead) 39 Hamilton Square Birkenhead CH41 5BP

The trustees present their report together with the accounts of The Trust of St Benedict's Abbey, Ealing ("the Trust") for the year ended 31 August 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 28 to 34 of the attached accounts and comply with the charity's governing document, applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Charities Act 2011 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).

### **Objects, aims, activities and relevant policies**

#### **♦ Charitable objects**

The charity's objects are set out in a Scheme approved by the Charity Commissioners for England and Wales dated 5 September 1997. The charity aims to promote the charitable works carried on, promoted and supported by the monks of Ealing Abbey.

#### **♦ Public benefit**

In meeting these objects, the Trust's public benefit aims are to:

- ♦ Support the prayers and ministry of the Catholic Benedictine monks for the wider community.
- ♦ Support and promote the spiritual, charitable and social work of the Catholic community in Ealing and West London.
- ♦ Provide a first rate medium to long term counselling service to fill the gaps in NHS provision.
- ♦ Provide an opportunity to the public for continuing Christian education and formation and thus benefit society in an age full of conflict and misunderstanding.

#### **♦ Objectives for the year**

During the year to 31 August 2020 the focus was as follows:

- ♦ To work to maintain a healthy and viable monastic life in the Abbey.
- ♦ To preserve and enhance the Parish as a centre of Roman Catholic sacramental and spiritual life.
- ♦ To maintain the service offered by the Ealing Abbey Counselling Service (EACS).
- ♦ To support the Benedictine ethos of St Benedict's School.
- ♦ To continue and develop the work of the Benedictine Institute and the Liturgical Institute.

**Objects, aims, activities and relevant policies (continued)**

♦ **Strategies to achieve the year's objectives**

To establish a programme of monastic renewal and spiritual formation to enable the monastic community to continue to support the running of the charity and to ensure that sufficient external consultancy and support is available to develop the financial administration of the Trust.

♦ **Principal activities of the year**

The trustees review the charity's aims, objectives and activities each year to see what has been achieved over the previous year. The review looks at the success of each of the major activities and the benefits to the many beneficiaries. In furtherance of these aims, the trustees have complied with the duty contained within the Charities Act 2011 to have due regard to the Charity Commission's published guidance concerning the operation of the Public Benefit requirement under that Act.

During the year to 31 August 2020, the charity's activities fell into three main areas: Monastic life within the Abbey, pastoral work and education.

***The Monastic Community***

The centre of the work of the Trust is to sustain the community and prayer life of the Benedictine monastery of Ealing Abbey, much of which by its nature takes place out of public view. Six times every day the monks gather in the Abbey Church to pray the divine office and to celebrate the Eucharist, all of which are open to public participation. It is this work which makes it possible for the monks to engage in, support and promote a range of activities for the good of the wider community.

***Pastoral work***

Since the seventeenth century, monks of the English Benedictine Congregation have been engaged in pastoral work to support the Christian life of the Catholic community in England. For Ealing Abbey this has taken the form of a large diverse and active parish for which we have had responsibility since our foundation in 1897. The parish nourishes the sacramental and spiritual life of the parishioners, with an average of one thousand two hundred people attending services on a Sunday. The parish also promotes a wide range of catechetical and social activities.

Another aspect of pastoral engagement is the work of the Ealing Abbey Counselling Service (EACS), which was established in 1994 and has grown to help hundreds of people annually by providing low cost medium and long term counselling, where it is not provided by the NHS. By its nature the activities of the Parish are directed at Roman Catholics, while EACS is open to all in need. EACS offers confidential, professional help to meet people's needs regardless of age, belief, culture, ethnicity or sexual orientation.

## Objects, aims, activities and relevant policies (continued)

### ◆ Principal activities of the year (continued)

#### *Pastoral work (continued)*

It has in the region of 85 practitioners: 65 counsellors who are in advanced training or qualified, and all of whom give their time for free; a small team of experienced assessors who carry out a comprehensive assessment of new clients and match them to appropriate counsellors; and a team of experienced, qualified supervisors who support the ongoing work of the counsellors in monthly supervision groups.

The staff team comprises of 2 part-time administrators and 3 part-time qualified counsellors and psychotherapists, responsible for all aspects of the day to day management, recruitment, and development of the Service. In 2015, EACS formed a consortium with other voluntary sector community counselling services in the Borough of Ealing, of which EACS is the Lead partner. The organisations all continue to operate independently but have an agreement to work in partnership in relation to funding bids and monitoring of services in relation to the Health and Social Care grant. The grant is administered via EACS and the trustees and is held in a restricted fund.

#### *Education*

Since its inception in the 17th Century the English Benedictine Congregation, of which Ealing Abbey is a member, has also been involved in education. St Benedict's School was owned by the Trust until September 2012 when, following the recommendations of the report of Lord Carlile, ownership was passed to an independent charitable company. The Trust continues to support the ethos of St Benedict's School by providing chaplains for sacramental and pastoral work within the School community. Two monks sit on the Board of Governors of the School.

The Trust also provides adult education through the work of the Benedictine Institute (BI). Students and staff share in elements of the monastic life and study in a context of hospitality and a life centred on community, reflection and prayer. BI also gives time to developing the progression in learning of the volunteers and instructors. Approximately 100 students enrolled on BI taught courses and 250 students attended other learning modules and events.

The BI facilities also host the Lay Plainchant Workshop, Ealing Abbey Pottery, St Bede Library and the Liturgical Institute which, through summer courses, offers masters level studies of liturgical texts in the Catholic tradition.

### ◆ Listed investment policy

The charity has invested via two different investment advisers, Cazenove Capital Management Limited and Walker Crips Stockbrokers Limited. As at 31 August 2020 the charity had a portfolio of investments with a market value of £2,173,444 (2019: £2,353,867). Additionally, at 31 August 2020, investment managers were holding a further £69,185 (2019: £130,111) for reinvestment i.e. a total of £2,242,629 (2019: £2,483,978).

**Objects, aims, activities and relevant policies (continued)**

♦ **Listed investment policy (continued)**

There are no restrictions on the charity's power to invest. Cazenove Capital Management Limited and Walker Crips Stockbrokers Limited have each been provided with an investment policy statement which provides guidance as to how the asset management functions delegated to them should be exercised. It was formulated with a view to ensuring that the asset management functions are exercised within the best interests of the charity.

The trustees' investment objective is that the real value of the charity's assets be maintained and enhanced over the long term by investment in a portfolio comprising primarily equities, fixed income stocks, property and cash. The trustees have adopted the following ethical policy, the main purpose being to avoid investment in, and therefore support for, activities that are contrary to the beliefs of the Roman Catholic Church. Therefore, the trustees do not wish to invest in companies that are involved in unethical activities. Companies involved in unethical operations are deemed to be those that:

- ◇ Invest in hospitals/clinics that have abortions or euthanasia as a major role;
- ◇ Exploit the labour force in such a way that it is unjustifiable in the light of local circumstances;
- ◇ Have operations in areas of oppressive regimes where these operations contribute to the oppressive nature of these regimes;
- ◇ Have the manufacture of arms/weapons as a core activity;
- ◇ Are involved in pornography or obscenity.

Due regard shall be given to environmental concerns in all investment decisions.

The trustees receive regular reports on their listed investments and valuations. This information is reviewed by the trustees themselves and on the trustees' behalf by the Trust Finance Committee.

♦ **Property investment policy**

The Trust has a number of properties which are rented to tenants at commercial rents. These properties, all of which are in Ealing, West London are included in the attached accounts at an estimate of their market value and at 31 August 2020 were considered to have a value of £5,400,000 (2019 - £5,400,000).



**Objects, aims, activities and relevant policies (continued)**

♦ **Programme related investments**

The freehold to the land and buildings that comprise St Benedict's School, Ealing is held by the Trust. The buildings are used for educational purposes which are consistent with the Trust's charitable objectives but they are occupied by a separate charitable company (see note 23 to the attached accounts). Consequently, the land and buildings are classified as programme related investments. The land and buildings are included in the accounts at £9,784,693 being their carrying value as at 1 September 2014 i.e. the date on which the buildings were made available to St Benedict's School, Ealing. The Trust receives an annual rent from the School which for the year to 31 August 2020 amounted to £434,167 (2019 - £433,964).

♦ **Tangible fixed assets**

Acquisitions and disposals of tangible fixed assets during the year are recorded in the notes to the accounts. All tangible fixed assets, including freehold land and buildings, are recorded in the accounts at original cost less depreciation. The market values of freehold land and buildings are considered to be in excess of the amount at which they are recorded in the accounts.

♦ **Employees**

The Trust of St Benedict's Abbey, Ealing is an equal opportunities employer and will apply objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability. The exception to this is in respect of certain posts that require the appointment of a Roman Catholic, where this is fundamental to the role.

Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees will be given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. The charity is committed to a programme of action to make this policy effective and bring it to the attention of all employees.

♦ **Fundraising policy**

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. The charity 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 and the group 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.

### **Review of achievements and performance for the year**

The following paragraphs outline the main achievements during the year in each of the charity's principal activities.

#### **♦ The Monastic Community**

There were fourteen monks over the year of these accounts, of whom four were elderly and retired. The active contribution of the monk's life can be seen in the areas covered by this report, but the core of the life of the community is its life of prayer, in private and in the round of daily monastic offices' sung in the Abbey Church, from Matins at 6 am until Compline at 8 pm. Nearly all of these are open to public participation. The leadership of the community is entrusted to its Abbot, who is elected for eight year terms.

**The Ealing Abbey Pottery** is a small craft pottery. It is a work of the monastic community and part of the Benedictine Institute. The rhythm of the of the workshop fits well with the monastic routine and contemplative spirit. It is hoped that the work embodies and shares something of that. Work is sold exclusively through the Ealing Abbey Book Shop. Commissions are not accepted.

**Ealing Abbey Lay Plainchant Choir (EALPC).** Plain chant/Gregorian chant is an important part of the Catholic Church's liturgical tradition. It is associated especially with Benedictine Monasticism. The EALPC always approaches singing the chant as a form of prayer. The chant's proper place is regarded as being within the liturgy. Its purpose is regarded as being to give enhanced appreciation of and expression to the sacred texts which it adorns. Therefore, EALPC is a means by which lay people may share in a deep way in this aspect of Benedictine spirituality. Membership is open to any one of any religious background who is sympathetic to our approach to the chant. Members need to have some musical aptitude but formal training is not necessary. Members must commit to attending a weekly rehearsal and attendance at the Mass at which the choir sing once a month.

**Ealing Abbey Choir** was hugely affected by the global pandemic. With a tour to Germany (March 2020) and an important fundraiser both cancelled, the impact on the finances of the choir was noticeable. Sung services ceased in March and the choir did not return for the rest of the academic year. While the choristers remained active during lockdown with regular online rehearsals, four senior choristers were not able to complete their final year in the choir or receive the official dismissal from the choir by the Abbot. It is still hoped that their contributions can be recognised in due course.

There will be 14 choristers in the choir of 2020-21. However, no probationers were recruited due to the uncertainty around the return to singing in September 2020. The Director has taken steps to safeguard the choir for the year 2021-22 by asking three choristers currently in their senior year to remain on for a further year to support the younger choristers.

**Review of achievements and performance for the year** (continued)

♦ **The Monastic Community** (continued)

Pre-pandemic the choir was enjoying its work supporting the liturgy of the Abbey and parish through contribution to the weekly Conventual mass, as well as at Christmas and Easter.

All choristers continue to be visible and involved in music making across St Benedict's School, taking prominent roles in ensembles and as soloists. Some choristers are members of the National Youth Choir.

♦ **Pastoral work**

At the start of the pandemic, the priority of the Parish was to ensure the health and safety of everyone attending Parish activities. From February onwards, the Parish began installing Coronavirus protection measures. Hand sanitizers were installed in February. When the church opened in June, a one-way system for the church was implemented with appropriate signage, together with notices and signs identifying two-metre social distancing space in the church benches. A risk assessment, which was developed by the Westminster Diocese, was carried out and implemented.

At the start of the first lockdown in March 2020, the Parish catechetical programmes were almost finished except for one or two sessions and the Confirmation Retreat. These sessions were cancelled as a result of the growing concern for mixing in large groups. Up until the lockdown in mid-March the Parish maintained its full range of sacramental and catechetical activities, with three regular masses each week-day and six on each Sunday, as well as other services. During the year there were 46 baptisms and 4 receptions into the Church, 5 couples were prepared for marriage, 97 children were prepared for First Holy Communion, 65 young people were prepared for Confirmation and there were 51 funerals. Because of the lockdown, First Holy Communion masses took place in September and Confirmation masses in October. Weddings were suspended between March and June. No funerals took place in the church during those months but services were held in the Crematorium.

The Parish Pastoral In-Council meeting took place on Sunday, 16 February and was attended by over 60 people. Parish Catechesis, Pastoral Care, Safeguarding, Finance, the role of our 3 Parish Deacons were all addressed over the time and question and answer sessions were held. It is intended that this meeting should happen annually. The remit of the Parish Pastoral Council was to prepare for and manage this meeting. All involved were very pleased with the attendance and the outcome of the meeting. There was very good feedback from those who attended.

The Parish again hosted six Fridays in January and February for the Ealing Churches Together Night Shelter project. This continues to be a great success.

**Review of achievements and performance for the year** (continued)

♦ **Pastoral work** (continued)

104 people volunteered to do the 3 shifts over the night, as well as cooking meals and cleaning the bed linen used. The work of the Parish Presidium of the St Vincent de Paul Society forms a key aspect of our parish outreach and the Parish Team works very closely with the Society.

This year our Lenten Project raised over £4,217 for Aid to the Church in Need, a charity that works to support Christians who are being persecuted. Due to the lockdown in mid-March it was suspended and a number of the fundraising events and projects were unable to take place. The Parish has a branch of the charity and they are very active throughout the year drawing people's attention to the issues of Christians who are affected by persecution.

The Parish continues to support the Grove Community project in Gurnell Grove. The Parish paid for an ice-rink for their Christmas fair and volunteers manned a hotdog stall at the event. The Parish also supported the relocation of 2 people back to Goa whom the Pastoral Coordinator had been supporting by liaising with Ealing Council and Ealing Hospital Officials.

Lockdown fast-tracked the necessary improvement of our Parish online presence. A Parish Facebook page was set up in March and a YouTube channel to post pre-recorded masses from the Abbey Church. Research for a new more professional, proficient and user friendly and appropriate Website was carried out. The new website was launched in August, The Live Streaming of masses from the Abbey Church began in September. Donation portals were installed in October to facilitate non-cash donations to the Parish and Monastery

**The Ealing Abbey Counselling Service** curtailed some of its extra activities and plans this year in order to respond to the coronavirus pandemic and to ensure that it could continue to offer its main service of low-cost counselling and psychotherapy to the general community. To this end, it implemented the necessary protocols, checks and online documentation to enable the Service to move fully to online work in March 2020. All staff are working from home and its assessment service, counselling provision and clinical supervision of counsellors is now taking place via online video. Risk assessments have been carried out with each client to check that they have sufficient privacy for their assessment and weekly sessions.

During the first lockdown when new client enquiries dropped off, EACS supported Ealing Council's 'Ealing Together' initiative by agreeing to provide telephone befriending to vulnerable and isolated residents. It recruited 12 volunteers from amongst its existing counsellor team, who supported 32 residents between them.

EACS also applied for additional funding this year, to help make up any shortfall in income caused by a drop in client numbers, since not everyone was able to work online or by telephone. It also applied for funding to help with the extra costs which will be incurred in making the premises Covid-19-safe once the building re-opens for a partial return to face to face work.

**Review of achievements and performance for the year** (continued)

♦ **Pastoral work** (continued)

While the EACS premises are unoccupied, it also took this rare opportunity to redecorate the main hall, stairs and landing area and with the support of the trustees, it also had a number of counselling rooms and its offices redecorated. This will be a very welcome update for its clients, volunteers and staff team once the building re-opens.

♦ **Education**

During the year monks served in chaplaincy roles in St Benedict's School and two have served as members of the Governing Body. Similar work is done in a number of local Catholic schools.

**The Benedictine Institute** continued to be the umbrella organisation for a range of adult educational and creative activities throughout the year, including 'Storytelling' and 'Restorative Circle' groups promoting reflection and understanding of issues of sexual and other types of abusive behaviour in the Church. Links with the Catholic University of Leuven in Belgium were strengthened with contributions to an academic sociological study of Contemporary Monastic communities in the low countries and UK. The Liturgy Institute continued its programme of studies with 30 students attending the summer Latin and Liturgy courses, and an annual colloquium in the US.

'London Spring', a new initiative, offers low cost counselling, supervision and learning for counsellors and foundational formation for 'Safeguarding Advocates'. We also work with 'Breaking Boundaries, Centre for Catholic Studies, Durham University on Child Sexual Abuse in the Catholic Church.

From March 2020 the Benedictine Institute was closed until the summer school, which took place online. We are looking forward to reopening again in 2021.

The facilities to host these events continue to be improved which will allow increased income from renting of meeting rooms to outside groups.

♦ **Coronavirus**

In December 2019, the Chinese government alerted the World Health Organisation of several cases of an unusual form of pneumonia in Wuhan. However, substantive information about what is now identified as Covid-19 only became known in early 2020.

In March 2020, the UK went into lockdown, which meant the immediate cessation of most public operations of the Trust. This was unprecedented in the history of the Trust and brought with it a level of financial uncertainty.

**Review of achievements and performance for the year** (continued)

♦ **Coronavirus** (continued)

The Abbey Church and Parish closed to the public, which led to a decrease in income from weekly offertories and hire of facilities. This is in some way offset by the level of donations that continued to be made by standing order, which historically are 50% of total donations and 75% of the Gift Aid rebate resulting in a year on year decrease in offertories of only 10%. Hire of parish facilities, whilst not as forecast, was slightly higher than 2019 reflecting the greater value agreements. In addition, non-essential Parish staff were furloughed and overheads reduced as far as possible so that no significant financial deficit to the Parish as a result of Covid-19 occurred in the year to August 2020.

The initial period of lock down ended in 15 June 2020 with the church reopening for private prayer. The Parish and Estate teams then worked tirelessly to ensure that all possible safety measures were in place to allow the safe return of communal worship when government guidance allowed from 4 July 2020.

During this, with restrictions on the number of people at each mass, measures were put in place to allow the Parish to reach a wider proportion of parishioners and to allow for a safe collection of donations. This included the launch of a new Parish website, a live streaming service for communal worship, and contactless donation stations. These actions will mitigate some of the financial impact of the pandemic on the Parish.

Ealing Abbey Counselling Service successfully operated remotely and although a small decrease in client donations is expected, any financial impact here is projected to be negligible.

The Benedictine Institute had closed in the initial lockdown but reopened under government guidelines to run some courses in the autumn of 2020.

The House for Guests remains closed and there is no certainty as to when it will open. There was a 58% fall in income in the year with no income forecast for the current year, but with staff furloughed and overheads reduced to reflect the empty building, the loss sustained is being kept to a minimum.

The Trust receives rental income from properties it owns. The freehold investment properties and programme related investment properties are let to St. Benedict's School and this income, even though a deferred payment plan has been extended, is not considered to be at risk.

Other properties are let to organisations that themselves have been impacted by Covid-19. After discussion with our tenants various rent deferral or concession agreements have been put in place and a cautious approach has been taken in forecasting these income streams in the remainder of 2021.

## **Review of achievements and performance for the year (continued)**

### **◆ Coronavirus (continued)**

The trustees have reviewed the longer-term picture in the year to August 2022 and beyond to the end of that calendar year. In doing so they have assumed that the lockdown will be lifted by Spring of 2021 and that the Trust will continue with current operations with the potential exclusion of the Guesthouse. Such a forecast shows that the Trust will be required to draw down on part of its listed investments to fund cash flow, but in doing this it will be able to meet all its obligations for the 20 months to December 2022.

There is a significant impact on free reserves over that period with a decrease of £441k forecast. This is a result of continuing with current operations rather than the impact of Covid-19 and the trustees acknowledge that this would be unacceptable. As stated in the report under 'Future Plans' a comprehensive strategic review has been implemented to address this challenge.

The impact of Covid-19 on the investments, both listed investments and property, has been assessed. The scarcity of transactions in the property market since lockdown means a lack of data on which to base an assessment but the trustees are advised that a 5% downturn should be planned for.

The investment portfolio has at the time of writing increased in value by 3% to £2,319,648 at the signing date.

## **Financial report for the year**

### **◆ Results for the year**

A summary of the results for the year can be found on page 25 of the accounts.

Total income for the year amounted to £1,549,622 (2019: £1,584,417). Of this, £579,787 (2019: £622,550) was generated from donations and legacies, i.e. mainly parish collections and donations with legacy income being £47,524 (2019: £20,471), £605,352 (2019 - £617,932) was investment income, and £298,290 (2019: £340,435) was income from charitable activities. This latter category included income from grants and funding agreements and client contributions for the counselling services provided by the charity of £100,000 and £116,006 respectively (2019 - £133,500 and £90,712). During the year the charity did not dispose of any fixed assets (2019 – surplus of £3,500 on the disposal of a motor vehicle).

Set off against this income was £1,900,754 (2019: £2,250,165) of expenditure. £1,330,042 (2019: £1,611,731) related to ministry and support of members of the Community. Included within this heading are legal and other professional fees of £189,395 (2019: £536,950) incurred principally in respect to the participation by the monastic community in the work of the Independent Inquiry into Child Sexual Abuse (IICSA) which included Ealing Abbey as part of a case study into abuse within the Roman Catholic Church in England and Wales. £350,666 (2019: £395,976) was the cost of upkeep of the Abbey Church and Parish Centre and administering the parish and £204,188 (2019 - £226,585) was the cost of providing counselling services.

**Financial report for the year** (continued)

◆ **Results for the year** (continued)

Once expenditure is deducted from income, the charity shows a "deficit" or net expenditure for the year of £351,132 (2019: £665,748). Losses of £8,507 (2019: £45,336) on listed investments led to overall net expenditure of £359,639 (2019: £711,084).

The net movement in funds, after adjusting for a negative change in the pension deficit provision of £3,000 (2019: positive change of £6,000), further details of which are provided in note 15 to the accounts, was a negative movement of £362,639 (2019: £705,084).

◆ **Reserves policy**

The trustees consider that between £2 million and £3.5 million is an appropriate level of free reserves for the charity to maintain, based on future expenditure projections and the need for the Community to continue to develop its ministry following the transfer of the School to a separate charity. In particular, at the current time, the reserves need to be sufficient to enable the charity to operate in the exceptional circumstances created by the Covid-19 pandemic.

◆ **Financial position**

The balance sheet shows total reserves of £19,851,624 (2019: £20,214,263).

Of this, £2,243,035 is represented by tangible fixed assets essential for the support and work of the charity (2019: £2,287,949). There is a tangible fixed assets fund equal to the net book value of tangible fixed assets to highlight their importance to the charity and to emphasise that funds equal to the value of the tangible fixed assets are not available to meet contingencies or ongoing expenditure.

A further £9,784,693 represents the freehold land and buildings comprising St Benedict's School, Ealing (2019: £9,784,693). These buildings are used for educational purposes consistent with the charity's objects but they are occupied by a separate charitable company (see note 17 to the attached accounts).

£6,597,481 (2019: £6,645,422) has been designated to provide funds for the members of the Community in their retirement, to maintain the charity's properties, to develop the charity's activities within the parish, to maintain the Ealing Abbey Bookshop and to support a former member of the Community. Further details of their funds are provided in note 18 to the accounts.

Restricted funds totalled £421,964 (2019: £492,056) and comprise various monies given specifically for parish activities or specific aspects of the priests' ministry and include ministry special funds for the counselling service of £209,058 (2019: £205,204).



## **Financial report for the year (continued)**

### **◆ Financial position (continued)**

Funds available to support the work of the charity in the future, in particular to support the Community's pastoral work and ministry, are shown on the balance sheet as general funds and amount to £804,451 (2019: £1,004,143). These general funds comprise 'free' reserves of £1,081,582 (2019: £1,300,870) less the pension scheme deficit of £277,131 (2019: £269,687). This figure of free reserves needs to be considered in the light of expected future recurring annual expenditure of approximately £1.8 million and the need for the charity to continue to support the work of the Community and also develop such work. Free reserves fall below the range set out in the charity's reserves policy. In recent years, the charity has incurred significant one-off costs in respect to its participation in IICSA (see above) and, prior to that, incurred major expenditure in a number of areas following the establishment of St Benedict's School as an independent charity and the necessary re-ordering of the management and finances of the Abbey. It is hoped that such one-off exceptional costs will now reduce. The trustees embarked on a comprehensive strategic review in 2020, assisted by professional advisers and the Trust Finance Committee. The aim of this review is to consider the work of the charity in the future, including that of the monastic community, and the application of the charity's assets so as to ensure the long term sustainability of the Trust and to reinvigorate its mission and purpose. Financial projections, both short and long term, will form an important part of this review. This review is essential and will be given highest priority in the coming year. At the time of signing, the review is estimated to conclude by August 2021. Whilst it is in progress, the trustees will continue to monitor reserves and budget carefully. Given this strategic review, continuing prudence and consideration in the light of the uncertainties due to the Covid-19 pandemic, the trustees are of the opinion that the free reserves are adequate.

### **Future plans**

The trustees understand fully the need for a comprehensive strategic review and began this process in February 2020 at a meeting involving the Monastic Community, the Trust Finance Committee and professional advisors. Since that time, the strategic review has identified key performance indicators (KPIs) necessary to realise the defined mission and strategic objectives of the monastic community. The strategic review aims to produce a strategic plan to set out the necessary steps in the use of the charity's funds to realise the required KPIs. The trustees engaged a consultant to advise and support the monastic community at Ealing Abbey to articulate a comprehensive strategic plan by the end of the financial year 2020/21. Working parties have been formed to prioritise opportunities and address generic challenges with decisions to be made within the next financial year. The trustees will pay due heed to the impact of the Covid-19 pandemic and its consequences, both socially and economically.

## Governance, structure and management

### ♦ Governance

Ealing Abbey is a monastery of the English Benedictine Congregation. It was founded from Downside Abbey at the end of the 19th century and gained its independence as Ealing Priory in 1947; it was raised to the rank of Abbey in 1955. Each monastery enjoys a wide measure of independence but, apart from its membership of a particular Congregation, is linked also with all other Benedictine monasteries worldwide through the Benedictine Confederation. There are 12 monks in the Community at Ealing.

The accounts accompanying this report are those of the charitable trust on which the assets of Ealing Abbey are held. The charity is regulated by a sub-trust of the Downside Abbey Trust Deed dated 1 August 1934, supplemented by two deeds dated 19 January 1948 and 2 July 1955, and in the matter of the Charities Act 2011 by a scheme approved by the Charity Commissioners for England and Wales dated 5 September 1997. The body of trustees was incorporated under the name of 'Ealing Abbey Trustees' by a certificate of incorporation sealed by Order of the Commissioners on 13 March 1997.

The body of trustees consists of between three and seven members of the Monastic Community and is chaired by the Abbot of Ealing Abbey. The Abbot appoints the trustees who by convention are members of the Abbot's Council. This Council, which is run in accordance with Canon Law and the Constitutions of the English Benedictine Congregation, consists of the Claustal Prior and a number of other members, half elected by the Monastic Chapter and half nominated by the Abbot. As members of the Community, the trustees live and work in the Monastery and hence are familiar with the operation of the charity. They attend regular meetings at which matters relating to the running of the charity are explained and debated. Specific training is given also by experts in charity finance and other relevant matters.

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts, and brief details of each of the trustees are given below.

**Rt Revd Dominic Taylor OSB** is the Abbot of Ealing Abbey, being elected during 2019. Before that he was Prior and Bursar as well as a member of the Parish Team and Novice Master.

**Very Revd Alexander Bevan OSB** is the Prior and Monastic Bursar. He is a qualified Chartered Accountant and doctoral researcher in theology at KU Leuven. He is Chaplain to Ealing Abbey Choir and also acts as Senior Chaplain at St. Benedict's Senior School, where he is involved in giving spiritual direction to staff and pupils at the school.

**Revd Timothy Gorham OSB** is a member of the parish team and the monastic safeguarding lead. He was the Clerical Chair of Christians Together in Central Ealing and is on the committee of Hillingdon Council of Christians and Jews. He previously worked as a chaplain of the Junior School and is now the Master of Oblates.

**Revd Ambrose McCambridge OSB** is a monk and Parish Priest of Ealing Abbey. He has had experience of teaching and social work. He was ordained in 2015.

## **Governance, structure and management (continued)**

### ◆ **Governance (continued)**

**Revd Peter Burn OSB** is an artist and a potter. He leads the Ealing Abbey Lay Plainchant choir and assists in the Parish.

Any charity will benefit from the expertise that can be provided by a varied body of trustees. In the case of The Trust of St Benedict's Abbey, Ealing, as the trustees can only be chosen from a relatively small group, advisory bodies exist to supplement the knowledge and skills offered by the trustees.

The Trust Finance Committee was set up as an advisory committee appointed by the Abbot with expertise in financial, property, legal and managerial matters. It currently consists of the Abbot, three lay advisers, the Bursar, and the Lay Bursar. The Parish Priest is advised by the Parish Finance and Property Committee as required under Canon Law, as well as the Pastoral Council.

### ◆ **Statement of trustees' responsibilities**

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 income and expenditure 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 the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- ◇ make judgements and estimates that are reasonable and prudent;
- ◇ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◇ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

**Governance, structure and management** (continued)

◆ **Statement of trustees' responsibilities** (continued)

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

◆ **Structure and management reporting**

The charity is under the overall direction of the Abbot, who is Chair of the trustees. The trustees meet frequently. The trustees determine the general policy of the charity and review its overall management and control. The trustees authorise all major financial decisions within the charity, where necessary seeking the consent of the Monastic Community in accordance with the Constitutions of the English Benedictine Congregation. Consent is required for any project involving extraordinary expenditure exceeding £180,000 (2019 - £180,000) or expenditure on repairs and restorations of buildings exceeding £180,000 (2019 - £180,000).

Each area of the organisation has its own management structure and reporting line to the trustees:

- ◇ Parish matters are the responsibility of the Parish Priest, who heads the Parish Team. The Parish Team is made up of three monks, a secular priest on loan from the diocese, a permanent deacon, a Catechetical Co-ordinator, a Pastoral Co-ordinator, a Parish Co-ordinator for Youth Evangelisation and Formation, and a secretary. In carrying out his functions, the Parish Priest takes into account the views of the laity, principally through two advisory bodies, the Pastoral Council and the Parish Finance and Property Committee. The Pastoral Council advises on any matters that affect the life of the Parish.

The Parish Finance and Property Committee prepares and comments on the annual budget, keeps proper financial records and helps with fundraising. These activities are under the guidance of the overall charity. Minutes of meetings are copied to the Abbot and the Parish finances are reported to the trustees periodically by the Bursar. The Chair of the Parish Finance Committee reports directly to the Monastic Community annually.

**Governance, structure and management** (continued)

◆ **Structure and management reporting** (continued)

- ◇ The Benedictine Institute (BI) is led by the Principal, Revd James Leachman OSB. The BI Council meets termly in order to monitor, evaluate, initiate and develop activities. These meetings are attended by the Abbot and a representative of the Monastic Chapter, Revd Timothy Gorham OSB and by the Bursar. Its finances are reported to the trustees periodically by the Bursar.
- ◇ Ealing Abbey Counselling Service (EACS) is run by a Directorate of two people; a Clinical Head and a Director of Assessment, Recruitment and Operations. The Directorate reports to the EACS Management Committee. This committee is composed of the Abbot, three lay advisors, the Directorate, the Office Manager and the Bursar. Its finances are reported to the trustees periodically by the Bursar, and the Clinical Head reports directly to the Monastic Community from time to time.
- ◇ The Guesthouse is run by the Guest Master. The Abbey Choir is headed by the Director of the Abbey Choir. The Bookshop is run by a Committee of volunteers. Members of the Monastic Community are involved in all these areas and management accounts are prepared under the direction of the Bursar and are reported to the trustees.

◆ **Key management personnel**

The trustees consider that they together with the Parish Priest, who heads the Parish Team, the Director – Head of Services of Ealing Abbey Counselling Service (EACS), the Director of the Abbey Choir and Lay Bursar comprise the key management personnel of the charity in charge of directing and controlling, running and operating the material charitable activities on a day to day basis.

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

◆ **Risk management**

The overall objective of the risk policy of the Trust is to ensure that all risks which are necessary in order to ensure the Trust achieves its objectives are identified and minimised to an acceptable level. The trustees are responsible for the management of the risks faced by the Trust. The Trust Finance Committee recommends the risk management strategy and is responsible for taking an overview of the whole Trust to ensure that all risks emanating from the Trust's activities are properly managed. During the year, the Bursar had the particular day to day responsibility within the Trust of taking this overall view of risk management and reporting to the Abbot and the Trust Finance Committee.

## **Governance, structure and management (continued)**

### ◆ **Risk management (continued)**

Detailed considerations of risk are delegated to each of the management committees that supervise the discrete activities undertaken by the Trust. These responsible bodies formally review their risk map on a regular basis and at least annually. Each of these responsible bodies reports annually on their risk management activities to the Trust Finance Committee. The report confirms whether or not risks have been reviewed and highlights any specific risk issue if applicable.

The trustees believe that by following these procedures, monitoring reserve levels, ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they will continue to ensure that there are effective systems to mitigate risks. In particular, the trustees have ensured that additional controls have been put in place in respect of any issues arising that might involve abuse, as recommended by Lord Carlile in his report issued in November 2011. The trustees were aware also that the Independent Inquiry into Child Sexual Abuse would be investigating historical cases of abuse and they have actively co-operated with the Inquiry.

The outbreak of the Covid-19 pandemic has clearly presented us with challenges and threats to the well-being of our charity and its activities which could not have been foreseen.

We note above the financial and operational effects of Covid-19. Over and above these, the areas identified for particular attention within our risk management strategy are:

### ◇ **Protection of finance and assets**

Although financially stable and well endowed with assets, the Trust has limited income streams. Accordingly, as indicated above, the trustees are actively examining how to make the best use of the Trust's properties to generate future income and provide improved and additional facilities for the work of the Trust.

The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the members 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. As the age profile increases, so too does the need to provide care for the members. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual members encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

## **Governance, structure and management (continued)**

### **◆ Risk management (continued)**

#### **◇ Safeguarding**

The Trust continues to engage with its Safeguarding partners including the Diocese of Westminster Safeguarding Team, the NSPCC and Praesidium. The latter, which is a US-based non-denominational Safeguarding organisation, acts as an independent auditor into the Trust's compliance with Safeguarding Standards and its implementation of the policies of the Catholic Safeguarding Advisory Service (CSAS). The Safeguarding Policies and Procedures of the Trust have been independently assessed and certified to meet the highest standards. Following the Elliot report, the Trust looks forward to collaborating with the Conference of Religious in its implementation of the new Safeguarding Structures for the Catholic Church in England and Wales.

Operationally the charity works with vulnerable groups including children and the elderly. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that members engaged in any ministry and all those who work or volunteer for the charity and work with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS). In addition, through its collaboration with its Safeguarding Partners, the Trust ensures all members of the monastic community and employees receive regular and up-to-date training in Safeguarding. Through the Conference of Religious, the Trust actively collaborates in the "Safe Spaces" Joint Anglican and Catholic Church Initiative to provide a vital support service to the survivors of church-related abuse. The monastic community is committed to meeting with, and learning from, survivors of abuse and in its community prayer and discussions are discerning practical ways to maintain a safe environment for all those it serves.

#### **◇ Investments**

The charity's principal asset, apart from land and buildings, comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet regularly with the investment managers and the manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future – and to the charity's Catholic ethos. During the current Covid-19 pandemic, we continue to communicate with our investment managers and, whilst there are concerns over the falls in world stock markets, we acknowledge also that we are long term investors. As such, the charity will be able to wait for markets to recover over time whilst we, as trustees, keep a watching brief.

By order of the trustees:

Dominic Taylor OSB

Trustee

Approved by the trustees on: 21 April 2021

**Independent auditor's report to the trustees of The Trust of St Benedict's Abbey,  
Ealing**

**Opinion**

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

In our opinion, the accounts:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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



**Other information**

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

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

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

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

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

**Responsibilities of trustees**

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

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

**Auditor's responsibilities for the audit of the accounts**

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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

5 May 2021

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

# Statement of financial activities Year to 31 August 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
<b>Income from:</b>							
Donations and legacies	1	544,643	35,144	579,787	539,718	82,832	622,550
Investments and interest receivable	2	605,352	—	605,352	617,932	—	617,932
Charitable activities	3	62,149	236,141	298,290	85,807	254,628	340,435
<b>Other sources:</b>							
Miscellaneous	4	66,193	—	66,193	—	—	—
Surplus on disposal of tangible fixed assets		—	—	—	3,500	—	3,500
<b>Total income</b>		<b>1,278,337</b>	<b>271,285</b>	<b>1,549,622</b>	<b>1,246,957</b>	<b>337,460</b>	<b>1,584,417</b>
<b>Expenditure on:</b>							
Raising funds							
. Investment management fees		15,858	—	15,858	15,873	—	15,873
Charitable activities							
. Ministry and support of members of the Community	5	1,211,131	118,911	1,330,042	1,437,762	173,969	1,611,731
. Upkeep of the Church and administering the parish	6	332,388	18,278	350,666	395,976	—	395,976
. Counselling services	7	—	204,188	204,188	—	226,585	226,585
<b>Total expenditure</b>		<b>1,559,377</b>	<b>341,377</b>	<b>1,900,754</b>	<b>1,849,611</b>	<b>400,554</b>	<b>2,250,165</b>
<b>Net expenditure before other losses</b>	9	<b>(281,040)</b>	<b>(70,092)</b>	<b>(351,132)</b>	<b>(602,654)</b>	<b>(63,094)</b>	<b>(665,748)</b>
Net losses on the revaluation and disposal of listed investments	13	(8,507)	—	(8,507)	(45,336)	—	(45,336)
<b>Net expenditure</b>		<b>(289,547)</b>	<b>(70,092)</b>	<b>(359,639)</b>	<b>(647,990)</b>	<b>(63,094)</b>	<b>(711,084)</b>
Re-measurement of pension deficit provision	16	(3,000)	—	(3,000)	6,000	—	6,000
<b>Net movement in funds</b>		<b>(292,547)</b>	<b>(70,092)</b>	<b>(362,639)</b>	<b>(641,990)</b>	<b>(63,094)</b>	<b>(705,084)</b>
<b>Reconciliation of funds:</b>							
Fund balances brought forward at 1 September 2019		19,722,207	492,056	20,214,263	20,364,197	555,150	20,919,347
<b>Fund balances carried forward at 31 August 2020</b>		<b>19,429,660</b>	<b>421,964</b>	<b>19,851,624</b>	<b>19,722,207</b>	<b>492,056</b>	<b>20,214,263</b>

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 2020

	Notes	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible assets	12		<b>2,243,035</b>		2,287,949
Investments	13		<b>17,427,322</b>		17,668,671
			<b>19,670,357</b>		19,956,620
<b>Current assets</b>					
Debtors	14	<b>141,002</b>		99,542	
Short term deposits		<b>336,998</b>		356,031	
Cash at bank and in hand		<b>149,805</b>		219,004	
		<b>627,805</b>		674,577	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	15	<b>(169,407)</b>		(120,247)	
<b>Net current assets</b>			<b>458,398</b>		554,330
<b>Total assets less current liabilities</b>			<b>20,128,755</b>		20,510,950
<b>Provision for liabilities</b>	16		<b>(277,131)</b>		(296,687)
<b>Total net assets</b>			<b>19,851,624</b>		20,214,263
<b>The funds of the charity:</b>					
<b>Income funds:</b>					
Unrestricted funds					
. Tangible fixed assets fund	17		<b>2,243,035</b>		2,287,949
. Programme related investment fund	18		<b>9,784,693</b>		9,784,693
. Designated funds	19		<b>6,597,481</b>		6,645,422
. General funds					
.. Free reserves			<b>1,081,582</b>		1,300,870
.. Pension deficit liabilities			<b>(277,131)</b>		(296,687)
			<b>804,451</b>		1,004,143
			<b>19,429,660</b>		19,722,207
Restricted funds	20		<b>421,964</b>		492,056
<b>Total funds</b>			<b>19,851,624</b>		20,214,263

Approved by the trustees and signed on their behalf by:

21<sup>st</sup> April 2021  
Dominic Taylor OSB  
Trustee

Approved by the trustees on: 21 April 2021

## Statement of cash flows Year to 31 August 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	(899,217)	(969,385)
<b>Cash flows from investing activities:</b>			
Investment income and interest received		606,942	622,385
Proceeds on disposal of tangible fixed assets			7,500
Purchase of tangible fixed assets		(28,799)	(61,881)
Proceeds from the disposal of investments		616,051	579,092
Purchase of investments		(444,135)	(250,055)
<b>Net cash provided by investing activities</b>		<b>750,059</b>	<b>897,041</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(149,158)</b>	<b>(72,344)</b>
<b>Cash and cash equivalents at 1 September 2019</b>	B	<b>705,146</b>	<b>777,490</b>
<b>Cash and cash equivalents at 31 August 2020</b>	B	<b>555,988</b>	<b>705,146</b>

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

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

	2020 £	2019 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(362,639)</b>	<b>(705,084)</b>
<b>Adjustments for:</b>		
Depreciation charge	73,712	83,593
Losses on listed investments	8,507	45,336
Pension deficit remeasurement	3,000	(6,000)
Pension deficit finance cost	3,000	6,000
Pension deficit contributions	(25,555)	(28,313)
Investment income and interest receivable	(605,352)	(617,932)
Decrease (increase) in debtors	(43,050)	241,850
Increase/decrease in creditors	49,160	14,665
Surplus on disposal of tangible fixed assets	—	(3,500)
<b>Net cash used in operating activities</b>	<b>(899,217)</b>	<b>(969,385)</b>

#### B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	149,805	219,004
Short term deposits (less than three months)	336,998	356,031
Cash held by investment managers	69,185	130,111
<b>Total cash and cash equivalents</b>	<b>555,988</b>	<b>705,146</b>

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

### **Basis of preparation**

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

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

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

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

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

### **Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the trustees and management 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;
- ◆ the allocation of salaries based on the time spent on each activity by staff members;
- ◆ determining the apportionment of expenditure between governance and support costs and between support costs and the various categories of expenditure on charitable activities;
- ◆ the judgements made by the trustees and management in estimating the fair values attributed to the charity's investment properties;
- ◆ the estimates of the useful economic lives of tangible fixed assets used to determine the annual depreciation charge;
- ◆ the assumptions made in determining the likelihood of recovering the debtor balances;
- ◆ the assumptions applied in determining the retirement reserve, created in order to provide for the continuing care of the members of the Community;
- ◆ the assumptions adopted by the trustees and management in determining the value of any further designations required from the charity's general unrestricted funds; and
- ◆ estimating the future income and expenditure flows for the purpose of assessing going concern (see below).

### **Assessment of going concern**

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

The Covid-19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of social interactions but has also had a significant economic impact at every level in ways which have been outside of our control. The impact on the charity's income and expenditure and financial position following the emergence of the global Covid-19 pandemic continues to be monitored. The impact of Covid-19 on our working practices and finances is set out in the trustees' report on pages 11 and 12 and attention is drawn to them.

The trustees of the charity have concluded that the charity will have sufficient reserves to meet liabilities as they fall due despite the continuing challenges of Covid-19. The trustees have embarked on a comprehensive strategic review in 2020 with the aim of considering the work of the charity in the future and application of the charity's assets so as to ensure the long term sustainability of the charity and to reinvigorate its mission and purpose. Financial projections, both short term and long term, will form an important part of this review. Whilst the review is in progress, the trustees will continue to monitor reserves and budget carefully. The most significant areas of judgement that affect items in the accounts are detailed above and should be read together with pages 11 and 12 of the trustees' report. With regard to the next accounting period, the year ending 31 August 2021, the most significant areas that affect the carrying value of the assets held by the charity are the levels of investment income generally and the performance of the listed 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 and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises donations (including grants receivable) and legacies; investment income from investment properties, programme related investments and listed investments income; interest receivable; income from charitable activities; and sundry income.

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

**Income recognition** (continued)

Grants from government, other agencies and voluntary bodies have been included as donations where the money is given in response to an appeal or with greater freedom of use (for example, monies for core funding) and as income from charitable activities where these relate to a specific activity.

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.

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

Income from listed investments is recognised once the dividend has been declared and notification has been received of the dividend due. Income from investment property, comprising rent receivable, is recognised once the income is due under the tenancy agreement or relevant lease. Income from programme related investments comprises rental income from properties used by other registered charities for purposes consistent with the objects of The Trust of St Benedict's Abbey, Ealing and is recognised when due under the lease arrangements between the two charities. Income from all investments is accounted for only when the receipt of such income is probable and the amount can be measured reliably.

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 of payable by the bank.



**Income recognition** (continued)

Income from charitable activities comprises income in respect to the provision of counselling services; income from the sale of books, pamphlets and the provision of courses; and rental income. Income in respect to counselling services comprises contributions from clients which are voluntary in nature and which are accounted for in a manner consistent with other donations (see above). Income from grants and service level agreements from local government in respect to counselling services are recognised in accordance with the terms of the relevant funding agreement and to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be measured reliably. Income from the sale of books, pamphlets and from the provision of courses etc is measured at the fair value of the consideration received or receivable, excluding any discounts or rebates. Income from the rental of properties to third parties at below market rates in accordance with the charity's charitable objectives, is recognised in accordance with tenancy agreements and to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be measured reliably.

The surplus on the disposal of tangible fixed assets is equal to the difference between the net proceeds from disposal and the net book value of the relevant asset immediately prior to disposal. The surplus is accounted for on completion of the disposal.

**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. All expenses are allocated 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 costs incurred in connection with the maintenance and administration of the charity's investment properties.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and indirect expenditure on the support of members of the community and enabling their ministry, expenditure on the administration of Ealing Parish and the upkeep of the Church and expenditure on the provision of counselling services. The expenditure on the support of members of the community and enabling their ministry, also includes the legal and professional fees incurred principally in respect to the participation in the work of the Independent Inquiry into Child Sexual Abuse (IICSA) which included Ealing Abbey as part of a case study into abuse within the Roman Catholic Church in England and Wales.

All expenditure is stated inclusive of irrecoverable VAT.

### **Allocation of support and governance costs**

Support costs represent indirect charitable expenditure to enable the Community to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment. Such costs are identifiable in respect to each charitable activity and hence they are allocated to the appropriate heading directly. There has been no apportionment between headings in the statement of financial activities.

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

Governance costs are apportioned using percentages based on the expenditure incurred on the activities of the charity.

### **Tangible fixed assets**

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

All assets are stated at cost net of depreciation.

Depreciation is calculated so as to write-off the cost of each asset, on a straight-line basis, over the expected useful economic lives of the assets.

The principal rates applied per annum are as follows:

♦ Freehold land and buildings	2%
♦ Property improvements comprising enhancements to existing freehold buildings:	
♦ Church project	1%
♦ Other general improvements	10%
♦ Motor vehicles	20%
♦ Furniture, fittings and equipment	33.33%

### **Fixed asset investments**

#### ***Listed 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.

### **Fixed asset investments (continued)**

#### ***Listed investments (continued)***

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.

#### ***Freehold investment properties***

Properties held for investment purposes are included in these accounts at open market value with vacant possession. The valuation has been determined by the trustees, with professional assistance.

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.

#### ***Programme related investments***

Programme related investments include buildings owned by the charity but occupied by St Benedict's School, Ealing (a separate registered charity (see note 23), for the advancement of education. The buildings are included on the balance sheet based at their carrying value as at the date on which the buildings were made available to St Benedict's School, Ealing. All programme related investments are carried on the balance sheet net of any impairment provisions. Any gains (or losses) arising from the disposal or impairment of such investments are credited (or debited) to the statement of financial activities 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. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

### **Creditors and provisions**

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

### **Fund structure**

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

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

The programme related investment fund represents the carrying value of the charity's programme related investments.

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

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

### **Pension costs**

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

The charity participates in The Independent Schools' Pension Scheme (ISPS), a pension scheme for non-teaching staff administered by TPT Retirement Solutions (formerly known as The Pensions Trust). The scheme is a multi-employer scheme which provides benefits to some 66 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

As a member of the scheme, the charity has a legal obligation to make pension deficit reduction payments when required by the scheme's actuary. The full cost of these repayments, discounted to present values, is recognised in the accounts as a provision for liabilities.

## 1 Income from: Donations and legacies

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Covenanted pensions and monastic income	181,515	714	182,229	187,199	1,247	188,446
Parish collections and donations	294,358	6,531	300,889	321,887	14,563	336,450
Grant income	—	14,869	14,869	—	46,191	46,191
Other donations	21,246	13,030	34,276	10,161	20,831	30,992
Legacies	47,524	—	47,524	20,471	—	20,471
	<b>544,643</b>	<b>35,144</b>	<b>579,787</b>	<b>539,718</b>	<b>82,832</b>	<b>622,550</b>

## 2 Income from: Investments and interest receivable

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Income from listed investments	81,109	—	81,109	93,553	—	93,533
Income from programme related investments	434,167	—	434,167	433,964	—	433,964
Rental income from investment properties	88,978	—	88,978	88,134	—	88,134
Bank interest receivable	1,099	—	1,099	2,281	—	2,281
	<b>605,352</b>	<b>—</b>	<b>605,352</b>	<b>617,932</b>	<b>—</b>	<b>617,932</b>

## 3 Income from: Charitable activities

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Counselling services						
. Income from grants and funding agreements	—	100,000	100,000	—	133,500	133,500
. Client contributions	—	116,006	116,006	—	90,713	90,713
Rents receivable	51,745	—	51,745	66,397	—	66,397
Other charitable activities						
. Book shop sales	10,360	—	10,360	19,410	—	19,410
. Other courses and activities	44	20,135	20,179	—	30,415	30,415
	<b>62,149</b>	<b>236,141</b>	<b>298,290</b>	<b>85,807</b>	<b>254,628</b>	<b>340,435</b>

## 4 Income from: Other sources - miscellaneous

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Coronavirus Job Retention Scheme	66,193	—	66,193	—	—	—

## 5 Expenditure on: Ministry and support of members of the Community

Expenditure on the support of members of the Community and their ministry enables the members of the Community to carry out the work of the charity in the areas of the advancement of the Roman Catholic faith, the advancement of education and the relief of poverty and suffering. Such expenditure comprises:

	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Staff costs	334,096	—	334,096	338,022	—	338,022
Premises costs	264,148	12,569	276,717	161,467	35,837	197,304
Personal and living expenses	194,966	9,574	204,540	155,749	53,789	209,538
Education, training and spiritual renewal	33,795	13,732	47,527	51,989	—	51,989
Donations	700	47,735	48,435	5,000	—	5,000
Legal and professional fees	189,395	—	189,395	556,590	—	556,590
Support costs	79,593	4,432	84,025	61,946	3,644	65,590
Other costs	100,604	30,869	131,473	87,599	80,699	168,298
Governance costs (note 8)	13,834	—	13,834	19,400	—	19,400
	<b>1,211,131</b>	<b>118,911</b>	<b>1,330,042</b>	<b>1,437,762</b>	<b>173,969</b>	<b>1,611,731</b>

Legal and professional fees include expenditure in connection with the participation in the work of the Independent Inquiry into Child Sexual Abuse which included Ealing Abbey as part of case study into abuse within the Roman Catholic Church in England and Wales.

## 6 Expenditure on: Upkeep of the Church and administering the parish

	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Staff costs	111,535	—	111,535	114,034	—	114,034
Church expenses	13,570	—	13,570	16,618	—	16,618
Premises	121,822	17,698	139,520	164,880	—	164,880
Diocesan levies	56,541	—	56,541	59,210	—	59,210
Other costs	25,180	580	25,760	36,380	—	36,380
Governance costs (note 8)	3,740	—	3,740	4,854	—	4,854
	<b>332,388</b>	<b>18,278</b>	<b>350,666</b>	<b>395,976</b>	<b>—</b>	<b>395,976</b>

## 7 Expenditure on: Counselling services

	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Staff costs	—	145,307	145,307	—	135,449	135,449
Payments to members of the funding consortium (note 20)	—	53,700	53,700	—	72,426	72,426
Support and other costs	—	3,003	3,003	—	15,932	15,932
Governance costs (note 8)	—	2,178	2,178	—	2,778	2,778
	—	204,188	204,188	—	226,585	226,585

Further information about payments to members of the funding consortium are given in note 19 to the accounts.

## 8 Governance costs

	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Auditor's fees (note 9)	13,613	1,687	15,300	21,416	2,452	23,868
Other professional fees	3,961	491	4,452	2,838	326	3,164
	17,574	2,178	19,752	24,254	2,778	27,032

Allocated as follows:

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Ministry and support of members of the Community	13,834	—	13,834	19,400	—	19,400
Upkeep of the Church and administering the parish	3,740	—	3,740	4,854	—	4,854
Counselling service	—	2,178	2,178	—	2,778	2,778
	17,574	2,178	19,752	24,254	2,778	27,032

## 9 Net expenditure before other losses

This is stated after charging:

	2020 £	2019 £
Staff costs (note 10)	590,938	587,505
Depreciation	73,712	83,593
Auditor's remuneration (excluding VAT)		
. Statutory audit		
.. Current year	15,300	14,460
.. Prior year	5,940	3,000
. Non-audit services: HR consultancy and other advisory services	5,808	6,408
FRS 102 interest expense (note 16)	6,000	6,000

# **10 Staff costs, key management personnel and trustees' remuneration**

	2020 £	2019 £
Staff costs during the year were as follows:		
Wages and salaries	<b>507,596</b>	509,167
Social security costs	<b>37,655</b>	38,066
Pension costs	<b>23,412</b>	20,481
	<b>568,663</b>	567,714
Self-employed counselling consultants' costs	<b>22,275</b>	19,791
	<b>590,938</b>	587,505
Staff costs per function were as follows:		
Support of members of the Community and their ministry	<b>334,096</b>	338,022
Upkeep of the Church and administering the parish	<b>111,535</b>	114,034
Counselling service	<b>145,307</b>	135,449
	<b>590,938</b>	587,505

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

The average number of employees during the year, analysed by function, was as follows:

	Full time equivalents		Average numbers	
	2020	2019	2020	2019
Support of members of the Community and their ministry	<b>11</b>	12	<b>22</b>	23
Upkeep of the Church and administering the parish	<b>4</b>	3	<b>8</b>	8
Counselling	<b>3</b>	4	<b>6</b>	6
	<b>18</b>	19	<b>36</b>	37

No employee earned over £60,000 (including taxable benefits but excluding employer pension contributions) during the year (2019 - none).

The trustees consider that they together with the Parish Priest, who heads the Parish Team, the Director – Head of Services of Ealing Abbey Counselling Service (EACS), the Director of the Abbey Choir and the Lay Bursar comprise the key management personnel of the charity in charge of directing and controlling, running and operating the material charitable activities on a day to day basis.

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

The Parish Priest is a member of the Community and as such does not receive any remuneration for his services to the Parish. The remuneration of the Director – Head of Services of EACS is set by the other members of EACS Management Committee i.e. the Abbot, three lay advisors and the Bursar. The remuneration of the Director of the Abbey Choir and that of the Lay Bursar is set by the Abbot, four lay advisors and the Bursar.

The total remuneration of the key management personnel during the year was £91,671 (2019 - £90,169).



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

### *Transactions with trustees*

No trustee received remuneration in respect to his services during the year (2019 - none)

As members of a religious community the trustees' living and personal expenses during the year were borne by the charity, but they were not reimbursed for any expenses incurred in connection with their duties during the year (2019 - £nil).

As members of The Trust of St Benedict's Abbey, Ealing, none of the trustees have resources of their own as all earnings, pensions and other income has been donated to the charity. During the year, a total of £91,383 was donated by the trustees to the charity (2019 - £65,905).

## 11 Taxation

The Trust of St Benedict's Abbey, Ealing is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

## 12 Tangible fixed assets

	Freehold land and buildings (inc. The Cloisters) £	Property improve- ments (inc. Church project) £	Motor vehicles £	Furniture, fittings and equipment £	Total £
<b>Cost</b>					
At 1 September 2019	106,156	4,400,530	44,926	240,427	<b>4,792,039</b>
Additions	—	—	1,400	27,399	<b>28,799</b>
Disposals	—	—	(1,995)	(30,809)	<b>(32,805)</b>
At 31 August 2020	106,156	4,400,530	44,331	237,017	<b>4,788,034</b>
<b>Depreciation</b>					
At 1 September 2019	105,600	2,131,003	42,765	224,722	<b>2,504,090</b>
Charge for year	537	61,603	2,439	9,133	<b>73,712</b>
Disposals	—	—	(1,995)	(30,808)	<b>(32,803)</b>
At 31 August 2020	106,137	2,192,606	43,209	203,047	<b>2,544,999</b>
<b>Net book values</b>					
At 31 August 2020	19	2,207,924	1,122	33,970	<b>2,243,035</b>
At 31 August 2019	556	2,269,527	2,161	15,705	<b>2,287,949</b>

### 13 Fixed asset investments

	2020 £	2019 £
At 31 August 2020 fixed asset investments comprised:		
Freehold investment properties (see (a) below)	5,400,000	5,400,000
Programme related investments (see (b) below)	9,784,693	9,784,693
Listed investments (see (c) below)	2,173,444	2,353,867
Cash held by investment managers for reinvestment	69,185	130,111
	<b>17,427,322</b>	<b>17,668,671</b>

#### (a) Freehold investment properties

	2020 £	2019 £
Market value at 1 September 2019 and at 31 August 2020	5,400,000	5,400,000

Freehold investment properties were revalued as at January 2018 by Messrs Gerald Eve, Chartered Surveyors, on an open market value basis. The trustees are of the opinion that there have been no material changes in value since that date. The cost of these properties is not readily available.

#### (b) Programme related investments

The programme related investments comprise several properties owned by the charity which have been made available to St Benedict's School, Ealing to be used for educational purposes. These are stated at the net book value at 1 September 2012, the date that these were reclassified as programme related investments. The cost of these properties is not readily available.

#### (c) Listed investments and cash held for reinvestment

	2020 £	2019 £
<b>Listed investments</b>		
Market value at 1 September 2019	2,353,867	2,728,240
Additions at cost	444,135	250,055
Disposals at opening market value (proceeds £616,051; realised losses £52,572)	(668,623)	(588,322)
Net unrealised investment gains (losses)	44,065	(36,106)
Market value at 31 August 2020	<b>2,173,444</b>	<b>2,353,867</b>
Cost of listed investments at 31 August 2020	<b>1,923,042</b>	<b>2,060,747</b>

Listed investments held at 31 August 2020 comprised the following:

	2020 £	2019 £
UK equities and unitised funds	1,393,001	1,602,618
UK fixed interest and unitised funds	368,666	346,542
Overseas equities and unitised funds	297,754	218,857
Overseas fixed interest and unitised funds	114,023	156,650
Commodities and hedge funds	—	29,200
	<b>2,173,444</b>	<b>2,353,867</b>

### 13 Fixed asset investments (continued)

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

At 31 August 2020 listed investments included the following individual holdings deemed material when compared with the overall portfolio valuation as at that date:

	Market value of holding £	Percentage of portfolio %
Schroder UK Corporate Bond Fund Shares Class C Income units	158,859	7.3%
Charities Property Fund	157,708	7.3%
Capita Trojan Fund	142,470	6.6%
M&G Global Dividend Fund Shares Class I Income units	137,701	6.3%
Trojan Investment Funds Shares Class S	120,204	5.5%
Schroder Strategic Credit Fund Shares-S	112,277	5.2%
Robeco BP Global; Premium Equities Shares-IB	110,914	5.1%
Trojan Income Funds Share Class-S	120,204	5.5%

	Market value of holding £	Percentage of portfolio %
2019		
Schroder UK Corporate Bond Fund Shares Class C Income units	139,704	5.9%
The Equity Income Trust for Charities	147,452	6.3%
Charities Property Fund	166,009	7.1%
M&G Global Dividend Fund Shares Class I Income units	145,582	6.2%
Trojan Investment Funds Shares Class S	134,505	5.7%
Schroder Strategic Credit Fund Shares-S	134,018	5.7%
Robeco BP Global; Premium Equities Shares-IB	161,014	6.8%
Trojan Income Funds Share Class-S	134,479	5.7%

### 14 Debtors

	2020 £	2019 £
Grants receivable	32,775	43,944
Investment income receivable	13,889	15,479
Deferred rent due from St Benedict's School, Ealing (note 24)	82,461	—
Other debtors	11,877	40,119
	<b>141,002</b>	<b>99,542</b>

### 15 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	139,180	91,941
Other creditors	30,227	28,306
	<b>169,407</b>	<b>120,247</b>

**15 Creditors: amounts falling due within one year** (continued)

Included in accruals and deferred income is deferred income (i.e. grants received in advance) as set out below:

	2020 £	2019 £
Deferred income brought forward at 1 September 2019	8,500	31,650
Additional income deferred during the year	23,319	8,500
Brought forward funds spent in the year	(8,500)	(31,650)
Deferred income carried forward at 31 August 2020	23,319	8,500

**16 Provision for liabilities**

The charity participates in The Independent Schools' Pension Scheme (ISPS), a pension scheme for non-teaching staff administered by TPT Retirement Solutions (formerly known as The Pensions Trust) (see note 22).

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers report annually on their financial position and this is monitored by the scheme to ensure their financial viability. Employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

**Actuarial valuation at 30 September 2017**

A full actuarial valuation for the scheme was carried out at 30 September 2017. This actuarial valuation was certified on 27 December 2018 and showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the Trustee of the scheme has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

	£2,387,357 per annum
From 1 September 2019 to 30 April 2030:	(payable monthly and increasing by 3% on each 1 September)

## 16 Provision for liabilities (continued)

### Deficit contributions

From 1 September 2016 to 31 August 2029:	£2,341,000 per annum (payable monthly and increasing by 3% on each 1 September)
--	--

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate disclosed below. The unwinding of the discount rate is recognised as a finance cost.

### Present values of provision

	31 August 2020 £'000	31 August 2019 £'000	31 August 2018 £'000	31 August 2017 £'000
Present value of provision	277	297	325	354

### Reconciliation of opening and closing provisions

	31 August 2020 £'000	31 August 2019 £'000
Provision at start of period	297	325
Unwinding of the discount factor (interest expense)	3	6
Deficit contribution paid	(25)	(28)
Re-measurements – impact of any change in assumptions	2	13
Re-measurements – amendments to the contribution schedule	—	(19)
	2	(6)
Provision at end of period	277	297

### Statement of financial activities impact

	31 August 2020 £'000	31 August 2019 £'000
Interest expense	3	6
Re-measurements – impact of any change in assumptions	3	13
Re-measurements – amendments to the contribution schedule	—	(19)
	3	(6)
Net impact	6	—

## 16 Provision for liabilities (continued)

### Assumptions

	31 August 2020 % per annum	31 August 2019 % per annum	31 August 2018 % per annum	31 August 2017 % per annum
Rate of discount	0.9	1.10	1.96	1.56

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The liabilities are predicted to fall due as follows:

	2020 £'000	2019 £'000
Provision for pension scheme deficit reduction payments		
. Payable within one year	26	26
. Payable within one to two years	26	26
. Payable within two to five years	84	81
. Payable after five years	141	164
	<b>277</b>	<b>297</b>

## 17 Tangible fixed assets fund

	2020 £	2019 £
At 1 September 2019	2,287,949	2,313,661
Net movement in year	(44,914)	(25,712)
At 31 August 2020	<b>2,243,035</b>	<b>2,287,949</b>

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. A decision was made to separate this fund from the general fund in recognition of the fact that the tangible fixed assets are used in the day-to-day work of the charity, and the fund value would not be easily realisable if needed to meet future contingencies.

## 18 Programme related investment fund

	Total £
At 31 August 2018 and 31 August 2019	<b>9,784,693</b>

This fund represents the carrying value of the charity's programme related investments. The amount has been set aside from the charity's general funds in recognition of the fact that the assets have been made available to St Benedict's School, Ealing and therefore cannot be regarded as funds that would be available to meet future contingencies.

## 19 Designated funds

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

	At 1 September 2019 £	New designations £	Utilised or released £	At 31 August 2020 £
Retirement reserve	4,000,000	—	—	4,000,000
Property and strategic development fund	2,400,000	—	—	2,400,000
Parish funds	134,827	295,491	(350,254)	80,064
Other monastic activities funds	110,595	16,173	(9,351)	117,417
	<b>6,645,422</b>	<b>311,664</b>	<b>(359,605)</b>	<b>6,597,481</b>

	At 1 September 2018 £	New designations £	Utilised or released £	At 31 August 2019 £
Retirement reserve	4,000,000	—	—	4,000,000
Property and strategic development fund	2,400,000	—	—	2,400,000
Parish funds	206,916	323,887	(395,976)	134,827
Other monastic activities funds	109,166	17,410	(15,981)	110,595
	<b>6,716,082</b>	<b>341,297</b>	<b>(411,957)</b>	<b>6,645,422</b>

### **Retirement reserve**

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 is reviewed regularly by the trustees in light of the reserves available.

### **Property and strategic development fund**

The property and strategic development fund represents monies designated by the trustees to enable the implementation of the charity's strategic development plan which is in the process of being formulated. This may include decisions to repair, refurbish or replace a number of the charity's freehold premises.

### **Parish funds**

These funds comprise monies set aside for the continued provision, and development, of activities within the Parish.

### **Other monastic activities funds**

These funds represent monies set aside for the continued provision and development of various monastic activities carried out by the members of the community.

## 20 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:

	At 1 September 2019 £	Income £	Expenditure £	At 31 August 2020 £
Parish funds	100,637	6,531	(580)	106,588
Friends of Ealing Abbey Choir fund	12,510	12,220	(11,067)	13,663
Church embellishment fund	47,735	—	(47,735)	—
Benedictine Study and Arts Centre	14,255	20,134	(19,205)	15,184
Ministry special funds - counselling	205,204	216,006	(212,152)	209,058
The Neocatechumenal Way fund	56,404	810	(9,634)	47,580
Diocese of Westminster – Growing in Faith fund	13,681	4,016	(17,697)	—
Sick and retired clergy fund	—	9,575	(9,575)	—
Church furnishings fund	10,000	—	—	10,000
Other funds	31,631	1,993	(13,732)	19,892
	<b>492,056</b>	<b>271,285</b>	<b>(341,377)</b>	<b>421,964</b>

	At 1 September 2018 £	Income £	Expenditure £	At 31 August 2019 £
Parish funds	82,818	19,373	(1,554)	100,637
Friends of Ealing Abbey Choir fund	7,637	12,118	(7,245)	12,510
Church embellishment fund	47,735	—	—	47,735
Benedictine Study and Arts Centre	11,722	30,415	(27,882)	14,255
Ministry special funds - counselling	205,045	227,416	(227,257)	205,204
The Neocatechumenal Way fund	109,110	700	(53,406)	56,404
Diocese of Westminster – Growing in Faith fund	30,975	13,682	(30,976)	13,681
Sick and retired clergy fund	19,990	27,267	(47,257)	—
Church furnishings fund	10,000	—	—	10,000
Other funds	30,118	6,489	(4,977)	31,631
	<b>555,150</b>	<b>337,460</b>	<b>(400,554)</b>	<b>492,056</b>

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

### **Parish funds**

These funds comprise monies to be used for the continued provision of, and development of, specific activities within the parish. Income includes £6,531 (2019 - £19,373) received from the Diocese of Westminster – Growing in Faith fund (see below).

### **Friends of Ealing Abbey Choir fund**

This fund comprises monies raised by “Friends” of the choir for use towards Ealing Abbey Choir activities.

### **Church Embellishment fund**

This fund comprised money received from an individual donor to be used to embellish the Abbey Church. During the year, with the express permission of the original donor, the monies within this fund were donated to another charity.



## 20 Restricted funds (continued)

### ***Benedictine Institute fund***

This fund comprised money donated for the employment of an administrator at the Study Centre together with donations to enable disabled access or bursaries and to develop the library.

### ***Ministry special funds***

These funds comprise monies to be applied in support of the work of Ealing Abbey Counselling Service and include grants receivable, contributions from clients and donations received for the services provided.

A Health and Social Care grant of £100,000 (2019 - £133,500) was received from the Ealing Borough Council for providing services through a Counselling Consortium Partnership of five members where Ealing Abbey Counselling Service is the lead member. £23,319 (2019 - £8,500) has been deferred for use in the year to 31 August 2021. Expenditure includes payments made to members of the consortium as detailed below:

	2020 £	2019 £
Metanoia Counselling and Psychotherapy Service ('MCPS')	27,950	34,475
Ealing Centre for Independent Living ('ECIL')	—	7,226
Bereft Bereavement Support ('Bereft')	7,500	21,975
Asian Family Counselling Service ('AFCS')	18,250	8,750
	<b>53,700</b>	<b>72,426</b>

### ***The Neocatechumenal Way fund***

The Neocatechumenal Way fund comprises monies collected by the 2<sup>nd</sup> Neocatechumenal Community in Ealing Abbey to be used to help the poor in the parish.

### ***Diocese of Westminster – Growing in Faith fund***

This fund represents grants made available by the Diocese of Westminster, Growing in Faith funds to support various of the charity's work and activities.

The income received from the Diocese of Westminster – Growing in Faith fund during the year comprises:

	2020 £	2019 £
Growing in Faith fund	4,016	13,682
Sick and retired clergy fund (see below)	9,574	27,267
Parish funds (see above)	1,993	6,489
	<b>15,583</b>	<b>47,438</b>

### ***Sick and retired clergy fund***

The sick and retired clergy fund comprises donations and grants received for the care of sick and retired clergy. This year's income includes £9,574 (2019 - £27,267) received from the Diocese of Westminster – Growing in Faith Fund (see above).

## 20 Restricted funds (continued)

### **Church furnishings fund**

The Church furnishings fund represents a donation received during the year to be used for furnishing the Church.

### **Other funds**

Other funds comprise monies received for specific activities.

## 21 Analysis of net assets between funds

	General funds £	Tangible fixed assets fund £	Programme related investment fund £	Designated funds £	Restricted funds £	Total funds £
<b>Fund balances at 31 August 2020 are represented by</b>						
Tangible fixed assets	—	2,243,035	—	—	—	2,243,035
Investments	1,242,629	—	9,784,693	6,400,000	—	17,427,322
Net current assets	(161,047)	—	—	197,481	421,964	458,398
Provision for liabilities	(277,131)	—	—	—	—	(277,131)
<b>Total net assets</b>	<b>804,451</b>	<b>2,243,035</b>	<b>9,784,693</b>	<b>6,597,481</b>	<b>421,964</b>	<b>19,851,624</b>

	General funds £	Tangible fixed assets fund £	Programme related investment fund £	Designated funds £	Restricted funds £	Total funds £
<b>Fund balances at 31 August 2019 are represented by</b>						
Tangible fixed assets	—	2,287,949	—	—	—	2,287,949
Investments	1,483,978	—	9,784,693	6,400,000	—	17,668,671
Net current assets	(183,148)	—	—	245,422	492,056	554,330
Provision for liabilities	(296,687)	—	—	—	—	(296,687)
<b>Total net assets</b>	<b>1,004,143</b>	<b>2,287,949</b>	<b>9,784,693</b>	<b>6,645,422</b>	<b>492,056</b>	<b>20,214,263</b>

	2020 £	2019 £
<b>Unrealised gains included above on listed investments:</b>		
Total unrealised gains at 31 August 2020	<b>250,402</b>	293,120
<b>Reconciliation of movements in unrealised gains</b>		
Total unrealised gains at 1 September 2019	<b>293,120</b>	435,642
In respect to disposals in the year	<b>(86,783)</b>	(106,416)
Net losses arising on revaluation in the year	<b>44,065</b>	(36,106)
<b>Total unrealised gains at 31 August 2020</b>	<b>250,402</b>	293,120

The charity's investment properties were acquired many years ago and precise figures for the historical cost of the properties are not available.

## 22 Pension commitments

### *The Pensions Trust*

The Trust of St Benedict's Abbey, Ealing participates in The Independent Schools' Pension Scheme (the Scheme), which is a funded multi-employer defined benefit (DB) scheme with approximately 5,200 members. The Scheme is contracted-out of the State scheme.

There are four DB structures available, namely:

- a. Final salary with a 1/60th accrual rate.
- b. Final salary with a 1/80th accrual rate.
- c. Career average revalued earnings with an 1/80th accrual rate.
- d. Career average revalued earnings with a 1/120th accrual rate.

A defined contribution (DC) benefit structure was made available from 1 September 2013.

An employer can elect to operate different benefit structures for different categories of staff.

The Trust of St Benedict's Abbey, Ealing has elected to operate the final salary with a 1/60th accrual rate benefit structure for all members as at the accounting date.

The Trustee of the Scheme commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period The Trust of St Benedict's Abbey, Ealing paid a joint contribution rate of 27.3% comprising employer contributions of 19.3% and member contributions of 8%.

As at the balance sheet date there were 5 active members of the Scheme employed by The Trust of St Benedict's Abbey, Ealing. The Trust of St Benedict's Abbey, Ealing continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes and benefits are paid from the total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS 102 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2017 by a professionally qualified actuary using the Projected Unit Method was completed on 19 December 2018. The market value of the Scheme's assets at the valuation date was £149.4 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £38.2 million, equivalent to a past service funding level of 80%.

## 22 Pension commitments (continued)

### *The Pensions Trust (continued)*

The contribution rates that apply from 1 September 2020 have been determined by reference to the Scheme's 30 September 2017 valuation. The notes below cover the assumptions used in the 2017 valuations.

### **2017 valuation**

The valuation was carried out using the S2PMA for males and S2PFA for females with a scaling factor of 93% post-retirement for males. The latest release of the Continuous Mortality Investigation Bureau mortality projections, known as 'CMI\_2016' were used for mortality projections, with long term improvement rates of 1.5% per annum for males and 1.25% per annum for females being used. The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions:

	Males	Females
	Assumed life expectancy in years at age 65	Assumed life expectancy in years at age 65
Non-pensioners	24.5	26.0
Pensioners	22.8	24.5

The long-term joint contribution rates required from employers and members to meet the cost of future benefit accrual were assessed at:

Benefit structure	Long-term joint contribution rate (% of pensionable salaries)
Final salary with a 1/60 <sup>th</sup> accrual rate	27.3 prior to 1 September 2019, then 30.5
Final salary with a 1/80 <sup>th</sup> accrual rate	21.0 prior to 1 September 2019, then 23.1
Career average revalued earnings with a 1/80 <sup>th</sup> accrual rate	Employer: 15.7 prior to 1 September 2019, then 20.0 Member: Age-related (age divided by 10)
Career average revalued earnings with a 1/120 <sup>th</sup> accrual rate	13.1 from 1 September 2019, then 15.6

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

## 22 Pension commitments (continued)

### **2017 valuation** (continued)

Following consideration of the results of the Scheme's 2017 actuarial valuation it was agreed that the shortfall of £38.2 million would be dealt with by the payment of deficit contributions of £2.4 million per annum from 1 September 2019 to 30 April 2030. These deficit contributions are in addition to the long-term joint contribution rates set out in the table above.

The employer and employee contribution rates for The Trust of St Benedict's Abbey, Ealing are 19.3% and 8% of pensionable salaries respectively.

Employers that have closed the Scheme to new entrants are required to pay an additional employer contribution loading of 3.2% (prior to 1 September 2016) to reflect the higher costs of a closed arrangement. From 1 September 2016, the joint long term future service contribution rates have been calculated on the basis that all employers have closed the Scheme to new entrants. In cases where an employer has enrolled at least one new member into one of the DB structures in the three-year period from 1 October 2014 to 30

September 2017, an open Scheme discount of 0.3% will be applied to the DB rates for the period from 1 September 2019 to 30 April 2030.

A small number of employers are required to contribute at a different rate to reflect the amortisation of a surplus or deficit on the transfer of assets and past service liabilities from another pension scheme into The Independent Schools' Pension Scheme.

New employers pay an additional age loading if the average age of their members is higher than the average age of the Scheme membership. This loading applies from the date the employer joins the Scheme to the date of the second actuarial valuation of the Scheme following the date of joining, or such earlier date as agreed between The Independent Schools' Pension Scheme Pensions Committee and the Scheme Actuary.

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit, on an ongoing funding basis, by 30 April 2030.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

## 22 Pension commitments (continued)

### **2017 valuation** (continued)

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

## 23 Guarantees

### ◆ The Independent Schools' Pension Scheme

With effect from 1 September 2012, the charity provided to The Pensions Trust such guarantee as it reasonably required in order to permit participation in the ISPS of those non-teaching staff who were members of the ISPS at midnight on 31 August 2012 and who transferred their employment under the legal Deed of Transfer to St Benedict's School, Ealing. The charity carries out an annual review of the guarantee provided using financial information as at 31 August of each prior year to be provided to it by St Benedict's School, Ealing by 30 November. At 31 August 2020, the guarantee provided by the charity to St Benedict's School, Ealing was £3.49 million (2019 - £3.49 million).

In addition, in the event of St Benedict's School, Ealing becoming insolvent, winding up or for any other reason withdrawing from the ISPS, the charity agreed to make good such deficit then arising in respect to those employees as may be calculated by the actuary of the ISPS.

In return for the charity providing the above guarantees, with effect from 31 August 2012 St Benedict's School, Ealing agreed not to offer membership of the defined benefit section of the ISPS to new employees or to employees who are not members of the ISPS as at 31 August 2012. St Benedict's School, Ealing agreed to not exercise any power vested in it as a participating employer of ISPS or grant any discretionary benefit that would increase the liability of the charity under the guarantees without the consent of the charity in writing, such consent not to be unreasonably withheld.

### ◆ General guarantee

In the event that the charity's auditor determines that St Benedict's School, Ealing is at risk of insolvency, the charity guarantees to:

1. Pay any creditors of St Benedict's School, Ealing; and
2. Provide all necessary financial support to St Benedict's School, Ealing to enable it to continue on its business.

## 24 Related party transactions

The charity is connected to St Benedict's School, Ealing, (Company Registration Number 8093330 (England and Wales), Charity Registration Number 1148512) ("the School"), by virtue of the fact that the two charities have some trustees in common.

The transactions between the charity and the School during the year were as follows:

- ◆ The School paid £494,764 (2019: £492,818) to the Trust being the rent for the School premises and the properties rented by School employees.
- ◆ The School paid net teaching salaries of £32,217 (2019: £35,392) to members of the Community and £15,000 to a member of the Community who served as a School Chaplain. These salaries were gifted to the charity by the relevant members of the Community. In previous years the School had paid members of the Community £10,435 for serving as Junior School Chaplains and £26,262 for serving as Senior School Chaplains.
- ◆ At the year end, the School owed £82,461 to the Trust under a deferred payment plan in respect of rent, agreed to lessen the impact of Covid-19. (2019: £nil).
- ◆ The charity also agreed to guarantee the pension liability of the Independent School's Pension scheme as well as pay all creditors and provided assistance in case of the school being declared insolvent.

There are no other related party transactions requiring disclosure (2019 – none).

## 25 Contingent liability

A contingent liability arises with respect to potential claims against the charity concerning the welfare of children. The amounts involved cannot be quantified at the current time. At the time of signing these accounts, the trustees have been made aware of one legal claim for the settlement of damages. Discussions continue in respect to this claim. No provision has been made within these accounts for any settlement payable and it is not possible at this stage to provide any meaningful estimate of any potential liability.

## 26 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the English Benedictine Community of Ealing Abbey by virtue of the fact that the Abbot of the Community appoints the trustees. The Community does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Community are vested in the trustees of the charity, which undertake all transactions entered into in the course of the Community's charitable activities.