

St Etheldreda Trust

Annual Report and Accounts

31 December 2022

Charity Registration Number
1154426 (England and Wales)

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Reference and administrative information

Trustees	Father Tom Deidun IC (retired 9 November 2022) Father Christopher Fuse IC Father Anthony Furlong IC Father David Myers IC Father Tom Thomas IC (appointed 9 November 2022)
Principal office	St Etheldreda's Roman Catholic Church 14 Ely Place London EC1N 6RY
Charity registration number	1154426
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC plc 69 Pall Mall London SW1 5EY

Trustees' report Year to 31 December 2022

The trustees present their annual report together with the accounts of St Etheldreda Trust for the year ended 31 December 2022.

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

The charity spent the year fulfilling its charitable objectives of providing a place for Roman Catholic worship. It also focussed on continuing to pay down the loans that it took out in order to finance the acquisition and refurbishment of 13 Ely Place, which was completed in 2015.

The charity also opened up and landscaped the inner courtyard next to the cloister for use by the parish and for functions (including wedding receptions).

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 £207,414 (2021 – £161,313). Total expenditure was £98,594 (2021 – £58,348). This results in net income and net movement in funds of £108,820 (2021 – £102,965).

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 2022 the charity had total reserves of £2,659,825 (2021 – £2,551,005). At 31 December 2022 and 31 December 2021, none of the funds were restricted. £1,519,878 (2021 – £1,531,950) 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.

Achievements and performance (continued)

Reserves policy (continued)

The balance on the general fund, which is also equal to the free reserves, as at 31 December 2022 was £1,139,947 (2021 – £1,019,055). This balance is represented by the investment property, a loan secured against the property and the charity's net current assets. The charity had net current assets at 31 December 2022 of £37,050 (2021 – £94,629) and expects to be able to build up further reserves over the next few years. It intends, wherever possible, 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 13th century and the two adjacent five-storey mid-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.

The charity was obliged to take out a significant loan from HSBC Bank plc guaranteed by the Westminster Roman Catholic Diocesan Trust in connection with its acquisition of 13 Ely Place (see notes 12 and 13 to the accounts). It services the interest accruing on this loan 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.

Structure, governance and management (continued)

Risk management (continued)

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. Until mid-2022 the tenants of 13 Ely Place were a former chambers of barristers that decided to dissolve in July 2020. However, the former head of chambers and his co-signatories to the lease continued to honour the lease and meet their payment obligations under the lease in full (albeit that, with the agreement of the charity, they with effect from July 2020 made rental payments on a monthly, as opposed to 3-monthly, basis in advance, in order to assist the tenants' ongoing cash flow planning). In 2022, the original tenants presented the charity with replacement tenants for approval. These were another set of barristers, Mountford Chambers Limited, who following standard due diligence checks were approved by the charity and took an assignment of the remaining lease over 13 Ely Place on 27 May 2022. The tenants' obligations under the lease remain guaranteed by the three remaining named individuals who were signatories to the original lease and have now, in addition, been guaranteed by four further individuals who are barristers at Mountford Chambers Limited (including its current head of chambers).

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.

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

Structure, governance and management (continued)

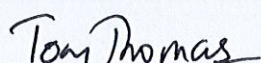
Statement of trustees' responsibilities (continued)

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:



Trustee

Approved on: 9th October 2023

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 2022 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 2022 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.

Other information (continued)

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.

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

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.

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.

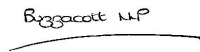
Auditor's responsibilities for the audit of the accounts (continued)

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. This description forms part of our auditor's report.

Use of our report

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



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL
Date: 24 October 2023

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 2022

	Notes	2022 £	2021 £
Income from:			
Donations and legacies	1	1,100	100
Investment property rentals	2	107,748	107,670
Other trading activities	3	98,566	53,543
Total income		207,414	161,313
Expenditure on:			
Raising funds	4	32,497	20,540
Charitable activities	5	66,097	37,808
Total expenditure		98,594	58,348
Net income (expenditure) and net movement in funds		108,820	102,965
Reconciliation of funds:			
Funds brought forward at 1 January 2022		2,551,005	2,448,040
Funds carried forward at 31 December 2022		2,659,825	2,551,005

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

All income and expenditure in the above two years related to unrestricted funds.

Balance sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	9		1,519,878		1,531,950
Investment property	10		2,130,000		2,130,000
			<u>3,649,878</u>		<u>3,661,950</u>
Current assets					
Debtors	11	32,051		5,665	
Cash at bank and in hand		83,634		147,912	
		<u>115,685</u>		<u>153,577</u>	
Creditors: amounts falling due within one year	12	(78,635)		(58,948)	
Net current assets			<u>37,050</u>		<u>94,629</u>
Total assets less current liabilities			3,686,928		3,756,579
Creditors: amounts falling due after more than one year	13		(1,027,103)		(1,205,574)
Total net assets			<u>2,659,825</u>		<u>2,551,005</u>
The funds of the charity:					
Funds and reserves					
Unrestricted funds					
. Tangible fixed assets fund	16	1,519,878		1,531,950	
. General fund		<u>1,139,947</u>		<u>1,019,055</u>	
			<u>2,659,825</u>		<u>2,551,005</u>
			<u>2,659,825</u>		<u>2,551,005</u>

Approved by the trustees
and signed on their behalf by:

Tom Thomas

Trustee

Approved by the trustees on: *9th October 2023*

Statement of cash flows Year to 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	15,287	2,797
Cash flows from investing activities:			
Investment property rent received		107,748	107,671
Net cash provided by investing activities		107,748	107,671
Cash flows from financing activities:			
Repayments of borrowing		(187,313)	(46,156)
Net cash used in financing activities		(187,313)	(46,156)
Change in cash and cash equivalents in the year		(64,278)	64,312
Cash and cash equivalents at 1 January 2022	B	147,912	83,600
Cash and cash equivalents at 31 December 2022	B	83,634	147,912

Notes to the statement of cash flows for the year to 31 December 2022

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

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	108,820	102,965
Adjustments for:		
Depreciation charge	12,072	12,072
Investment property rent receivable	(107,748)	(107,670)
Increase in debtors	(26,386)	(1,134)
Increase (decrease) in creditors	28,529	(3,436)
Net cash provided by operating activities	15,287	2,797

B Analysis of cash and cash equivalents

	2022 £	2021 £
Total cash and cash equivalents: Cash at bank and in hand	83,634	147,912

C Analysis of changes in net debt

	2021 £	Cash flows £	Other non- cash changes £	2022 £
Cash at bank and in hand	147,912	(64,278)	—	83,634
Loans falling due within one year	46,156	(37,313)	28,471	37,314
Loans falling due after more than one year	1,205,574	(150,000)	(28,471)	1,027,103
	1,399,642	(251,591)	—	1,148,051

Principal accounting policies 31 December 2022

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 2022 with comparative information provided for the year to 31 December 2021.

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.

Rental income from hiring out the crypt for functions has, as expected, continued to recover strongly from the previous two years (2020 and 2021), when the Church and its crypt had to be closed to the public for prolonged periods as a result of the ongoing Covid-19 pandemic. This upward trajectory is reflected in rental income of £98,566 for the financial year 2022, compared to just £53,543 in 2021. Moreover, the expectation is that the popularity of St Etheldreda's as a venue for functions (including wedding receptions) will only increase as a result of the inner courtyard now having been opened up to the public and landscaped, thus providing an almost unique outside amenity in the area.

Assessment of going concern (continued)

In addition, the Trust's rental income from the lease it has granted over 13 Ely Place (£107,748 in 2022) has continued uninterrupted throughout. Given the location and condition of this investment property at 13 Ely Place, London (see risk management section in the trustees' report) and the fact that the new Elizabeth Line (Crossrail) at the nearby Farringdon station has started to operate from May 2022, the trustees are confident that 13 Ely Place continues to be a very desirable property.

The trustees are, therefore, confident that the charity will remain a going concern and 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 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	
	2022 £	2021 £
Donations	1,100	100

2. Income from: Investment property rentals

	Unrestricted funds	
	2022 £	2021 £
Rental income from investment properties	107,748	107,670

3. Income from: Other trading activities

	Unrestricted funds	
	2022 £	2021 £
Rental income from the crypt	98,566	53,543

4. Expenditure on: Raising funds

	Unrestricted funds	
	2022 £	2021 £
Loan interest	32,482	20,439
Bank charges	15	101
	32,497	20,540

5. Expenditure on: Charitable activities

	Un- restricted funds £	Restricted funds £	2022 £	Un- restricted funds £	Restricted funds £	2021 £
Staff costs	9,161	—	9,161	8,549	—	8,549
Premises costs (including irrecoverable VAT)	34,777	—	34,777	12,654	—	12,654
Depreciation	12,072	—	12,072	12,072	—	12,072
Legal and professional fees	5,850	—	5,850	—	—	—
Governance costs (note 6)	4,237	—	4,237	4,533	—	4,533
Total	66,097	—	66,097	37,808	—	37,808

6. Governance costs

	2022 £	2021 £
Auditor's remuneration		
. Audit fees	3,800	3,400
. Other services	437	1,133
	4,237	4,533

7. Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	9,161	8,549

No employee earned over £60,000 per annum or more (including taxable benefits) during the year (2021 – none). There is one employee (2021 – 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 (2021 – £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 £
Cost				
At 1 January 2022 and at 31 December 2022	1,478,000	118,107	2,613	1,598,720
Depreciation				
At 1 January 2022	—	64,943	1,827	66,770
Charge for the year	—	11,811	261	12,072
At 31 December 2022	—	76,754	2,088	78,842
Net book values				
At 31 December 2022	1,478,000	41,353	525	1,519,878
At 31 December 2021	1,478,000	53,164	786	1,531,950

10. Investment property

	2022 £	2021 £
At 1 January 2022 and at 31 December 2022	2,130,000	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 2021 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.

Given the location and condition of the charity's investment property at 13 Ely Place, London, combined with the fact the new Elizabeth Line (Crossrail) at the nearby Farringdon station has started to operate from May 2022, the trustees are confident that it continues to be a very desirable property and that any negative impact on its value by the current macroeconomic and geopolitical climate will be both minimal and temporary.

The property is subject to legal charges as explained in note 13 below.

11. Debtors

	2022 £	2021 £
Prepayments and accrued income	32,051	5,665

12. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	32,285	10,628
Other creditors	7	7
VAT liability	9,029	2,157
Bank loan (note 13)	37,314	46,156
	78,635	58,948

Deferred income comprises rental income received in advance.

	2022 £	2021 £
Balance as at 1 January 2022	6,658	6,658
Amount released in year	(6,658)	(6,658)
Amount deferred in year	24,525	6,658
Balance as at 31 December 2022	24,525	6,658

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

	2022 £	2021 £
Bank loan	1,027,103	1,205,574

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.

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 (2021 – none).

16. Tangible fixed assets fund

	2022 £	2021 £
At 1 January 2022	1,531,950	1,544,022
Net movement in the year	(12,072)	(12,072)
At 31 December 2022	1,519,878	1,531,950

17. Net assets by fund

	General fund £	Tangible fixed assets fund £	2022 Total £
Tangible fixed assets	—	1,519,878	1,519,878
Investment property	2,130,000	—	2,130,000
Net current (liabilities) assets	37,050	—	37,050
Creditors: amounts falling due after more than one year	(1,027,103)	—	(1,027,103)
	<u>1,139,947</u>	<u>1,519,878</u>	<u>2,659,825</u>

	General fund £	Tangible fixed assets fund £	2021 Total £
<i>Tangible fixed assets</i>	—	1,531,950	1,531,950
<i>Investment property</i>	2,130,000	—	2,130,000
<i>Net current (liabilities) assets</i>	94,629	—	94,629
<i>Creditors: amounts falling due after more than one year</i>	(1,205,574)	—	(1,205,574)
	<u>1,019,055</u>	<u>1,531,950</u>	<u>2,551,005</u>