



Douai Abbey Trust

Annual Report and Accounts

31 August 2023

Charity Registration Number
236962

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	18

Accounts

Statement of financial activities	23
Balance sheet	24
Statement of cash flows	25
Principal accounting policies	26
Notes to the accounts	32

Reference and administrative information

Trustees	Rt Revd P Gunter OSB Revd A Hood OSB Revd A Somerville Knapman OSB Revd T Holt OSB Revd S Wilson 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 2023

The trustees present their statutory report together with the accounts of Douai Abbey Trust ("the charity") for the year ended 31 August 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 26 to 31 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.

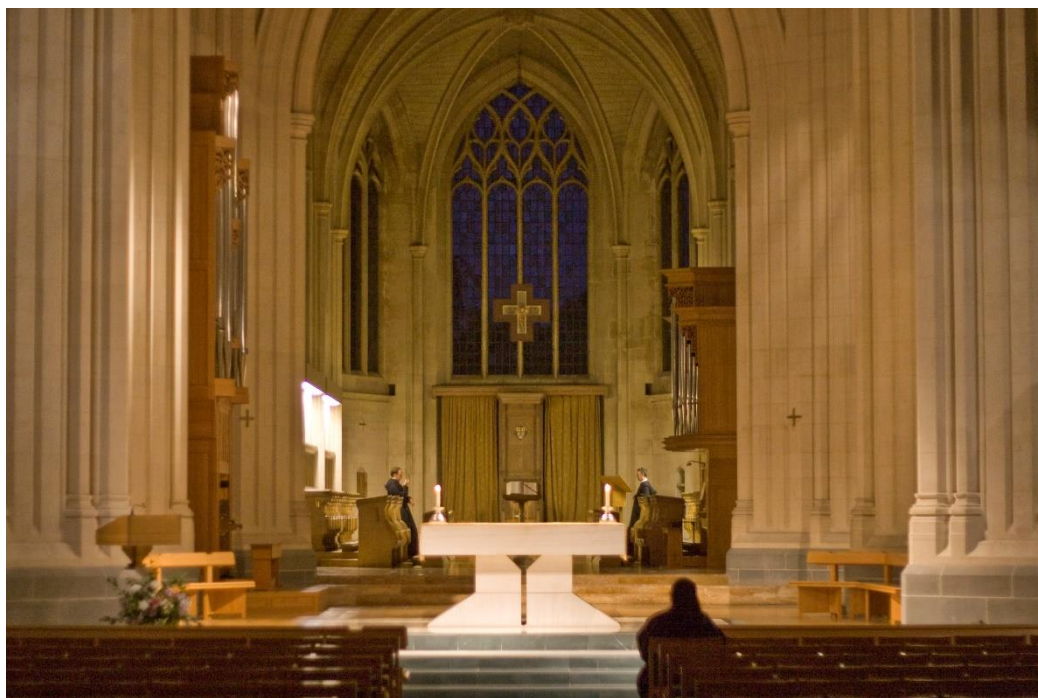
Activities, specific objectives and relevant policies (continued)

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 Catholic Diocese of Portsmouth 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. The annual confirmation of Catholic boys at Winchester College is held in the Church. 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 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).

Activities, specific objectives and relevant policies (continued)

Activities and specific objectives (continued)

♦ **Protection of Children and Vulnerable Adults** (continued)

The trustees are fully committed to implementing all policies and procedures of the Catholic Safeguarding Standards Agency (CSSA). 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 Catholic 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 trustees during the year.

As reported last year, the community, together with the other monasteries in the English Benedictine Congregation, 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 and this accreditation was renewed in 2023.

The community is now also regulated by the newly constituted Religious Life Safeguarding Service (RLSS) which has been set up by the Catholic Church in England and Wales to separate Safeguarding matters for religious communities from the body which deals with the dioceses.

The Abbot volunteered Douai Abbey to be one of the first religious communities to undergo a pilot audit by the Catholic Safeguarding Standards Agency. This took place in September 2023 and the community achieved the rating of "Comprehensive Assurance"

In October 2023 every member of the community (those living at the Abbey and those working on parishes) attended training provided by the RLSS.

Investment policy

The charity has a portfolio of listed investments which together with cash awaiting investment had a market value as at 31 August 2023 of £4,976,793 (2022 – £5,419,395).

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.

Investment policy (continued)

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

♦ **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 is now back to its previous level and in fact there are signs that new and younger people are beginning to form a regular part of the congregation.

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.

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

One member of the community was resident in the monastery infirmary until October 2023, but he has now had to move to a care home. Another member of the community has now moved into the infirmary. The monk who acts as the infirmarian continues to take part in regular virtual meetings with other infirmarians and health professionals. During the year the care manager of another religious community has visited and has prepared a report on the layout, staffing and policies of the infirmary which the trustees are currently considering.

♦ **Our buildings and our environment**

There have been no significant building works during the year, apart from essential maintenance. After two break-ins to our maintenance workshops we have installed an alarm and CCTV system and have also automated the closure of our main entrance gate. 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.

Our two churches on site (the Abbey Church and the Parish Church) have been subject to Quinquennial Inspections for many years 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 trustees look forward to receiving the report and its recommendations.

Achievements and performance (continued)

Review of activities (continued)

♦ **The provision of education**

One new member joined the community in August 2023, and one junior monk has continued his philosophical and theological studies at Blackfriars Hall, Oxford. A few people are in touch with the community about the possibility of joining the community in the future.

The community produces 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 events surrounding the tercentenary of the birth of Bishop Charles Walmesley (1722 – 1797), a record of the General Chapter held in 2022, an account of the Election and Blessing of the new abbot, together with a chronicle of events and some book reviews.

The trustees consider the monastery's archive and library to be part of its service to education. Researchers are once again using the archives for research. One archivist is employed to catalogue the archive and to assist researchers where necessary.

♦ **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 £140,299 (2022 £117,185).

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



Investment performance

During the year to 31 August 2023, the charity's listed investments produced an income yield of 1.20% (2022 – 1.11%). The charity's listed investments fell in value during the year, giving rise to net investment losses of £310,584 (2022 – gains of £171,197) on the portfolio. The capital yield on the portfolio during the year showed a fall in value of 6.35% (2022 – increase in value of 4.6%).

Investment properties produced rental income of £120,500 (2022 – £127,587) 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 23 of the attached accounts.

Total income for the year amounted to £597,883 compared to £652,173 in the previous year. Donations and legacies amount to £221,719 compared to £321,861. The total figures include donations of £21,057 (2022 – £18,110) 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 £162,932 (2022 – £128,596) as did income from visitors and other trading activities to £10,149 (2022 – £8,318). Income from listed and property investments, together with interest receivable, amounted to £191,083 (2022 – £181,398).

Expenditure amounted to £1,078,534 compared to £933,847 in 2022. The cost of raising funds increased by £10,472 to £77,819 (2022 – £67,347), the costs in relation to supporting members of the Community and their ministry increased to £1,000,715 (2022 – £866,500). The increase is due to increases in the cost of premises and pastoral activities.

The net expenditure for the year before investment losses/gains and foreign exchange losses/gains was £480,651 (2022 – net expenditure of £281,674). The net investment losses totalled £310,584 (2022 – £171,197) in respect to listed investments. During the year ended 31 August 2022, net gains on the revaluation of investment properties amounted to £597,500; the investment properties were not revalued during the year ended 31 August 2023. Forward foreign exchange gains totalled £65,852 (2022 – losses of £19,771). When these net losses/gains are accounted for, the overall impact on the charity's funds is a decrease of £725,383 for the year (2022 – increase of £467,252).

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 to fund recurring expenditure.

Financial report for the year (continued)

Reserves and policy and financial position (continued)

Reserves policy (continued)

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 £15,250,691 (2022 – £15,976,074).

These funds include an amount of £161,949 (2022 – £155,992) 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 £6,205,010 (2022 – £6,367,361) 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 (2022 – £5,150,000) have been designated, or set aside, by the trustees for specific purposes as follows:

- ◆ An amount of £4,150,000 (2022 – £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 (2022 – £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 2023 total £3,733,732 (2022 – £4,302,721).

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 aftermath of the global Covid-19 pandemic and because of the current cost of living crisis, particularly the cost of energy and food.

Financial report for the year (continued)

Reserves and policy and financial position (continued)

Financial position (continued)

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 (2022 – £4,150,000) described above may prove to be inadequate. This has been brought home to the trustees as they are now faced with a bill for care home costs for one member of the community amounting to £7,500 per month, although there is a small chance that some of this will be covered by a local authority. 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 in the process of increasing the recommended charges for the Guest House.

During the year we consulted 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. As a result of that exercise, we have initiated the launch of a new fundraising vehicle: the Society of St Edmund at Douai (SSEDA) This was formally launched in December and the trustees intend to develop this over the coming years. It will be geared to fund new projects rather than to support our general and recurring costs.

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. The trustees are actively planning to change from a charitable trust to a CIO and we have received legal and financial advice about this move.

The bursar has been in post since 2005 and the trustees consider that it is time for a change. They have started the process of finding a replacement.

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. 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 2023 are given below:

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.

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.

Governance, structure and management (continued)

Governance (continued)

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.

Graham Hutton worked in financial services for the whole of his career until retiring in 2020. He was a director of the merchant bank, Morgan Grenfell, from 1988 to 1998 and Chief Executive of Morgan Grenfell Private Equity from 1998 to 2001. He then co-founded the private equity firm, Hutton Collins, of which he was one of two senior partners until his retirement. He is a Knight of Magistral Grace in the Order of Malta, Deputy Chairman of the Orders of St John Care Trust and Chairman of its Finance Committee. He is a board member of the International Theological Institute in Trumau, Austria and was Chairman of Aid to the Church in Need, UK, from 2013 until 2022.

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). Kate currently works with the diocese of Southwark, Westminster and Portsmouth and undertakes critical assessments for the Catholic Safeguarding Standards Agency. She is attending a nine-month on-line course on the Theology of Safeguarding. She served for 15 years on Portsmouth Diocese Safeguarding Commission (until 2019). Kate currently works with the dioceses of Southwark, Westminster and Portsmouth and undertakes critical assessments for the Catholic Safeguarding Standards Agency. She attended a nine-month on-line course on the Theology of Safeguarding last year and three RLSS training sessions on Victims and Survivors and the role of Safeguarding Leads.

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);

Governance, structure and management (continued)

Trustees' responsibilities statement (continued)

- ◆ 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 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. 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 pages 9 and 10, 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 continue to monitor the performance of the charity's investments and maintain a regular dialogue with the charity's investment managers, Ruffer LLP.
- ◆ **Safeguarding and other reputational issues**
These are addressed under relevant policies on pages 5 and 6.

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.

Trustees' report Year to 31 August 2023

Approved by the trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read "Paul C. F. Smith". The signature is written in a cursive style with a large initial 'P' and a long horizontal stroke at the end.

Trustee

Approved by the trustees on: 29 February 2024

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 2023 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 2023 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); 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 2023

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

Date 26 April 2024

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

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

Statement of financial activities Year to 31 August 2023

	Notes	Un-restricted funds £	Restricted funds £	2023 Total funds £	Un-restricted funds £	Restricted funds £	2022 Total funds £
Income from:							
Donations and legacies	1	200,662	21,057	221,719	303,751	18,110	321,861
Charitable activities	2	162,932	—	162,932	128,596	—	128,596
Other trading activities	3	10,149	—	10,149	8,318	—	8,318
Investments and interest receivable	4	191,083	—	191,083	181,398	—	181,398
Other sources							
. Miscellaneous income		12,000	—	12,000	12,000	—	12,000
Total income		576,826	21,057	597,883	634,063	18,110	652,173
Expenditure on:							
Raising funds	5	77,819	—	77,819	67,347	—	67,347
Charitable activities							
. Support of members of the Community and their ministry	6	985,615	15,100	1,000,715	865,586	914	866,500
Total expenditure		1,063,434	15,100	1,078,534	932,933	914	933,847
Net (expenditure) income before gains (losses) on foreign exchange and investments	9	(486,608)	5,957	(480,651)	(298,870)	17,196	(281,674)
Other recognised gains and losses							
Gains on the revaluation of investment properties	14	—	—	—	597,500	—	597,500
Forward exchange gains (losses)	14	65,852	—	65,852	(19,771)	—	(19,771)
(Losses) gains on the revaluation and disposal of listed investments	14	(310,584)	—	(310,584)	171,197	—	171,197
Net (expenditure) income and net movement in funds		(731,340)	5,957	(725,383)	450,056	17,196	467,252
Reconciliation of funds:							
Fund balances brought forward at 1 September 2022		15,820,082	155,992	15,976,074	15,370,026	138,796	15,508,822
Fund balances carried forward at 31 August 2023		15,088,742	161,949	15,250,691	15,820,082	155,992	15,976,074

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 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets:					
Tangible assets	13		6,205,010		6,367,361
Investments	14		8,921,457		9,352,011
			<u>15,126,467</u>		<u>15,719,372</u>
Current assets:					
Stocks		16,451		16,809	
Debtors	15	101,368		161,239	
Cash at bank and in hand		57,077		118,323	
		<u>174,896</u>		<u>296,371</u>	
Liabilities:					
Creditors: amounts falling due within one year	16	(50,672)		(39,669)	
Net current assets			124,224		256,702
Total net assets			<u>15,250,691</u>		<u>15,976,074</u>
The funds of the charity:					
Restricted funds	17		161,949		155,992
Unrestricted funds					
. General fund			3,733,732		4,302,721
. Designated funds	18		5,150,000		5,150,000
. Tangible fixed asset fund	19		6,205,010		6,367,361
Total charity funds			<u>15,250,691</u>		<u>15,976,074</u>

Approved by the trustees and signed on their behalf by:

Paul C.F. Smith

Trustee

Approved on: 29 February 2024

Statement of cash flows Year to 31 August 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(405,063)	(419,323)
Cash flows from investing activities:			
Investment income including rent received		192,610	180,379
Purchase of tangible fixed assets		(34,615)	(19,477)
Proceeds from the disposal of listed investments		3,586,208	3,598,602
Net proceeds from (cost of) settlement of foreign exchange contracts		53,809	(15,485)
Purchase of listed investments		(3,889,964)	(3,313,955)
Net cash (used in) provided by investing activities		(91,952)	430,064
Change in cash and cash equivalents in the year		(497,015)	10,741
Cash and cash equivalents at 1 September 2022		733,472	722,731
Cash and cash equivalents at 31 August 2023	B	236,457	733,472

Notes to the statement of cash flows for the year to 31 August 2023.

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

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(725,383)	467,252
Adjustments for:		
Depreciation charge	196,966	192,334
Net losses (gains) on foreign exchange contracts and investments	244,732	(748,926)
Investment income including rent receivable	(191,083)	(181,398)
Decrease in stocks	358	1,173
Decrease (increase) in debtors	58,344	(147,052)
Increase (decrease) in creditors	11,003	(2,706)
Net cash used in operating activities	(405,063)	(419,323)

B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	57,077	118,323
Cash held by investment managers	179,380	615,149
Total cash and cash equivalents	236,457	733,472

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 2023

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 2023 with comparative information provided in respect to the year to 31 August 2022.

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), 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 2024, 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.

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.

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.

Tangible fixed assets (continued)

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 for the year ended 31 August 2022 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').

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 10. 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 £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Donations	11,115	21,057	32,172	71,933	18,110	90,043
Legacies	14,128	—	14,128	67,740	—	67,740
Collections and offertory	52,211	—	52,211	47,419	—	47,419
Amount receivable from parishes administered by Douai Abbey	51,950	—	51,950	51,272	—	51,272
Pensions and other income of individual religious received under deed of covenant	71,258	—	71,258	65,387	—	65,387
Total funds	200,662	21,057	221,719	303,751	18,110	321,861

2 Income from: Charitable activities

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Sales of religious books and artefacts	10,404	—	10,404	5,839	—	5,839
Retreat house and related income	140,299	—	140,299	117,185	—	117,185
Other	12,229	—	12,229	5,572	—	5,572
Total funds	162,932	—	162,932	128,596	—	128,596

3 Income from: Other trading activities

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Visitors for non-religious purposes	6,746	—	6,746	6,292	—	6,292
Other	3,403	—	3,403	2,026	—	2,026
Total funds	10,149	—	10,149	8,318	—	8,318

4 Income from: Investments and interest receivable

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Income from listed investments and National Savings Bonds						
. UK equities	9,602	—	9,602	15,592	—	15,592
. Overseas equities	9,697	—	9,697	27,090	—	27,090
. Government bonds	34,009	—	34,009	11,097	—	11,097
	53,308	—	53,308	53,779	—	53,779
Income from investment property						
. Rental income	120,500	—	120,500	127,587	—	127,587
Interest receivable	5,547	—	5,547	—	—	—
Exchange gains on investments	11,728	—	11,728	32	—	32
Total funds	191,083	—	191,083	181,398	—	181,398

5 Expenditure on: Raising funds

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Investment property expenses	15,608	—	15,608	3,933	—	3,933
Investment manager's fees	59,226	—	59,226	61,765	—	61,765
Other	2,985	—	2,985	1,649	—	1,649
Total funds	77,819	—	77,819	67,347	—	67,347

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

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Staff costs (excl. pastoral activities)	205,836	—	205,836	184,317	—	184,317
Depreciation	196,966	—	196,966	192,334	—	192,334
Living and personal costs	229,412	445	229,857	161,713	—	161,713
Premises	233,140	—	233,140	209,897	—	209,897
Pastoral activities (incl. staff costs)	79,782	14,655	94,437	57,368	914	58,282
Governance (note 7)	23,575	—	23,575	37,780	—	37,780
Donations (note 8)	634	—	634	10,781	—	10,781
Other	16,270	—	16,270	11,396	—	11,396
Total funds	985,615	15,100	1,000,715	865,586	914	866,500

7 Governance

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Professional fees	9,086	—	9,086	5,341	—	5,341
Legal fees	1,349	—	1,349	21,794	—	21,794
Auditor's remuneration	13,140	—	13,140	10,645	—	10,645
Total funds	23,575	—	23,575	37,780	—	37,780

8 Donations

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 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	634	—	634	2,781	—	2,781
	634	—	634	10,781	—	10,781

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

This is stated after charging:

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Staff costs (note 10)	249,857	—	249,857	211,204	—	211,204
Auditor's remuneration						
. Statutory audit services	13,140	—	13,140	10,645	—	10,645
Depreciation	196,966	—	196,966	192,334	—	192,334

10 Employees and staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	223,815	187,921
Social security costs	17,572	15,635
Other pension costs	8,470	7,648
	249,857	211,204

No employee earned in excess of £60,000 per annum (including taxable benefits) or more during the year (2022 – none).

The average number of employees during the period was 15 (2022 – 13).

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 (2022 – £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. None of the trustees has received any remuneration or reimbursement of expenses in connection with their duties as trustees (2022 – 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 £12,766 (2022 – £19,147).

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 2022	9,347,196	278,396	32,574	9,658,166
Additions	—	30,325	4,290	34,615
At 31 August 2023	<u>9,347,196</u>	<u>308,721</u>	<u>36,864</u>	<u>9,692,781</u>
Depreciation				
At 1 September 2022	3,089,981	184,176	16,648	3,290,805
Charge for year	171,410	19,904	5,652	196,966
At 31 August 2023	<u>3,261,391</u>	<u>204,080</u>	<u>22,300</u>	<u>3,487,771</u>
Net book values				
At 31 August 2023	<u>6,085,805</u>	<u>104,641</u>	<u>14,564</u>	<u>6,205,010</u>
At 31 August 2022	<u>6,257,215</u>	<u>94,220</u>	<u>15,926</u>	<u>6,367,361</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 2023 fixed asset investments comprised:

	2023 £	2022 £
Freehold investment property (see a below)	3,940,000	3,940,000
Listed investments and cash held for re-investment (see b below)	4,976,793	5,419,390
Foreign exchange contracts (see c below)	4,664	(7,379)
	<u>8,921,457</u>	<u>9,352,011</u>

Movements on each category of investment are summarised below.

a. Freehold investment property

	2023 £	2022 £
Fair (market) value at 1 September 2022	3,940,000	3,342,500
Revaluation gains in the year	—	597,500
Fair (market) value at 31 August 2023	<u>3,940,000</u>	<u>3,940,000</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 for the year ended 31 August 2022. 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

	2023 £	2022 £
Listed investments		
Fair (market) value at 1 September 2022	4,804,241	4,917,691
Additions at cost	3,889,964	3,313,955
Disposals at book value (proceeds: £3,586,208 realised gains: £110,521)	(3,475,687)	(3,634,247)
Net unrealised investment (losses) gains	(421,105)	206,842
Fair (market) value at 31 August 2023	4,797,413	4,804,241
Cash held by investment managers for re-investment	179,380	615,149
	4,976,793	5,419,390
Cost of listed investments at 31 August 2023	4,750,085	4,291,120

All listed investments were dealt in on recognised stock exchanges.

Listed investments held at 31 August 2023 comprised the following:

	2023 £	2022 £
UK equities	126,641	285,464
Overseas equities	612,946	542,254
Government bonds	2,654,804	2,682,150
Open ended investment funds	334,251	455,703
Alternatives	1,068,772	838,670
	4,797,413	4,804,241

14 Fixed asset investments (continued)

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

At 31 August 2023, listed investments included the following individual holdings deemed material when compared with the overall valuation of listed investments as at that date:

	Market value 2023 £	Percentage 2023 %
Ruffer Illiquid Multi Strategies Fund 2015 Ltd	330,556	6.9%
UK (Govt of) 0.125% 31/01/2024	363,359	7.6%
UK (Govt of) 0.25% 31/01/2025	479,393	10.0%
Ruffer SICAV Fixed Income Z GBP Cap	1,452,977	30.3%
Ruffer Protection Strategies International z GBP	334,251	7.0%
Wisdom Tree Brent Crude Oil ETC	322,539	6.7%

	Market value 2022 £	Percentage 2022 %
Ruffer Illiquid Multi Strategies Fund 2015 Ltd	519,937	10.8%
UK (Govt of) 2.5% I/L 17/07/2024	429,361	8.9%
UK (Govt of) 0.125% I/L 22/03/2024	436,284	9.1%
Ruffer SICAV Fixed Income Z GBP Cap	1,362,690	28.4%
Ruffer Protection Strategies International z GBP	455,703	9.5%

The Ruffer Protection Strategies International Fund is an open ended specialist investment fund in umbrella form, with separate sub-funds incorporated in Luxembourg.

The fund is limited to investing in instruments where the maximum loss is limited to the initial commitment paid. The fund may selectively hedge profitable holdings with swaps, forwards, and futures such that the combination of the holding being hedged and the hedge itself cannot expose the fund to a greater loss than the initial commitment paid on the holding being hedged.

c. Gains (losses) on foreign exchange contracts for the year ended 31 August 2023 consisted of the following:

	2023 £	2022 £
Foreign exchange contracts		
Fair value gains on unsettled contracts brought forward	2,777	3,093
Fair value gains (losses) on settlement	58,411	(15,485)
Fair value gains (losses) on unsettled contracts carried forward	4,664	(7,379)
Total gains (losses) on foreign exchange contracts	65,852	(19,771)

15 Debtors

	2023 £	2022 £
Investment income and interest receivable	475	2,002
Gift Aid recoverable	12,495	4,120
Legacies receivable	44,500	92,358
Prepayments	—	5,133
Other debtors and accrued income	23,898	37,626
Loan to Douai Abbey Parishes Trust (see below)	20,000	20,000
	101,368	161,239

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. The hall is now in use but some minor snagging works are not yet completely finished.

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Expense creditors and accruals	47,334	37,288
VAT payable	3,338	2,381
	50,672	39,669

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 2022 £	Income £	Expenditure £	Transfers £	At 31 August 2023 £
Library Archives Fund	155,046	13,965	(14,655)	—	154,356
Formation Fund	—	445	(445)	—	—
Restricted retirement Fund	—	2,544	—	—	2,544
Student Fund	—	4,103	—	—	4,103
Other restricted funds	946	—	—	—	946
	155,992	21,057	(15,100)	—	161,949

17 Restricted funds (continued)

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

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.

♦ **Formation Fund**

This fund represents monies held to be applied towards the cost of training members of the Community or others in theology and the provision of spiritual direction.

♦ **Restricted retirement Fund**

This fund is made up of donations made to the Abbey towards the cost of retirement of members, including medical and care costs.

♦ **Student Fund**

This fund represents monies received to help fund the studies of a student in India.

♦ **Other restricted funds**

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 2022 £	New designations £	Utilised/ released £	At 31 August 2023 £
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 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

18 Designated funds (continued)

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 2022	6,367,361
Movement in year	(161,159)
At 31 August 2023	6,206,202
	£
At 1 September 2021	6,540,218
Movement in year	(172,857)
At 31 August 2022	6,367,361

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 2023 are represented by:					
Tangible fixed assets	—	—	6,205,010	—	6,205,010
Investments	3,609,508	5,150,000	—	161,949	8,921,457
Net current (liabilities) assets	124,224	—	—	—	124,224
Total net assets	3,733,732	5,150,000	6,205,010	161,949	15,250,691

20 Analysis of net assets between funds (continued)

	General fund £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Total 2021 £
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

The total unrealised gains constitute movements on revaluation and as at 31 August 2023, excluding those relating to forward exchange contracts (see note 14c), they were as follows:

	2023 £	2022 £
Unrealised gains (losses) included above:		
On investment properties	1,340,000	1,340,000
On listed investments	47,328	513,121
Total unrealised gains at 31 August 2023	1,387,328	1,853,121
Reconciliation of movements in unrealised gains:		
Unrealised gains at 1 September 2022	1,853,121	1,172,725
Less: in respect of disposals in the year	(44,688)	(123,946)
(Less) Add: net (losses) gains arising on revaluation arising in the year	(421,105)	804,342
Total unrealised gains at 31 August 2023	1,387,328	1,853,121

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 (2022 – £12,000) for the use of St Mary's Church and office space in the monastery was received by Douai Abbey Trust from Douai Abbey Parishes Trust. No balance was outstanding at either year end.

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. The amount receivable at 31 August 2022 was therefore £20,000 (see note 15).

21 Related party transactions (continued)

During the year, total amounts of £51,950 (2022 – £51,272) were received from the Douai Abbey Parishes Trust via the Common Purse, which represents amounts receivable directly by members of the Community in their capacity as parish priests. Amounts receivable at the year end amounted to £16,565 (2022 – £37,626).

The salary and social security payments for the post of Douai Parish Administrator within the Douai Abbey Parishes Trust are processed through the charity's payroll. £18,318 (2022 – £8,145) was recharged to the Douai Abbey Parishes Trust in respect of the cost of employment for this staff member and no amounts were outstanding at the year end.

During the year, the charity paid administrative costs of £3,270 (2022 – £nil) in relation to printing on behalf of Douai Abbey Parishes Trust. At the year end, £3,270 (2022 – £nil) remained outstanding.

The Douai Abbey Parishes Trust purchased a laptop at a cost of £1,500 (2022 – £nil) for one of its parish priests during the year. The charity reimbursed the full amount and there was no balance outstanding at the year end.

Other than the transactions above and the donations received by trustees disclosed in note 11 to these accounts, there were no other related party transactions during the year which require disclosure (2022 – none).



New Parish Hall at the parish of Our Lady & St Joseph, Alcester, partly funded by the charity's loan to the Douai Abbey Parishes Trust.