

# **St Etheldreda Trust**

## **Annual Report and Accounts**

31 December 2020

Charity Registration Number  
1154426 (England and Wales)

## Contents

### Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	6

### Accounts

Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Principal accounting policies	13
Notes to the accounts	17

## Reference and administrative information

<b>Trustees</b>	Father Tom Deidun IC Father Christopher Fuse IC Father Anthony Furlong IC Father David Myers IC
<b>Principal office</b>	St Etheldreda's Roman Catholic Church 14 Ely Place London EC1N 6RY
<b>Charity registration number</b>	1154426
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	HSBC plc 69 Pall Mall London SW1 5EY

## **Trustees' report** Year to 31 December 2020

The trustees present their annual report together with the accounts of St Etheldreda Trust for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 13 to 16 of the attached accounts and comply with the charity's trust deed, the Charities Act 2011, regulations applicable to that Act, 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).

### **Objectives and activities**

The principal aim of the charity is to provide a place of Roman Catholic worship open to members of the general public, served by a resident Roman Catholic priest.

The trustees have taken due consideration of the Charity Commission's guidance on Public Benefit in reviewing the charity's activities and plans.

### **Achievements and performance**

#### ***Review of the year***

##### ***Covid-19***

The Covid-19 pandemic that has spread since the last financial year-end has had a significant social and economic impact on all aspects of life and society. Starting in March 2020 most of the functions that had been booked to take place in the crypt have had to be cancelled and since the introduction of the so-called "rule of six" no functions have taken place in the crypt at all. As a result, the charity's rental income from the crypt has fallen quite significantly. However, whilst this reduction in income will present challenges, the trustees do not believe that it will cause financial difficulties for the charity, and that it will remain a going concern.

The pandemic may also have impacted property markets and property values. Given the location and condition of the charity's investment property at 13 Ely Place, London (see risk management section below), the trustees are confident that it continues to be a very desirable property and that any impact of Covid-19 on its value will be both minimal and temporary.

##### ***Financial review***

The income of the charity derives entirely from donations and legacies, rental income and income from crypt hire. Total income for the year amounted to £131,948 (2019 - £245,094). Total expenditure was £89,001 (2019 - £66,125). This results in net income and net movement in funds of £42,947 (2019 - £178,969).

Complete details of the income and expenditure are shown in the statement of the financial activities on page 10 and in the notes to the accounts.

***Reserves policy***

At 31 December 2020 the charity had total reserves of £2,448,040 (2019 - £2,405,093). At 31 December 2020, none of the funds were restricted (2019 - £27,228 for maintaining the fabric of the charity's property). £1,544,022 (2019 - £1,538,494) was a tangible fixed assets fund represented by the charity's tangible fixed assets in recognition of the fact that these are essential to the day-to-day work of the charity and as such their value should not be regarded as realisable with ease in order to meet future liabilities.

The balance on the general fund, which is also equal to the free reserves, as at 31 December 2020 was £904,018 (2019 - £839,371). This balance is represented by the investment property, loans secured against the property and the charity's net current assets. The charity had net current assets at 31 December 2020 of £23,559 (2019 - assets of £41,901) and expects to be able to build up reserves over the next few years. It intends, in the first instance, to continue to use these reserves to accelerate the capital payments on the loans that the Trust had to take out in order to fund the property purchase.

***Future plans***

The future plans of the charity are to continue to preserve and maintain the historic fabric of St Etheldreda's Church and the adjoining buildings that it owns in furtherance of its charitable objects.

***Structure, governance and management***

***Constitution***

The charity is governed by a trust deed dated 24 July 1885 and is registered under the Charities Act 2011, Charity Registration No. 1154426.

***Trustees***

The trustees of the charity are set out on page 1.

New trustees are appointed by the existing trustees, but require the approval of the Archbishop of the Roman Catholic Diocese of Westminster.

***Key management personnel***

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The trustees receive no remuneration or reimbursement of expenses.

***Risk management***

The charity's principal assets comprise the historic grade I listed church building dating back to the 13<sup>th</sup> century and the two adjacent five-storey Georgian town houses at 13 and 14 Ely Place. The charity has taken out comprehensive policies of insurance with the Catholic Church Insurance Association to cover these buildings against all standard risks. These policies (including the insurable value of the buildings) are reviewed annually.

**Structure, governance and management** (continued)

***Risk management*** (continued)

The charity was obliged to take out significant loans both from HSBC Bank plc and the Westminster Roman Catholic Diocesan Trust in connection with its acquisition and refurbishment of 13 Ely Place (see notes 12 and 13 to the accounts). It services the interest accruing on these loans and pays down the capital borrowed using the monies that it derives from its two main income streams, namely letting out 13 Ely Place to commercial tenants and hiring out the crypt for functions organised by an outside caterer.

13 Ely Place is let out for a term of 10 years from June 2015 to May 2025. The lease did contain a 5-year break clause in favour of the tenants, but the deadline for exercising this expired in 2019 without the break clause having been triggered. The tenants of 13 Ely Place are a former chambers of barristers that decided to dissolve in July 2020. However, the former head of chambers has confirmed that he and his co-signatories to the lease intend to honour the lease until a suitable replacement tenants can be presented to the charity for approval. Indeed, the tenants have continued to meet their payment obligations under the lease in full albeit that, with the agreement of the charity, they are now making rental payments on a monthly (as opposed to 3-monthly) basis in advance, in order to assist the tenants' ongoing cash flow planning.

The lease also contains an upward-only rent review clause that came into effect after 5 years at the end of May 2020 and, in anticipation, the charity sought the advice of its property advisers in relation to rental values during 2020. However, the Covid-19 pandemic meant that this process was overtaken by events. In the view of its advisers, the pandemic rendered the prospect of achieving an increase in the rental value of 13 Ely Place most unlikely (and, in the view of the charity, quite inappropriate).

Finally, in the event that damage to 13 Ely Place (e.g. from a fire) were to lead to a temporary interruption in the income stream derived from letting out the premises, the charity has taken out a separate insurance for 13 Ely Place to protect itself against loss of income for up to two years.

The charity's other main income stream is derived from letting out St Etheldreda's historic crypt to outside caterers pursuant to an arrangement that has operated successfully for more than 20 years. In the unlikely event of the current catering firm deciding to discontinue its regular hire of the crypt, the trustees envisage little difficulty in attracting an alternative provider, as the crypt is a unique and very popular venue for social functions in the local area. St Etheldreda's is located close to a large number of professional services firms, many of whom already use the crypt on a regular basis. As noted above, at the moment Covid-19 is posing challenges for the charity with the deferral and cancellation of all remaining crypt rental bookings. However, current government easing of restrictions indicates that indoor functions such as those previously held in the crypt will be able to resume.

***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).

**Structure, governance and management** (continued)

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees and signed on their behalf by:



T Deidun

Trustee

Approved on: 13/09/21

13.9.2021

**Independent auditor's report to the trustees of St Etheldreda Trust**

**Opinion**

We have audited the accounts of St Etheldreda Trust (the 'charity') for the year ended 31 December 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 December 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**

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

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

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



**Other information**

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

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

We have nothing to report in this regard.

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

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

- ◆ the information given in the trustees' 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 statement of trustees' responsibilities in the trustees' report, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the accounts are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011).
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the charity's procedures.

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

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

- ◆ agreeing accounts disclosures to underlying supporting documentation; and
- ◆ enquiring of management as to actual and potential litigation and claims.

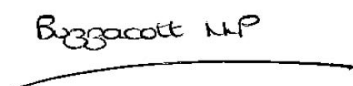
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance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

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

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.



13.10.2021

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

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 December 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
<b>Income from:</b>							
Donations and legacies	1	248	—	248	9,275	—	9,275
Investment property rentals	2	107,619	—	107,619	107,643	—	107,643
Other trading activities	3	24,081	—	24,081	128,176	—	128,176
<b>Total income</b>		<b>131,948</b>	<b>—</b>	<b>131,948</b>	<b>245,094</b>	<b>—</b>	<b>245,094</b>
<b>Expenditure on:</b>							
Raising funds	4	23,454	—	23,454	33,024	—	33,024
Charitable activities	5	38,319	27,228	65,547	33,101	—	33,101
<b>Total expenditure</b>		<b>61,773</b>	<b>27,228</b>	<b>89,001</b>	<b>66,125</b>	<b>—</b>	<b>66,125</b>
<b>Net income (expenditure) and net movement in funds</b>		<b>70,175</b>	<b>(27,228)</b>	<b>42,947</b>	<b>178,969</b>	<b>—</b>	<b>178,969</b>
<b>Reconciliation of funds:</b>							
Funds brought forward at 1 January 2020		2,377,865	27,228	2,405,093	2,198,896	27,228	2,226,124
Funds carried forward at 31 December 2020		2,448,040	—	2,448,040	2,377,865	27,228	2,405,093

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

# **Balance sheet** 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible assets	9		1,544,022		1,538,494
Investment property	10		2,130,000		2,130,000
			<u>3,674,022</u>		<u>3,668,494</u>
<b>Current assets</b>					
Debtors	11	4,531		32,833	
Cash at bank and in hand		<u>83,600</u>		<u>82,735</u>	
		<u>88,131</u>		<u>115,568</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(64,572)</u>		<u>(73,667)</u>	
<b>Net current assets</b>			<u>23,559</u>		<u>41,901</u>
<b>Total assets less current liabilities</b>			<u>3,697,581</u>		<u>3,710,395</u>
<b>Creditors: amounts falling due after more than one year</b>	13		<u>(1,249,541)</u>		<u>(1,305,302)</u>
<b>Total net assets</b>			<u>2,448,040</u>		<u>2,405,093</u>
<b>The funds of the charity:</b>					
<b>Funds and reserves</b>					
Restricted funds	16		—		27,228
Unrestricted funds					
. Tangible fixed assets fund	17	1,544,022		1,538,494	
. General fund		<u>904,018</u>		<u>839,371</u>	
			<u>2,448,040</u>		<u>2,377,865</u>
			<u>2,448,040</u>		<u>2,405,093</u>

Approved by the trustees  
and signed on their behalf by:

*T. J. Deidun*

T Deidun

Trustee

Approved by the trustees on: 13/09/21

13.9.2021

## Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
Net cash (used in) provided by operating activities	A	(22,914)	98,819
<b>Cash flows from investing activities:</b>			
Investment property rent received		89,724	107,670
Purchase of tangible fixed assets		(17,600)	—
<b>Net cash provided by investing activities</b>		<b>72,124</b>	<b>107,670</b>
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		(48,345)	(227,387)
<b>Net cash used in financing activities</b>		<b>(48,345)</b>	<b>(227,387)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>865</b>	<b>(20,898)</b>
<b>Cash and cash equivalents at 1 January 2020</b>	B	<b>82,735</b>	<b>103,633</b>
<b>Cash and cash equivalents at 31 December 2020</b>	B	<b>83,600</b>	<b>82,735</b>

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

#### A Reconciliation of net movement in funds to net cash (used in) provided by operating activities

	2020 £	2019 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>42,947</b>	<b>178,969</b>
<b>Adjustments for:</b>		
Depreciation charge	12,072	10,312
Investment property rent receivable	(107,619)	(107,643)
Decrease in debtors	28,303	20,332
Increase (decrease) in creditors	1,383	(3,151)
<b>Net cash (used in) provided by operating activities</b>	<b>(22,914)</b>	<b>98,819</b>

#### B Analysis of cash and cash equivalents

	2020 £	2019 £
<b>Total cash and cash equivalents: Cash at bank and in hand</b>	<b>83,600</b>	<b>82,735</b>

#### C Analysis of changes in net debt

	2019 £	Cash flows £	Other non-cash changes £	2020 £
Cash at bank and in hand	82,735	865	—	<b>83,600</b>
Loans falling due within one year	40,928	(48,344)	55,761	<b>48,345</b>
Loans falling due after more than one year	1,305,302	—	(55,761)	<b>1,249,541</b>
	<b>1,428,965</b>	<b>(47,479)</b>	<b>—</b>	<b>1,381,486</b>

## **Principal accounting policies 31 December 2020**

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

### **Basis of accounting**

These accounts have been prepared for the year to 31 December 2020 with comparative information provided for the year to 31 December 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 UK and Republic of Ireland (Charities SORP FRS 102), 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:

- ◆ Estimating the useful economic life of tangible fixed assets for the purpose of calculating depreciation;
- ◆ Estimating the market value of investment property; and
- ◆ Estimating 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 is a global crisis that has and will continue to have a huge personal, social and economic impact on all of society.

The charity's operations have been impacted with the Church and crypt having to be closed and rental income from the crypt having reduced significantly as a consequence. Whilst this reduction in income will present challenges, the trustees do not believe it will cause financial difficulties for the charity and that it will remain a going concern.

**Assessment of going concern** (continued)

The pandemic may also have impacted property markets and property values. Given the location and condition of the charity's investment property at 13 Ely Place, London (see risk management section in the trustees' report), the trustees are confident that it continues to be a very desirable property and that any impact of Covid-19 on its value will be both minimal and temporary.

The trustees of the charity have concluded that there are no uncertainties related to events or conditions (including Covid-19) that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

**Income recognition**

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. 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 and legacies, rental income from investment property, interest receivable and rental income from the hiring out of the crypt at St Etheldreda's Church.

Donations 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.

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 the fulfilment of any conditions attached to the legacy is wholly within the control of the charity.

Rental income from investment property is recognised when it becomes contractually due under the relevant lease or tenancy agreement and receipt is considered probable.

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

Income from the rental of the crypt is recognised as income on the date on which the crypt is used by the person or organisation that has entered into the hire agreement and when receipt is considered probable.



**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Expenditure comprises the following:

- a. The costs of raising funds comprise bank charges and interest payable on the charity's long term loan and mortgage, legal and professional fees in relation to investment property agreements and leases, and investment property expenses.
- b. The costs of charitable activities comprise the costs of providing a place of Roman Catholic worship open to members of the general public, served by a Roman Catholic priest.

**Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

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

Support and governance costs are allocated to the cost of charitable activities.

**Tangible fixed assets**

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

Depreciation is provided at the following annual rates on a straight line basis in order to write off each asset over its useful estimated life:

- ◆ Freehold land and buildings – nil.
- ◆ Freehold property improvements – 10%.
- ◆ Fixtures and fittings – 10%.

As permitted by FRS 102, with effect from 1 January 2014 freehold land and buildings are included in the accounts at deemed cost. The freehold buildings are not depreciated. Their value and condition are reviewed annually by the trustees who are satisfied that their residual value is not materially less than their book value.

**Investment property**

Investment property is stated at its estimated market value based on a trustees' valuation, having taken professional advice.

Gains and losses on the revaluation of investment properties are included in the statement of financial activities.

**Debtors**

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

**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

**Fund structure**

The restricted funds comprise monies subject to donor imposed conditions as to use or to monies received in response to a specific appeal.

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

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

**1. Income from: Donations and legacies**

	Unrestricted funds	
	2020 £	2019 £
Donations	248	1,378
Legacies	—	7,897
	<b>248</b>	<b>9,275</b>

**2. Income from: Investment property rentals**

	Unrestricted funds	
	2020 £	2019 £
Rental income from investment properties	<b>107,619</b>	<b>107,643</b>

**3. Income from: Other trading activities**

	Unrestricted funds	
	2020 £	2019 £
Rental income from the crypt	<b>24,081</b>	<b>128,176</b>

**4. Expenditure on: Raising funds**

	Unrestricted funds	
	2020 £	2019 £
Loan interest	<b>23,329</b>	<b>32,875</b>
Bank charges	<b>125</b>	<b>149</b>
	<b>23,454</b>	<b>33,024</b>

**5. Expenditure on: Charitable activities**

	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
Staff costs	8,316	—	8,316	8,079	—	8,079
Premises costs (including irrecoverable VAT)	14,141	27,228	41,369	10,937	—	10,937
Depreciation	12,072	—	12,072	10,312	—	10,312
Legal and professional fees	—	—	—	583	—	583
Governance costs (note 6)	3,790	—	3,790	3,190	—	3,190
<b>Total</b>	<b>38,319</b>	<b>27,228</b>	<b>65,547</b>	<b>33,101</b>	<b>—</b>	<b>33,101</b>

**6. Governance costs**

	2020 £	2019 £
Auditor's remuneration		
. Audit fees	3,290	3,190
. Other services	500	—
	<b>3,790</b>	<b>3,190</b>

## 7. Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	<b>8,316</b>	8,079

No employee earned over £60,000 per annum or more (including taxable benefits) during the year (2019 - none). There is one employee (2019 – one).

The key management personnel in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees. The trustees received no remuneration or reimbursement of expenses in connection with their duties during the year (2019 - £nil).

## 8. Taxation

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

## 9. Tangible fixed assets

	Freehold property £	Freehold property improve- ments £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2020 and Additions	1,478,000 —	100,507 17,600	2,613 —	<b>1,581,120</b> <b>17,600</b>
At 31 December 2020	<u>1,478,000</u>	<u>118,107</u>	<u>2,613</u>	<u><b>1,598,720</b></u>
<b>Depreciation</b>				
At 1 January 2020	—	41,321	1,305	<b>42,626</b>
Charge for the year	—	11,811	261	<b>12,072</b>
At 31 December 2020	<u>—</u>	<u>53,132</u>	<u>1,566</u>	<u><b>54,698</b></u>
<b>Net book values</b>				
At 31 December 2020	<u>1,478,000</u>	<u>64,975</u>	<u>1,047</u>	<u><b>1,544,022</b></u>
At 31 December 2019	<u>1,478,000</u>	<u>59,186</u>	<u>1,308</u>	<u><b>1,538,494</b></u>

## 10. Investment property

	2020 £	2019 £
At 1 January 2020 and at 31 December 2020	<b>2,130,000</b>	2,130,000

The investment property comprises 13 Ely Place, London EC1. It is stated at its fair value which is deemed to be open market value as at 31 December 2016 determined by the trustees with professional assistance. The trustees sought professional advice in respect to the value of the property as at March 2020 and, following receipt of that advice, they are of the opinion that at that date there had been no material change to the market value of the property since 31 December 2016.

Covid-19 pandemic may have impacted property markets and property values. Given the location and condition of the charity's investment property at 13 Ely Place, London, the trustees are confident that it continues to be a very desirable property and that any impact of Covid-19 on its value will be both minimal and temporary.

The property is subject to legal charges as explained in notes 12 and 13 below.

## 11. Debtors

	2020 £	2019 £
Prepayments and accrued income	<b>4,531</b>	53,333

## 12. Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	<b>13,645</b>	28,349
VAT liability	<b>2,582</b>	4,390
Bank loans (note 13)	<b>48,345</b>	40,928
	<b>64,572</b>	73,667

Deferred income comprises rental income received in advance.

	2020 £	2019 £
Balance as at 1 January 2020	<b>24,525</b>	24,552
Amount released in year	<b>(24,525)</b>	(24,552)
Amount deferred in year	<b>6,658</b>	24,525
Balance as at 31 December 2020	<b>6,658</b>	24,525

### 13. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans	<b>1,249,541</b>	1,305,302

The charity has a loan from HSBC Bank plc, the capital value of which was £1,500,000 prior to any repayment. The loan was to assist in the purchase of the property situated at 13 Ely Place, London, secured by a first mortgage on the said property and the presbytery at 14 Ely Place. The loan is for a term of 30 years from the date of the first draw down in May 2014 and no repayments were due until May 2016. Interest on the loan is charged at 1.5% per annum over the Bank of England's base rate. The bank reserves the right to re-evaluate the loan and potentially require the loan to be fully repaid, every five years from the first drawdown. The Westminster Roman Catholic Diocesan Trust has provided a guarantee to HSBC plc in respect to this loan and has been granted a second legal charge over 13 Ely Place, London.

During 2017, the charity agreed a second loan from HSBC Bank plc of £325,000. The terms of the loan are the same as the first loan except that interest is charged at 2.5% per annum over the Bank of England's base rate and the loan is secured by first mortgages over 13 Ely Place and the presbytery at 14 Ely Place. The loan of £325,000 was repaid during 2019.

### 14. Related party transactions

St Etheldreda's Church serves the Parish of St Etheldreda's within the Roman Catholic Diocese of Westminster.

The Westminster Roman Catholic Diocesan Trust has provided a guarantee to secure a loan of £1,500,000 from HSBC bank plc.

### 15. Connected charity

The charity is considered to be connected to The Institute of Charity English Province (Charity Registration Number 222508) because both charities have trustees in common and hence they have common control. There were no transactions between the charities during the year (2019 - none).

### 16. Restricted funds

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

	2020 £	2019 £
At 1 January 2020	<b>27,228</b>	27,228
Net movement in the year	<b>(27,228)</b>	—
At 31 December 2020	<b>—</b>	27,228

The fabric fund comprises monies to be used on the upkeep of the charity's property.

**17. Tangible fixed assets fund**

	2020 £	2019 £
At 1 January 2020	1,538,494	1,548,806
Net movement in the year	5,528	(10,312)
At 31 December 2020	1,544,022	1,538,494

**18. Net assets by fund**

	General fund £	Tangible fixed assets fund £	Restricted funds £	2020 Total £
Tangible fixed assets	—	1,544,022	—	1,544,022
Investment property	2,130,000	—	—	2,130,000
Net current assets	23,559	—	—	23,559
Creditors: amounts falling due after more than one year	(1,249,541)	—	—	(1,249,541)
	904,018	1,544,022	—	2,448,040

	General fund £	Tangible fixed assets fund £	Restricted funds £	2019 Total £
Tangible fixed assets	—	1,538,494	—	1,538,494
Investment property	2,130,000	—	—	2,130,000
Net current assets	35,173	—	27,228	62,401
Creditors: amounts falling due after more than one year	(1,305,302)	—	—	(1,305,302)
	859,871	1,538,494	27,228	2,425,593