

**Charity Registration No. 1135334**

**Company Registration No. 07198198 (England and Wales)**

**SOCIETY OF THE SACRED CROSS**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# SOCIETY OF THE SACRED CROSS

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# **SOCIETY OF THE SACRED CROSS**

## **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)**

### ***FOR THE YEAR ENDED 31 MARCH 2021***

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The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

#### **Objectives and activities**

##### **1. Charitable Purposes for which the Society Exists**

The objects of the Society are the advancement by contemplation, intercessory prayer and practical work of the following charitable purposes:

The advancement of the Christian religion in accordance with the doctrines and principles of the Church in Wales by:

- (a) The provision and maintenance of a Retreat/Guest house
- (b) The promotion and maintenance of public worship
- (c) The promotion of religious and spiritual teaching

On 8 January 2020 the Society removed the following from the Charitable Purposes, "The protection and preservation of spiritual, emotional and psychological health by the provision of counselling and supportive help to those in need thereof." Members and the Society's Visitor considered that the Society cannot practically deliver this Object because it does not have, or expect to have, Members who are formally trained in such work. This change is deemed not to materially diminish the benefit of the Society's activities for its beneficiaries or the wider public.

The main activities undertaken in relation to the above are noted throughout the report.

##### **2. Public Benefit**

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The main activities undertaken in relation to public benefit are noted throughout the report.

# **SOCIETY OF THE SACRED CROSS**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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### **Achievements and performance**

#### **2.1 Land and Buildings**

The Society moved to Tymawr in 1923 when Miss Chilver gave the property to the Trustees of the Number 1 Trust (of which the Trustee was then the Fidelity Trust Limited). The Number 1 Trust became a charitable trust in 1977. The Society became a charitable trust in June 1995 and the Land and Buildings were gifted to the Society in 1998. It was Miss Chilver's wish in 1923 that the property should be used "for the occupation and use of the members for the time being of the Society of the Sacred Cross who are now permissively in occupation of the property".

The Society continues to occupy and use Tymawr in accordance with Miss Chilver's expressed wish.

As part of a rolling programme of maintenance and improvements, the kitchen facilities have been upgraded to ensure these meet regulations going forward. The majority of the work was completed in the year to 31 March 2020, and was finished this year.

Following a routine fire risk assessment, this year the Society has undertaken an upgrade of the fire doors and other fire risk management in both the Convent and Michaelgarth.

During lockdown, the Society redecorated the guest accommodation in the Convent and improved facilities in Michaelgarth.

Chaplains Lodge has been refurbished and the new Head of Gardens and his family took up residence in August 2020.

These improvements are part of the Society's commitment to enhance both the hospitality Members are able to offer guests and visitors and the working environment for employees and volunteers.

During the year the Society commissioned a survey of its buildings by Sustainable Communities Wales, an energy efficiency project that aims to support community groups in achieving a step change in their energy consumption and putting themselves on a more sustainable footing for the future. The report was received in March 2021 and is being considered by Trustees.

In total 1,370 saplings were donated during the year by the Woodland Trust and TCV The Conservation Volunteers. These have been planted to provide hedging to improve the habitat for flora and fauna on the estate.



# **SOCIETY OF THE SACRED CROSS**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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#### **2.2 Activities of the Society**

The Convent and Michaelgarth were closed to visitors from January 2020 during the building works undertaken to upgrade the kitchen in the main house. The reopening was planned for April that year. However, in March 2020 the Society took steps (in line with Government advice at that time) to help contain the outbreak of COVID-19. All but essential visits from members of the public ceased. Where possible employees and volunteers contributed their work from home. One member of staff was briefly furloughed.

The Society has continued to monitor guidance from the Welsh Assembly Government, the Health and Safety Executive and others and plans to welcome visitors to stay and members of the public to the Chapel in October 2021.

During the year two new members were clothed as novices and began their two-year period of discernment. The community also welcomed an alongside for six months. The community initiated a new formation programme for the novices with in-house teaching and long-distance learning through Zoom.

Despite the severe restrictions of Covid-19 the Sisters continued their work of Intercessory prayer and listening. Communication with individuals requesting prayer was sustained throughout the year by letter, telephone, email and Zoom.

During the year the Convent was not open to guests, however one person stayed at Michaelgarth from September for 6 months. All services in the Chapel were necessarily closed to the public.

When the Convent re-opens the Society looks forward to welcoming, as before, any individual or group who wishes to join the Community's life of prayer. Already the facilities are in great demand for retreat and educational groups as well as individual visits. Tymawr is the only Anglican Contemplative Community in the Diocese of Monmouth and the Province of the Church in Wales offering a place for retreat and renewal.

The Community looks forward to the return of the small group of local Franciscan Tertiaries who come monthly for mutual support and encouragement. This group of Franciscan Tertiaries maintains the small Franciscan Chapel in the grounds of Tymawr, where they hold an annual celebration for the Feast of Saint Clare. The Community also preserves an orchard site as a place for pilgrimage and prayer. This orchard was home for several years to the hermit Brother Ramon SSF. The site is visited regularly by members of the Society of St Francis and other members of the public, thus providing a venue for personal growth and reflection.

Study Days were cancelled this year. After re-opening, the Community plans to continue with the annual pattern of twice-yearly educational sessions which are open to the public.

The majority of the 65 acres of grounds of the Convent are currently managed by Gwent Wildlife Trust. They manage the fields and wildflower meadows within the gardens with the aim of maximising the biodiversity of the environment. Since the appointment of a new Head of Gardens this last year, there has been increased collaboration between the Society and Gwent Wildlife Trust with new plans being explored for the coming year.

Various local groups eg. the Monmouthshire Meadows Group and friends and Associates help with seasonal work on the land on a voluntary basis.

For many years individuals have lived alongside the community. During their stay, usually between 3 months and 1 year, they receive experience of community life, training in prayer, and support for their future careers.

Monthly newsletters are produced and distributed among the community and to the Oblates, Associates and Companions.

From October it is hoped that once again members of the extended community will be able to regularly come and help at the convent, joining in the life and prayer of the community.

The houses and land now provide employment for 5 people.

# **SOCIETY OF THE SACRED CROSS**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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### **2.3 Pension**

The Society has fully complied with all regulations regarding auto-enrolment. There are currently four employees enrolled in the Society's pension fund opened for this purpose.

### **2.4 Risk Management**

Risk Management is on the agenda for all meetings of Trustees.

All necessary steps have been taken during this last year to ensure the safety of employees and volunteers.

As stated earlier, it is planned to welcome back guests in October.

### **2.5 Fundraising**

In the absence of an appeal for a specific purpose, monies from legacies and donations come from people who want to give to the Community because they know the Community needs money and that it will be used wisely.

Legacies of £2,565 were received during the year.

During the year one of the Sisters made a contribution of £270,000 to the Society. Since the year end half has been invested in the portfolio managed by Investec and half in cash deposits.

The Society has an annual commitment to the giving of alms, proposed after discussions within Chapter. The beneficiaries are normally charities and similar organisations close to the care and concern of the Society.

In previous years a total of £122,551 was raised through an Appeal towards the cost of replacing the roof, refurbishing the kitchen and bathroom and other works to our guest house Michaelgarth. These funds have been included in Restricted Funds. No further refurbishments have been carried out during this year and there remains £302 to be spent.

## **Financial review**

### **3.1 Results**

The charity made an unrestricted surplus of £147,311 before net gains on investments, an unrestricted surplus of £259,339 was made after such gains and transfers. The investment managers are under instructions to follow the ethical investment policy of the Church in Wales.

In the previous year, the kitchen upgrade cost £190,539 of which £189,982 was included in additions in 2020, the balance being equipment expensed. A further £12,597 was spent to complete the project this year of which £11,525 has been included in additions for the year, the balance being equipment expensed. The budget was for £208,380.

Expenditure to upgrade Fire Risk Management cost £57,500 which has been included in additions for the year in Fixed Assets. Going forward plans to replace essential equipment, refurbish buildings and build polytunnels for the kitchen garden are budgeted to cost in total £16,000 for the coming year.

Since March 2020 the Society has not received visitors due to the pandemic but is planning to welcome visitors from October 2021. Trustees estimate this closure resulted in a loss of some £46,000 of income in the year to March 2021 and will result in a further loss of £23,000 in the current year. They have also noted a fall in investment income due to decreases in interest and dividend payments of some £10,000 in the year to March 2021 although it is not possible to attribute all of this to the pandemic with certainty. The Trustees view these losses as temporary and judge the Society fortunate to have other sources of income and sufficient reserves to enable Sisters to plan for the future with confidence. However, Trustees will continue to closely monitor financial performance (including investments) and updated forecasts of income and expenditure.

# **SOCIETY OF THE SACRED CROSS**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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#### **3.2 Reserves**

The Society has designated reserves which reflect the value of the premises from which the Society operates. The unrestricted reserves are in two parts: The first is made up of the investments and bank deposits which produce income to part fund the activities of the Society. The remaining unrestricted funds are to cover operating costs and the Society aims to maintain this at a minimum of six months expenditure.

At 31 March 2021 the charity had reserves totalling £3,779,576 consisting of unrestricted reserves totalling £3,770,749 and restricted reserves totalling £8,827. The free reserves of the charity (excluding fixed assets and designated funds) totalled £1,876,065.

#### **The Future**

##### **4.1 Plans for Future Periods**

The world urgently needs prayer and this will continue to be the major part of the life of the Community.

More people are expressing interest in sharing in the life of the community, including young people, and we look forward to and pray for a continuation in the growth of vocations.

##### **4.2 Risks and Opportunities for the Future**

The Society, its members and Trustees, are looking beyond this current crisis to the time when Tymawr will once again offer hospitality to the many who come for prayer and renewal.

Gwent Wildlife Trust continues to maintain the grounds. Sisters are continually looking for other ways of improving energy efficiency and use of land.

The appointment of Head of Gardens this year is a new chapter for the Convent to help realise the potential of the land immediately adjacent to the Convent for food production without the use of chemical products, conservation and ecological development and provision of beautiful prayer spaces for guests.

Sisters are grateful to so many people who support the Society in prayer and in practical ways enabling the Society to continue the life of prayer at Tymawr Convent.

The major concern for the prayers of the Society for its future is a decline in vocations experienced by traditional monastic communities. Whilst believing that the future is in God's hands, the Sisters know the work of the Society and its relationships with the Church in Wales and the Anglican Communion worldwide, as well as with guests and visitors, continues to be of inestimable value in the world.

#### **Structure, governance and management**

##### **5.1 Governing document**

The Society incorporated as a company limited by guarantee on 22nd March 2010 to ensure the long-term future of the organisation. The Society's governing documents are now its Memorandum and Articles of Association.

# **SOCIETY OF THE SACRED CROSS**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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The activities of the Society are prescribed by its Constitution which was adopted on 8th December 1932 and subsequently amended on 12th February 1979, 25th February 1995 and 17th August 2013. The Society was granted charitable status on 29th June, 1995.

### **5.2 Recruitment and appointment of trustees**

Decision making is in the hands of the Chapter, which comprises the Reverend Mother and the Professed Sisters, all of whom live at Tymawr Convent, Lydart, Monmouth, NP25 4RN. All voting members of the Chapter are eligible to be Trustees of the Charity.

The status and the responsibilities of a trustee can only be assumed after election by the Chapter and when the vows of poverty, chastity and obedience required of a professed sister have been made, in accordance with the Articles of the Society; and after prescribed periods as postulant and novice.

Other individuals interested in furthering the objects of the Society may be appointed by the Reverend Mother and confirmed by the Chapter. The names of the Trustees during the year ended 31st March 2021 are given below.

Katharine Ann Hall  
Mr Peter Lea  
Rosalind Mary Hawken  
Elizabeth Allen-Williams

The Correspondent and Reverend Mother also chairs meetings of the trustees.

Since March 2020 the Trustees have not been able to meet in person. As the Society has a small number of Trustees it has been possible for consultation, sharing of information and communication of decisions to be facilitated by email. All responses have been recorded and minutes of consultations and decisions have been circulated.

### **5.3 Members**

The Members are the Chapter, which comprises the Reverend Mother and the Professed Sisters, all of whom live at Tymawr Convent, Lydart, Monmouth, NP25 4RN. The names of the members from 1 April 2020 to 31 March 2021 are given below:

Katharine Ann Hall  
Gillian Mary Fraser  
Rosalind Mary Hawken  
Elizabeth Allen-Williams  
Janet Ann Ogleby

### **5.4 Visitor, Warden and Chaplain**

The Visitor to the Society is the Right Reverend EWM 'Dominic' Walker. A new Warden, the Right Reverend Rowan Williams, has been in place from September 2020. The Reverend Keith Denerley, a retired local vicar, retired as Acting Chaplain to the Society. The Community is in the process of selecting a new Chaplain. The duties of the visitor, Warden and Chaplain are laid down in the Constitutions.

### **5.5 Oblates and Associates**

There are 32 Oblates all having a personal rule of life and prayer. There are 3 priest Companion Brothers who support each other with a common rule, 2 Companion Sisters and 5 Companions both men and women with a common rule who meet together at the Convent four times a year. Associates number 114 all with a rule of life and prayer.

# **SOCIETY OF THE SACRED CROSS**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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### **Reference and administrative details**

**Charity name:** Society of the Sacred Cross

**Charity number:** 1135334

**Company number:** 07198198

**Secretary** Kirstie Jane Pope

**Trustees:** Elizabeth Allen-Williams  
Katharine Ann Hall  
Rosalind Mary Hawken  
Peter Evans Lea

**Registered office:** Ty-Mawr Convent  
Lydart  
Monmouth  
Gwent  
NP25 4RN

**Independent examiners:** Azets Audit Services  
6 Agincourt Street  
Monmouth  
NP25 3DZ

**Architect and surveyor:** The Hook Mason Partnership  
Studio 2, Thorn Office Centre  
Rotherwas  
Hereford  
HR2 6JT

**Bankers:** NatWest Bank PLC  
9 High Street  
Abergavenny  
NP7 5SA

**Investment management:** Investec  
30 Gresham Street  
London  
EC2V 7QP

# **SOCIETY OF THE SACRED CROSS**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees report was approved by the Board of Trustees.

*Katharine Hall*  
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**Katharine Hall - Reverend Mother and Trustee**

Dated: 4 October 2021

# **SOCIETY OF THE SACRED CROSS**

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 MARCH 2021***

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The trustees, who are also the directors of Society of the Sacred Cross for the purpose of company law, 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).

Company Law requires the trustees to prepare financial statements 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, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 adequate accounting records that 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 Companies Act 2006. 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 the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



# SOCIETY OF THE SACRED CROSS

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF SOCIETY OF THE SACRED CROSS

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I report to the trustees on my examination of the financial statements of Society of the Sacred Cross (the charity) for the year ended 31 March 2021.

#### Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



**Sarah Case FCA DChA**  
Azets Audit Services  
6 Agincourt Street  
Monmouth  
Gwent  
NP25 3DZ  
United Kingdom

Dated: 14-10-2021



# SOCIETY OF THE SACRED CROSS

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<b>Income and endowments from:</b>							
Donations and legacies	3	44,839	1,475	46,314	79,510	300	79,810
Charitable activities	4	298,502	844	299,346	24,493	7,450	31,943
Investments	5	22,438	-	22,438	36,970	-	36,970
Other income	6	4,078	-	4,078	3,096	-	3,096
<b>Total income</b>		<b>369,857</b>	<b>2,319</b>	<b>372,176</b>	<b>144,069</b>	<b>7,750</b>	<b>151,819</b>
<b>Expenditure on:</b>							
Raising funds	7	12,018	-	12,018	12,897	-	12,897
Charitable activities	8	210,528	1,244	211,772	188,586	200	188,786
Other	12	-	-	-	1,119	-	1,119
<b>Total resources expended</b>		<b>222,546</b>	<b>1,244</b>	<b>223,790</b>	<b>202,602</b>	<b>200</b>	<b>202,802</b>
Net gains/(losses) on investments	13	112,028	-	112,028	(49,002)	-	(49,002)
Gross transfers between funds		-	-	-	100	(100)	-
<b>Net movement in funds</b>		<b>259,339</b>	<b>1,075</b>	<b>260,414</b>	<b>(107,435)</b>	<b>7,450</b>	<b>(99,985)</b>
Fund balances at 1 April 2020		3,511,410	7,752	3,519,162	3,618,845	302	3,619,147
<b>Fund balances at 31 March 2021</b>		<b>3,770,749</b>	<b>8,827</b>	<b>3,779,576</b>	<b>3,511,410</b>	<b>7,752</b>	<b>3,519,162</b>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# SOCIETY OF THE SACRED CROSS

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	14	1,894,684		1,839,789	
Investments	15	1,026,556		926,548	
		<u>2,921,240</u>		<u>2,766,337</u>	
<b>Current assets</b>					
Debtors	17	6,059		10,387	
Cash at bank and in hand		865,127		759,139	
		<u>871,186</u>		<u>769,526</u>	
<b>Creditors: amounts falling due within one year</b>	18	(12,850)		(16,701)	
Net current assets		<u>858,336</u>		<u>752,825</u>	
<b>Total assets less current liabilities</b>		<u>3,779,576</u>		<u>3,519,162</u>	
<b>Income funds</b>					
Restricted funds	20	8,827		7,752	
<u>Unrestricted funds</u>					
Designated funds	21	1,894,684		1,839,789	
General unrestricted funds		<u>1,876,065</u>		<u>1,671,621</u>	
		<u>3,770,749</u>		<u>3,511,410</u>	
		<u>3,779,576</u>		<u>3,519,162</u>	

# **SOCIETY OF THE SACRED CROSS**

## **BALANCE SHEET (CONTINUED)**

**AS AT 31 MARCH 2021**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 4 October 2021

Katharine Hall.

**Katharine Hall - Reverend Mother and Trustee**

**Company Registration No. 07198198**

# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### Charity information

Society of the Sacred Cross is a private company limited by guarantee incorporated in England and Wales. The registered office is Tymawr Convent, Lydart, Monmouth, Gwent, NP25 4RN, United Kingdom.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Community member contributions are recognised when received.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Investment income is accounted for in the period in which the charity is entitled to receipt.

# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 1 Accounting policies

(Continued)

##### 1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Costs of raising funds comprise expenditure incurred by the charity for investment management fees.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, all staff costs relate directly to the routine running of the order. The overall direction and administration of the charity is done by members of the community and volunteers; other costs in this connection are external costs only. These cannot be satisfactorily attributed between those costs in connection with the day to day running of the order and other regulatory costs, and have all been left in management and administration.

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings and improvements	Nil on land and buildings/ 10% SL on improvements
Plant and machinery	20%-12.5% on cost
Motor vehicles	25% reducing balance method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

##### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

##### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

##### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	42,274	1,475	43,749	79,310	300	79,610
Legacies receivable	2,565	-	2,565	200	-	200
	<u>44,839</u>	<u>1,475</u>	<u>46,314</u>	<u>79,510</u>	<u>300</u>	<u>79,810</u>
<b>Donations and gifts</b>						
Donations	21,261	1,075	22,336	55,072	100	55,172
Gift aid	21,013	400	21,413	23,278	-	23,278
GASD	-	-	-	1,160	-	1,160
Other	-	-	-	(200)	200	-
	<u>42,274</u>	<u>1,475</u>	<u>43,749</u>	<u>79,310</u>	<u>300</u>	<u>79,610</u>

# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 4 Charitable activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Community member contributions	298,502	31,943
HMRC Coronavirus Job Retention Scheme	844	-
	<u>299,346</u>	<u>31,943</u>
Analysis by fund		
Unrestricted funds	298,502	24,493
Restricted funds	844	7,450
	<u>299,346</u>	<u>31,943</u>

### 5 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Investment income	<u>22,438</u>	<u>36,970</u>

### 6 Other income

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Other income	<u>4,078</u>	<u>3,096</u>



# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 7 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
<u>Investment management</u>	12,018	12,897
	<u>12,018</u>	<u>12,897</u>

### 8 Charitable activities

	2021 £	2020 £
Staff costs	62,133	36,450
Depreciation and impairment	39,725	30,135
Sundries and chapel expenses	8,298	14,679
Cleaning	1,878	1,442
Conferences	-	2,591
Domestic food	13,818	14,089
Equipment and maintenance	12,025	7,772
Farm repairs and expenses	-	1,810
Holidays	-	577
Insurance	14,455	13,954
Light and heat	18,347	21,185
Rates	9,638	9,603
Repairs	11,517	5,314
Alms	6,000	3,750
Gardens	3,109	4,272
	<u>200,943</u>	<u>167,623</u>
Share of support costs (see note 9)	5,529	8,346
Share of governance costs (see note 9)	5,300	12,817
	<u>211,772</u>	<u>188,786</u>
<b>Analysis by fund</b>		
Unrestricted funds	210,528	188,586
Restricted funds	1,244	200
	<u>211,772</u>	<u>188,786</u>

# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 9 Support costs

	Support costs £	Governance costs £	2021 £	2020 £	Basis of allocation
Travel costs	342	-	342	1,633	Direct
Postage, printing and stationery	3,092	-	3,092	2,802	Direct
Training	20	-	20	1,964	Direct
Telephone costs	2,075	-	2,075	1,947	Direct
Legal and professional fees	-	5,300	5,300	12,817	Governance
	<u>5,529</u>	<u>5,300</u>	<u>10,829</u>	<u>21,163</u>	
Analysed between Charitable activities	<u>5,529</u>	<u>5,300</u>	<u>10,829</u>	<u>21,163</u>	

Included in legal and professional fees above are payments to the independent examiners of £1,320 (2020: £1,320).

### 10 Trustees

As the members of the Society, the trustees living expenses are borne by the trust as such the amount cannot be quantified. Sabbatical expenses received by the trustees during the year totalled £nil (2020: £8,865).

No trustees were reimbursed for expenses during the current or previous year.

During the year, 6 members donated £298,502 to the Society (2020: 4 members donated £31,943).

### 11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	<u>4</u>	<u>2</u>
<b>Employment costs</b>	<b>2021 £</b>	<b>2020 £</b>
Wages and salaries	60,412	35,440
Other pension costs	1,721	1,010
	<u>62,133</u>	<u>36,450</u>

# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 11 Employees

(Continued)

##### Key management personnel

The trustees are deemed to be the key management personnel of the charity. They did not receive any remuneration during the current or prior year.

##### Employees earning > £60,000

There were no employees who received benefits in excess of £60,000 during the current or prior year.

#### 12 Other

	2021	2020
	£	£
Net loss on disposal of tangible fixed assets	-	1,119
	<u>-</u>	<u>1,119</u>
For the year ended 31 March 2020		<u>1,119</u>

# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 13 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Revaluation of investments	92,345	(66,177)
Gain/(loss) on sale of investments	19,683	17,175
	<u>112,028</u>	<u>(49,002)</u>

#### 14 Tangible fixed assets

	Freehold land and buildings and improvements	Plant and machinery	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2020	1,827,258	141,181	6,100	1,974,539
Additions	85,989	8,631	-	94,620
At 31 March 2021	<u>1,913,247</u>	<u>149,812</u>	<u>6,100</u>	<u>2,069,159</u>
<b>Depreciation and impairment</b>				
At 1 April 2020	20,136	109,014	5,600	134,750
Depreciation charged in the year	28,734	10,491	500	39,725
At 31 March 2021	<u>48,870</u>	<u>119,505</u>	<u>6,100</u>	<u>174,475</u>
<b>Carrying amount</b>				
At 31 March 2021	<u>1,864,377</u>	<u>30,307</u>	<u>-</u>	<u>1,894,684</u>
At 31 March 2020	<u>1,807,122</u>	<u>32,167</u>	<u>500</u>	<u>1,839,789</u>

The Society owns Tymawr Convent, which includes the main Victorian house with outbuildings, the Lodge, Michaelgarth, 40 acres of pasture with stone barn, and 6 acres of woodland. The property was valued by the Trustees using advice from Newland Rennie Wilkins on the 27th May 2008 at £1,590,000 subject to the occupation by the society. This property was originally gifted to the Trustees of the Number 1 Trust (of which the Fidelity Trust Ltd was the trustee) when the Society moved there in 1923. It was at that time Miss Chilvers wish that the property should be used "for the occupation and use of the members for the time being of the Society of the Sacred Cross". The Number 1 Trust became a charitable trust in 1977. The property was conveyed to the Society trustees for nil consideration on 4th September 1998. Included in the cost are the legal costs of £4,052 at the time of conveyance together with the costs of subsequent improvements.

No depreciation has been provided on the costs which the trustees consider to be immaterial.

# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 15 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
<b>Cost or valuation</b>			
At 1 April 2020	925,084	1,464	926,548
Additions	30,435	-	30,435
Valuation changes	112,028	-	112,028
Cash movement	-	596	596
Disposals	(43,051)	-	(43,051)
At 31 March 2021	1,024,496	2,060	1,026,556
<b>Carrying amount</b>			
At 31 March 2021	1,024,496	2,060	1,026,556
At 31 March 2020	925,084	1,464	926,548

16 Financial instruments	2021 £	2020 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	1,026,556	926,548

17 Debtors	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Other debtors	5,338	9,653
Prepayments and accrued income	721	734
	6,059	10,387

18 Creditors: amounts falling due within one year	2021 £	2020 £
Other taxation and social security	2,039	456
Trade creditors	5,763	10,179
Accruals and deferred income	5,048	6,066
	12,850	16,701

# **SOCIETY OF THE SACRED CROSS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2021**

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### **19 Retirement benefit schemes**

#### **Defined contribution schemes**

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. During the year contributions totalling £1,721 (2020: £1,010) were made. There was £588 outstanding at the year end (2020: £444).

# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 20 Restricted funds

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

	Balance at 1 April 2019 £	Movement in funds		Transfers £	Balance at 1 April 2020 £	Movement in funds		Resources expended 31 March 2021 £	Balance at 31 March 2021 £
		Incoming resources £	Resources expended £			Incoming resources £	Resources expended £		
Michaelgarth appeal	302	-	-	-	302	-	-	-	302
Members contributions	-	7,450	-	-	7,450	-	-	-	7,450
Donations	-	300	(200)	(100)	-	1,475	(400)	(400)	1,075
HMRC Coronavirus Job Retention Scheme	-	-	-	-	-	844	(844)	(844)	-
	302	7,750	(200)	(100)	7,752	2,319	(1,244)	(1,244)	8,827

#### Michaelgarth appeal

Donations were received towards the cost of a replacing the roof, refurbishing the kitchen and bathroom and other works in the guest house. The remaining balance will be expended during the 2021/22 financial year.

#### Members contributions

Contributions given to fund formation costs.

#### Donations

Donations received to help fund the purchase of kitchen items, towards the charity's garden project and other sundry costs.

#### HMRC Coronavirus Job Retention Scheme

Furlough claims submitted and received.

# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 21 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:

	Balance at 1 April 2019	Resources expended	Transfers	Balance at 1 April 2020	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£	£	£
Fixed asset fund	776,254	30,135	163,000	969,389	(39,725)	94,620	1,024,284
Fixed asset revaluation fund	870,400	-	-	870,400	-	-	870,400
	<u>1,646,654</u>	<u>30,135</u>	<u>163,000</u>	<u>1,839,789</u>	<u>(39,725)</u>	<u>94,620</u>	<u>1,894,684</u>

#### Fixed asset and revaluation fund

In order to fulfil its charitable objectives the Society needs a property and other assets. These properties, although they are unrestricted assets cannot be realised without undermining the Society's work, and the trustees feel that it is therefore appropriate to reflect the investment in fixed assets by means of a designated fund.

#### Movement

Transfers and expenditure relate to the fixed asset additions and depreciation charge for the year.

#### 22 Related party transactions

There were no related party transactions to disclose for the current or prior year.



# **SOCIETY OF THE SACRED CROSS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

#### **23 Analysis of net assets between funds**

Fund balances at 31 March 2021 are

represented by:

Tangible assets

Investments

Current assets/(liabilities)

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
	-	1,894,684	-	1,894,684	1,839,789	-	1,839,789
	1,026,556	-	-	1,026,556	-	-	926,548
	849,509	-	8,827	858,336	-	7,752	752,825
	1,876,065	1,894,684	8,827	3,779,576	1,839,789	7,752	3,519,162

