

**The Collegiate Church of Saint Peter Westminster**

Annual report and financial statements  
for the year ended 29 September 2011

## Members of Chapter, Officers and Advisors

The Collegiate Church is a Royal Peculiar, incorporated by Royal Charter of 15 November 1560.

### **The Dean and Chapter**

The governing body is The Dean and Chapter.

The members of Dean and Chapter during the year were:

The Very Reverend Dr JR Hall	Dean of Westminster
The Reverend Canon RP Reiss	Sub-Dean of Westminster
The Reverend Canon Dr JB Hedges	Canon of Westminster
The Reverend Canon A Tremlett installed 9 <sup>th</sup> October 2010	Canon of Westminster
The Reverend Canon Professor VP White installed 7th May 2011	Canon of Westminster

The Reverend Canon Dr N Sagovsky retired 31<sup>st</sup> January 2011

### **Receiver General and Chapter Clerk**

Sir Stephen Lamport KCVO DL

### **Principal office and registered address**

The address for correspondence is:

The Chapter Office,  
20 Dean's Yard,  
Westminster Abbey,  
London,  
SW1P 3PA

### **Investment Committee**

The Westminster Abbey Investment Committee at the end of the year comprised:

DG Thomas	(Chairman)
AE Richmond-Watson	
T Kidd	
R Haines	
The Reverend Canon RP Reiss	(Canon Treasurer)
Sir Stephen Lamport KCVO DL	(Receiver General)

## Advisors

### **Legal Secretary**

C Vyse  
Charles Russell  
8-10 New Fetter Lane  
London EC4A 1RS

### **Surveyor of the Fabric**

JM Burton DIP ARCH RIBD  
Purcell Miller Tritton  
St Mary's Hill  
Colchester  
Essex C03 3JU

### **Auditor**

Andrew McIntyre  
Ernst & Young LLP  
1 More London Place  
London SE1 2AF

### **Actuary**

Steve Hitchiner  
Cheapside House  
138 Cheapside  
London EC2V 6BW

### **Pensions Consultants**

Barnett Waddingham  
Cheapside House  
138 Cheapside  
London EC2V 6BW

### **Investment Advisors**

Brewin Dolphin  
12 Smithfield Street  
London EC1A 9BD

### **Bankers**

Barclays Bank plc  
1 Churchill Place  
Canary Wharf  
London E14 5HP

### **Consulting Engineer**

C Richardson  
Cameron Taylor Bedford  
Lorne Close  
London NW8 7JJ

### **Archaeologist**

W Rodwell  
The Old Vicarage  
Stockhill Road  
Chilcompton  
Somerset BA3 4JQ

### **Property Advisers**

Knight Frank  
20 Hanover Square  
London W15 1HZ

# Report of The Dean and Chapter

For the year ended 29 September 2011

## History, Constitution and Objectives

Westminster Abbey has been a place of Christian worship for over a thousand years. It is known that a Benedictine Abbey was founded by St Dunstan, Archbishop of Canterbury, in 960. The Abbey Church was re-built by Edward the Confessor in 1065 and he was buried there in 1066. It was rebuilt by Henry III in the mid-thirteenth century, and the Lady Chapel was built by Henry VII. In almost every century since then, the building has been added to or changed. Since the coronation of William the Conqueror in 1066 the Abbey has been the place of every coronation to the present day. It is the place of many royal occasions and of many services of great national importance.

The Abbey is governed by The Dean and Chapter, as established by Royal Charter of Queen Elizabeth I in 1560, which created it as a Collegiate Church under the Monarch's personal jurisdiction. Under an Act of 1972 the Church of St. Margaret, Westminster, which stands within the Precincts, also comes under the control of The Dean and Chapter. Under the 1868 Public Schools Act all property in the Precincts used by Westminster School was transferred to and vested in the Governing Body of the School.

The Abbey has an ancient choral foundation. The Dean and Chapter maintains Westminster Abbey Choir School, the last remaining school in Great Britain solely for the education of choristers.

The Abbey is first and foremost a busy working Church, with four services held each ordinary day, and five on Sundays. Evensong is sung every day except Wednesday, and both Matins and the Eucharist are choral services on Sundays. There is also regular Sunday worship in St. Margaret's Church.

The Abbey is totally self-supporting financially. It receives no assistance from the Church Commissioners, from the Government or from the Crown. The Dean and Chapter confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Abbey's objectives and in planning future activities.

## Mission

The Abbey's mission:

- To serve Almighty God as a 'school of the Lord's service' by offering divine worship daily and publicly;
- To serve the Sovereign by daily prayer and by a ready response to requests made by or on behalf of Her Majesty;
- To serve the nation by fostering the place of true religion within national life, maintaining a close relationship with members of the House of Commons and House of Lords, and with others in representative positions; and
- To serve pilgrims and all other visitors and to maintain a tradition of hospitality.

## Activities

This was a busy year of major and special activity for the Abbey. In addition to its daily round of services there were many special services, memorial services, celebrations and events. These included:

- The wedding on 29 April of Prince William and Catherine Middleton, a ceremony watched worldwide by an estimated audience of 2.2 billion people.
- The distribution of the Royal Maundy by The Queen on 21 April.
- Commemorative services to mark the earthquakes in New Zealand and Japan.
- State Visit to the Abbey by the President of the United States.

## Report of The Dean and Chapter (continued)

For the year ended 29 September 2011

Since the financial year end there has been a special service to mark the Quatercentenary of the King James Bible, attended by The Queen, The Duke of Edinburgh and The Prince of Wales and also a state visit by the President of Turkey in November.

### Visitors

The visitor numbers to the Abbey in this financial year were considerably above normal, particularly owing to the royal Wedding. Almost 1.3 million people paid to visit the Abbey, an increase of 36% over the previous year. The number of those coming to the Abbey for services and events is difficult to record accurately, but is probably above a quarter of a million. Daily Evensong is almost always well attended, with the numbers usually varying between 200 and 400, although for many weeks following the Royal Wedding this rose to between 700 and 900.

The Abbey's close links to the Commonwealth continued to be reflected in the presence at Evensong on or close to their National Days of delegations from the Commonwealth country concerned, and in the annual celebration of Commonwealth Observance on 8 March attended by The Queen.

The Abbey attaches great importance to the warmth and quality of its welcome to visitors, and continued its practice of arranging weekly tours by pilgrimage groups from across the country after Evensong, and providing different ways in which groups from many backgrounds can see and understand something of the Abbey's special importance outside its normal visiting hours.

### Fabric

This has again been a busy year. Work on the refurbishment of the roofs over the East End of the Abbey was completed. Work to restore and repair the Coronation Chair was almost complete by November.

Major work to realise the 2020 Vision development plans continues. Construction of the 130 seat Cellarium restaurant alongside the Chapter Office in Dean's Yard began over the summer and should be completed by the middle of 2012. A Campaign Development Board has been established to oversee fund-raising of the Triforium Project, and The Prince of Wales has agreed to be the Patron of the fund-raising Appeal. Work on the Triforium Project itself will be geared to the progress of the fund-raising programme: we hope to see substantial progress on the design phase over the course of the current financial year.

Repairs to the roof of St Margaret's Church have been completed; work has begun to restore the four pinnacles on the tower; and the room at the base of the tower has been refurbished as a Community Room.

Upkeep costs have reduced from £5,700,000 to £3,902,000, although an additional £900,000 of costs have been capitalised during the year in relation to costs involved with the Cellarium restaurant project.

## Report of The Dean and Chapter (continued)

For the year ended 29 September 2011

### Organisation and management

The Abbey has continued to refine the management of its visitor handling. A new senior post of Head of Event Management has been created, bringing together overall management of special services, events and catering.

### Accounts

The accounts have been prepared in accordance with the UK Generally Accepted Accounting Practice (UK GAAP) and follow the requirements of Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005).

The consolidated financial statements include the income, expenditure, assets and liabilities of Westminster Abbey, which includes the Westminster Abbey Choir School, and St Margaret's Church. They also include the income, expenditure, assets and liabilities of Westminster Abbey Enterprises Limited, Westminster Abbey Investment Pool and Whicher & Kifford Almshouses. The Funds are shown broken down between Permanent Endowment, Restricted and Unrestricted. Restricted Funds can only be used for a specified purpose whilst Unrestricted Funds can be used at the discretion of The Dean and Chapter.

The Abbey's chief sources of income are derived from visitor charges, donations and investment income. Total income in the year (excluding income of the trading subsidiary) amounted to £17,535,000 (2010: £11,872,000). The profits of Westminster Abbey Enterprises Limited are gifted to the Abbey, Westmonasterium Trust and Whicher & Kifford Almshouses. Total charitable expenditure in the year amounted to £12,699,000 (2010: £13,687,000). The total net incoming resources for the year before investment gains was £5,754,000 (2010: net outgoing resources of (£1,105,000)).

During the year charitable donations amounting to £170,501 (2010: £96,245) were approved by The Dean and Chapter.

The surplus on Unrestricted Funds alone for the year, was £3,750,000 (2010: £916,000 deficit) before transfers and investment gains. The net surplus on Restricted funds, including Endowments before transfers and investment gains, was £2,004,000 (2010: £189,000 deficit).

Total investment losses amounted to £770,000 (2010: £4,271,000 gain), while actuarial losses of £1,286,000 (2010: £1,681,000) have also been charged to the Statement of Financial Activities.

Note 14 to the accounts refers to the Abbey's defined benefit pension scheme. This note also sets out the scheme's actuarial valuation using assumptions in accordance with the requirements of Financial Reporting Standard No 17.

The last actuarial funding valuation of the scheme was carried out as at 30 September 2010; this valuation disclosed a deficit of £4,893,000 equivalent to a funding level of 73.1%. In light of the results of this valuation, the Abbey made a lump sum contribution of £500,000 in June 2011 to reduce the deficit. The Trustees and Abbey also agreed a Recovery Plan which targets elimination of the remainder of the deficit no later than 30 September 2021. In addition to the contributions payable under the Recovery Plan, the Abbey chose to pay an additional £1,000,000 into the scheme in September 2011.

## Report of The Dean and Chapter (continued)

For the year ended 29 September 2011

The pension scheme liability as at 29 September 2011 of £6,888,000 (2010: £6,693,000) is included as a liability in the balance sheet, with a corresponding deduction against reserves. At the year end, the balance on Unrestricted Funds, after reflecting the pension scheme liability, was £25,170,000 (2010: £21,826,000).

### **Investment policy and returns**

The Investment Pool, governed by the Westminster Abbey Act 1975, holds investments on behalf of various funds for which The Dean and Chapter is responsible. The Dean and Chapter invests monies after consultation with the Investment Committee.

The Act requires that the investments are suitably diversified between UK and overseas equities, bonds, property and cash so as to generate both income and capital growth over time. Currently the aim is to achieve a real return of around 5% per annum over a rolling three year period on all investments except those forming part of the Abbey's treasury balances. During the year ended September 2010 the actual return achieved was (-13.4)% (three year annualised return 7.2%). Performance is benchmarked by reference to a charity sector monitor that achieved a return of (-11.2)% during the year (three year annualised return 6.1%).

### **Statement of the financial responsibilities of The Dean and Chapter**

The Dean and Chapter is responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Dean and Chapter is required to prepare financial statements for each year which give a true and fair view of the state of affairs of The Collegiate Church of Saint Peter Westminster and its Group and of the incoming resources and application of resources for the year.

In preparing these financial statements, The Dean and Chapter has to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards; and
- prepare the financial statements on the going concern basis.

The Dean and Chapter is also responsible for keeping proper accounting records which disclose its financial position with reasonable accuracy at any time. It is also responsible for safeguarding the assets of the Abbey, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the website is the responsibility of The Dean and Chapter; the work carried out by the auditor does not involve consideration of these matters, and accordingly, the auditor accepts no responsibility for any changes that may have occurred to the information contained in the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

### **Risk management and controls**

The Dean and Chapter has responsibility for ensuring effective management of risk at the Abbey. Risks are addressed during regular Chapter meetings as part of the continuous review of major operational and financial issues. Any specific areas of concern are targeted for detailed assessment. The Dean and Chapter maintains a risk

## Report of The Dean and Chapter (continued)

For the year ended 29 September 2011

register which has been carefully reviewed over the course of the year. It recognises that there is always scope to make further improvements. In this context the controls and procedures surrounding operational expenditure are being assessed and improved.

The Dean and Chapter considers that existing operational and financial controls are adequate. These controls are exercised by the regular reviews of management information, the receiving of reports from the Receiver General and key department heads, and regular committee meetings held throughout the year.

### Reserves policy

The Dean and Chapter has a policy whereby the level of free cash reserves should be sufficient, although not excessive, to cover short term volatility in day-to-day income. It is currently estimated that £3 million is required to cover short term volatility, the result of variations in net annual income from year to year, seasonal fluctuations in tourist revenues and timing delays of payments on projects funded externally but in arrears. This reserve, invested in liquid assets, was fully funded at 29 September 2011 (see note 13 – Unrestricted funds).

The long term intention continues to build up additional reserves to a level to cover total resources expended annually, in order to cover any significant reduction in net revenues associated with, for example, a catastrophic decline in London's tourism business. The target for reserves to cover this longer term volatility is £7 million, which would give a total of £10 million, to cover both short and longer term volatility. This longer term reserve, which is managed by the Investment Committee, has been funded by the end of the year to a level of £4,588,000 (see note 12 – Unrestricted funds). However, in the short term these reserves may be drawn down to fund aspects of the development programme shortfall in the absence of external funding.

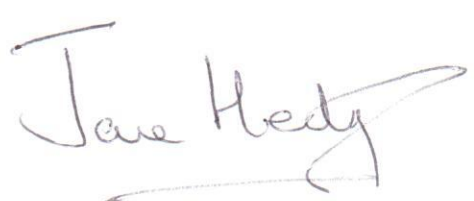
The overriding aim is to ensure as far as possible that the Abbey's mission is safeguarded.

This report was approved by The Dean and Chapter of Westminster on 16 January 2012.

JR Hall 

RP Reiss 

A Tremlett 

JB Hedges 

VP White 



Independent auditor's report  
For the year ended 29 September 2011

**Independent auditor's report to The Dean and Chapter of The Collegiate Church of Saint Peter Westminster**

I have audited the financial statements of The Collegiate Church of Saint Peter Westminster for the year ended 29 September 2011 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to The Dean and Chapter, as a body. My audit work has been undertaken so that I might state to The Dean and Chapter those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than The Dean and Chapter, for my audit work, for this report, or for the opinions I have formed.

**Respective responsibilities of The Dean and Chapter and the auditor**

As explained more fully in the Statement of the financial responsibilities of the Dean and Chapter, set out on page 4, The Dean and Chapter are responsible for the preparation of financial statements which give a true and fair view.

I have been appointed as auditor in accordance with Statutes that, together with The Royal Charter of 1560, govern The Collegiate Church of St Peter Westminster. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

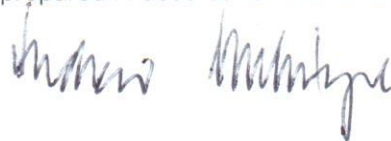
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Abbey's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by The Dean and Chapter; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Report of The Dean and Chapter to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report. My responsibilities do not extend to other information.

**Opinion**

In my opinion the financial statements:

- ▶ give a true and fair view of the state of the Collegiate Church of Saint Peter Westminster and its subsidiaries affairs as at 29 September 2011, and of its incoming resources and application of resources, for the year then ended; and
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Andrew McIntyre  
Chartered Accountant  
Statutory Auditor



16/1/12

6 The Collegiate Church of Saint Peter Westminster

## Consolidated statement of financial activities

For the year ended 29 September 2011

	Notes	Unrestricted	Restricted	Endowment	2011 Total	2010 Total
		£'000	£'000	£'000	£'000	£'000
<b>Incoming resources</b>						
Charges made to visitors		12,567	-	-	12,567	9,414
Choir School fees		205	-	-	205	179
Donations and gifts	3	331	3,026	-	3,357	969
Income of trading subsidiary		4,317	-	-	4,317	3,068
Income from special events		592	-	-	592	572
Other income		25	-	-	25	18
<hr/>						
<b>Total operating income</b>		18,037	3,026	-	21,063	14,220
Investment income	4	506	283	-	789	720
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<b>Total incoming resources</b>		18,543	3,309	-	21,852	14,940
<b>Resources expended</b>						
<b>Costs of generating income</b>						
Expenditure of trading subsidiary		2,986	-	-	2,986	2,084
Fundraising costs		265	-	-	265	161
<hr/>						
		3,251	-	-	3,251	2,245
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<b>Charitable expenditure</b>						
Religious activities		1,967	164	-	2,131	2,076
Visitor-related		3,334	190	-	3,524	3,350
Choir and music		2,122	73	-	2,195	1,801
Upkeep		3,024	878	-	3,902	5,700
Expenditure for special events		947	-	-	947	760
<hr/>						
<b>Total charitable expenditure</b>		11,394	1,305	-	12,699	13,687
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<b>Governance costs</b>		148	-	-	148	113
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<b>Total resources expended</b>	5	14,793	1,305	-	16,098	16,045
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<b>Net incoming/(outgoing) resources during the year before transfers</b>		3,750	2,004	-	5,754	(1,105)
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## Consolidated statement of financial activities (continued)

For the year ended 29 September 2011

	Notes	Unrestricted £'000	Restricted £'000	Endowment £'000	2011 Total £'000	2010 Total £'000
<b>Net (outgoing)/incoming resources during the year before transfers</b>		3,750	2,004	-	5,754	(1,105)
Transfers between funds in the year	12,13	1,039	(1,039)	-	-	-
Net (outgoing)/incoming resources after transfers, before other recognised gains and losses		4,789	965	-	5,754	(1,105)
Net investment(losses) / gains during the year	7	(159)	(67)	(544)	(770)	4,271
Actuarial losses on defined benefit pension scheme	14	(1,286)	-	-	(1,286)	(1,681)
<b>Net movement in funds during the year</b>		3,344	898	(544)	3,698	1,485
<b>Reconciliation of funds including defined benefit pension scheme liability:</b>						
Opening fund balances						
30 September 2010		21,826	1,434	9,637	32,897	31,412
<b>Fund balances carried forward at 29 September 2011</b>		25,170	2,332	9,093	36,595	32,897

The accompanying notes form an integral part of these financial statements.

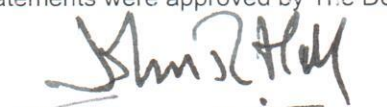
# Consolidated balance sheet

As at 29 September 2011

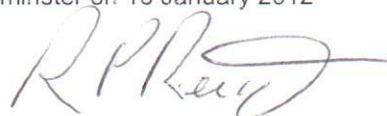
	Notes	2011	2010
		£'000	£'000
<b>Fixed assets</b>			
Tangible assets	6	17,084	16,377
Investments	7	<u>24,143</u>	<u>22,983</u>
		41,227	39,360
<b>Current assets</b>			
Stocks - goods for resale		205	190
Debtors	8	674	335
Cash at bank		<u>3,510</u>	<u>1,346</u>
		4,389	1,871
<b>Creditors:</b> amounts falling due within one year	9	<u>(2,133)</u>	<u>(1,641)</u>
<b>Net current assets</b>		2,256	230
<b>Total assets less current liabilities</b>		<u>43,483</u>	<u>39,590</u>
Net assets excluding pension liability		43,483	39,590
<b>Defined benefit pension scheme liability</b>	14	<u>(6,888)</u>	<u>(6,693)</u>
<b>Net assets</b>		<u><u>36,595</u></u>	<u><u>32,897</u></u>
<b>Capital funds</b>			
Permanent endowment funds	10	9,093	9,637
<b>Income funds</b>			
Restricted funds	11	2,332	1,434
Unrestricted funds:	12	<u>25,170</u>	<u>21,826</u>
		<u>36,595</u>	<u>32,897</u>

The financial statements were approved by The Dean and Chapter of Westminster on 16 January 2012

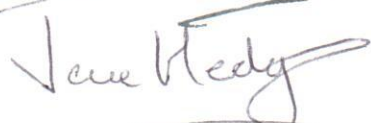
JR Hall



RP Reiss



JB Hedges.



A Tremlett



VP White



The accompanying notes form an integral part of these financial statements.

## Consolidated cash flow statement

For the year ended 29 September 2011

	2011 £'000	2010 £'000
<b>Reconciliation of changes in resources to net cash outflow from operating activities</b>		
Net incoming(outgoing)/ resources before investment gains and actuarial losses	5,754	(1,105)
Depreciation	346	471
Disposal of fixed assets	7	-
FRS 17 adjustment	(1,091)	33
Increase in stock	(15)	(39)
(Increase)/decrease in debtors	(339)	735
Increase in creditors	492	408
	<u>5,154</u>	<u>503</u>
Net cash inflow from operations	<u>5,154</u>	<u>503</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(1,060)	(44)
Receipts from sales of investments	778	1,010
Purchase of investments	(1,317)	(1,316)
	<u>(1,599)</u>	<u>(350)</u>
Net cash outflow from capital expenditure and financial investment	<u>(1,599)</u>	<u>(350)</u>
<b>Increase in cash in the year</b>	<b><u>3,555</u></b>	<b><u>153</u></b>

	At 30 September 2010 £'000	Cash flow £'000	At 29 September 2011 £'000
<b>Analysis of net cash</b>			
Cash at bank and on deposit	1,346	2,164	3,510
Cash held as investments	4,127	1,391	5,518
	<u>5,473</u>	<u>3,555</u>	<u>9,028</u>
Total	<u>5,473</u>	<u>3,555</u>	<u>9,028</u>

## Notes to the financial statements

For the year ended 29 September 2011

### 1 Accounting policies

The principal accounting policies are set out below. All of the policies have been applied consistently throughout the year and the preceding year.

#### *a) Basis of preparation*

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, fixed asset properties and listed investments, and in compliance with applicable Accounting Standards. They comply with the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), the Charities (Accounts and Reports) Regulations 2008 and the Charities Act 1993.

The consolidated financial statements include the income, expenditure, assets and liabilities of Westminster Abbey, including Westminster Abbey Choir School and St Margaret's Church. They also include the income, expenditure, assets and liabilities of:

Westminster Abbey Enterprises Limited;  
Westminster Abbey Investment Pool; and  
Whicher & Kifford Almshouses.

Certain other related entities are excluded from consolidation because they have external trustees and are not the responsibility of The Dean and Chapter. More details can be found in note 2.

#### *b) Fund accounting*

##### *Permanent endowment funds*

Certain of the Abbey's assets have been endowed. Endowments have either been given to or acquired by the Abbey on condition that the capital will not be spent. Income arising on endowment funds is credited to General Funds or, where appropriate, treated as restricted income.

##### *Restricted funds*

These funds relate to gifts and legacies which have been given or bequeathed to the Abbey to be used in accordance with the wishes of donors or their representatives. Both the capital and the income may only be applied for the purposes for which the funds were donated.

##### *Unrestricted funds*

The use of these funds has not been restricted to a particular purpose by donors or their representatives. They are divided into General Funds and Designated Funds.

## Notes to the financial statements (continued)

For the year ended 29 September 2011

### 1 Accounting policies (continued)

#### *b) Fund Accounting (continued)*

The General Funds are the Abbey's working funds and are available for use in furtherance of the Abbey's mission.

Designated Funds are those which have been allocated from General Funds and remain at the discretion of The Dean and Chapter to help finance specific projects. Included in Designated Funds are reserves to cover volatility in day-to-day revenues. These reserves are being set aside to, first, ensure sufficient working capital to cover short and longer term volatility in visitor revenues and, second, to cover major unexpected fabric expenditure in advance of necessary fund-raising.

#### *c) Incoming resources*

Incoming resources includes charges made to visitors, choir school fees, donations and gifts, the income from the trading subsidiary and from special events. In addition the Abbey receives investment income from properties and from listed investments.

Charges made to visitors are accounted for on a receivable basis and have been included for a 53 week period (2010 - 52 weeks). Choir school fees are accounted for when receivable. Donations, gifts and legacies are included in full where there is certainty, measurement and entitlement in relation to the amount involved.

The turnover of the trading subsidiary is accounted for on a receivable basis. Turnover has been included for a 53 week period (2010 - 52 weeks). Income from special events is accounted for by reference to the date of the event.

Rental income from investment properties is recognised in the period to which it relates. Income from investments is accounted for when received. Income from deposits is accounted for on a receivable basis.

#### *d) Resources expended*

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Irrecoverable VAT is charged to the appropriate expenditure heading. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Administration costs represent the costs of the office of the Receiver General, including IT support, the finance, protocol and press departments, legal services and certain central overheads. These costs have been apportioned on appropriate bases to the charitable expenditure categories.

The costs of generating income include the cost of sales and overhead expenditure relating to the trading subsidiary. They also include fundraising costs incurred in seeking voluntary contributions.

In line with the recommendations of the SORP the contribution of volunteers is not recognised in the financial statements on the basis that the value of their contribution to the Abbey cannot be reasonably quantified in financial terms.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the Abbey.

## Notes to the financial statements (continued)

For the year ended 29 September 2011

### 1 Accounting policies (continued)

#### e) *Heritage Assets*

Westminster Abbey was a Benedictine monastery from 960 until 1540, and since 1560 has been a collegiate church governed by a Dean and Chapter with the Sovereign as its Visitor. The Abbey and its precincts constitute part of a UNESCO World Heritage Site.

All historic buildings are used for worship, administration purposes, or as residences for Abbey clergy or other members of Abbey staff. The principal historic buildings within the precincts are:

The Abbey church

The Great Cloister and the Little Cloister

The Chapter House, Pyx Chamber and Undercroft

The Library and Muniment Room

St Margaret's Church

The Deanery and other official residences

The principal open spaces are Dean's Yard and College Garden.

The Abbey has not capitalised these assets. This is because comprehensive valuation would not provide a meaningful figure for users of the financial statements and the cost of doing so is not commensurate with the benefits to users of the financial statements.

The Abbey's heritage assets may be divided into a number of categories:

- Items which form part of the historic fabric of the Abbey church include tombs, monuments and memorials, windows of stained and coloured glass, statues and other sculptural decoration, wall paintings and historic floors.
- Items which are used liturgically in the Abbey and in St Margaret's Church include the bells and the organs, furniture, liturgical plate (crosses, candlesticks, Communion vessels, etc.), altar frontals and vestments.
- Artefacts forming part of the furnishings of the Abbey and St Margaret's include furniture, paintings, textiles, and commemorative items such as rolls of honour. Other parts of the Abbey Collection are on display in the Undercroft Museum, including an important collection of funeral effigies, replica coronation regalia, sculpture, panel painting and stained glass. A number of important pictures, pieces of furniture and other objects are housed in the Deanery and in other official residences.
- Architectural fragments, archaeological finds and miscellaneous objects not required for permanent display and kept in a collections store in the nave triforium.
- The Muniments are the archives of the Abbey ranging in date from the tenth century to the present day. The collection contains well over 100,000 documents and files and the medieval archive in particular is of international significance.



## Notes to the financial statements (continued)

For the year ended 29 September 2011

- The Abbey's Library contains approximately 20,000 volumes including around 16,000 early printed books and a small collection of medieval manuscripts. An extensive collection of printed books and pamphlets is devoted to all aspects of the Abbey's history and there is a small supporting general reference collection. The Library also holds the Abbey's photographic library and an archive of sound, film and TV recordings.

### Acquisition and Access

New memorials (most often in carved stone or stained glass) are installed at a rate of one or two each year and perpetuate the Abbey's role as a national place of commemoration. Textiles, plate and furniture for liturgical use are acquired from time to time by donation or using bequeathed funds. Other items are directly purchased or commissioned by the Dean and Chapter. Most acquisitions are new at the time of accession although older items are also sometimes received.

Historic artefacts such as sculpture, paintings and textiles which have an association with the Abbey's own history are occasionally purchased or are received as donations. They are either put on permanent or temporary display or are placed in store. Archaeological finds and architectural fragments discovered in the course of building work or conservation are added to the Abbey collections subject to the advice of the Dean and Chapter's Archaeological Consultant.

Subject to accessibility and staff resources the Abbey makes available for study by scholars and members of the general public on request items from the collections which are normally kept in store.

Files and other administrative records are regularly added to the Muniments. Plans are in hand for enhanced archiving of electronic records and for more structured records management across the Abbey's departments. Historic documents are occasionally purchased for or donated to the Muniment collection.

Acquisitions to the Library are in accordance with a collections development policy (in place since 2005). Early printed books and medieval manuscripts are occasionally acquired through donations and bequests but are not purchased unless there is a direct association with the Abbey's history. New material is regularly bought for both the 'Westminster Collection' (books relating to the Abbey's history) and the general reference collection. New material is also regularly added to the photographic and audio visual collections.

A small reading room in the Library is available to the public by appointment for the study of the library and muniments collections.

### Management and Conservation

Heritage assets forming part of the fabric of the Abbey and its associated buildings (e.g. monuments, stained glass windows, wall paintings, etc.) are the responsibility of the Surveyor of the Fabric. The Abbey's moveable collections (furniture, pictures, textiles, plate, etc.) whether in use, on public display, or kept in store, are overseen by the Head of the Abbey Collection. The Library and Muniment collections are managed respectively by the Librarian and the Keeper of the Muniments.

The Conservation Department is responsible for conservation housekeeping and cleaning and for carrying out conservation treatments on some objects. It is also responsible for environmental monitoring and for insect and pest management. There are part-time specialist conservators for metals and paintings. Objects are sent off-site for conservation when appropriate.

## Notes to the financial statements (continued)

For the year ended 29 September 2011

An electronic inventory which includes all objects regarded as heritage assets is being compiled and maintained by the Abbey's Librarian. There are separate catalogues of the Library and Muniment collections.

The Westminster Abbey Fabric Commission (approved by Royal Warrant in 2000) provides external scrutiny of all work on the Abbey and its associated buildings. It must approve any proposals for the conservation or loan of objects of outstanding archaeological, artistic or historic interest.

### Disposal

The Dean and Chapter may not sell or otherwise dispose of any object of outstanding architectural, archaeological, artistic or historic interest without the approval of the Westminster Abbey Fabric Commission.

The Muniments and most of the Library collections are regarded as permanent holdings to be retained in perpetuity. The Library's collections development policy contains procedures for the deaccessioning of general reference works and modern duplicates.

### f) *Tangible fixed assets and depreciation*

Included within tangible fixed assets, freehold land and buildings, are the following properties:

- Choir School and associated buildings
- The Chapter Office, 20 Dean's Yard
- 21 Dean's Yard
- Headmaster's house, 3b Dean's Yard
- 4b Dean's Yard
- 1 Dean's Yard
- Storage bunker
- The Westminster Abbey shop

These properties are valued using the 'existing value in use' method. Depreciation is charged on a straight line basis on the freehold buildings over 100 years. Properties under construction are not depreciated until complete; at which point their value in use will be assessed and the assets added to freehold land and buildings and depreciated on that basis.

The freehold almshouses are stated at cost. Depreciation is provided on refurbishment expenditure (net of grants), on a straight line basis over a period of 22 years.

Other fixed assets are stated at cost and are depreciated at rates estimated to write them off over their expected useful lives, which are considered to be three years.

There is no set value below which fixed assets are not capitalised.

### .g) *Housing Association grants*

Housing Association grants were paid by the Housing Corporation to reduce the cost of development and are therefore shown as a deduction from the cost of the freehold almshouses. Housing Association grants are repayable under certain circumstances, primarily following the sale of a property but will normally be restricted to net proceeds of sale.

## 1 Accounting policies (continued)

## Notes to the financial statements (continued)

For the year ended 29 September 2011

### *h) Investments and investment income*

Since 1975, most investments are held within the Westminster Abbey Investment Pool, which was established to hold investments on behalf of the various funds, principally restricted and endowment funds, for which The Dean and Chapter is responsible.

All investments are stated at market value at the balance sheet date and the movement shown in the Consolidated Statement of Financial Activities comprises both realised and unrealised gains and losses.

Investment properties are included at valuation on an open market existing use basis. External property valuations are normally carried out on a three year basis, using an independent firm of chartered surveyors, with estimates used at intervening year-ends unless changing market conditions suggest it is appropriate to obtain a further valuation. No depreciation is charged on these properties. Unrealised gains and losses on investment properties are reflected in the permanent endowment funds.

Where cash balances have either been placed with the investment managers for future investment, or form the assets representing an element of the reserves set up to cover volatility in day-to-day revenues, they are included within investments.

All investment income is reflected through the statement of financial activities. Income from investments is allocated to funds based on the constitution or origin of the fund.

### *i) Pension costs*

The Abbey operates a defined benefit pension scheme providing benefits based on final pensionable salary. The costs of providing pension benefits under the defined benefit pension scheme have been recognised in accordance with Financial Reporting Standard 17 "Accounting for Retirement Benefits" (FRS 17).

Under FRS 17 the assets and liabilities of the pension scheme are essentially treated as assets and liabilities of the sponsoring employer, the Abbey. The operating costs of providing retirement benefits to employees are recognised in the year in which they are earned by employees and finance costs and other changes in the value of pension scheme assets and liabilities are recognised in the year in which they arise.

The Abbey also participates in the Church of England Funded Pensions Scheme for six employees, and The Teachers' Pension Scheme for five employees. Both schemes are defined benefit schemes, but the Abbey is unable to identify its share of the underlying assets and liabilities and therefore the schemes have been accounted for as defined contribution pension schemes in accordance with FRS 17.

### *j) Stocks*

Stock, which comprises goods for resale, is stated at the lower of cost and net realisable value.

## **Accounting policies (continued)**

## Notes to the financial statements (continued)

For the year ended 29 September 2011

### 2 Consolidated and related entities

Advantage has been taken of the exemption within Financial Reporting Standard 8: Related Party Disclosures from disclosure of related party transactions for all wholly owned group entities.

#### **Consolidated entities:**

The results and net assets of the following entities are consolidated in these accounts of the Collegiate Church of St Peter in Westminster:

#### **Westminster Abbey Enterprises Limited**

The Abbey has a wholly owned subsidiary registered in England and Wales, Westminster Abbey Enterprises Limited. It operates the Abbey's shop and carries out other commercial activities and has a 30 September year end. The company gifts the taxable profits under Gift Aid to the Abbey and also pays rent and management charges to the Abbey. During the year the company Gift Aided £264,000 to Westmonasterium Trust, £762,000 to The Dean and Chapter and £320,000 to Whicher & Kifford Almshouses. At the year end, net assets of this subsidiary amounted to £63,485.

#### **Whicher & Kifford Almshouses**

The Dean and Chapter is a trustee of Whicher & Kifford Almshouses, a charity registered with the Housing Corporation as a Housing association. It administers almshouses in London SW8 which provides self contained accommodation for three people. At the year end, net assets of this subsidiary amounted to £471,000.

#### **Restricted funds**

There are a number of trusts held within the funds of Westminster Abbey that have been established over many years. They have been consolidated in these accounts and included within restricted funds, Their combined assets as at 29 September 2011 amount to £2,332,000. Their objects are to support the maintenance of the Abbey and St Margaret's Church, their memorials, the services therein, together with the maintenance of the Choir School and the education of its choristers and ex-choristers, through the awarding of bursaries or scholarships.

#### **Related entities:**

The following entities are not controlled by The Dean and Chapter and are not consolidated in these audited accounts, although they are wholly for the financial benefit of the Collegiate Church. Only transactions with these entities are included in the consolidated accounts:

#### **Garfield Weston Trust for Westminster Abbey**

The Garfield Weston Trust for Westminster Abbey provides assistance with funding for restoration work on the fabric of Westminster Abbey. The trust, whose membership includes members of Chapter and independent trustees, meet regularly to approve grants for fabric projects. The net assets of the trust amounted to £13,658,000 at 5 April 2011 (the date of the last accounts).

#### **The Westmonasterium Trust**

The Westmonasterium Trust has been set up to seek funding for Westminster Abbey and is related by virtue of common trustees with the Abbey. At 30 September 2011 its net assets were £280,000. During the year the trust made grants to the Abbey of £291,000 (2010: £nil) and received gift aid donations of £264,728 (2010: £161,000) from Westminster Abbey Enterprises Limited to cover its operating costs.

## Notes to the financial statements (continued)

For the year ended 29 September 2011

### 3 Donations and gifts

	2011	2010
	£'000	£'000
Abbey candle boxes	106	84
Service collections	149	156
Donations from Garfield Weston Trust towards fabric expenditure	1,151	-
Donations towards the Cellarium restaurant project	1,500	-
Donations towards the Education Centre	152	300
Donations towards conservation of the Coronation Chair	-	150
Other donations and gifts	299	279
	<u>3,357</u>	<u>969</u>

### 4 Investment income

	2011	2010
	£'000	£'000
Investment income is analysed as follows:		
Investment properties	344	344
Investments listed on a recognised stock exchange	356	337
Interest on cash deposits	89	39
	<u>789</u>	<u>720</u>

### 5 Analysis of total resources expended

18 The Collegiate Church of Saint Peter Westminster

## Notes to the financial statements (continued)

For the year ended 29 September 2011

	Staff costs	Other	Depreciation	Support allocation	2011 Total	2010 Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost of generating funds:</b>						
Expenditure of trading subsidiary	610	2,154	222	-	2,986	2,084
Costs of generating funds	225	40	-	-	265	161
<b>Direct charitable expenditure:</b>						
Religious activities	993	718	-	420	2,131	2,076
Visitor related	2,311	429	30	754	3,524	3,350
Choir and music	1,183	540	-	472	2,195	1,801
Upkeep	940	2,343	94	525	3,902	5,700
Special events	-	558	-	389	947	760
Support	1,267	1,293	-	(2,560)	-	-
<b>Governance costs</b>	-	148	-	-	148	113
<b>Total</b>	<b>7,529</b>	<b>8,223</b>	<b>346</b>	<b>-</b>	<b>16,098</b>	<b>16,045</b>

Support costs refer to the costs of the office of the Receiver General, IT, finance and press departments, legal services and certain central overheads. Support costs have been apportioned on appropriate bases (per capita, time etc.) to the charitable expenditure categories as indicated above.

Support costs have been apportioned as follows:

Central function	Religious activities	Choir & music	Visitor related	Upkeep	Special events
IT	15%	20%	29%	29%	7%
Legal	20%	20%	20%	20%	20%
Administration	14%	18%	25%	37%	6%
Finance	17%	17%	25%	36%	5%
Press	22%	22%	47%	2%	7%

## Notes to the financial statements (continued)

For the year ended 29 September 2011

### 5 Analysis of total resources expended (continued)

Included in the support costs are the following figures, net of VAT:

	2011 £'000	2010 £'000
Auditor's remuneration (paid to related auditors)		
- audit services: Abbey	44	44
Remuneration paid to related auditors		
- audit services: other entities	14	10
Retirement and Death Benefit Scheme	<u>9</u>	<u>9</u>

### 6 Tangible fixed assets

	Freehold land and buildings £'000	Freehold almshouses £'000	Assets under construction £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost or valuation:					
30 September 2010	16,246	188	-	1,377	17,811
Additions		-	902	158	1,060
Disposals	-	-		(99)	(99)
29 September 2011	<u>16,246</u>	<u>188</u>	<u>902</u>	<u>1,436</u>	<u>18,772</u>
Housing Association Grants:					
30 September 2010 and 29 September 2011	-	176	-	-	176
Depreciation:					
30 September 2010	-	9	-	1,249	1,258
Charge for the year	162	-	-	184	346
Disposals	-	-	-	(92)	(92)
29 September 2011	<u>162</u>	<u>9</u>	<u>-</u>	<u>1,341</u>	<u>1,512</u>
Net book value:					
29 September 2011	<u>16,084</u>	<u>3</u>	<u>902</u>	<u>95</u>	<u>17,084</u>
29 September 2010	<u>16,246</u>	<u>3</u>	<u>-</u>	<u>128</u>	<u>16,377</u>

Freehold land and buildings represent the value of tangible fixed assets within the parent entity.

## Notes to the financial statements (continued)

For the year ended 29 September 2011

### 6 Tangible fixed assets (continued)

At 29 September 2011, the freehold land and buildings were included at open market value on the existing use basis.

The freehold almshouses are used to house the residents of the Whicher and Kifford charity.

As at 29 September 2011, there were capital commitments of £940,052 (2010: £nil).

### 7 Fixed asset investments

			2011	2010
	Investment properties	Investments	Total	Total
	£'000	£'000	£'000	£'000
Market value:				
29 September 2010	5,895	12,961	18,856	17,269
Disposal proceeds	-	(778)	(778)	(1,010)
Transfer to tangible fixed assets	-	-	-	-
Acquisitions at cost	-	1,317	1,317	1,316
Net gains on revaluation and realisation	-	(770)	(770)	1,281
Revaluation deficit	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
29 September 2011	5,895	12,730	18,625	18,856
Cash held as investments	-	5,518	5,518	4,127
	<hr/>	<hr/>	<hr/>	<hr/>
Total value of investments held at 29 September 2011	<u>5,895</u>	<u>18,248</u>	<u>24,143</u>	<u>22,983</u>
Historical cost at 29 September 2011	<u>-</u>	<u>15,910</u>	<u>15,910</u>	<u>13,940</u>
Investments are analysed as follows:				
Investment properties	5,895	-	5,895	5,895
Listed investments – United Kingdom	-	9,293	9,293	9,202
Overseas	-	3,437	3,437	3,759
Cash	-	5,518	5,518	4,127
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>5,895</u>	<u>18,248</u>	<u>24,143</u>	<u>22,983</u>

The value of investments held in subsidiary undertakings of the parent entity is £50,000 (2010: £50,000).



## Notes to the financial statements (continued)

For the year ended 29 September 2011

### 8 Debtors: amounts falling due within one year

	2011	2010
	£'000	£'000
Other debtors	570	209
Prepayments and accrued income	104	126
	<u>674</u>	<u>335</u>

#### Other Debtors:

Sales ledger	420	167
Credit card control	93	3
Deferred tax	25	15
Staff loans	32	24
	<u>570</u>	<u>209</u>

### 9 Creditors: amounts falling due within one year

	2011	2010
	£'000	£'000
Taxes and social security costs	1,017	611
Other creditors	437	550
Accruals and deferred income	679	480
	<u>2,133</u>	<u>1,641</u>

## Notes to the financial statements (continued)

For the year ended 29 September 2011

### 10 Permanent endowment funds

	Balance 29 September 2010	Expenditure	Investment gains	Balance 29 September 2011
	£'000	£'000	£'000	
1953 Choir School Endowment	2,337	-	(132)	2,205
1953 Fabric Coronation Fund	2,536	-	(142)	2,394
Church Commissioners Property	3,364	-	(189)	3,175
St Margaret's funds	367	-	(21)	346
Scholarships and prizes	671	-	(38)	633
Memorial funds	13	-	(1)	12
Other fabric funds	263	-	(15)	248
Other funds	86	-	(6)	80
	<u>9,637</u>	<u>-</u>	<u>(544)</u>	<u>9,093</u>

### 11 Restricted funds

	Balance 29 September 2010	Incoming resources	Expenditure	Investment gains	Transfers	Balance 29 September 2011
	£'000	£'000	£'000	£'000	£'000	£'000
1953 Choir School Endowment	-	60	(60)	-	-	-
1953 Fabric Coronation Fund	-	65	(65)	-	-	-
Church Commissioners Property	-	86	(86)	-	-	-
1953 Coronation Appeal	293	7		(17)	-	283
Scholarships and prizes	303	25	(46)	(14)	-	268
Fabric funds	292	2,509	(526)	(16)	(1,339)	920
St Margaret's funds	65	201	(203)	(3)	-	60
Almshouse funds	135	45	(10)	1	300	471
Charitable funds	17	149	(149)	-	-	17
Memorial funds	125	4	(1)	(7)	-	121
Education funds	-	152	(152)	-	-	-
Other funds	204	6	(7)	(11)	-	192
	<u>1,434</u>	<u>3,309</u>	<u>(1,305)</u>	<u>(67)</u>	<u>(1,039)</u>	<u>2,332</u>

## Notes to the financial statements (continued)

For the year ended 29 September 2011

### 12 Unrestricted funds

	Balance 29 September 2010	Incoming resources	Expenditure	Investment gains/ (losses)	Actuarial losses	Transfers & other	Balance 29 September 2011
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General funds	88	18,410	(14,674)	-	-	(461)	2,272
Designated funds:							
Fabric fund	56	-	(27)	-	-	-	29
Charitable giving	50	56	(82)	-	-	-	24
Other funds	3	-	-	-	-	-	3
St Margaret's appeal	-	-	-	-	-	-	-
Reserves to cover volatility in day-to-day revenues:							
Short term	3,000	-	-	-	-	-	3,000
Longer term	3,180	77	(10)	(159)	-	1,500	4,588
Total unrestricted funds excluding pension liability	6,377	18,543	(14,793)	(159)	-	1,039	9,916
Property revaluations	22,142	-	-	-	-	-	22,142
Defined benefit pension scheme liability	(6,693)	-	-	-	(1,286)	1,091	(6,888)
	<u>21,826</u>	<u>18,543</u>	<u>(14,793)</u>	<u>(159)</u>	<u>(1,286)</u>	<u>2,130</u>	<u>25,170</u>

The transfer of £1.5m in the year was from general funds to a low risk, medium term investment in order to help the Abbey meet the objectives of its reserves policy.

The transfers from restricted funds to unrestricted funds represent items where funds have been utilised in line with restrictions placed over them but where no movements have been recognised through incoming resources or expenditure during the year. Of the transfers from fabric funds the largest item (£902k) is in relation to costs of the Cellarium, which are paid for using funds designated for this purpose, but which have been capitalised in the year and so do not appear within expenditure. The remaining £437k of Fabric funds transferred to unrestricted funds relates to restricted donation income received during the year which related to expenses incurred and recognised in the prior year.

The £300k of Almshouse funds represent amounts restricted during the year for the purpose of refurbishing the Whicher and Kifford almshouses.

The adjustment of £1,091,000 represents excess contributions by the abbey of £1.5m, plus the normal contributions of £508,000, towards the pension scheme, less the interest cost of £237,000 and service cost of £680,000 for the pension scheme.

## Notes to the financial statements (continued)

For the year ended 29 September 2011

### 13 Analysis of net assets between funds

As restated	Unrestricted	Restricted	Permanent endowment	2011 Total
	£'000	£'000	£'000	£'000
Fund balances at 29 September 2011 are represented by:				
Tangible fixed assets	17,084	-	-	17,084
Investments	12,721	2,332	9,090	24,143
Net current assets	2,256	-	-	2,256
Defined benefit pension scheme liability	(6,888)	-	-	(6,888)
<b>Total net assets</b>	<b>25,173</b>	<b>2,332</b>	<b>9,090</b>	<b>36,595</b>
Unrealised gains included above	5,895	477	1,861	8,233

### 14 Pension costs

The total pension charge for the year was:

	2011	2010
	£'000	£'000
Westminster Abbey 1972 Retirement and Death Benefits Scheme	917	536
Teachers' Pension Defined Benefit Scheme	30	29
Church of England Funded Pensions Scheme	69	92
	<b>1,016</b>	<b>657</b>

Employees of the Abbey are eligible for membership of the Westminster Abbey 1972 Retirement and Death Benefits Scheme which provides benefits based on final pensionable salary.

### FRS 17 disclosures

The FRS 17 calculations have been carried out by an independent qualified actuary and relate to the Westminster Abbey 1972 Retirement and Death Benefits scheme.

The amounts recognised in the balance sheet are as follows:	2011	2010
	£'000	£'000
Fair value of scheme assets	14,742	13,196
Present value of funded obligations	(21,630)	(19,889)
<b>Deficit</b>	<b>(6,888)</b>	<b>(6,693)</b>

## Notes to the financial statements (continued)

For the year ended 29 September 2011

### 14 Pension costs (continued)

The amounts recognised in the statement of financial activities are as follows:

	2011	2010
	£'000	£'000
Current service cost	680	461
Interest cost	1,000	943
Expected return on scheme assets	(763)	(868)
<b>Total</b>	<b>917</b>	<b>536</b>
Actual return on scheme assets	(5)	1,287

Changes in the present value of the defined benefit obligation are as follows :

	2011	2010
	£'000	£'000
Opening defined benefit obligation	19,889	16,841
Current service cost	680	461
Interest cost	1,000	943
Contributions by scheme participants	199	171
Actuarial losses	518	2,101
Benefits paid	(656)	(628)
<b>Closing defined benefit obligation</b>	<b>21,630</b>	<b>19,889</b>

Changes in the present value of scheme assets (excluding any AVC's) are as follows :

	2011	2010
	£'000	£'000
Opening fair value of scheme assets	13,196	11,862
Expected return	763	868
Actuarial gains	(768)	420
Contributions by employer	2,008	503
Contributions by scheme participants	199	171
Benefits paid	(656)	(628)
<b>Closing fair value of scheme assets</b>	<b>14,742</b>	<b>13,196</b>

The participating employers expect to contribute £552,000 to the scheme in 2012.

## Notes to the financial statements (continued)

For the year ended 29 September 2011

### 14 Pension costs (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows :

	2011	2010
Equities	44%	46%
Bonds	29%	27%
Insured annuities	11%	15%
Cash and other assets	16%	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>

	2011	2010
Discount rate at 30 September	5.10%	5.0%
Expected return on scheme assets at 30 September	5.36%	5.5%
Future salary increases	4.20%	4.2%
Future pension increases	3.50%	3.5%
Inflation Assumption	3.20%	3.2%
Proportion of employees opting for early retirement	0%	0%

Mortality

S1NA tables with CMI 2009 projections

Life expectancy of a 65 year old

- now	86.9 years
- in 20 years time	88.3 years

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2011	2010	2009	2008	2007
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(21,630)	(19,889)	(16,841)	(13,706)	(13,644)
Scheme assets	14,742	13,196	11,862	10,718	12,087
<b>Deficit</b>	<b>(6,888)</b>	<b>(6,693)</b>	<b>(4,979)</b>	<b>(2,988)</b>	<b>(1,557)</b>
Experience adjustments on scheme liabilities	-	-	-	(21)	-
Experience adjustments on scheme assets	1,085	48	582	(2,113)	(213)

The Scheme has approximately 300 members.

## Notes to the financial statements (continued)

For the year ended 29 September 2011

### 14 Pension costs (continued)

The Abbey also participates in the Church of England Funded Pensions Scheme for 7 members and the Teachers' Pension Scheme for 5 members of the Choir School staff.

#### *The Church of England Funded Pension Scheme*

The latest valuation of the scheme was carried out as at 31 December 2009. This revealed a shortfall of £262million, with assets of £605 million and a funding target of £867 million, assessed using the following assumptions:

Investment return	4.4% per annum
Increase in pensionable stipends	3.8% per annum
Pension increases	3.8% per annum

#### *The Teachers' Pension Scheme*

The Government Actuary's report of October 2006 revealed the net liabilities of the Scheme amounted to £3,260 million. The latest published valuation of the scheme was at 31 March 2004. The current contribution is set at 20.5% of salaries. Of this standard contribution, 6.4% is payable by employees. Employers' contributions are 14.1% of salaries.

### 15 Employees and employee costs

#### Number of employees

The average number of persons employed by the Abbey during the year was:

	2011 Number	2010 Number
Clergy	7	7
Other Abbey, maintenance and administration staff	237	223
	<hr/>	<hr/>
	244	230
	<hr/>	<hr/>

#### Employment costs

	2011 £'000	2010 £'000
Wages and salaries	6,006	5,498
Social security costs	553	483
Other pension costs	970	657
	<hr/>	<hr/>
	7,529	6,638
	<hr/>	<hr/>

Employees with emoluments exceeding £50,000 are as follows:

	2011 Number	2009 Number
£50,001 - £60,000	5	4
£60,001 - £70,000	3	3
£70,001 - £80,000	-	1
£80,001 - £90,000	1	2
£90,001 - £100,000	2	-
	<hr/>	<hr/>
	11	10
	<hr/>	<hr/>

## Notes to the financial statements (continued)

For the year ended 29 September 2011

### 16 Unconsolidated results of Westminster Abbey

	2011	2010
	£'000	£'000
Total revenues	16,980	11,382
Net outgoing resources during the year after transfers, before other recognised gains and losses	4,547	(1,252)
Net investment (losses)/gains during the year	(773)	4,266
Actuarial losses on defined benefit pension scheme	(1,286)	(1,681)
Net movement in funds during the year	2,488	1,333



## Notes to the financial statements (continued)

For the year ended 29 September 2011

### 17 Unconsolidated balance sheet of Westminster Abbey

	2011	2010
	£'000	£'000
<b>Fixed assets</b>		
Tangible assets	16,144	16,246
Investments	23,808	22,735
	<u>39,952</u>	<u>38,981</u>
<b>Current assets</b>		
Other debtors	349	184
Prepayments and accrued income	100	123
Amounts due from group debtors	1,432	886
	<u>1,881</u>	<u>1,193</u>
Cash at bank	2,109	577
	<u>3,990</u>	<u>1,770</u>
<b>Current liabilities</b>		
Taxes & social security	894	553
Other creditors	253	445
Accruals and deferred income	700	472
	<u>1,847</u>	<u>1,470</u>
<b>Net current assets</b>	<u>2,143</u>	<u>300</u>
Defined benefit pension scheme	6,888	6,693
<b>Net assets</b>	<u>35,207</u>	<u>32,588</u>
<b>Capital funds</b>		
Permanent endowment funds	9,090	9,637
<b>Income funds</b>		
Restricted funds	4,414	1,402
Unrestricted funds	21,703	21,549
<b>Total funds</b>	<u>35,207</u>	<u>32,588</u>