

THE ARMY ROMAN CATHOLIC TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Charity Number 1051643

THE ARMY ROMAN CATHOLIC TRUST

**INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Members of the board and professional advisers	Page 1
Trustees' annual report	Pages 2 to 5
Independent examiners' report	Page 6
Statement of financial activities	Page 7
Balance sheet	Page 8
Notes to the financial statements	Pages 9 to 13

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

The Board of Trustees	P Firth Major General J S Kerr CBE Rt Rev Bishop P. Mason (Ex Officio) Colonel D Morgan OBE Father P Smith Father I Stevenson (Ex-Officio) Wing Commander C P Thorpe - Chairman
Principal Address	St. Michael and St. George Parish Office Queens Avenue Aldershot Hampshire GU11 2BY
Independent Examiner	Mark Dickinson FCA Shaw Gibbs (Audit) Limited Wey Court West Union Road Farnham Surrey GU9 7PT
Bankers	Royal Bank of Scotland Holts Farnborough Branch 200 Fowler Avenue Farnborough Business Park Farnborough Hampshire GU14 7JP
Investment Managers	BlackRock Investment Management (UK) Limited PO Box 9036 Chelmsford Essex CM99 2XD

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The trustees have the pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2023.

Legal Status

The Army Roman Catholic Trust was created by a Declaration of Trust dated 17th May 1954, as varied or affected by Schemes of Arrangement of the Charity Commissioners dated 20th June 1994 and 14th April 2000.

The Army Roman Catholic Trust is a Registered Charity, charity number 1051643.

Trustees Appointments and New Trustee Proceedings

The ex-officio trustees are appointed by virtue of their respective offices. Co-optative trustees are appointed by a resolution of the trustees passed at a special meeting.

The chairman of trustees contacts new ex-officio trustees and potential new lay trustees prior to attendance at their first trustees meeting, to tell them about the background and activities of the trust. All new trustees are also provided with a copy of the Charity Commission guide "The Essential Trustee: what you need to know".

Objects of the Trust

The objects of the trust are the advancement of the Roman Catholic Religion among members of His Majesty's Army and the welfare of Roman Catholics of His Majesty's Army.

Connected Charities

The following Charities are connected to The Army Roman Catholic Trust.

Vicariate Headquarters Trust
26 The Crescent
Farnborough
Hampshire
GU14 7AS

Royal Air Force Roman Catholic
Church Purposes Fund
The Chaplaincy Centre
RAF Odiham
Hook
Hampshire
RG29 1QT

Royal Navy (Roman Catholic) Trust
Royal Navy Catholic Chaplaincy
The Chaplaincy
HMS Collingwood
Newgate Lane
Fareham
Hampshire
PO14 1AS

The Roman Catholic Bishopric of the Forces (GB)
Wellington House
St Omer Barracks
Aldershot
Hampshire
GU11 2BG

Investment Powers

Under the Trust Deed, the charity has the power to make any investment which the trustees see fit. BlackRock Investment Management (UK) Limited invest all of the funds into the Armed Forces Charities Growth and Income Fund.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Risks

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

Reserves

The trustees are resolved to ensure that income is expended upon the objects of the charity, taking one year with another. Reserves, which principally arise from the appreciation over time of the portfolio of investments, are resolved to be invested to procure a steady and rising income so as to ensure that the expenditure upon charitable objectives may be increased.

Achievements and Performance

The Trust has continued to support the Bishopric.

Financial Review

The Trust accounts show a deficit of £165,750 on unrestricted funds for the year before losses on investments.

There was some expenditure out of the Cathedral Maintenance restricted fund this year as well as significant expenditure on the Bishop's residence. The Army RC Trust's contribution in the year was £166,500, with a further £2,056 paid after the year end. The Trust continued to support the Bishopric of the Forces.

The Trust's investments are managed by BlackRock Investment Management (UK) Limited and have been invested in the Armed Forces Charities Growth and Income Fund. Investment income has increased over the previous period and the market value of investments has decreased.

The Army RC Trust made a payment of £32,270 for the outstanding payment for the band payment for the International Military Pilgrimage 2022. The Trust has not yet been reimbursed. The Principal RC Chaplain (Army) has raised it with the Vicar General and Episcopal Council.

Plans for Future Periods

The Trust will support the Champion Dinner and develop ways to further support the original objects of the Trust, namely the advancement of the Roman Catholic Religion among members of His Majesty's Army and also support Catholic Chaplains in their ongoing formation.

It is envisaged that Army Veteran Chaplains be invited to the International Military Pilgrimage 2024 and every 10 years thereafter.

General

The financial statements comply with current statutory requirements, the Statement of Recommended Practice and the Charities Act 2011.

Funds

A legacy previously received from the estate of Angela Curran for the Community at The Cathedral Church of St Michael and St George, is included in restricted funds. Other restricted funds relate to Cathedral Maintenance.

Other funds held are unrestricted and are held to further the objects of the trust. These funds are available and are adequate to fulfil the obligations of the trust.

Unrestricted funds include a designated fund for Chaplains' Welfare.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees Decision Making Process

Major decisions are made by a majority of trustees either at bi-annual trustees' meetings or by telephone or email discussion.

Grant Making Policies

Budgets are produced annually including proposed grants, and agreed in advance by the Trustees. The Principal Roman Catholic Chaplain has discretion for grants below £2,000.

Public Benefit

The Trust facilitates the faith practice of Roman Catholic members of the British Army, their families and those other Service personnel who wish to associate with them by providing for their participation in events which foster and develop their spiritual lives, enhance their sense of humanity and improve their sense of belonging and citizenship. It enables Chaplains to provide the best pastoral care and resources, and to engage people more deeply with the moral component of their military responsibilities. In addition, it supports the pastoral ministry of the Bishop of the Forces to those same people.

Recruiting to the Service – and thereby to benefiting from the Trust - is based on competence and character alone, and not determined by the Trust but by the Ministry of Defence. The Trust makes a point of supporting servicemen and women affected by Operations. The Trust supports all Service personnel, Roman Catholic or not, who wish to be part of the outreach of the Roman Catholic community in the British Army. Particular care is taken that those on lower incomes, typically those under training, are given additional financial support.

No private benefits are received by anyone.

Investment Performance Against Objectives Set

Given the volatility of the markets, investments have performed adequately in the year under the management of the investment manager.

The Trustees

The trustees who served the charity during the period were as follows:

P Firth
Major General J S Kerr CBE
Rt Rev Bishop P. Mason (Ex Officio)
Colonel D Morgan OBE
Father P Smith (Appointed 31 May 2022)
Father I Stevenson (Ex-Officio)
Wing Commander C P Thorpe - Chairman

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements 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 financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the trustees

Father I. Stevenson
Trustee

Approved by the trustees on 27 July 2023

**REPORT OF THE INDEPENDENT EXAMINER
UNDER SECTION 145 OF THE CHARITIES ACT 2011
TO THE TRUSTEES OF THE ARMY ROMAN CATHOLIC TRUST**

I report on the financial statements for the year ended 31st March 2023 as set out on pages 7 to 13.

The accounts have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

Respective responsibilities of trustees and independent examiner

The charity's trustees are responsible for the preparation of the accounts.

The charity's trustees consider that an audit is not required for this year (under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirement:
 - to keep proper accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**Mark Dickinson FCA
Shaw Gibbs (Audit) Limited
Wey Court West
Union Road
Farnham
Surrey
GU9 7PT**

Dated : 27 July 2023

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 Restricted Funds £	2023 Unrestricted Funds £	2023 Total Funds £	2022 Total Funds £
INCOME AND ENDOWMENTS					
General donations and legacies		-	13,869	13,869	11,124
Charitable activities		-	-	-	-
Investment income	2	-	144,742	144,742	139,034
TOTAL INCOME		-	158,611	158,611	150,158
EXPENDITURE					
Charitable Activities					
Grants paid	3	-	237,915	237,915	72,436
Other charitable activities	3	862	86,446	87,309	38,409
		862	324,361	325,224	110,845
TOTAL EXPENDITURE		862	324,361	325,224	110,845
NET INCOME/EXPENDITURE AND NET MOVEMENT IN FUNDS BEFORE GAINS AND LOSSES ON INVESTMENTS		(862)	(165,750)	(166,613)	39,313
Net gains/(losses) on investments	6	-	(453,046)	(453,046)	235,192
NET MOVEMENT IN FUNDS BEFORE TRANSFERS		(862)	(618,796)	(619,659)	274,506
Transfers					
General unrestricted		-	-	-	-
Designated unrestricted		-	-	-	-
NET MOVEMENT IN FUNDS		(862)	(618,796)	(619,659)	274,506
RECONCILIATION OF FUNDS					
FUNDS AT 1 APRIL 2022		16,483	4,506,940	4,523,423	4,248,917
FUNDS AT 31 MARCH 2023		15,621	3,888,144	3,903,764	4,523,423

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

**BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023	2022
		£	£
FIXED ASSETS			
Investments	6	3,795,042	4,248,088
		<u>3,795,042</u>	<u>4,248,088</u>
CURRENT ASSETS	7		
Debtors		37,554	9,182
Cash at bank		75,454	270,421
		<u>113,008</u>	<u>279,603</u>
CREDITORS: Amounts falling due within one year	8	(4,286)	(4,268)
		<u>(4,286)</u>	<u>(4,268)</u>
NET CURRENT ASSETS		108,722	275,335
NET ASSETS		<u><u>3,903,764</u></u>	<u><u>4,523,423</u></u>
REPRESENTED BY:			
FUNDS			
Restricted	11/12	15,621	16,483
Unrestricted:	11		
Designated		50,000	50,000
General		3,838,144	4,456,940
TOTAL FUNDS		<u><u>3,903,764</u></u>	<u><u>4,523,423</u></u>

These financial statements were approved by the trustees on 27 July 2023 and are signed on their behalf by:

Wing Commander C. P. Thorpe
Chairman

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****1. Accounting Policies****Basis of accounting**

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Incoming Resources

General donations, collections and bank interest are accounted for on a receivable basis.

Investments

Investments are managed under discretionary agreements by Blackrock Investment Management (UK) Limited.

Investments are accounted for by reference to the bargain date shown by the contract note issued in respect of their purchase or disposal.

Investments are a form of basic financial instrument and are initially recorded at their transaction value and subsequently measured at their fair value as at the balance sheet date using the bid price. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1 Accounting Policies

Investment income

Income arising from investments is included by reference to the normal date of payment of dividends or interest on that investment. Provision is not made in the accounts for dividends to be received in the next accounting period on investments declared ex-dividend prior to 31st March 2023.

Taxation

As a qualifying charity, the trust is not liable to UK taxation.

Resources Expended

Charitable activities costs include grants made and governance costs as shown in note 3.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction date.

2 Investment Income

	2023	2022
	£	£
UK quoted investments	144,254	139,009
Bank interest receivable	488	25
	144,742	139,034

3 Expenditure : Charitable activities

<u>Grants Paid - Unrestricted Funds</u>	2023	2022
	£	£
Bishopric of the Forces	71,415	72,436
Vicariate HQ Trust	166,500	-
	237,915	72,436

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3	Expenditure : Charitable activities	2023	2022
		£	£
	<u>Unrestricted:</u>		
	Lourdes Military Pilgrimage	49,094	-
	Camino Pilgrimage	3,613	-
	Hosanna House and Children's Pilgrimage Trust Pilgrimage	-	1,000
	Holden Benevolence Donation	-	1,000
	Other Grants and Donations	750	590
	Pastoral Administrative Assistant Salary and expenses	6,864	6,656
	Chaplains' Conferences and Retreats	5,898	5,407
	PRCC Expenses	4,403	3,819
	Falklands Anniversary Event	-	3,198
	Refurbishment of St Joan of Arc's Catholic Garrison Church, Catterick	-	4,508
	Campion Dinner	3,876	3,736
	Sundry	2,419	519
	Church Banners	-	387
	Organist	-	315
	Deacon's Dalmatics	-	386
	HCPT Travel	850	-
	Travel	1,467	-
	Accountancy (see note 4)	7,212	6,888
		86,446	38,409
	<u>Restricted:</u>		
	Cathedral Seats Refurbishment	862	-
		862	-

There was no restricted expenditure in 2022.

4	Accountancy	2023	2022
		£	£
	Accountancy, payroll and secretarial	4,612	4,288
	Independent examination fees	2,600	2,600
		7,212	6,888

5 Staff Remuneration & Trustees' Emoluments

During the year there was 1 employee on average (2022 - 1).

No employee earned £60,000 per annum or more (2022- none).

There was no remuneration payable to the trustees in the current or previous years.

During the year three trustees were reimbursed £2,026 (2022: £3,458)

travel & subsistence expenses incurred for services provided to the charity. In addition the charity paid expenses of £1,581 (2022: £1,072 on behalf of two trustees) on behalf of one trustee.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6 Investments

	2023	2022
	£	£
<u>Listed investments</u>		
Armed Forces Charities Growth and Income Fund	3,795,042	4,248,088

<u>Movement in Market Value</u>	2023	2022
	£	£
Market value at 1 April 2022	4,248,088	4,012,896
Acquisitions at cost	-	-
Disposals at open book value	-	-
Net (losses)/gains on revaluations in the year ended 31 March 2023	(453,046)	235,192
Market value at 31 March 2023	3,795,042	4,248,088
Historical cost at 31 March 2023	2,847,489	2,847,489

All investments are carried at their fair value. Holdings in growth and income funds are at the bid price.

7 Analysis of current assets

	2023	2022
	£	£
Other debtors	5,284	5,569
IMP band costs 2022 recoverable from the MOD	32,270	-
Prepayments - Camino Pilgrimage	-	3,613
	37,554	9,182

All debtors relate to unrestricted funds

Cash at bank balances were as follows: unrestricted funds (including designated) £59,833 (2022: £253,938), restricted income funds £15,621 (2022: £16,483).

8 Analysis of current liabilities

	2023	2022
	£	£
Accruals	2,791	2,790
Net wages	572	555
Other creditors	923	923
	4,286	4,268

All creditors relate to unrestricted funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9 Vicariate Headquarters Trust

The Army Roman Catholic Trust has contributed funds to the Vicariate Headquarters Trust for the purchase of property and the subsequent refurbishment of the property. The trustees of the Vicariate Headquarters Trust have confirmed that in the event of the Trust being wound up, they would return surplus funds to the contributing parties. In the eventuality 49.33% of any surplus would be returned to the Army Roman Catholic Trust.

10 Related Party Transactions

A grant was paid during the year to the Roman Catholic Bishopric of the Forces (GB) of £71,415 (2022: £72,436). The charities are connected by virtue of having some Trustees in common.

11 Analysis of net assets between funds

	Restricted Funds 2023	Unrestricted Funds 2023	Total Funds 2023	Total Funds 2022
Fund balances at 31 March are represented by:				
Investments	-	3,795,042	3,795,042	4,248,088
Net Current Assets	15,621	93,102	108,722	275,335
	<u>15,621</u>	<u>3,888,144</u>	<u>3,903,764</u>	<u>4,523,423</u>
Split of unrestricted funds				
Designated		50,000		
General		<u>3,838,144</u>		
		<u>3,888,144</u>		

A designated fund was set up for Chaplains' Welfare, the balance on this fund at the year end was £50,000.

12 Restricted Funds

	Cathedral Community Fund	Cathedral Maintenance Fund	Total Funds 2023	Total Funds 2022
As at 1 April 2023	6,751	9,732	16,483	16,483
Incoming Resources	-	-	-	-
	<u>6,751</u>	<u>9,732</u>	<u>16,483</u>	<u>16,483</u>
Resources Expended	-	862	862	
	<u>6,751</u>	<u>8,870</u>	<u>15,621</u>	<u>16,483</u>
Transfer from unrestricted funds	-	-	-	-
As at 31 March 2023	<u>6,751</u>	<u>8,870</u>	<u>15,621</u>	<u>16,483</u>

Previously a legacy of £10,000 was received from the estate of Colonel Angela Curran for the Community at the Cathedral Church of St Michael and St George.

A separate fund arising from a bequest originally amounting to £22,520 was maintained by the trust during the year. The fund was established to contribute to the maintenance of the Aldershot Cathedral.