

The Tranquility House Trust

Charity No 201815

Report of the Trustees for the year ended 31st March 2021

The Charity's Trustees present their Annual Report and Financial Statements of the Charity for the year ended 31st March 2021. The Financial Statements have been prepared in accordance with the accounting policies set out in Note 1 to the Accounts and comply with the Charity Commission Scheme dated 28th March 1988 (as subsequently amended), the Charities Act 2011 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 published on 16 July 2014.

Objectives and activities for the public benefit

The objective of the Trust is to provide holidays for members of the clergy of the Church of England and their families who are resident in England or Wales. The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, and setting the grant-making policy for the year.

The Trust furthers its charitable purposes for the public benefit by making grants towards the cost of holidays for individual clergy nominated by or on behalf of their diocesan Bishops. The refreshment and relaxation that clergy receive from these holidays is of great value to them and their families and many would be unable to take holidays without the grants made by the Trust.

During the year, the Trust paid or approved 23 new grants totalling £18,200. This year the trustees decided not to chase those dioceses who failed to respond to the requests for nominations.

Financial review

The value of the trust's portfolio stood at £703,089 at the year-end compared with £575,430 at 1st April 2020.

Investment income for the year ending 31st March 2021 was less than the previous twelve months namely £22,246 (2020: £30,249).

The amount of grants for the following year have been set at a level of £600 partly because the trustees had agreed to ask the grant secretary not to chase diocesan bishops who did not respond to the initial requests for nominations.

The Trust's work is entirely reliant on the income from its investments. The Trust's investment objective is to balance income and capital returns. The assets should be managed at least to maintain their real capital value, whilst generating a sustainable level of income within an acceptable level of risk to support the Trust's current charitable activities.

In 2018 the Trustees appointed an Investment Committee, which comprises two trustees: the Jeremy Howell and Paul Hewson. The Committee has responsibility for agreeing strategy, selecting investment managers and monitoring their performance. In 2017 Brewin Dolphin

Ltd were appointed as the Trust's investment advisers. The Investment Committee meets at least once every six months to review the Trust's portfolio of investments, including analysis of return, risk and asset allocation – currently by Zoom. Performance will be monitored against market indices agreed with the Investment Managers. The Investment Committee will report formally to the full trustee board on at least an annual basis. The report will include a review of asset allocation strategy, performance, risk profile and consistency with the long-term investment objective.

Risk management

The principal risks faced by the Trust lie in the performance of investments and operational risks from ineffective grant-making and the capacity of the Trust to make worthwhile grants to enough deserving cases.

The Trustees consider that the variability of investment returns constitute the Trust's major financial risk. To mitigate this, the Investment Committee in 2018 prepared an investment policy for a diversified investment portfolio and, additionally, has the responsibility for agreeing strategy and selecting skilled investment managers. The Trustees consider that this approach, with the various monitoring safeguards built in, will help to reduce the risk of variable investment returns in the longer term.

The Trustees have reviewed their processes for making grants and, in particular, have taken steps to ensure that the Trust is not competing with other charities (often much larger than the Trust) for candidates.

Reserves policy

It is the policy of the Trustees to maintain unrestricted funds at a level that equates to at least six months' unrestricted expenditure. The Trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

The balance held on unrestricted funds at 31 March 2021 was £50,485 (2020: £47,387). Total expenditure in the year was £24,441 (2020: £28,876). The current level of Reserves is therefore higher than is needed under the Trustees' policy but not, in the scheme of things, excessively so and the Trustees do not feel that any corrective action is necessary at this time although this will be reviewed again next year.

Plans for the future

Following the selection and appointment of investment managers, the consequent likelihood of some reorganisation of the Trust's investment portfolio is probably the most significant event for the near future.

Further steps will be explored to mitigate the potential risks associated with the making of grants.

Structure, governance and management

The Trust is a registered charity, number 201815, and is constituted under a Charity Commissioners for England and Wales Scheme dated 28 March 1988 (with subsequent minor amendments on 1 November 1991).

In 1924, Miss Violet Edith Wills provided a property known as 'Tranquillity House' in Torquay for the purposes of establishing a rest home for clergy of the Church of England and endowed it; two charities were established: The Clergy Rest Home and The Clergy Rest Home Endowment Fund. The property was sold and, under the Scheme referred to above, the two charities and their assets were administered and managed together by The Tranquillity House Trust.

The Trust does not actively fundraise and seeks to continue the charitable work desired by the original donor through the careful stewardship of its existing resources. New Trustees are appointed by the existing Trustees and serve for five years after which they may put themselves forward for re-appointment. The Scheme document (as amended in 1991) provides for a maximum of ten Trustees, with a quorum of four.

At the half-yearly Trustees' meetings, the Trustees agree the broad strategy and areas of activity for the Trust, including consideration of grant-making, reserves and risk management policies and performance.

On appointment, new trustees sign a model Trustee Declaration committing them to giving their time and expertise. They also receive a copy of the most recent set of accounts, a copy of the latest Trustee minutes and a copy of the Trust's 'Internal Control Policies and Procedures'.

The Grant Secretary, who is not a Trustee, and who is remunerated for her work, is responsible for liaison with the diocesan bishops in accordance with procedures agreed by the Trustees with a view to the bishops making nominations for deserving clergy to receive grants. The Grant Secretary is responsible for liaison with the successful nominees, dealing with queries and preparing the necessary cheques.

Reference and Administrative information

Trustees

Mr Jeremy Howell (Chairman)
Mrs Ann Berrow
The Rev Preb. Roger J Carlton
The Ven. D J Dettmer, Archdeacon of Totnes
Mrs Diana Fitch
Mr Christopher G Goldsmith
Mr Paul Hewson
Mr J Hart (resigned 11/06/2020)

Grants Secretary

Mrs Hilary Howell

Treasurer

Mr Ian Barrett FCA

Charity Registration Number: 201815

Address (for Charity Commission purposes)

c/o Messrs Barretts
22, Union Street,
Newton Abbot
TQ12 2JS

Bankers

National Westminster Bank Plc
108 Union Street
Torquay
Devon TQ2 5PZ

Independent Examiner

Mrs Clare Lillington,
Raddon,
Station Hill,
Chudleigh,
Newton Abbot
TQ13 0EE

Investment Managers

Brewin Dolphin Ltd
Pynes Hill, Woodwater Park
Exeter EX2 5FD

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Annual Report and financial statements in accordance with the applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Scheme document. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

J W Howell (Chairman) 17th November 2021

**Independent Examiner's Report
to the Trustees of
The Tranquility House Trust**

I report on the accounts of the Trust for the year ended 31 March 2021, which are set out on page 6.

Respective responsibilities of Trustees and the Examiner

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

It is my responsibility to:

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

Basis of Independent Examiner's Report

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

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

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

Mrs Clare Lillington FMAAT
Raddon,
Station Hill,
Chudleigh,
Newton Abbot
TQ13 0EE

31st January 2022

Tranquility House Trust
Charity no 201815

Receipts and Payments Account for
The Year Ended 31st March 2021

	<i>General Fund 31/03/2021</i>	<i>General Fund 31/03/2020</i>
<i>Receipts</i>		
Dividends received	22,246	30,249
Interest	0	0
Withdrawal from investments	4,463	5,701
Compensation- Nat West	0	250
	26,709	36,200
<i>Payments</i>		
Grants to individuals	18,200	21,600
Investment management	4,463	5,701
Treasurer	600	0
Independent Examination fee	125	540
Secretarial & stationery	1,053	1,035
	24,441	28,876
Net surplus for the year	2,268	7,324
Bank balance at 1st April 2020	47,387	40,063
Adjustment	830	
Bank balance at 31st March 2021	50,485	47,387

Statement of Assets and Liabilities
At 31st March 2021

	<i>General Fund 2021</i>	<i>Permanent Endowment 2021</i>	<i>General Fund 2020</i>	<i>Permanent Endowment 2020</i>
<i>Assets</i>				
Investments - market value		703,089		575,430
Cash at bank	50,485		47,387	
	50,485	703,089	47,387	575,430
<i>Liabilities</i>				
Grants payable	25,200		17,600	
Secretarial	500		500	
Accountancy	200		200	
Portfolio management	1,266		1,400	
Bookkeeping	840		1,440	
	28,006		21,140	

Approved by the trustees
 Jeremy Howell 16th June 2021