
COMMUNITY OF THE HOLY CROSS

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

COMMUNITY OF THE HOLY CROSS

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COMMUNITY OF THE HOLY CROSS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees

Miss Joy Rose Gough (Reverend Mother)
Miss Kathleen Annie Priddin (resigned 9 May 2020)
Miss Cherry Mae Wise
The Rev'd Canon Jeffery Stewart Hopewell
Mrs Carol Ann Smith (appointed 25 August 2020)
Andrew Leslie Waude (appointed 25 August 2020, resigned 20 April 2021)

Charity registered number

223807

Principal office

Holy Cross Convent
Highfields
Nottingham Road
Costock
Loughborough
LE12 6XE

Independent auditor

The Rowleys Partnership Ltd
Chartered Accountants
Statutory Auditor
Charnwood House
Harcourt Way
Meridian Business Park
Leicester
LE19 1WP

Bankers

National Westminster Bank Plc
Market Place
Loughborough
LE11 3EA

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Investment advisors

Quilter Cheviot
Two Snowhill
Birmingham
B4 6GA

COMMUNITY OF THE HOLY CROSS

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report together with the audited financial statements of Community of the Holy Cross ('the charity') for the year from 1 January 2020 to 31 December 2020. The Trustees confirm that the trustees' report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), 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

a. Policies and objectives

The principal objective of the Community is to serve God, and to this end to promote the maintenance, perfection and spread of the Christian religion and the religious life, by performing the Divine Office, by the example and influence of its corporate life, as also by teaching and publications, and, by acts of mercy, to relieve poverty and distress, to provide accommodation, food and rest and to care for those who are in physical, mental or spiritual distress, to care for the sick and aged, in ways that are not within the scope of public assistance and generally to use any opportunity, both alone and in conjunction with others, to give help where it is needed.

For the attainment of these purposes the members of the Community regulate their lives by the religious vows and by observance of the Holy Rule of St. Benedict, according to the Constitutions of the Community of the Holy Cross.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Grant-making policies

The category of recipients to whom grants are made are Promotion of Religion, Medical, Relief of Poverty etc both in the United Kingdom and abroad. Grants are made at the discretion of the Reverend Mother after consultation with the Community.

The greatest effect on our income has been the pandemic. Investment dividends have dropped and the ultimate effects of the pandemic on investments will probably not be known for some time. The closure of the guest house in March has resulted in a considerable loss of income. The break with the European Union will also be felt financially therefore affecting our grant making for 2021.

In spite of the reductions in income we have given £36,698 in grants which is 11% of our income excluding grants and legacies (2019 - £47,935). It is unlikely that we shall be in a position to give any substantial charitable grants until we have built up our capital account.

COMMUNITY OF THE HOLY CROSS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

a. Review of activities and financial review

The only major capital works scheduled for 2021 will be to Holy Cross Cottage. This property has become vacant due to the death of our maintenance engineer Mr Terence Bailey at the end of 2020 and needs some substantial works carried out to make it suitable for a new rent-paying tenant. There will also be a greater than usual number of renewals and repairs to the buildings and estate in general following the long sick leave and subsequent death of Mr Bailey.

Hospitality to guests: We were closed to guests and visitors from 15 March due to the pandemic. A visiting sister from another Community was able to arrive in early September in a gap between lockdowns. Financial arrangements have been put in place by her Community to enable her to continue her stay as long as necessary. There are currently no plans to open the guest house or to take in quiet day visitors until the government guidelines suggest it would be safe to do so.

Due to the retirement of Sister Mary Luke, (Cherry Mae Wise) as Reverend Mother, an election was held on 9 May and Sister Mary Julian (Joy Rose Gough) was elected by the Community. On 26 August the Chapter elected two new Trustees. Due to the retirement of Sister Mary Bernadette (Kathleen Annie Priddin) as a Trustee, Sister Mary Catherine (Carol Ann Smith) was elected to take her place. There still being another Trustee position available, the Community elected Andrew Leslie Waude as the fifth Trustee. Andrew Leslie Waude has subsequently resigned as a Trustee on 20 April 2021.

One of our sisters is a member of the Advisory Council for bishops and religious in the Church of England. No articles have been written for publication this year but weekly meditative posts on our social media pages have been accessed by many people in the wider Church.

A sister is living at Beverley in North Yorkshire where she has a ministry of prayer and spiritual direction.

We continue to support our extern sister who has returned to Korea where she is living as a semi-hermit on Jeju Island. Lockdown curtailed her ministry during 2020 but when possible she still helped the priest by visiting parishioners, holding Bible studies, preparing candidates for baptism and confirmation and teaching in the Sunday School.

The attached financial statements give details of the financial transactions in the year and the financial position of the charity at the year end.

There was net expenditure, before realised and unrealised gains on investments, for the year amounting to £130,461 (2019 - £81,296). Net losses on investments amounted to £166,430 (2019 - net gains £1,349,640) to give a net decrease in funds of £296,891 (2019 - increase £1,268,344).

There were no fundraising activities in the year, and it is the Trustees' general policy not to engage in fund raising activities.

COMMUNITY OF THE HOLY CROSS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance (continued)

b. Investment policy and performance

The principal financial risk facing the charity is the investment performance of the quoted investment portfolio.

The market value of quoted investments showed a net unrealised loss of £35,210 in the year compared to a net unrealised gain of £1,300,390 in the previous year.

The investments held by the charity are in accordance with the powers of the trustees.

Steps have been taken to safeguard the capital value of our investments and we continue to take advice from our financial advisors regarding the management of our portfolio in the light of our expected needs in the forthcoming year.

c. Going concern

The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

The impact of Covid-19 on the Community is as detailed on page 2 of the accounts under Grant-making policies.

The Community has confirmed that it has adequate cash and investment resources for at least the next 12 months and for this reason they continue to adopt the going concern basis in preparing the financial statements.

Other policies

a. Reserves policy

At 31 December 2020 the charity's reserves comprise general reserves to provide working capital and to secure the continuity of the charity's activities in the future. At 31 December 2020 the reserves amount to £17,506,271.

b. Principal funding

The Trustees are satisfied that the charity's assets are available and adequate to fulfil their obligations.

Structure, governance and management

a. Constitution

The Community of the Holy Cross is an unincorporated registered charity and a trust which is governed by the Holy Rule of St. Benedict modified by the Constitutions.

b. Methods of appointment or election of Trustees

The Constitutions provide for the election, removal and resignation of the Trustees.

c. Policies adopted for the induction and training of Trustees

The Trustees are mindful of their duties in connection with the recruitment and training for Trustees.

COMMUNITY OF THE HOLY CROSS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management (continued)

d. Organisational structure and decision making

There are five Trustees, one of whom is the Reverend Mother. The other four are two members of the Chapter and two people who are not a member of the religious community nominated by the Reverend Mother with the consent of the Warden and elected by the majority of the Chapter.

The Chapter comprises all of the sisters in life vows under the presidency of the Reverend Mother. Every member of the Chapter has the right to vote when matters concerning the community are discussed. The Warden is a priest having the care of the spiritual life of the community and is elected to office by the Chapter.

Miss Joy Rose Gough became Reverend Mother on 9 May 2020 taking over from Miss Cherry Mae Wise.

The Trustees who served during the year are listed below:

Miss Cherry Mae Wise

Miss Kathleen Annie Priddin (resigned 9 May 2020)

Miss Joy Rose Gough

The Rev'd Canon Jeffery Stewart Hopewell

Mrs Carol Ann Smith (appointed 25 August 2020)

Andrew Leslie Waude (appointed 25 August 2020, resigned 20 April 2021)

e. Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The charity uses financial instruments comprising cash and investments. The main purpose of these is to finance the working capital cycle of the charity and the longer term income and capital needs.

The charity considers movements in interest rates to be its main risk and uses a fund manager to manage this risk. Investment risk is considered to be minimal as shown under the investment policy.

f. Auditors

During the year The Rowleys Partnership Ltd were appointed as Auditors of the charity.

COMMUNITY OF THE HOLY CROSS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year. The Trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Trustees must not approve the financial statements unless they are satisfied that they 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 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 (FRS 102);
- make judgements and accounting 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;
- 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 are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the members of the board of Trustees on 28 May 2021 and signed on their behalf by:

Miss Joy Rose Gough (Reverend Mother)
(Chair of Trustees)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY OF THE HOLY CROSS

Opinion

We have audited the financial statements of Community of the Holy Cross (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY OF THE HOLY CROSS
(CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report set out on pages 2 to 6, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY OF THE HOLY CROSS
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting frameworks (Statement of Recommended Practice (SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), Charities Act 2011) in the jurisdiction in which the charity operates.
- We enquired of management, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud;
- We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur;
- Our testing considered unusual or unexpected journal entries on a sample basis;
- We evaluated the assumptions and judgements used by management within significant accounting estimates and assessing if these indicate evidence of management bias;
- We tested significant transactions, in particular the evaluation of the rationale for any which appear unusual or outside the charity's normal operations;
- We assessed the appropriateness of the collective competence and capabilities of the engagement team by understanding the practical experience with audit engagements of a similar nature and complexity, plus ensuring the team had appropriate and relevant training of the financial reporting framework specific to the entity.
- We reviewed the financial statements and tested the disclosures against supporting documentation.
- We communicated relevant matters to all members of the audit team to ensure they understood the risks specific to the entity and the audit procedures planned to mitigate these.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

COMMUNITY OF THE HOLY CROSS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY OF THE HOLY CROSS (CONTINUED)

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

The Rowleys Partnership Ltd

Statutory Auditor

Chartered Accountants

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Charnwood House

Harcourt Way

Meridian Business Park

Leicester

LE19 1WP

1 June 2021

COMMUNITY OF THE HOLY CROSS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:				
Donations and legacies	3	11,021	11,021	48,622
Charitable activities	4	743	743	1,254
Investments	5	277,421	277,421	332,289
Other income	6	53,299	53,299	49,060
Total income		342,484	342,484	431,225
Expenditure on:				
Raising funds	7	26,878	26,878	34,612
Charitable activities:				
Promotion of religion	8	434,727	434,727	466,029
Support costs	10	11,340	11,340	11,880
Total expenditure		472,945	472,945	512,521
Net (losses)/gains on investments		(166,430)	(166,430)	1,349,640
Net movement in funds		(296,891)	(296,891)	1,268,344
Reconciliation of funds:				
Total funds brought forward		17,803,162	17,803,162	16,534,818
Net movement in funds		(296,891)	(296,891)	1,268,344
Total funds carried forward		17,506,271	17,506,271	17,803,162

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 13 to 25 form part of these financial statements.

All activities relate to continuing operations.

COMMUNITY OF THE HOLY CROSS

BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	6,247,588	6,383,364
Investments	13	10,834,761	11,103,081
		<u>17,082,349</u>	<u>17,486,445</u>
Current assets			
Debtors	14	15,245	15,052
Cash at bank and in hand		429,614	324,737
		<u>444,859</u>	<u>339,789</u>
Creditors: amounts falling due within one year	15	(20,937)	(23,072)
Net current assets		<u>423,922</u>	<u>316,717</u>
Total net assets		<u><u>17,506,271</u></u>	<u><u>17,803,162</u></u>
Charity funds			
Unrestricted funds	16	17,506,271	17,803,162
Total funds		<u><u>17,506,271</u></u>	<u><u>17,803,162</u></u>

The financial statements were approved and authorised for issue by the Trustees on 28 May 2021 and signed on their behalf by:

Miss Joy Rose Gough (Reverend Mother)

Miss Cherry Mae Wise (Secretary of Chapter)

The notes on pages 13 to 25 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The preparation of financial statements in compliance with the Charities SORP (FRS 102) requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

Community of the Holy Cross meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in Sterling (£).

1.2 Going concern

The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

Income and investment valuations have been affected by Covid-19. Investment dividends have dropped and the ultimate effects of the pandemic on investments will probably not be known for some time. The closure of the guest house in March has resulted in a considerable loss of income.

The Community has confirmed that it has adequate cash and investment resources for at least the next 12 months from the date of signing these financial statements and for this reason they continue to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charity, can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets, other than cemetery land, are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Cemetery land is recognised at valuation.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold buildings	- 2% Straight line
Motor vehicles	- 25% Reducing balance
Fixtures and fittings	- 10% Reducing balance
Computer equipment	- 33 1/3% Reducing balance

No depreciation is provided on freehold land and cemetery land.

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.12 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

2. Critical accounting estimates and areas of judgment

Certain amounts included in the financial statements involve the use of judgement and/or estimation. The judgements and estimates are based on the Trustees' best knowledge of the relevant facts and circumstances and have regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation uncertainty is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Judgements in applying accounting policies:

- The principal judgement made by the Trustees in the preparation of these financial statements is in relation to the recognition of legacies (see 1.3 above).

Sources of estimation uncertainty:

- Depreciation rates are based on estimates of the useful lives and residual values of the assets involved (see 1.6 above).

COMMUNITY OF THE HOLY CROSS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations and gifts	10,521	10,521	27,316
Legacies	500	500	21,306
	<u>11,021</u>	<u>11,021</u>	<u>48,622</u>

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Scriptorium	743	743	1,254

5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from listed investments	276,838	276,838	331,650
Bank deposit interest	583	583	636
Sundry interest	-	-	3
	<u>277,421</u>	<u>277,421</u>	<u>332,289</u>

COMMUNITY OF THE HOLY CROSS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Sisters' pensions	45,477	45,477	44,538
Sundry income	6,900	6,900	3,600
Farming income	922	922	922
	<u>53,299</u>	<u>53,299</u>	<u>49,060</u>

7. Investment management costs

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment management fees	<u>26,878</u>	<u>26,878</u>	<u>34,612</u>

COMMUNITY OF THE HOLY CROSS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. Promotion of religion

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Special alms (note 9)	36,698	47,935
Promotion of religion	255	844
Books and periodicals	1,036	939
Church expenses	3,346	7,938
Branch house expenses	23,338	22,065
Motor and travelling expenses	3,387	4,774
Telephone, postage and stationery	9,849	7,719
Household supplies	8,524	8,487
Gas	10,907	9,139
Electricity	9,165	10,221
Council tax and water	4,627	7,505
Repairs and renewals	6,516	15,026
Estate, woodlands and gardens	3,475	7,930
Sundry expenses	6,680	9,686
Insurance	12,219	13,721
Wages	140,815	137,673
National insurance	5,778	6,529
Employer's pension contributions	1,238	1,100
Profit on sale of fixed assets	(1,440)	-
Depreciation	148,314	146,798
	<u>434,727</u>	<u>466,029</u>

9. Alms

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Made to institutions	36,698	47,935

Grants were made to 46 (2019 - 55) institutions in the year.

There were no grants to institutions which exceeded 10% of the income of the Community.

An analysis of the payments made in the year is as follows:

COMMUNITY OF THE HOLY CROSS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

9. Alms (continued)

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
RCD Charities	2,500	-
St Mary's PCC, East Leake	2,000	2,000
St Giles PCC, Costock	2,000	2,000
Franciscan Sisters	1,500	1,500
Bishop of Beverley Project Fund	1,000	2,000
Mary's Meals	1,000	2,000
Oxford Mission	1,000	2,000
St George in the Meadows	1,000	-
Lincolnshire and Nottinghamshire Air Ambulance	1,000	1,000
Sightsavers	1,000	1,000
Forward in Faith	1,000	1,000
Framework	1,000	1,000
Edenham Regional House (2 grants)	1,000	-
Children in Distress	1,000	1,000
Southwell Minster	1,000	1,000
Additional Curates Society	1,000	1,000
McCabe Educational Trust	1,000	1,000
College of St Barnabas	1,000	-
Community of the Holy Name	1,000	-
Tree Aid	1,000	-
Christian Aid	1,000	1,000
St Peter's London Docks	1,000	1,000
Embrace the Middle East	-	3,000
Grace and Compassion Benedictines	-	2,500
Project Return	-	2,000
St Andrew's, Fort William	-	1,500
Sisters of Jesus Way	-	1,000
St Georges Hanworth	-	1,000
Diocese of Cyprus and the Gulf	-	1,000
Monos	-	1,000
All Saint's PCC, Lincoln	-	1,000
Impact Foundation	-	1,000
Pusey House	-	1,000
Items < £1,000 each	10,698	10,435
	36,698	47,935

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. Support costs - Governance costs

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Audit services	5,400	5,940
Non audit services	5,940	5,940
	<u>11,340</u>	<u>11,880</u>

Included within investment management fees (note 7) are further non-audit fees relating to investment management services amounting to £nil (2019 - £7,200).

11. Staff costs

Staff costs were as follows:

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Wages and salaries	140,815	137,673
Social security costs	5,778	6,529
Pension costs	1,238	1,100
	<u>147,831</u>	<u>145,302</u>

The average monthly number of employees during the year was as follows:

	2020 £	2019 £
Full time	5	5
Part time	3	3
	<u>8</u>	<u>8</u>

No employee received remuneration amounting to more than £60,000 in either year.

Andrew Leslie Waude, a Trustee of the charity from 25 August 2020, is employed by the charity as an administrator and received remuneration of £8,112 during the period from 25 August 2020 in respect of this role and not as a Trustee. None of the other Trustees, who are the key management personnel, received any remuneration or expenses in the year (2019 - £nil).

COMMUNITY OF THE HOLY CROSS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Tangible fixed assets

	Freehold land and buildings at Costock £	Motor vehicles £	Plant, fixtures, fittings and computers £	Cemetery at Haywards Heath £	Total £
Cost or valuation					
At 1 January 2020	7,601,152	29,324	58,920	1	7,689,397
Additions	-	11,212	1,536	-	12,748
Disposals	-	(8,835)	-	-	(8,835)
At 31 December 2020	7,601,152	31,701	60,456	1	7,693,310
Depreciation					
At 1 January 2020	1,251,510	17,515	37,008	-	1,306,033
Charge for the year	140,024	5,703	2,587	-	148,314
On disposals	-	(8,625)	-	-	(8,625)
At 31 December 2020	1,391,534	14,593	39,595	-	1,445,722
Net book value					
At 31 December 2020	6,209,618	17,108	20,861	1	6,247,588
At 31 December 2019	6,349,642	11,809	21,912	1	6,383,364

All tangible fixed assets are used for charitable purposes.

The trustees are unable to obtain a valuation of the freehold land and buildings at Costock. There is no reason to suggest that the freehold land and buildings should be impaired.

The gross amount of freehold land and buildings at Costock on which depreciation is being provided is £7,001,152.

The cemetery at Haywards Heath is revalued at £1, a nominal value in view of the purpose for which it has been used and there being no possibility of any alternative use being considered in the future.

COMMUNITY OF THE HOLY CROSS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Market value			
At 1 January 2020	11,003,081	100,000	11,103,081
Additions	885,183	-	885,183
Disposals	(1,118,293)	-	(1,118,293)
Revaluations	(35,210)	-	(35,210)
At 31 December 2020	10,734,761	100,000	10,834,761
Market value			
At 31 December 2020	10,734,761	100,000	10,834,761
<i>At 31 December 2019</i>	<i>11,003,081</i>	<i>100,000</i>	<i>11,103,081</i>

Other investments comprise cash held.

At 31 December 2020 the historical cost of listed investments was £7,390,019 (2019 - £7,468,014) and the historical cost of other fixed asset investments was £100,000 (2019 - £100,000).

The difference between the historical cost and market value of listed investments amounting to £3,344,742 (2019 - £3,535,067) is included within the unrestricted funds.

Material investments

Listed investments which comprise over 5% of the value of the portfolio are:

	2020 £	%
Blackrock AM UK Charishare Income	1,579,895	14.7
M&G Investment Manager Charifund Income	1,178,716	11.0
COIF Charity Funds Fixed Interest Income	1,036,675	9.7
M&G Investment Management Charibond Income	955,675	8.9
CBF Church of England Investment Fund Income Shares	772,249	7.2

COMMUNITY OF THE HOLY CROSS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Debtors

	2020 £	2019 £
Due within one year		
Other debtors	3,557	2,000
Prepayments	10,952	10,947
Tax recoverable	736	2,105
	<u>15,245</u>	<u>15,052</u>

Included in other debtors is £3,057 (2019 - £2,000) owed from trustees as per note 18.

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	1,436	2,188
Other creditors	-	236
Accruals	19,501	20,648
	<u>20,937</u>	<u>23,072</u>

16. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds	<u>17,803,162</u>	<u>342,484</u>	<u>(472,945)</u>	<u>(166,430)</u>	<u>17,506,271</u>

17. Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £1,238 (2019 - £1,100). Contributions totalling £nil (2019 - £236) were payable to the fund at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

18. Related party transactions

At 31 December 2020 there are bank balances amounting to £3,057 (2019 - £2,000) held in the names of two Trustees. These accounts are held for the purpose of supporting the future activity of the Community. The balances are included in debtors (see note 14).