

AUGUSTINIANS OF THE ASSUMPTION
(A Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

Charity No: 1143432
Registered Company No: 07690148

Azets Audit Services Limited
Greytown House
221-227 High Street
Orpington
Kent BR6 0NZ

AUGUSTINIANS OF THE ASSUMPTION
(Company Limited by Guarantee)

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AUGUSTINIANS OF THE ASSUMPTION
(Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Fr R O'Brien Br D Remiot Fr J Kasereka Br M Yacoub Fr E Samson Fr V Jermakovics Br Q Tran
Company Secretary	Br D Remiot
Charity Reference Number	1143432
Company Reference Number	07690148
Registered Office	Assumption Priory Victoria Park Square London E2 9PB
Independent Auditor	Azets Audit Services Limited Greytown House 221-227 High Street Orpington Kent BR6 0NZ
Investment Advisors	Pentagram Wealth Management 1 Place du Grand Mezel CP 3561 CH- 1211 Geneve 3 Switzerland Investec Wealth and Investment Ltd 2 Gresham Street London EC2V 7QN
Solicitor	Stone King Sewell 13 Queen Square Bath BA1 2HJ

AUGUSTINIANS OF THE ASSUMPTION
(Company Limited by Guarantee)

REPORT OF THE TRUSTEES

The Trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, 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 UK and Republic of Ireland (FRS 102) published on 16 July 2014 and updated by Bulletin 1 and 2.

Objectives, aims and Activities

The objects and aims of the Charity are the advancement of the public benefit anywhere in the world of the religious and other charitable work of the Congregation of Roman Catholic Priests and Brothers known as the Augustinians of the Assumption as the Trustees with the approval of the Superior General of the Congregation shall from time to time think fit.

The charity has been trying, since registration, to build up an investment portfolio to aid in the performance of its objectives. While continuing to do so, the charity is now able to fund each years various projects of the Augustinians of the Assumption in the UK and throughout the world.

Statement of Public Benefit

The objectives and activities and achievement and performance sections of this report clearly set out the activities which the charity undertakes for the public benefit. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission in detailing the activities undertaken by the charity.

Strategic report

Achievements and Performance and Plans for Future Periods

Our community in Bethnal Green still has a Congolese Parish Priest and Superior but the French Bursar, returned to France in September and the Vietnamese brother, Joseph Cuong, who joined the community in 2018 has been nominated Bursar. The community awaits the arrival of another Vietnamese Assumptionist Priest to join the community in the New Year. The community also awaits the arrival of an Assumptionist Priest from Tanzania. Bethnal Green continues to act as a base for the Catholic Chinese community in London and the chaplain continues to reside and work from there. Brother Joseph Cuong (Vietnamese) was ordained Deacon in the Bethnal Green on Saturday 4th July 2020. The community continues to have a flow of young people from abroad wishing to experience community life with them. These young people are offered support and guidance. They also assist at the Liturgies on Sundays with music and singing.

The Hitchin community serves and supports the local parish which is a *Live Simply Parish* always seeking to lower its carbon footprint. The lighting has been changed to LED lighting; the community runs a hybrid plug-in car in an effort to reduce its CO₂ footprint. The parish organises and runs a Foodbank collection point that opens twice a week. It supports the work of Justice and Peace, promotes Fair Trade goods, works actively for a healthier environment and promotes a policy of welcome for all groups and in particular the LGBTQI+ community. This year the parish started a new venture called **Feed up Warm up**. This offers food and an opportunity for people living on the streets to meet in a place of welcome and warmth. Visitors also receive help with their health and social services advice, and are pointed in the right direction to receive the outside help that they need. Volunteers go out around the town and invite anyone they find on the streets for a hot meal and friendly conversation. Although this project initially started as a winter offering, it has been so successful that it has continued to open weekly and has formed a lively buzzing community. What is worryingly evident is the growing numbers of people who are homeless and those unable to live on the support offered by the State. Feedup Warmup has applied for charitable status which it hopes to receive in 2020. Richard O'Brien has accepted to become a trustee of the charitable project.

The parish continues to support the local Shelter for the homeless in various ways. Euloge Kasine has continued his study for a Master's Degree as well as attending formation sessions run by the Province in France. He has been appointed Bursar of the community. Richard O'Brien is a member of the Justice and Peace Commission in Westminster Diocese working particularly with the Climate commission promoting healthier, sustainable and carbon free living. He is also a member of the North Herts Interfaith Forum that unites members of the different faiths with positive effect.

REPORT OF THE TRUSTEES

Achievements and Performance and Plans for Future Periods (continued)

Richard O'Brien a.a. was renewed as Chair of the charity at the AGM. He continues as parish priest of Hitchin. He organises monthly meetings in Bethnal Green between the two Assumptionist communities in order to provide mutual support and reflect on our mission.

Emmanuel House Charity in Nottingham, founded by the Assumptionists in 1974, offers a centre where homeless people are able to relax during the day and receive help, both medically and mentally, as well as the support they need to move on with somewhere to live. Visitors to the centre are helped with personal support as well as support from the State and, when possible, into accommodation. Emmanuel House also supports the running of a night shelter in the winter that has now been running for most of the year because of demand. Following is a short extract of the work of one of the teams working from Emmanuel House: The **Well Being Support Team**:

The benefits of the project being based within Emmanuel House Support Centre has enabled people who are supported by the team to access a range of activities which contribute to a reduction in social isolation and increase in confidence. During the year this has included the allotment project, Streetwise Opera, the Art group and the walking group. In addition, the WBST took a group on a barge trip along the River Trent, visited Stonebridge City Farm, attended the Cricket World Cup at Trent Bridge and attended Notts County's Football in the Community event.

A number of people have been supported by the WBST for over a year or more and, as a result, have overcome a multitude of complex difficulties and barriers. During Year Two we have seen the positive outcomes that can be achieved by offering consistent, continued and flexible support to individuals. Examples of building on individual strengths have included:

- *a move into paid employment*
- *Volunteering at a community farm project*
- *A move from volunteering at Trent Bridge Cricket Club into employment as a steward.*
- *Volunteering at St Ann's Community kitchen*
- *An offer of a volunteer placement with a canal boat company*
- *A mentoring role within a drug agency.*

Because of these and other commitments, the Chair has stepped down from being the Vicar of Religious for the Diocese of Westminster. He continues to be a foundation Governor of the Local Catholic Primary School, Our Lady Catholic School, Hitchin. Also, monthly, he provides spiritual support for the Lay Associates group organised and led by the Oblates of the Assumption, our sister Congregation. They offer active support to their local parish. The Pandemic interrupted this support since March 2020

The dialogue with the Roman Catholic Archdiocese of Southwark to regularize the situation of the former school and the parish buildings (Church, Presbytery and Parish Hall) was fruitful over the first months of 2020, before the pandemic. A meeting with the new Archbishop was held on January 2020.

This meeting allowed the Diocese to recognize that its occupation of the former school site was unlawful and that the 1990 license related to this site expired when the school moved to its new premises. The new Archbishop asked the diocesan officers to put an end to the unlawful occupation, which was at that time materialized by a contract with a property management company dated April 2018 in which the Diocese considered itself to be the owner of this site. A deed of termination was signed on March 2020 to end the unlawful agreement between the Diocese and the property management company, and simultaneously a new agreement was signed between our Charity, as the true owner of this site, and the same property management company. This solution avoided any embarrassment for the Diocese and allowed the live-in guardians present in the old school site to remain. For the future of this site, the trustees decided to study all available options in order to choose what will be more suitable to the goals of the Charity. The current situation of the Covid pandemic is delaying this process, which will hopefully continue over 2021.

Regarding the church and the presbytery, the trustees received from the Diocese two reports (dated 21/11/2019) made by LANDERS and ASSOCIATES about the current state of the church and the presbytery. The Diocese commissioned these reports unilaterally, although it was known to the diocese that the trustees were willing to jointly commission and jointly pay for a survey that would cover the areas of interest of both parties. The conclusion of the diocesan survey is that *"Major capital expenditure is required to bring the property back into a good state of repair"*. The estimated costs are close to £1.2m. As our Charity was not associated with the diocesan survey, the trustees decided to commission another survey to allow us to make sure that the property is generally hazard-free, that gas and electrical equipment are safely installed and maintained, that fire safety complies with the regulations, and that all other aspects related to our responsibility as owners are satisfied. A contact was established with Walter Winn, surveyor.

REPORT OF THE TRUSTEES

Achievements and Performance and Plans for Future Periods (continued)

Unfortunately, the pandemic is delaying the continuation of this process. We also requested the Diocese to provide us with the list of all maintenance and repair works done during the last 30 years, since the 1990 license was signed and implemented, specifying all the amounts that the Diocese invested and all useful details about the conducted works. Until now, we have received no reply from Diocese. Neither did the Diocese reply to our initial request dated June 2020, or to our email reminder sent in September 2020.

The reading of the two reports clearly shows that no major maintenance work (beyond small hasty repairs) has been done over the last 40 years. We know that from the license contracts of 1990, in which we gave free use of the two buildings to the diocese but requested that the diocese maintain them. We also know that each parish in the Catholic Church in England is supposed to set aside part of its income to maintain its premises.

The two reports show that both buildings are in very poor conditions and will immediately request important renovation work. Both roofs need large scale repairs. The reports also show that the current occupiers have piled-up all kinds of garbage which has resulted in unsanitary conditions and represents a serious fire hazard.

The reading of the reports made us aware that, as freeholders and owners of the buildings, we are mandated by English laws to make sure that the buildings comply with a number of regulations and standards: gas, electricity, asbestos etc. We have been looking for a company that could establish as soon as possible the compliance certificates mandated by law for the church, parish hall and presbytery.

We asked that the diocese provide us with the parish accounts since 1990 to be able to ascertain the amount of maintenance that was done on the buildings after we handed the parish to the diocese. Unfortunately, we have not received these documents so far.

The Superior Provincial of the Province of Europe met with the bishop on 27/01/2020. During this meeting, the diocese acknowledged that we were the rightful owner of the premises of the former school and agreed to transfer to us the guardianship contract they had unlawfully signed¹ with Dex Property Management Limited. After some delay, the transfer of the contract was completed and with perseverance the diocese eventually handed-over the keys of the former school to us.

The trustees realised that our Charitable Company owns 3 lots in Bethnal Green. One of these lots was originally run as an Assumptionist school which was later merged into the next-door diocesan school. The resulting school, called St Elisabeth has been operating to this day, under the diocese responsibility. Our solicitor did trace the ownership documents, of which the last update was done in 1983 in the name of our former Trust. We have asked our lawyer to update the ownership documents so that the Charitable Company "Augustinians of the Assumption" appears as the owner instead of the former trust.

We now have only one retired Religious, William O'Dell, needing support from our Retirement Fund. He has maintained good health and has been supportive of some of the programmes in the parish often celebrating masses in various Care homes, visiting the sick and filling in for parish celebrations when no other priest was available.

We are deeply grateful for the invaluable support of our accountants and auditors, Azets Audit Services, formerly named Wilkins Kennedy. We also thank our Investment Manager, Investec, for the careful and fruitful service they give to the investments of the charity. Both were represented at our AGM this year making themselves available to answer questions and keeping us well informed. We are also truly grateful to Stone King LLP for their sterling work as our Solicitors

At our AGM in March 2021, we will outline and establish our plans for 2021 and beyond.

Financial Review

Incoming resources totalling £215,548 (2019: £54,564) included £207,168 (2019: £45,591) by way of investment income received in the period. Expenditure totalling £353,930 (2019: £257,252) was incurred during the period. After investment and foreign exchange movements this resulted in a surplus for the period of £757,011 (2019: £1,278,116). Details of incoming and outgoing resources are set out in the financial statements.

**AUGUSTINIANS OF THE ASSUMPTION
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REPORT OF THE TRUSTEES

Reserves Policy

It is the policy of the Charity to maintain unrestricted funds, which are the free reserves of the Charity to provide sufficient funds to meet future obligations. The charity has unrestricted funds as at 31 December 2020 of £20,536,078 (2019: £19,779,067). Included within unrestricted funds are £20,457,129 (2019: £19,639,346) of designated funds, this mainly represents investments which are being held by the charity to generate income. The remaining unrestricted funds are being held to support various projects as detailed above.

Risk Management

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Investment Policy

The Trustees intend that the real value of their assets be maintained and enhanced over the long term by investment in a portfolio comprised of equities, fixed income stocks and cash. A detailed and formal investment policy was written and approved by the Board of Trustees at the meeting held on 12 November 2015. This investment policy was reviewed in 2020 and an updated version was approved at the Board of Trustees meeting held on 16th March 2020.

In order to meet these objectives the Trustees have appointed Pentagram Wealth Management and Investec Wealth and Investment Limited to advise on suitable investments on a discretionary basis or advisory basis (sub-fund "Dedicated A"). They have selected a balanced investment objective with medium risk. The Trustees require all the custodian banks and management companies they use to provide them with monthly or quarterly reports.

The Trustees will regularly consider whether there is a need to revise this policy and keep under review the arrangements under which Pentagram Wealth Management and Investec Wealth and Investment Limited act as their managers.

The Trustees will seek to reduce the risks inherent in financial investments through a wide diversification among the different asset classes. Within any asset class, the Trustees will seek to diversify investments so that any line does not represent more than 5% of the portfolio. The trustees consider that investing in mutual funds is another way to diversify the risks but recognise that it has the disadvantage of adding extra costs. Diversification also means that investments will be in various sectors as well as geographical areas. The trustees will seek to ensure that all investments will broadly comply with Catholic moral principles eliminating areas of economic activity and companies whose work appears to violate the Catholic moral principles e.g. cigarettes and weapons.

**Structure, Governance and Management
Constitution**

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 1 July 2011. The company was incorporated on 1 July 2011 and registered as a charity on 1 August 2011.

Trustees

The Trustees, who are also directors for the purposes of the Companies Act 2006, who served during the period were:

Fr R O'Brien
Br D Remiot
Fr J Kasereka
Br M Yacoub
Fr E Samson
Fr V Jermakovics

On 19 March 2021 Br Q Tran was appointed a Trustee.

No Trustees had any contact or arrangement of a material nature with the charitable company during the period under review.

**AUGUSTINIANS OF THE ASSUMPTION
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REPORT OF THE TRUSTEES

The number of Trustees shall not be less than five and the majority must be members of the Congregation.

One of the Trustees must retire at each AGM; those longest in office retiring first and the choice between any of equal service being made by drawing lots. A retiring Trustee shall be eligible for re-election of consecutive periods. The Trustees must hold at least two meetings each year.

The training and induction provided for new Trustees will depend on their existing experience. However, as all Trustees have to be a member of the Congregation, they all have a perquisite knowledge of the objectives and responsibilities of the charitable company. The Trustees have agreed to seek further training in the coming year about its roles and responsibilities, and to review its policies in order to better comply with the Charities Act 2011.

Statement of Trustees' Responsibilities

The trustees (who are also directors of the Assumption for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Azets Audit Services as the charitable company's auditors will be proposed at the Annual General Meeting.

On 7 September 2020 Group Audit Services Limited, trading as Wilkins Kennedy Audit Services, changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

By Order of the Board

Br D Remiot
Trustee

Br M Yacoub
Trustee

Date: 1 July 2021

INDEPENDENT AUDITORS REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of Augustinians of the Assumption for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and 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 financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charitable company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

AUGUSTINIANS OF THE ASSUMPTION
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INDEPENDENT AUDITORS REPORT TO THE MEMBERS

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Catherine Cooper (Senior Statutory Auditor)
for and on behalf of Azets Audit Services Limited
Statutory Auditor
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Date: 29 July 2021

AUGUSTINIANS OF THE ASSUMPTION
(Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

INCLUDING INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2020

	Note	Year ended 31 December 2020 Unrestricted £	Year ended 31 December 2019 Unrestricted £
Income from:			
Investment income – dividends		207,168	45,591
Other incoming resources		8,380	8,974
Total income		215,548	54,565
Expenditure on:			
Investment management costs		104,685	75,075
Charitable activities	3,4	249,245	236,742
Total expenditure		353,930	311,817
Net income and net movement in funds before gains and losses on investments		(138,382)	(257,252)
Net gains/(losses) on investments	7	1,394,965	1,634,504
Net income / (expenditure)		1,256,583	1,377,252
Other recognised gains and losses			
Gains/(losses) on foreign exchange		(499,572)	(99,136)
Net movement in funds for the year		757,011	1,278,116
Total funds at 1 January 2020		19,779,067	18,500,951
Total funds at 31 December 2020		20,536,078	19,779,067

All movements are unrestricted funds.

All transactions are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

AUGUSTINIANS OF THE ASSUMPTION
(Company Limited by Guarantee)

BALANCE SHEET

AS AT 31 DECEMBER 2020

REGISTERED COMPANY NUMBER: 07690148

	Notes	£	2020	£	£	2019	£
Fixed assets							
Tangible assets	6	3,368,775			3,407,101		
Investments	7	17,088,355			16,232,245		
				20,457,130			19,639,346
Current assets							
Debtors	8	19,648			18,757		
Cash at bank and in hand		103,051			159,666		
		122,699			178,423		
Creditors: Amounts falling due within one year							
Accruals		(17,966)			(16,812)		
Other creditors		(25,785)			(21,890)		
		(43,751)			(38,702)		
Net current assets				78,948			139,721
Net assets				20,536,078			19,779,067
FUNDS							
General Funds	10			78,948			139,721
Designated funds	9			20,457,130			19,639,346
				20,536,078			19,779,067

Approved by the Board of Trustees on 1 July 2021 and signed on their behalf by:

Br D Remiot
Trustee

Br M Yacoub
Trustee

AUGUSTINIANS OF THE ASSUMPTION
(Company Limited by Guarantee)

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flow from operating activities	13	(3,118)	217,528
Net cash flow from operating activities		(3,118)	217,528
Cash flow from investing activities			
Payments to acquire investments		(8,897,670)	(8,109,005)
Receipts from sales of investments		8,844,173	7,790,484
Dividends received (not reinvested)		-	45,591
Net cash flow from investing activities		(53,497)	(272,930)
Net increase / (decrease) in cash and cash equivalents		(56,615)	(55,402)
Cash and cash equivalents at 1 January 2020		159,666	215,068
Cash and cash equivalents at 31 December 2020		103,051	159,666
Cash and cash equivalents consists of:			
Cash at bank and in hand		103,051	159,666
Cash and cash equivalents at 31 December 2020		103,051	159,666

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

1.1 *Basis of Accounting and Preparation*

Augustinians of the Assumption is governed under its Memorandum and articles of association dated 01/07/2011. The address of the principal office is given in the information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out on page 2.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements 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 UK and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015 updated for bulletin 1.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 *Income*

Voluntary income is received by way of donations and is included in full in the Statement of Financial Activities in the year which it is receivable.

Other income is recognised in full in the Statement of Financial Activities in the year in which it is receivable.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established. During the year Investec dividend income was no longer received by the charity and instead was directly reinvested into other investments.

1.3 *Expenditure*

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Investment management fees include the fees associated with managing the investments.
- Raising funds include expenditure associated with the Assumptionists charitable work and the support cash thereon.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.4 *Support costs allocation*

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds on a basis consistent with use of the resources.

All support costs are allocated to raising funds.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

1.5 Funds

Unrestricted funds are those funds which can be used at the discretion of the Trustees in accordance with the charitable objectives.

Designated Funds are funds set aside by the Trustees out of unrestricted funds for specific purposes or objects.

1.6 Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

1.7 Tangible Fixed Assets and Depreciation

Fixed assets for charity use are capitalised at cost, where acquired, or market value as determined by the Trustees where donated. They are stated in the financial statements at cost or original value less depreciation.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- 1% per annum reducing balance basis
Equipment	- 25% per annum reducing balance basis
Motor Vehicles	- over 3 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.8 Fixed Asset Investments

Investments are recognised initially at their transaction value which is normally the transaction price less transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

1.9 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.10 Taxation

The company is a registered charity and is therefore entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

1.11 Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

1.12 Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 6 for the carrying amount of the property plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. EMPLOYEES

There were no employees of the Charity.

None of the Trustees received any remuneration or reimbursed expenses during the period under review.

3. CHARITABLE ACTIVITIES

	Direct Costs £	Support Costs £	Total 2020	Total 2019
Province of Europe	33,617	-	33,617	86,453
Africa	21,980	-	21,980	22,864
Priory and accommodation	22,274	55,800	78,074	110,968
Assistance with Assumption	79,222	-	79,222	16,457
International Formation				
Charlton Property	21,176	15,176	36,452	-
	<u>178,269</u>	<u>70,976</u>	<u>249,245</u>	<u>236,742</u>

AUGUSTINIANS OF THE ASSUMPTION
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

4. SUPPORT COSTS

	2020 £	2019 £
Insurance	160	5,135
Depreciation	38,326	38,684
Bank charges	23	60
Management expenses	6,282	11,044
Travel and Motor expenses	7,267	2,242
Training	-	2,255
Other support costs	774	310
Governance costs	18,144	29,990
	70,976	89,720

5. GOVERNANCE COSTS

	2020 £	2019 £
Audit fees	13,800	11,396
Bookkeeping	1,380	1,110
Legal and professional	2,964	17,484
	18,144	29,990

6. TANGIBLE FIXED ASSETS

	Freehold Properties £	Equipment £	Motor Vehicles £	Total £
Cost or Valuation				
At 1 January 2020	4,164,303	17,054	12,891	4,194,248
Additions	-	-	-	-
At 31 December 2020	<u>4,164,303</u>	<u>17,054</u>	<u>12,891</u>	<u>4,194,248</u>
Depreciation				
At 1 January 2020	765,980	16,870	4,297	787,147
Charge for the year	33,983	46	4,297	38,326
At 31 December 2020	<u>799,963</u>	<u>16,916</u>	<u>8,594</u>	<u>825,383</u>
Net Book Value				
At 31 December 2020	<u>3,364,340</u>	<u>138</u>	<u>4,297</u>	<u>3,368,775</u>
At 31 December 2019	<u>3,398,323</u>	<u>184</u>	<u>8,594</u>	<u>3,407,101</u>

AUGUSTINIANS OF THE ASSUMPTION
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

7. INVESTMENTS	2020	2019
	£	£
At 1 January 2020	16,232,245	13,397,325
Additions	8,897,670	8,109,005
Withdrawals	(140,877)	(109,317)
Disposals	(9,658,834)	(7,275,648)
Realised/Unrealised gains	1,394,966	1,634,504
Gains/(losses) on foreign exchange	(499,572)	(99,136)
Total Funds	16,225,598	15,656,733
Cash for reinvestment	862,757	575,512
At 31 December 2020	17,088,355	16,232,245
Historical cost	13,905,985	14,456,638
Portfolio split		
Investec Wealth	5,452,602	5,151,751
Pentagram Wealth:		
Dedicated "A" – Solidarity Fund	5,011,891	4,766,760
Dedicated "B" – Province of Europe	3,200,929	2,982,265
Dedicated "C" – General House	1,556,807	1,460,371
Dedicated "D" – Province of Africa	1,867,126	1,871,098
	17,088,355	16,232,245
Split of Funds	2020	2019
	£	£
Bonds	3,633,048	5,179,331
Equities	8,383,933	7,278,552
Alternative Investments	1,035,869	1,090,407
Other	3,172,748	2,108,443
Cash	862,757	575,512
	17,088,355	16,232,245

All investments are carried at their fair value. Investments in equities are all traded in quoted public markets. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

8. DEBTORS	2020	2019
	£	£
Accrued Investment Income	19,648	18,757
	19,648	18,757

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

9. DESIGNATED FUNDS

The following designated funds have been set aside out of unrestricted funds by the Trustees for specific purposes:-

	Balance at 01/01/2020	New Designations	Designations Released	Balance at 31/12/2020
Fixed Assets	3,407,101	-	(38,326)	3,368,775
Investments	16,232,245	856,110	-	17,088,355
	<u>19,639,346</u>	<u>856,110</u>	<u>(38,326)</u>	<u>20,457,130</u>

Fixed assets fund – this fund holds the freehold property and equipment used by the charity.

Investments – these funds are invested to maximise total return and generate income.

Comparative Designated funds	Balance at 01/01/2019	New Designations	Designations Released	Balance at 31/12/2019
Fixed Assets	3,432,894	-	(25,793)	3,407,101
Investments	14,551,386	1,680,859	-	16,232,245
Retirement Fund	417,711	-	(417,711)	-
	<u>18,401,991</u>	<u>1,680,859</u>	<u>(443,504)</u>	<u>19,639,346</u>

Retirement fund – this fund was held for future retirement of the Assumptionists. The Trustees have taken the decision that this fund is no longer required and therefore has transferred the balance back to the general fund.

10. GENERAL FUND

	General Fund	Designated Fund	Total
	£	£	£
Balance at 1 January 2020	139,721	19,639,346	19,779,067
Movement for the year	(60,773)	817,784	757,011
Balance at 31 December 2020	<u>78,948</u>	<u>20,457,130</u>	<u>20,536,078</u>
Comparative General Fund	General Fund	Designated Fund	Total
	£	£	£
Balance at 1 January 2019	98,960	18,401,991	18,500,951
Movement for the year	40,761	1,237,355	1,278,116
Balance at 31 December 2019	<u>139,721</u>	<u>19,639,346</u>	<u>19,779,067</u>

11. ULTIMATE CONTROLLING PARTY

The charitable company is under the control of the Trustees as listed on Page 1.

12. SHARE CAPITAL

The company is limited by guarantee and has no share capital. The liability of its members is limited to £10 per member.

AUGUSTINIANS OF THE ASSUMPTION
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

13.	RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		
		2020	2019
		£	£
	Net income/(expenditure) for year	757,011	1,278,116
	Investment income	(207,168)	(45,591)
	Depreciation and impairment of tangible fixed assets	38,326	38,684
	Unrealised (gains)/losses on investments	(1,341,467)	(1,473,465)
	Foreign exchange	499,571	99,136
	Non cash expenditure (investment fees and donations)	239,829	-
	Decrease/ (Increase) in debtors	-	329,622
	(Decrease)/Increase in creditors	10,780	(8,974)
	Net cash flow from operating activities	(3,118)	217,528

14. RELATED PARTY TRANSACTIONS

During the year there were no related party transactions (2019: none).