



Douai Abbey Trust

Annual Report and Accounts

31 August 2022

Charity Registration Number
236962

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	19

Accounts

Statement of financial activities	24
Balance sheet	25
Statement of cash flows	26
Principal accounting policies	27
Notes to the accounts	33

Reference and administrative information

Trustees	Rt Revd P Gunter OSB Rt Revd W G Scott OSB (resigned 11 May 2022) Revd A Hood OSB Revd B Standish OSB (resigned 11 May 2022) Revd T Bowe OSB (resigned 11 May 2022) Revd S Wilson (appointed 11 May 2022) Revd A Somerville Knapman OSB Revd T Holt OSB
Principal address	Douai Abbey Upper Woolhampton Reading RG7 5TQ
Telephone	0118 971 5300
Website	www.douaiabbey.org.uk
Charity registration number	236962
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	NatWest Bank plc 30 Market Place Newbury RG14 5AJ
Investment managers	Ruffer LLP 80 Victoria Street London SW1E 5JL
Solicitors	Knights LLP Rivergate House Newbury Business Park London Road Newbury RG14 2PZ

Trustees' report Year to 31 August 2022

The trustees present their statutory report together with the accounts of Douai Abbey Trust ("the charity") for the year ended 31 August 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 27 to 32 of the attached accounts and comply with the charity's trust deed, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

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

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

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

Mission

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

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

Activities, specific objectives and relevant policies

Activities and specific objectives

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

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

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

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

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



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

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

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

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

♦ **Caring for members of the Community including those who are older and/or frail**

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

♦ **The provision of education**

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

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

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

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

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

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

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

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

♦ **Members of the Community working elsewhere**

One member of the Community is currently working in Rome at the international Benedictine college of St Anselm, where he teaches as well as supervising the formation of those students in training for the priesthood. He also serves the English Benedictine Congregation as its representative in Rome. The newly elected Abbot, Fr Paul Gunter, continues to work as Secretary of the Department of Christian Life and Worship of the Conference of Bishops of England and Wales.

♦ **Donations to other organisations**

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

♦ **Protection of Children and Vulnerable Adults**

Like all other organisations who serve in the community, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charity serves in any way. This means that members engaged in any ministry in Great Britain must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are fully committed to implementing all policies and procedures of the Catholic Safeguarding Advisory Service (CSAS). The Safeguarding Representative for the Trust appointed in the previous year continues to work for the community. She is a retired child-care professional who has had extensive experience of safeguarding at a local and national level; she and the Abbot form the community's Child Protection Committee under the Religious Life Safeguarding Service, which is now responsible for safeguarding for virtually all the religious communities in England and Wales. Safeguarding appears as an agenda item on every trustee meeting and the Safeguarding Representative attends at least one meeting of the trust during the year.

As reported last year, the community, together with the other monasteries in the English Benedictine Congregation, had engaged the services of an American, non-religious organisation called Praesidium who compiled a report on the community's safeguarding policies and practice. The community spent a great deal of time during the year reviewing our policies so that we could achieve accreditation from this organisation. In January 2021 we received confirmation that we had been accredited but ongoing responsibility for this monitoring now comes under the Religious Life Safeguarding Service.

Investment policy

The charity has a portfolio of listed investments which together with cash awaiting investment had a market value as at 31 August 2022 of £5,419,395 (2021 – £5,525,459).

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

The performance of the portfolio and the charity's investment strategy are reviewed by the trustees whose representatives meet with the investment managers regularly. For many years the trustees have welcomed the attendance of financial advisers to half of their regular meetings, that is three times a year. The trust's investment managers attend one of these meetings every year. Details of the advisers can be found on page 1.

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

Achievements and performance

Review of activities

The abbatial election, mentioned in last year's report was held in May 2022. Father Paul Gunter, former parish priest of Alcester was elected for an eight year term. The community prepared for this election by a process of discernment, a series of monthly meetings in groups and three meetings of the whole community which was started in August 2021 and concluded in April 2022. It was felt by all the members that this had been a very fruitful exercise. Abbot Paul was already one of the trustees, but ex officio he now became chairman of the trustees. Abbot Geoffrey Scott, who had served three terms as abbot, a total of 24 years, took over Abbot Paul's position as parish priest of Alcester.

Abbot Paul Gunter and Father Oliver Holt, the elected delegate of the community, participated in the General Chapter of the English Benedictine Congregation which took place at Buckfast Abbey in July 2022. The chapter takes place every four years (although delayed in this case by Covid from 2021 to 2022) and addresses issues of concern to the monasteries of monks and nuns belonging to the Congregation. Through the process of preparation for the Chapter and increased communication between the monasteries, the whole community has become more aware of our contribution to the wider church and the lessons and support we can receive from each other.

Achievements and performance (continued)

Review of activities (continued)



Members of General Chapter - Buckfast Abbey - July 2022

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

By its very nature the regular round of Divine Services in a monastery do not vary much from year to year. The pandemic gave rise to many restrictions on the ability of lay people and guests to participate, but attendance has been nearly back to its previous level.

Cameras and an enhanced sound system were installed during the previous year to enable live-streaming, and this has continued to be used for special occasions for the public, particularly for funerals and weddings and for the abbatial blessing of Abbot Paul.

◆ **Caring for older and frail members of the community**

One member of the community is resident in the monastery infirmary. The monk who acts as the infirmarian continues to take part in regular virtual meetings with other infirmarians and health professionals. He has taken the lead in dealing with our Covid procedures and during the year he has been in contact with the care manager of another religious community who has given us useful advice about equipment and procedures.

◆ **Our buildings and our environment**

There have been no significant building works during the year, apart from essential maintenance. We have continued to investigate the possibility of introducing a new heating system in the accommodation blocks which date from the 1960s. We hope to reduce our dependence on oil. Last year we reported that our telephone system was said to be near the end of its useful life and in fact it failed at the beginning of September 2022. We have now replaced and upgraded the system.

Achievements and performance (continued)

Review of activities (continued)

♦ **Our buildings and our environment** (continued)

Our two churches on site (the Abbey Church and the Parish Church) have been subject to Quinquennial Inspections in accordance with good practice and we have now asked the architect responsible for these inspections to undertake a similar inspection for the rest of our buildings

♦ **The provision of education**

No new members have joined the community during the year, but one junior monk has taken his first vows and has started his philosophical and theological studies at Blackfriars Hall, Oxford. One other member continues to pursue doctoral studies at St Mary's University, Twickenham. A few people are in touch with the community about the possibility of joining the community in the future.

The community produce a magazine every year which is distributed free of charge to visitors, parishioners, former pupils of Douai School and other supporters. The most recent edition included articles by monks, friends, and independent scholars on such varied subjects as the Founding of Reading Abbey, Rome in the Pandemic, Bee-keeping, Who's afraid of the Antichrist?, the Anniversary of the Martyrdom of St Thomas Becket, the life of Louis Redmond-Howard, as well as obituaries and book reviews.

The English Benedictine Congregation has set up a Continuing Formation Commission which has organised various events for the monks and nuns of the Congregation. During the lockdown this commission continued a virtual series of talks given by monks and others which had begun in the previous year; this has meant that members of the community had an opportunity to join in discussion with other monks and nuns of the congregation in a way which has not happened before: one of the very few benefits arising from the new world of the pandemic. The community is fully committed to the idea that formation should continue through the life of a monk.

The trustees consider the monastery's archive and library to be part of its service to education. Researchers have now begun to return to use the archives. One archivist is employed to catalogue the archive and to assist researchers where necessary.

Achievements and performance (continued)

Review of activities (continued)

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

The Guest House has been open throughout the year and the number of guests has begun to return to pre-pandemic levels. The trustees normally provide statistics giving numbers of guest/nights with a comparative figure for the previous year, but the effect of the pandemic on the previous years would make such a comparison meaningless. The income from the Guest House totalled £117,185 (2021 £52,570).

Our monks have continued to serve in parishes in the Midlands and in Lancashire.



Investment performance

During the year to 31 August 2022, the charity's listed investments produced an income yield of 1.11% (2021 – 0.85%). The charity's listed investments rose in value during the year, giving rise to net investment gains of £171,197 (2021 – gains of £620,067) on the portfolio. The capital yield on the portfolio during the year showed a rise in value of 4.6% (2021 – 13.8%).

Investment properties produced rental income of £127,587 (2021 – £110,346) during the year.

Financial report for the year

Results for the year

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

Total income for the year amounted to £652,173 compared to £483,205 in the prior year. Donations and legacies amount to £321,861 compared to £206,395. The total figures include donations of £18,110 (2021 - £22,943) being monies restricted in their use and mainly raised towards the future costs of maintaining the library archives. Income from charitable activities i.e. retreat house income and related receipts increased to £128,596 (2021 – £58,490) as did income from visitors and other trading activities to £8,318 (2021 – £nil). Income from listed and property investments, together with interest receivable, amounted to £181,398 (2021 – £150,910).

Expenditure amounted to £933,847 compared to £795,808 in 2021. The cost of raising funds decreased by £6,805 to £67,347 (2021 – £74,152), the costs in relation to supporting members of the Community and their ministry increased to £866,500 (2021 – £721,656). The increase is due to increases in the cost of premises and pastoral activities.

The net expenditure for the year before investment gains and foreign exchange gains was £281,674 (2021 – net expenditure of £312,603). The net investment gains totalled £768,697 (2021 – £620,067) in respect to listed investments and investment properties. Foreign exchange losses totalled £19,771 (2021 – gains of £44,462). When these net losses/gains are accounted for, the overall impact on the charity's funds is an increase of £467,252 for the year (2021 – increase of £351,926).

At their meeting in June 2022 the trustees commissioned a financial report from Steven Little, a chartered accountant and former bursar of Winchester College to look at the financial position of the trust and make some suggestions about the way forward. This report was presented to the trustees in October 2022.

Financial impact of Covid-19

Last year the trustees reported on the impact of lock-down and general concern about the pandemic. The occupation level of the Guest House has almost returned to normal and other activities like the sale of books and other articles in the shop have consequently recovered to some extent, although they have not yet returned to pre-pandemic levels.

Financial report for the year (continued)

Reserves policy and financial position

Reserves policy

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

Financial position

The balance sheet shows total funds £15,976,074 (2021 – £15,508,822).

These funds include an amount of £155,992 (2021 – £138,796) which is restricted. These monies have either been raised for, and their use restricted to specific purposes, or they comprise donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 17 to the accounts together with an analysis of movements in the year.

The tangible fixed assets fund equal to the net book value of the tangible fixed assets and amounting to £6,367,361 (2021 – £6,540,218) has been identified as a separate fund in recognition of the fact that such assets are required to enable the Community to carry out its charitable work and are not available to fund activities or meet future commitments.

Funds totalling £5,150,000 (2021 – £5,150,000) have been designated, or set aside, by the trustees for specific purposes as follows:

- ♦ An amount of £4,150,000 (2021 – £4,150,000) has been designated to meet the costs of the care and welfare of members of the Community as they grow old or frail. The members are wholly dependent on the charity for their maintenance and care. The amount of funds set aside has been calculated using actuarial principles and will provide only modest amounts in the future.
- ♦ £1,000,000 (2021 – £1,000,000) has been set aside towards the cost of future improvements to, and maintenance of, the charity's freehold properties.

Further details of the purposes of the designated funds and an analysis of the movements on the funds are set out in note 18 to the accounts.

General funds or 'free reserves' of the charity at 31 August 2022 total £4,302,721 (2021 – £3,679,808).

Financial report for the year (continued)

Reserves and policy and financial position (continued)

Financial position (continued)

The trustees consider that this level of free reserves is appropriate despite it being slightly higher than the amount set out in the charity's reserves policy above. The trustees are of this opinion that this is both acceptable and prudent given the volatility in world stock markets at the present time and the other political and economic uncertainties resulting from the global Covid-19 pandemic and because of the current cost of living crisis, particularly the cost of energy and food. They also accept that in the years ahead, members of the Community may require increasing and increasingly expensive health care, and that the designated retirement fund of £4,150,000 (2021 – £4,150,000) described above may prove to be inadequate. It is the intention of the trustees to increase the fund over time. The trustees, therefore, consider free reserves to be adequate but not excessive, but they will keep this matter under review.

Raising funds

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

Future plans

The trustees intend to continue to follow up the recommendations of Steven Little's financial report which was presented to them in October 2022. They are planning to increase the Guest House charges in April 2023. As part of this review exercise, it is intended to consult an experienced and successful fundraiser with a view to restructuring and enhancing our fundraising activities, recognising that effective fundraising is essential to the Community's well-being and future work.

The trustees will be encouraging the Community to think about its future and to determine what it stands for and what particular contribution it can make to the Church and to Society. The trustees want it to be clear to any newcomers or enquirers what our values are and how we can best fulfil their hopes and needs.

Governance, structure and management

Governance

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

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

As all the trustees are members of the Community, they have a detailed knowledge of the work of the charity and its structure. Unlike many charity trustees who might live at a distance and meet briefly quarterly or so, the trustees are involved on a daily basis with the work of the charity, live within the Abbey itself or in its parishes, and meet and interact on a frequent basis. As members of the monastic community, the trustees are also beneficiaries of the charity, but they do not receive any benefits which are not also received by the other members. The trustees seek advice from professional advisers where necessary on legal, accounting, property and other issues. In addition, a voluntary advisory group of professionals of varied financial experience advises the trustees on investment policy and strategic development. The bursar attends external meetings and conferences during the year which enable him to keep up to date with developments of interest to the charity and to the sector as a whole. He has attended more virtual webinars and conferences since the lockdown began. The Abbot is also involved in other trusts and attends meetings with other religious superiors during the year. Other trustees are encouraged to attend relevant and appropriate courses and conferences so as to enable them to continue to be aware of their responsibilities and developments in the charity sector.

The names of the trustees who served during the year are set out as part of the reference and administrative information details on page 1 of this annual report and accounts. Brief biographical details of the trustees in office at 31 August 2022 are given below:

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

Abbot of Douai and chairman of the trustees since May 2022. Formerly Parish Priest of Alcester since 2016 and Secretary of the Department of Christian Life and Worship to the Catholic Bishop's Conference of England and Wales since 2012. Consulter to the Office of the Liturgical Celebrations of the Supreme Pontiff, Vatican City 2018-2013. Visiting Professor, Pontifical Athenaeum Regina Apostolorum, Rome 2008-2015, Professor at the Pontifical Institute of Liturgy, Rome 2006-2016. Further Studies, Rome 2002-2006. Parish Priest, Studley 1999-2002 and Trustee of Douai Abbey Parishes Trust. Member, Council of Priests, Diocese of Clifton 1995-1999; assistant priest, school chaplain, hospital chaplain, Cheltenham 1992-1999.

Governance, structure and management (continued)

Governance (continued)

Revd Gabriel Wilson BA

Before joining the Douai community in 2008 he was a Teacher of English, Head of Department and Advanced Skills Secondary School Teacher for 17 years. Father Gabriel is Prior and Novice Master. He has directed the Abbey's Pastoral Programme, led retreats, coordinated the Abbey's Alongside Programme for those exploring monastic life, and has been Parish Priest of St Mary's Woolhampton. He is also an Associate Governor of a Primary School in Thatcham and looks after the Douai Abbey apiary, advocating locally adapted bees and treatment-free beekeeping.

Revd A Hood MA, PhD, PGCE, AdvDip Couns

Prior of Douai Abbey from September 2014 until June 2021. Teacher at Douai School, 1992 - 1995, served on the Douai parish of Ormskirk, 1995 - 2002, (during which time he was a trustee of the Douai Abbey Parishes Trust), Novice Master, 2002-2021 and Choirmaster at Douai since 2002. He was formerly a trustee of the charity from 1998 until 2006. He is on the editorial board of the Douai Magazine and since September 2022 has been Parish Priest of the Douai Abbey parish.

Revd T J Holt MA

Teacher of English in Douai School 1977 - 1999, housemaster 1982 - 1999, Bursar of Douai Abbey since 2005, trustee since 1997, trustee of Priors Court School 2005 – 2014, trustee of Lejeune Clinic for children with Down's Syndrome 2006 - 2016, trustee of Friends of Newbury Spring Festival 2008 - 2018, member of Association of Provincial Bursars. Trustee of Downside Abbey 2016 – 2019.

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

Joining the monastery in early 2001, he was ordained a priest in April 2007 after studying in Oxford and Rome. His recently completed theological research at Bristol University was published by Paulist Press of New York in the autumn of 2018. Before entering the monastery, he studied at the University of Sydney and worked in education and then in a civilian role in communications for the New South Wales Police in Sydney, Australia. Currently he serves as the parish priest of Scarisbrick in Lancashire and is the Community webmaster. He is engaged in doctoral studies and undertakes various publishing projects for the Community under the imprint of The Weldon Press. This year the Press published an historical guide to one of our parishes and will be publishing a biography in the coming year. He is on the editorial board of the Douai Magazine.

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

Governance, structure and management (continued)

Governance (continued)

Margaret Chin-Wolf is a ICF Certified coach, a Meyler Campbell trained business and leadership coach and a graduate of the FT Non-Executive Director Diploma. An economist and barrister by training, she was also a portfolio manager, investment analyst and strategist for 32 years. She was Governor of the University of Winchester from 2014 to 2021 and of the Pilgrims' School from 2012 to 2022.

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

Dr Ralph Townsend was Headmaster of Winchester College from 2005 to 2016. He was President of Keio Academy of New York and Special Adviser to the President of Keio University 2017 – 2021 and Chairman of The Prep Schools Trust 2017 – 2022. He has been Director of an educational consultancy, Winton Consult Limited, since 2017, engaged in advisory service on school governance, management and curriculum in Europe and USA.

Kate Burke (Safeguarding Representative) was a social worker for 42 years. She undertook advanced training in Child Protection (Safeguarding). She delivered training over many years at Thames Valley Police College Sulhampstead to Police and Social Services (until 2014). She served for 15 years on Portsmouth Diocese Safeguarding Commission (until 2019)

Kate currently works with the diocese of Southwark, Westminster and Portsmouth and undertakes critical assessments for the Catholic Safeguarding Advisory Service. She is attending a nine-month on-line course on the Theology of Safeguarding.

Trustees' responsibilities statement

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

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, the trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and

Governance, structure and management (continued)

Trustees' responsibilities statement (continued)

- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

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

Key management

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

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

Structure and management reporting

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

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

Working with other organisations

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

Governance, structure and management (continued)

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances and have done so after having regard to the effects of the unprecedented Covid-19 pandemic. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks. The trustees review a risk management matrix annually, which includes such potential risks as the loss of key staff, disaster recovery and reputational risk.

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

- ◆ **Loss of key management (Abbot, Bursar etc)**
The trustees are aware that they are very dependent on certain key people and the implications of losing these people would be serious. The trustees consider that strong support from financial advisers, training of trustees, and ongoing discussion of ways of lightening the load of the Abbot will all mitigate this risk. In addition, the English Benedictine Congregation, of which the Abbey is a member, has developed structures of congregational support, including the lending of personnel, to assist any communities who find themselves in difficulties.
- ◆ **Failure to recruit and retain new members**
The trustees are very much aware of the age profile of the members of the community and of the need to recruit new novices. One member of the community is responsible for directing vocations and for attracting younger people to visit the monastery.
- ◆ **Dependence on returns from investments rather than operations**
The charity relies to a large extent on the returns from its investment portfolio to cover its outgoings. The performance of the investment portfolio and the investment strategy are reviewed in meetings of the trustees and in regular meetings with the investment managers, taking into account current and future political and economic uncertainties. As explained in "Reserves Policy" on page 11, the charity's reserves policy reflects the need to hold investments in order to generate investment returns to fund recurring expenditure. In addition, the charity maintains sufficient reserves to cover temporary shortfalls in income. The trustees have monitored the charity's investment carefully during the current Covid-19 pandemic and have maintained a regular dialogue with the charity's investment managers, Ruffer LLP.
- ◆ **Safeguarding and other reputational issues**
These are addressed under relevant policies on page 5.

Trustees' report Year to 31 August 2022

Employees, volunteers and members of the Community

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

Approved by the trustees and signed on their behalf by:

Paul C.F.Gunter
Trustee

Approved by the trustees on: 18 May 2023

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

Opinion

We have audited the accounts of Douai Abbey Trust (the 'charity') for the year ended 31 August 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 August 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.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

How the audit was considered capable of detecting irregularities including fraud

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 identified the laws and regulations applicable to the charity through discussions with management and trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and Safeguarding Regulations; and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

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

- ◆ Making enquiries of trustees as to where they considered there was susceptibility to fraud, 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.

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

How the audit was considered capable of detecting irregularities including fraud
(continued)

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

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

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 financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of 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.

We did not identify any irregularities, including fraud.

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.

Independent auditor's report Year to 31 August 2022

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

18 May 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 August 2022

	Notes	Un-restricted funds £	Restricted funds £	2022 Total funds £	Un-restricted funds £	Restricted funds £	2021 Total funds £
Income from:							
Donations and legacies	1	303,751	18,110	321,861	183,452	22,943	206,395
Charitable activities	2	128,596	—	128,596	58,490	—	58,490
Other trading activities	3	8,318	—	8,318	—	—	—
Investments and interest receivable	4	181,398	—	181,398	150,910	—	150,910
Other sources							
. Coronavirus Job Retention Scheme grants		—	—	—	55,405	—	55,405
. Miscellaneous income		12,000	—	12,000	12,005	—	12,005
Total income		634,063	18,110	652,173	460,262	22,943	483,205
Expenditure on:							
Raising funds	5	67,347	—	67,347	74,152	—	74,152
Charitable activities							
. Support of members of the Community and their ministry	6	865,586	914	866,500	721,010	646	721,656
Total expenditure		932,933	914	933,847	795,162	646	795,808
Net (expenditure) income before (losses) gains on foreign exchange and investments	9	(298,870)	17,196	(281,674)	(334,900)	22,297	(312,603)
Other recognised gains and losses							
Gains on the revaluation of investment properties	14	597,500	—	597,500	—	—	—
Forward exchange losses	14	(19,771)	—	(19,771)	44,462	—	44,462
Gains on the revaluation and disposal of listed investments	14	171,197	—	171,197	620,067	—	620,067
Net income and net movement in funds		450,056	17,196	467,252	329,629	22,297	351,926
Reconciliation of funds:							
Fund balances brought forward at 1 September 2021		15,370,026	138,796	15,508,822	15,040,397	116,499	15,156,896
Fund balances carried forward at 31 August 2022		15,820,082	155,992	15,976,074	15,370,026	138,796	15,508,822

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

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

Balance sheet 31 August 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets:					
Tangible assets	13		6,367,361		6,540,218
Investments	14		9,352,011		8,864,866
			15,719,372		15,405,084
Current assets:					
Stocks		16,809		17,982	
Debtors	15	161,239		13,171	
Cash at bank and in hand		118,323		114,960	
		296,371		146,113	
Liabilities:					
Creditors: amounts falling due within one year	16	(39,669)		(42,375)	
Net current assets			256,702		103,738
Total net assets			15,976,074		15,508,822
The funds of the charity:					
Restricted funds	17		155,992		138,796
Unrestricted funds					
. General fund			4,302,721		3,679,808
. Designated funds	18		5,150,000		5,150,000
. Tangible fixed asset fund	19		6,367,361		6,540,218
Total charity funds			15,976,074		15,508,822

Approved by the trustees and signed on their behalf by:

Paul C.F.Gunter
Trustee

Approved on: 18 May 2023

Statement of cash flows Year to 31 August 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(419,323)	(202,309)
Cash flows from investing activities:			
Investment income including rent received		180,379	150,861
Purchase of tangible fixed assets		(19,477)	(14,776)
Proceeds from the disposal of listed investments		3,598,602	2,394,356
Net (cost of) proceeds from settlement of foreign exchange contracts		(15,485)	58,808
Purchase of listed investments		(3,313,955)	(2,055,637)
Net cash provided by investing activities		430,064	533,612
Change in cash and cash equivalents in the year		10,741	331,303
Cash and cash equivalents at 1 September 2021		722,731	391,428
Cash and cash equivalents at 31 August 2022	B	733,472	722,731

Notes to the statement of cash flows for the year to 31 August 2022.

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

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	467,252	351,926
Adjustments for:		
Depreciation charge	192,334	194,924
Net gains on foreign exchange contracts and investments	(748,926)	(664,529)
Investment income including rent receivable	(181,398)	(150,910)
Decrease (increase) in stocks	1,173	(85)
(Increase) decrease in debtors	(147,052)	58,577
(Decrease) increase in creditors	(2,706)	7,788
Net cash used in operating activities	(419,323)	(202,309)

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	118,323	114,963
Cash held by investment managers	615,149	607,768
Total cash and cash equivalents	733,472	722,731

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies 31 August 2022

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

Basis of preparation

These accounts have been prepared for the year to 31 August 2022 with comparative information provided in respect to the year to 31 August 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ assessing the probability of the receipt of legacy income and estimating the amount to be received;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- ◆ estimating the fair value of investment properties;
- ◆ determining the value of designated funds needed at the year end, in particular in respect to the assumptions made in determining the value of the retirement fund; 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.

Assessment of going concern (continued)

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

The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 August 2023, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

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

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

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

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

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

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

Income recognition (continued)

Investment income is recognised once the dividend or equivalent has been declared and notification has been received of the amount due.

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

Income from the sale of books and artefacts and from retreats and other visitors is measured at fair value of the consideration received or receivable, excluding discounts.

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

Income from the Government's Coronavirus Job Retention Scheme is recognised when the charity has made a valid claim for the income, the amount can be measured and it is entitled to receive the income.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees and investment property costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable donations and grants, costs in respect to the support of members of the Congregation and enabling their ministry, including governance costs.

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

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

a. Functional freehold property

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

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

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

b. Other tangible fixed assets

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

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

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

Fixed asset investments

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

Management of the charity's investment portfolio includes the use of foreign exchange contracts including forward contracts. These are a form of complex financial instrument. They are recognised initially at their transaction value and subsequently measured at their fair value as at the balance sheet date, using the prevailing exchange rate at that date. Changes in fair value are credited (or debited) to the statement of financial activities in the year in which they arise.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Properties held for investment purposes are included in these accounts at fair value based on open market value. Investment properties were last re-valued formally on 27 February 2023 on an open market basis by Messrs Carter Jonas LLP, Chartered Surveyors, in accordance with the appropriate sections of the current RICS Professional Standards (PS) and RICS Global Valuation Practice Statements (VPS) contained in the RICS Valuation – Professional Standards 2020 incorporating the IVSC International Valuation Standards (the 'Red Book').

Fixed asset investments (continued)

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Fund structure

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

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

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

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

Foreign currencies

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

Services provided by members of the Community

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

Pension contributions

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

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Donations	71,933	18,110	90,043	11,325	22,943	34,268
Legacies	67,740	—	67,740	24,500	—	24,500
Collections and offertory	47,419	—	47,419	31,616	—	31,616
Amount receivable from parishes administered by Douai Abbey	51,272	—	51,272	51,598	—	51,598
Pensions and other income of individual religious received under deed of covenant	65,387	—	65,387	64,413	—	64,413
Total funds	303,751	18,110	321,861	183,452	22,943	206,395

2 Income from: Charitable activities

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Sales of religious books and artefacts	5,839	—	5,839	2,980	—	2,980
Retreat house and related income	117,185	—	117,185	52,570	—	52,570
Other	5,572	—	5,572	2,940	—	2,940
Total funds	128,596	—	128,596	58,490	—	58,490

3 Income from: Other trading activities

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Visitors for non-religious purposes	6,292	—	6,292	—	—	—
Other	2,026	—	2,026	—	—	—
Total funds	8,318	—	8,318	—	—	—

4 Income from: Investments and interest receivable

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Income from listed investments and National Savings Bonds						
. UK equities	15,592	—	15,592	16,366	—	16,366
. Overseas equities	27,090	—	27,090	20,277	—	20,277
. Government bonds	11,097	—	11,097	3,914	—	3,914
	53,779	—	53,779	40,557	—	40,557
Income from investment property						
. Rental income	127,587	—	127,587	110,346	—	110,346
Interest receivable	—	—	—	7	—	7
Exchange on gains on investments	32	—	32	—	—	—
Total funds	181,398	—	181,398	150,910	—	150,910

5 Expenditure on: Raising funds

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Investment property expenses	3,933	—	3,933	12,379	—	12,379
Investment manager's fees	61,765	—	61,765	59,011	—	59,011
Other	1,649	—	1,649	2,762	—	2,762
Total funds	67,347	—	67,347	74,152	—	74,152

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

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Staff costs (exc. pastoral activities)	184,317	—	184,317	197,800	—	197,800
Depreciation	192,334	—	192,334	194,924	—	194,924
Living and personal costs	161,713	—	161,713	131,420	—	131,420
Premises	209,897	—	209,897	150,403	—	150,403
Pastoral activities (inc. staff costs)	57,368	914	58,282	23,331	646	23,977
Governance (note 7)	37,780	—	37,780	14,259	—	14,259
Donations (note 8)	10,781	—	10,781	3,698	—	3,698
Other	11,396	—	11,396	5,175	—	5,175
Total funds	865,586	914	866,500	721,010	646	721,656

7 Governance

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Professional fees	5,341	—	5,341	3,399	—	3,399
Legal fees	21,794	—	21,794	—	—	—
Auditor's remuneration	10,645	—	10,645	10,860	—	10,860
Total funds	37,780	—	37,780	14,259	—	14,259

8 Donations

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Voluntary Service Overseas	1,000	—	1,000	—	—	—
Cardinal Hume Centre	1,000	—	1,000	—	—	—
Aid to the Church in Need	5,000	—	5,000	—	—	—
Society for the Protection of Unborn Children	1,000	—	1,000	—	—	—
Donations of less than £1,000 each	2,781	—	2,781	3,698	—	3,698
	10,781	—	10,781	3,698	—	3,698

9 Net (expenditure) income before (losses) gains on foreign exchange and investments

This is stated after charging:

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Staff costs (note 10)	211,204	—	211,204	195,960	—	195,960
Auditor's remuneration						
. Statutory audit services	10,645	—	10,645	10,860	—	10,860
Depreciation	192,334	—	192,334	194,924	—	194,924

10 Employees and staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	187,921	176,474
Social security costs	15,635	12,616
Other pension costs	7,648	6,870
	211,204	195,960

No employee earned in excess of £60,000 per annum (including taxable benefits) or more during the year (2021 – none).

The average number of employees during the period was 13 (2021 – 14).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the Bursar. They received no remuneration or reimbursement of expenses in connection with their duties during the year (2021 – £nil).

11 Trustees' expenses and remuneration and transactions with trustees

The charity's trustees are all members of the Community and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Community, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2021 – none).

As members of the Community, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £19,147 (2021 – £18,535).

12 Taxation

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

13 Tangible fixed assets

	Freehold land and buildings £	Plant, furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2021	9,347,196	270,839	25,849	9,643,884
Additions	—	7,557	11,920	19,477
Disposals	—	—	(5,195)	(5,195)
At 31 August 2022	<u>9,347,196</u>	<u>278,396</u>	<u>32,574</u>	<u>9,658,166</u>
Depreciation				
At 1 September 2021	2,918,571	166,895	18,200	3,103,666
Charge for year	171,410	17,281	3,643	192,334
Eliminated on disposals	—	—	(5,195)	(5,195)
At 31 August 2022	<u>3,089,981</u>	<u>184,176</u>	<u>16,648</u>	<u>3,290,805</u>
Net book values				
At 31 August 2022	<u>6,257,215</u>	<u>94,220</u>	<u>15,926</u>	<u>6,367,361</u>
At 31 August 2021	<u>6,428,625</u>	<u>103,944</u>	<u>7,649</u>	<u>6,540,218</u>

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

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

14 Fixed asset investments

At 31 August 2022 fixed asset investments comprised:

	2022 £	2021 £
Freehold investment property (see a below)	3,940,000	3,342,500
Listed investments and cash held for re-investment (see b below)	5,419,390	5,525,459
Foreign exchange contracts (see c below)	(7,379)	(3,093)
	<u>9,352,011</u>	<u>8,864,866</u>

Movements on each category of investment are summarised below.

a. Freehold investment property

	2022 £	2021 £
Fair (market) value at 1 September 2021	3,342,500	3,342,500
Revaluation gains in the year	597,500	—
Fair (market) value at 31 August 2022	<u>3,940,000</u>	<u>3,342,500</u>

14 Fixed asset investments (continued)

a. Freehold investment property (continued)

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

The charity's freehold investment properties are included at fair value based on open market value. They were re-valued formally on 27 February 2023. The valuations were determined on an open market basis on behalf of Messrs Carter Jonas LLP, Chartered Surveyors, in accordance with the appropriate sections of the current RICS Professional Standards (PS) and RICS Global Valuation Practice Statements (VPS) contained in the RICS Valuation – Professional Standards 2020 incorporating the IVSC International Valuations Standards (the "Red Book").

b. Listed investments and cash held for re-investment

	2022 £	2021 £
Listed investments		
Fair (market) value at 1 September 2021	4,917,691	4,636,343
Additions at cost	3,313,955	2,055,637
Disposals at book value (proceeds: £3,598,602 losses: £35,645)	(3,634,247)	(2,106,290)
Net unrealised investment gains	206,842	332,001
Fair (market) value at 31 August 2022	4,804,241	4,917,691
Cash held by investment managers for re-investment	615,149	607,768
	5,419,390	5,525,459
Cost of listed investments at 31 August 2022	4,291,120	4,487,466

All listed investments were dealt in on recognised stock exchanges.

Listed investments held at 31 August 2022 comprised the following:

	2022 £	2021 £
UK equities	285,464	885,272
Overseas equities	542,254	1,167,582
Government bonds	2,682,150	1,965,506
Alternatives	1,294,373	899,331
	4,804,241	4,917,691

14 Fixed asset investments (continued)

b. Listed investments and cash held for re-investment (continued)

At 31 August 2022, listed investments included the following individual holdings deemed material when compared with the overall valuation of listed investments as at that date:

	Market value £	Percentage %
Ruffer Illiquid Multi Strategies Fund 2015 Ltd	519,937	10%
UK (Govt of) 2.5% I/L 17/07/2024	429,361	8%
UK (Govt of) 0.125% I/L 22/03/2024	436,284	8%
Ruffer SICAV Fixed Income Z GBP Cap	1,362,690	25%
Ruffer Protection Strategies International z GBP	455,703	8%

c. (Losses) gains on foreign exchange contracts for the year ended 31 August 2022 consisted of the following:

	2022 £	2021 £
Foreign exchange contracts		
Fair value gains (losses) on unsettled contracts brought forward	3,093	(11,253)
Fair value (losses) gains on settlement	(15,485)	58,808
Fair value losses on unsettled contracts carried forward	(7,379)	(3,093)
Total (losses) gains on foreign exchange contracts	(19,771)	44,462

15 Debtors

	2022 £	2021 £
Investment income and interest receivable	2,002	986
Gift Aid recoverable	4,120	2,913
Legacies receivable	92,358	1,000
Prepayments	5,133	—
Other debtors and accrued income	37,626	8,272
Loan to Douai Abbey Parishes Trust (see below)	20,000	—
	161,239	13,171

On 13 February 2020, the trustees signed a loan agreement with Douai Abbey Parishes Trust (see note 21) to loan funds to one of the parishes accounted for within the Douai Abbey Parishes Trust to be applied towards the refurbishment of a parish hall. The maximum amount to be advanced by the charity was £20,000. The full amount was drawn down by Douai Abbey Parishes Trust during September 2021. The loan is interest free and repayable over a period of five years, the first repayment becoming due two years after the completion of the work on the hall. Repayments will be due annually and amount to £4,000 per annum. Subsequent to the year end, the trustees have agreed to advance a further £8,000 to Douai Abbey Parishes Trust on similar terms.

16 Creditors: amounts falling due within one year

	2022 £	2021 £
Expense creditors and accruals	37,288	41,112
VAT payable	2,381	1,263
	39,669	42,375

17 Restricted funds

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

	At 1 September 2021 £	Income £	Expenditure £	Transfers £	At 31 August 2022 £
Library Archives Fund	137,850	18,110	(914)	—	155,046
Other restricted fund	946	—	—	—	946
	138,796	18,110	(914)	—	155,992

	At 1 September 2020 £	Income £	Expenditure £	Transfers £	At 31 August 2021 £
Library Archives Fund	115,553	22,943	(646)	—	137,850
Other restricted fund	946	—	—	—	946
	116,499	22,943	(646)	—	138,796

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

- ◆ Library Archives Fund
This fund represents monies received specifically for the development of an archives database at the library, the maintenance of the archive, and the employment of a cataloguer.
- ◆ Other restricted fund
This fund represents monies received for one off specific purposes.

18 Designated funds

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

	At 1 September 2021 £	New designations £	Utilised/ released £	At 31 August 2022 £
Retirement reserve	4,150,000	—	—	4,150,000
Development fund	1,000,000	—	—	1,000,000
	5,150,000	—	—	5,150,000

	At 1 September 2020 £	New designations £	Utilised/ released £	At 31 August 2021 £
Retirement reserve	4,150,000	—	—	4,150,000
Development fund	450,000	550,000	—	1,000,000
	4,600,000	550,000	—	5,150,000

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

The Development Fund comprises money set aside for future projects.

19 Tangible fixed assets fund

	£
At 1 September 2021	6,540,218
Movement in year	(172,857)
At 31 August 2022	6,367,361

	£
At 1 September 2020	6,720,366
Movement in year	(180,148)
At 31 August 2021	6,540,218

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

20 Analysis of net assets between funds

	General fund £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Total 2022 £
Fund balances at 31 August 2022 are represented by:					
Tangible fixed assets	—	—	6,367,361	—	6,367,361
Investments	4,202,011	5,150,000	—	—	9,352,011
Net current (liabilities) assets	100,710	—	—	155,992	256,702
Total net assets	4,302,721	5,150,000	6,367,361	155,992	15,976,074

	General fund £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Total 2021 £
Fund balances at 31 August 2021 are represented by:					
Tangible fixed assets	—	—	6,540,218	—	6,540,218
Investments	4,264,866	4,600,000	—	—	8,864,866
Net current (liabilities) assets	(35,058)	—	—	138,796	103,738
Total net assets	4,229,808	4,600,000	6,540,218	138,796	15,508,822

The total unrealised gains constitute movements on revaluation and as at 31 August 2022, excluding those relating to forward exchange contracts (see note 14c), they were as follows:

	2022 £	2021 £
Unrealised gains (losses) included above:		
On investment properties	1,340,000	742,500
On listed investments	513,121	430,225
Total unrealised gains at 31 August 2022	1,853,121	1,172,725
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 September 2021	1,172,725	986,326
Less: in respect of disposals in the year	(123,946)	(145,602)
	1,048,779	840,724
Add: net gains arising on revaluation arising in the year	804,342	332,001
Total unrealised gains at 31 August 2022	1,853,121	1,172,725

21 Related party transactions

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

During the year rent of £12,000 (2021 – £12,000) for the use of St Mary's Church was received by Douai Abbey Trust from Douai Abbey Parishes Trust.

On 13 February 2020 the trustees signed a loan agreement Douai Abbey Parishes Trust to loan funds to the parish of Our Lady and St Joseph's, Alcester. The amount agreed to be loaned by Douai Abbey Trust was a maximum of £20,000. The full amount was drawn down by Douai Abbey Parishes Trust during September 2021. The loan is interest free and repayable over a period of five years, the first repayment becoming due two years after the completion of the work on the hall. Repayments will be due annually and amount to £4,000 per annum. Subsequent to the year end, the trustees have agreed to advance a further £8,000 to Douai Abbey Parishes Trust on similar terms. The amount receivable at 31 August 2022 was £20,000 (see note 15).



New Parish Hall at Alcester, partly funded by this loan.

Other than the donations received by trustees disclosed in note 10 to these accounts, there were no other related party transactions during the year which require disclosure (2021 – none).