

**Charity registration number 1135334**

**Company registration number 07198198 (England and Wales)**

**SOCIETY OF THE SACRED CROSS**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# **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 2022**

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The trustees present their annual report and financial statements for the year ended 31 March 2022.

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

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 2022**

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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.

#### **Buildings**

There is a rolling programme of maintenance and improvements. There were no major building works this year.

This year a project for the enhancement of the internet and telecommunications system was undertaken. This involves the installation of an improved wifi system throughout the convent and Michaelgarth. The project began in January 2022 with the purchase and connection of a fibre cable and will be completed in September 2022.

#### **Land**

This year the Society purchased and installed a large polytunnel so as to extend the growing season and thereby increase food production and diversity. This project involved removing overgrown and non-native trees, which had formed a windbreak, and replanting with native trees.

A new project was initiated for the revival of a neglected coppice area and the setting up of a monthly work team of volunteers for training and the execution of work needed for the healthy management of the coppice.

In February 2022 two new orchards were planted, one of 18 trees and one of 6 trees. The large orchard was planted in memory of a friend and volunteer who over 40 years helped maintain and expand the orchards, and who trained Sisters and volunteers in orchard management.

A local owl preservation organisation installed owl nesting boxes in the old barns and on old oak trees within the estate.

There have been changes in the patterns of land management. There has been an increase in the area set aside for wild flower meadows and a change to the rhythm of mowing across the whole estate. This project is supported by Gwent Wildlife Trust who lease the majority of the land. They have reduced the density of grazing and are encouraging wider wild areas near the hedgerows.



# **SOCIETY OF THE SACRED CROSS**

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

### **FOR THE YEAR ENDED 31 MARCH 2022**

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

The Society has continued to monitor guidance from the Welsh Assembly Government, the Health and Safety Executive. The Society has taken a prudent and cautious approach to lifting Covid-19 regulations. Guests were once more welcomed in both the Convent and Michaelgarth as of October 2021. Members of the extended family have begun to return, post-Covid, to their normal pattern of participating in the life of prayer and work of the community.

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.

The Society continues to welcome any individual or group who wishes to join the Community's life of prayer. 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.

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

Various local groups e.g Gwent Wildlife Trust volunteers, and friends and Associates help with seasonal work on the land on a voluntary basis.

Monthly newsletters are produced and distributed among the community and to the Oblates, Associates and Companions. In addition, a quarterly newsletter dedicated to the stewardship of the land has been printed and distributed.

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.

In October 2021 a Sister made her first profession, thus making a serious step towards long term engagement in the Society. Two novices completed their first year. It was decided to support one of the novices in the completion of her studies for a MA in Theology and she was given a year's leave for this purpose.

The Society welcomed an along-sider for three months for a time of vocational discernment and participated in the Community of St Anslem's formation programme by welcoming two of their members for two weeks.

Two Sisters are working participants in a reflection body set up by the Anglican Religious Communities: the project involves developing material about the religious life for the promotion of new vocations.

The in-house formation programme was extended to include all Sisters and there were monthly formation and training sessions.

The house and land now provide employment for 4 people. The Society has engaged in a service contract with a firm of cleaners for the daily maintenance of kitchen hygiene required under Environmental regulations.

# **SOCIETY OF THE SACRED CROSS**

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

### **FOR THE YEAR ENDED 31 MARCH 2022**

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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 relevant policies are reviewed and remedial action and training implemented as required.

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

The Society has continued to monitor guidance on Covid-19 from the Welsh Assembly Government, the Health Executive, and acted accordingly throughout the year ensuring the wellbeing of members of the Society, employees and any guests residential or non-residential.

In December 2021 the Catering provisions of the Society were inspected by Monmouthshire Environmental Health and the Society was issued with a 5-star certificate

Training has been provided for one Sister in Level 2 Food and Kitchen Hygiene, and one employee as a Fire Warden.

#### **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 £7,005.70 were received during the year.

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.

### **Financial review**

#### **3.1 Results**

The charity made an unrestricted deficit of £100,601 before net gains on investments, an unrestricted deficit of £19,443 was made after such gains and transfers. The investment managers are under instructions to follow the ethical investment policy of the Church in Wales.

The Society did not receive visitors during the pandemic. Limited hospitality was resumed in October 2021. Trustees estimate these restrictions resulted in a loss of some £35,000 of income in the year to March 2022. Going forward it is difficult to estimate how restrictions and the cost of living crisis will affect income and expenditure in the year to March 2023. Trustees are aware of the potential impact in the short and medium term 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.

#### **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 2022 the charity had reserves totalling £3,758,552 consisting of unrestricted reserves totalling £3,751,306 and restricted reserves totalling £7,246. The free reserves of the charity (excluding fixed assets and designated funds) totalled £1,882,581.

# **SOCIETY OF THE SACRED CROSS**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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### **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**

In February 2023 the Society will be celebrating the centenary of its arrival here at Tymawr. It is planned to hold a programme of four Study Days across the year 2022-2023, which will be open to the extended family, the diocese and other religious communities.

There are plans to develop a series of ephemeral ponds for the enhancement of the flora and fauna of the whole estate and local area.

An existing sump is to be restored and utilised for the retention of rain water for use in the kitchen garden, thus reducing dependence on mains water and improving the quality of food production.

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

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 2022**

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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 2022 are given below.

Katharine Ann Hall

Mr Peter Lea

Rosalind Mary Hawken

Elizabeth Allen-Williams

Mrs Vivienne Morgan (appointed 4 October 2021)

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

Trustee meetings and communications were carried out remotely during the pandemic. Since September 2021 Trustee meetings have once again been held in person.

#### **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 2021 to 31 March 2022 are given below:

Katharine Ann Hall

Gillian Mary Fraser

Rosalind Mary Hawken

Elizabeth Allen-Williams

Janet Ann Ogleby

Joanna Ruth Hollins (from 23 October 2021)

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

The Visitor to the Society is the Right Reverend EWM 'Dominic' Walker. The Warden to the Society is the Right Reverend Rowan Williams. The Reverend Dr Jean Prosser MBE was appointed Chaplain to the Society in March 2022. The duties of the Visitor, Warden and Chaplain are laid down in the Constitutions.

#### **5.5 Oblates and Associates**

There are 31 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 106 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 2022**

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### **Reference and administrative details**

<b>Charity name:</b>	Society of the Sacred Cross
<b>Charity number:</b>	1135334
<b>Company number:</b>	07198198
<b>Secretary</b>	Kirstie Jane Pope
<b>Trustees:</b>	Elizabeth Allen-Williams Katharine Ann Hall Rosalind Mary Hawken Peter Evans Lea Vivienne Morgan - appointed 4/10/21
<b>Registered office:</b>	Ty-Mawr Convent Lydart Monmouth Gwent NP25 4RN
<b>Independent examiners:</b>	Azets Audit Services 6 Agincourt Street Monmouth NP25 3DZ
<b>Bankers:</b>	NatWest Bank PLC 9 High Street Abergavenny NP7 5SA
<b>Investment management:</b>	Investec 30 Gresham Street London EC2V 7QP
<b>Solicitors</b>	Charles Russell Speechlys 5 Fleet Place London EC4M 7RD

# **SOCIETY OF THE SACRED CROSS**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022**

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The trustees report was approved by the Board of Trustees.

Katharine Hall SSC (Rev. Mother)

Katharine Hall - Reverend Mother and Trustee

Dated: .....

26 October 2022

# **SOCIETY OF THE SACRED CROSS**

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 MARCH 2022***

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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 2022.

#### **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**

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: 1-11-2022



# SOCIETY OF THE SACRED CROSS

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<b><u>Income and endowments from:</u></b>							
Donations and legacies	3	56,696	780	57,476	44,839	1,475	46,314
Charitable activities	4	39,132	-	39,132	298,502	844	299,346
Investments	5	30,357	-	30,357	22,438	-	22,438
Other income	6	231	-	231	4,078	-	4,078
<b>Total income</b>		<b>126,416</b>	<b>780</b>	<b>127,196</b>	<b>369,857</b>	<b>2,319</b>	<b>372,176</b>
<b><u>Expenditure on:</u></b>							
Raising funds	7	14,728	-	14,728	12,018	-	12,018
Charitable activities	8	212,289	2,059	214,348	210,528	1,244	211,772
<b>Total expenditure</b>		<b>227,017</b>	<b>2,059</b>	<b>229,076</b>	<b>222,546</b>	<b>1,244</b>	<b>223,790</b>
Net gains/(losses) on investments	12	80,856	-	80,856	112,028	-	112,028
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(19,745)</b>	<b>(1,279)</b>	<b>(21,024)</b>	<b>259,339</b>	<b>1,075</b>	<b>260,414</b>
Gross transfers between funds		302	(302)	-	-	-	-
<b>Net movement in funds</b>		<b>(19,443)</b>	<b>(1,581)</b>	<b>(21,024)</b>	<b>259,339</b>	<b>1,075</b>	<b>260,414</b>
Fund balances at 1 April 2021		3,770,749	8,827	3,779,576	3,511,410	7,752	3,519,162
<b>Fund balances at 31 March 2022</b>		<b>3,751,306</b>	<b>7,246</b>	<b>3,758,552</b>	<b>3,770,749</b>	<b>8,827</b>	<b>3,779,576</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 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	13	1,868,725		1,894,684	
Investments	14	1,227,683		1,026,556	
		<u>3,096,408</u>		<u>2,921,240</u>	
<b>Current assets</b>					
Debtors	16	11,420		6,059	
Cash at bank and in hand		659,921		865,127	
		<u>671,341</u>		<u>871,186</u>	
<b>Creditors: amounts falling due within one year</b>	17	(9,197)		(12,850)	
Net current assets			662,144		858,336
<b>Total assets less current liabilities</b>			<u>3,758,552</u>		<u>3,779,576</u>
<b>Income funds</b>					
Restricted funds	19		7,246		8,827
<u>Unrestricted funds</u>					
Designated funds	20	1,868,725		1,894,684	
General unrestricted funds		<u>1,882,581</u>		<u>1,876,065</u>	
			3,751,306		3,770,749
			<u>3,758,552</u>		<u>3,779,576</u>

# **SOCIETY OF THE SACRED CROSS**

## **BALANCE SHEET (CONTINUED)**

**AS AT 31 MARCH 2022**

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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 2022.

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 ..... 26 October 2022

Katharine Hall (Reverend Mother) SSC

**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 2022**

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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 2022

### 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 the statement of financial activities.

#### 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 2022

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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 2022

### 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
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	49,690	780	50,470	42,274	1,475	43,749
Legacies receivable	7,006	-	7,006	2,565	-	2,565
	<u>56,696</u>	<u>780</u>	<u>57,476</u>	<u>44,839</u>	<u>1,475</u>	<u>46,314</u>
<b>Donations and gifts</b>						
Donations	19,650	626	20,276	21,261	1,075	22,336
Gift aid	29,884	154	30,038	21,013	400	21,413
GASD	156	-	156	-	-	-
	<u>49,690</u>	<u>780</u>	<u>50,470</u>	<u>42,274</u>	<u>1,475</u>	<u>43,749</u>

### 4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Community member contributions	39,132	298,502
HMRC Coronavirus Job Retention Scheme	-	844
	<u>39,132</u>	<u>299,346</u>
<b>Analysis by fund</b>		
Unrestricted funds	39,132	298,502
Restricted funds	-	844

# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Investment income	30,357	22,438
	<u>          </u>	<u>          </u>

### 6 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Other income	231	4,078
	<u>          </u>	<u>          </u>



# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 7 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Investment management</u>	14,728	12,018
	<u>14,728</u>	<u>12,018</u>

### 8 Charitable activities

	2022	2021
	£	£
Staff costs	52,428	62,133
Depreciation and impairment	42,539	39,725
Sundries and chapel expenses	9,975	8,298
Cleaning	1,975	1,878
Formation costs	5,992	-
Domestic food	16,117	13,818
Equipment and maintenance	14,059	12,025
Insurance	15,956	14,455
Light and heat	22,942	18,347
Rates	10,189	9,638
Repairs	4,846	11,517
Alms	2,550	6,000
Gardens	2,860	3,109
	<u>202,428</u>	<u>200,943</u>
Share of support costs (see note 9)	6,905	5,529
Share of governance costs (see note 9)	5,015	5,300
	<u>214,348</u>	<u>211,772</u>
<b>Analysis by fund</b>		
Unrestricted funds	212,289	210,528
Restricted funds	2,059	1,244
	<u>214,348</u>	<u>211,772</u>

# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 9 Support costs

	Support costs £	Governance costs £	2022 £	2021 £	Basis of allocation
Travel costs	1,465	-	1,465	342	Direct
Postage, printing and stationery	2,979	-	2,979	3,092	Direct
Training	239	-	239	20	Direct
Telephone costs	2,222	-	2,222	2,075	Direct
Legal and professional fees	-	5,015	5,015	5,300	Governance
	<u>6,905</u>	<u>5,015</u>	<u>11,920</u>	<u>10,829</u>	
Analysed between					
Charitable activities	<u>6,905</u>	<u>5,015</u>	<u>11,920</u>	<u>10,829</u>	

Included in legal and professional fees above are payments to the independent examiners of £1,500 (2021: £1,320).

### 10 Trustees

As members of the Society, three trustees have their living expenses borne by the company. The amount cannot be quantified.

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

During the year, 5 members donated £39,132 to the Society (2021: 6 members donated £298,502).

### 11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	<u>4</u>	<u>4</u>
Employment costs	2022 £	2021 £
Wages and salaries	51,067	60,412
Other pension costs	1,361	1,721
	<u>52,428</u>	<u>62,133</u>

# **SOCIETY OF THE SACRED CROSS**

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

***FOR THE YEAR ENDED 31 MARCH 2022***

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### **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.

There were no employees whose annual remuneration was more than £60,000.

# SOCIETY OF THE SACRED CROSS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	71,285	92,345
Gain/(loss) on sale of investments	9,571	19,683
	<u>80,856</u>	<u>112,028</u>

#### 13 Tangible fixed assets

	Freehold land and buildings and improvements	Plant and Motor vehicles machinery		Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2021	1,913,247	149,812	6,100	2,069,159
Additions	-	16,580	-	16,580
At 31 March 2022	<u>1,913,247</u>	<u>166,392</u>	<u>6,100</u>	<u>2,085,739</u>
<b>Depreciation and impairment</b>				
At 1 April 2021	48,870	119,505	6,100	174,475
Depreciation charged in the year	28,734	13,805	-	42,539
At 31 March 2022	<u>77,604</u>	<u>133,310</u>	<u>6,100</u>	<u>217,014</u>
<b>Carrying amount</b>				
At 31 March 2022	<u>1,835,643</u>	<u>33,082</u>	<u>-</u>	<u>1,868,725</u>
At 31 March 2021	<u>1,864,377</u>	<u>30,307</u>	<u>-</u>	<u>1,894,684</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 2022

#### 14 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
<b>Cost or valuation</b>			
At 1 April 2021	1,024,496	2,060	1,026,556
Additions	154,296	-	154,296
Valuation changes	80,856	-	80,856
Cash movement	-	68	68
Disposals	(34,093)	-	(34,093)
At 31 March 2022	1,225,555	2,128	1,227,683
<b>Carrying amount</b>			
At 31 March 2022	1,225,555	2,128	1,227,683
At 31 March 2021	1,024,496	2,060	1,026,556

#### 15 Financial instruments

	2022 £	2021 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	1,227,683	1,026,556

#### 16 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Other debtors	9,608	5,338
Prepayments and accrued income	1,812	721
	11,420	6,059

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

	2022 £	2021 £
Other taxation and social security	1,342	2,039
Trade creditors	1,275	5,763
Accruals and deferred income	6,580	5,048
	9,197	12,850

# **SOCIETY OF THE SACRED CROSS**

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

***FOR THE YEAR ENDED 31 MARCH 2022***

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### **18 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 £1,361 (2021: £1,721) were made. There was £388 outstanding at the year end (2021: £588).

# **SOCIETY OF THE SACRED CROSS**

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

### **FOR THE YEAR ENDED 31 MARCH 2022**

#### **19 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 2020 £	Movement in funds			Balance at 1 April 2021 £	Movement in funds			Balance at 31 March 2022 £
		Incoming resources £	Resources expended £			Incoming resources £	Resources expended £	Transfers £	
Michaelgarth appeal	302	-	-		302	-	-	(302)	-
Members contributions	7,450	-	-		7,450	-	(238)	-	7,212
Donations	-	1,475	(400)		1,075	780	(1,821)	-	34
HMRC Coronavirus Job Retention Scheme	-	844	(844)		-	-	-	-	-
	<u>7,752</u>	<u>2,319</u>	<u>(1,244)</u>		<u>8,827</u>	<u>780</u>	<u>(2,059)</u>	<u>(302)</u>	<u>7,246</u>

# **SOCIETY OF THE SACRED CROSS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022**

**19 Restricted funds** (Continued)

### **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.

### **Members contributions**

Contributions given to fund formation costs.

### **Donations**

Donations received to help fund the purchase of:

- Kitchen items
- Items towards the charity's garden project
- Memorial bench
- Quince trees
- Medical expenses
- Chapel expenses
- 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 2022

#### 20 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 2020 £	Resources expended £	Transfers £	Balance at 1 April 2021 £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Fixed asset fund	969,389	(39,725)	94,620	1,024,284	(42,539)	16,580	998,325
Fixed asset revaluation fund	870,400	-	-	870,400	-	-	870,400
	<u>1,839,789</u>	<u>(39,725)</u>	<u>94,620</u>	<u>1,894,684</u>	<u>(42,539)</u>	<u>16,580</u>	<u>1,868,725</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.

#### 21 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 2022

### 22 Analysis of net assets between funds

Fund balances at 31 March 2022 are

represented by:

Tangible assets

Investments

Current assets/(liabilities)

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
	-	1,868,725	-	1,868,725	1,894,684	-	1,894,684
	1,227,683	-	-	1,227,683	-	-	1,026,556
	654,898	-	7,246	662,144	-	8,827	858,336
	1,882,581	1,868,725	7,246	3,758,552	1,894,684	8,827	3,779,576