

Charity Registration No. 225290

HOLY ROOD COMMUNITY CHARITY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

KENNETH EASBY LIMITED
C H A R T E R E D A C C O U N T A N T S

HOLY ROOD COMMUNITY CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C R Clough The Venerable C J Hawthorn Rev P Wordsworth Mrs M Cooper Mrs E Allen Mr D J M Burchill
Custodian Trustee	The York Diocesan Board of Finance
Charity number	225290
Principal address	Joplings 19 Market Place Thirsk North Yorkshire YO7 3AE
Independent examiner	Deborah Fletcher-McVay ACA Kenneth Easby Limited Chartered Accountants Oak House, Market Place Bedale North Yorkshire DL8 1AQ
Bankers	CCLA Investment Management Ltd 80 Cheapside London EC2V 6DZ Barclays Bank Plc 193 High Street Northallerton North Yorkshire DL7 8LJ
Solicitors	Mills & Reeve 1 City Square Leeds North Yorkshire LS1 2ES
Investment advisors	Smith & Williamson Investment Management 25 Moorgate London EC2R 6AY

HOLY ROOD COMMUNITY CHARITY

CONTENTS

	Page
Trustees report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 13

HOLY ROOD COMMUNITY CHARITY

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The charity's objects are to provide for the relief of persons who were previously Sisters of the Holy Rood, who are in conditions of need, hardship or distress. The Charity also seeks to further the religious and other charitable work of the Church of England in the Diocese of York. When planning our activities for the year we have considered the Charity Commission's guidance on Public Benefit. In particular we provide relief by making grants, providing or paying for items, services or facilities for the former sisters.

Where the value of the estate is less than the lower limit for means tested Pension Credit (currently set at £10,000), after the payment of debts and funeral expenses, the Trustees will not seek reimbursement of the funeral costs from the Personal Representatives unless the deceased died intestate.

In cases of intestacy and/or where the value of the estate falls within the lower and upper limits, the Trustees will determine to what extent the estate should be asked to contribute taking into account who will otherwise benefit.

Achievements and performance

Sisters of the Holy Rood

During the year there was one former Sister, living in accommodation which is the property of the Charity. We have continued distributing regular amounts to the former Sister on a monthly basis to meet her living requirements and where appropriate have, to alleviate hardship, provided funding for specific items and services.

Furthering of the charitable work of the Church of England

During the year the trustees approved and paid donations totaling £115,000.

Financial review

The Trust's main source of income continues to derive from our investment portfolio which is held as part of the Endowment Fund. In addition we continue to lease a freehold property, Holy Rood House, to the Centre for Health and Pastoral Care.

The investment portfolio is managed on a discretionary basis by Smith & Williamson Investment Management Ltd., who report to a meeting of the trustees twice annually to review the portfolio's composition and performance together with the manager's proposed investment strategy.

The investment mandate is to secure a balance between income and long term capital growth with a medium risk profile. This is measured on a total return basis against agreed benchmarks, over any rolling five year period. It has been agreed that this strategy is best achieved through exposure to a wide range of assets including bonds, equities, property, together with alternative assets and cash.

Whilst seeking optimal investment performance the trustees consider that they should avoid investing in assets where the underlying activity is in conflict with the charity's objectives. Accordingly the investment managers are required to adhere to the guidance as set out by the Church of England Ethical Investment Management Forum, unless the trustees have signified their approval in advance of an asset's acquisition. There is currently one such exception to the guidance with investment in companies within the alcoholic beverages sector being permitted.

HOLY ROOD COMMUNITY CHARITY

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Unrestricted funds increased by £16,736 in the year, comprising investment gains of £14,262 plus net income of £2,474. As at 31 December 2020 unrestricted reserves amounted to £584,877 (2019 - £568,141). Endowment funds increased by £323,414 in the year, comprising investment gains of £329,618 less net expenditure of £6,204. As at 31 December 2020 endowment fund reserves amounted to £2,508,279 (2019 - £2,184,865).

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level sufficient to support the needs of the remaining former Sister in the medium term allowing for the unpredictable nature of the potential costs. This level of reserves has been maintained throughout the year.

The trustees have a risk management strategy which comprises:

- an annual review of the risks the charity may face is normally carried out; in the unusual circumstances governing meetings in the year that was not achieved, but given the robust nature of the procedures in place that posed no significant risk to the Trust,
- the establishment of systems and procedures to mitigate these risks identified in the plan, and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The review highlighted only financial risks linked to investment performance and these risks are managed in conjunction with advice from the Charity's Investment Advisers.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity was established by a charitable trust deed on 16 February 2000. The registered charity number is 225290 and its principal office is Joplings, 19 Market Place, Thirsk, North Yorkshire YO7 1HD.

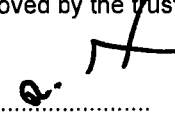

The trustees who served during the year and up to the date of signature of the financial statements were:

C R Clough
The Venerable C J Hawthorn
Rev P Wordsworth
Mrs M Cooper
Mrs E Allen
Mr D J M Burchill

The Custodian Trustee during the year was The York Diocesan Board of Finance.

Appointment of Trustees is governed by the Trust Deed of the Charity. The Board of Trustees is authorised to appoint new trustees to fill vacancies through resignation or death of an existing trustee. The Trustees meet on a regular basis to administer the charity's business. There are no decisions delegated elsewhere.

Approved by the trustees and signed on their behalf by:


.....
C R Clough
Chairman of Trustees, Holy Rood Community Charity
Dated: 

HOLY ROOD COMMUNITY CHARITY

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF HOLY ROOD COMMUNITY CHARITY

I report to the trustees on my examination of the financial statements of Holy Rood Community Charity (the charity) for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of 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

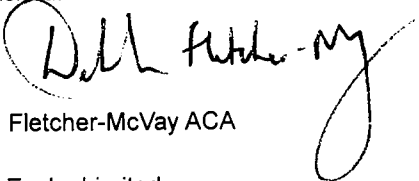
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.


Deborah Fletcher-McVay ACA

Kenneth Easby Limited
Chartered Accountants
Oak House, Market Place
Bedale
North Yorkshire
DL8 1AQ

Dated: 12 April 2021

HOLY ROOD COMMUNITY CHARITY

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Endowment funds 2019 £	Total 2019 £
<u>Income and endowments from:</u>							
Investments	2	55,474	-	55,474	72,845	-	72,845
Other income	3	77,818	-	77,818	-	-	-
Total income		133,292	-	133,292	72,845	-	72,845
<u>Expenditure on:</u>							
Raising funds	4	2,114	6,204	8,318	2,271	6,972	9,243
Charitable activities	5	128,704	-	128,704	59,176	-	59,176
Total resources expended		130,818	6,204	137,022	61,447	6,972	68,419
Net gains/(losses) on investments	9	14,262	329,618	343,880	40,333	187,399	227,732
Net movement in funds		16,736	323,414	340,150	51,731	180,427	232,158
Fund balances at 1 January 2020		568,141	2,184,865	2,753,006	516,410	2,004,438	2,520,848
Fund balances at 31 December 2020		584,877	2,508,279	3,093,156	568,141	2,184,865	2,753,006

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

All income and expenditure derive from continuing activities.

HOLY ROOD COMMUNITY CHARITY

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		46,730		93,205
Investment properties	11		1,000,000		700,000
Investments	12		1,895,184		1,858,932
			<u>2,941,914</u>		<u>2,652,137</u>
Current assets					
Debtors	13	1,809		2,584	
Cash at bank and in hand		152,973		101,867	
			<u>154,782</u>		<u>104,451</u>
Creditors: amounts falling due within one year	14	(3,540)		(3,582)	
Net current assets			<u>151,242</u>		<u>100,869</u>
Total assets less current liabilities			<u><u>3,093,156</u></u>		<u><u>2,753,006</u></u>
Capital funds					
Endowment funds - general	15		2,508,279		2,184,865
Income funds					
Unrestricted funds			<u>584,877</u>		<u>568,141</u>
			<u><u>3,093,156</u></u>		<u><u>2,753,006</u></u>

The financial statements were approved by the Trustees on 6th June 2021

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C R Clough
Trustee

HOLY ROOD COMMUNITY CHARITY

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

1 Accounting policies

Charity information

Holy Rood Community Charity is an unincorporated charity.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's trust deed, 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). 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 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 accounts have been prepared under the historical cost convention, modified to include the revaluation of investments and investment properties. 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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.

Investment income, in the form of investment interest, dividends and rental income, is recognised when receivable by the charity.

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Costs of raising funds comprises the costs associated with the investment portfolio.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

HOLY ROOD COMMUNITY CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, 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	2% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 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.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

1.10 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

2 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Rental income	11,250	15,000
Income from listed investments	44,175	57,646
Interest receivable	49	199
	<u>55,474</u>	<u>72,845</u>

HOLY ROOD COMMUNITY CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Other income

	Unrestricted funds	Total
	2020 £	2019 £
Net gain on disposal of tangible fixed assets	77,818	-

4 Raising funds

	Unrestricted funds	Endowment funds general	Total	Unrestricted funds	Endowment funds general	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
<u>Investment management</u>	2,114	6,204	8,318	2,271	6,972	9,243
	<u>2,114</u>	<u>6,204</u>	<u>8,318</u>	<u>2,271</u>	<u>6,972</u>	<u>9,243</u>

5 Charitable activities

	Other costs	Grant funding	Total	Other costs	Grant funding	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Sisters maintenance and expenses	4,322	-	4,322	4,200	-	4,200
Depreciation	892	-	892	1,677	-	1,677
Property expenses	4,676	-	4,676	7,354	-	7,354
	<u>9,890</u>	<u>-</u>	<u>9,890</u>	<u>13,231</u>	<u>-</u>	<u>13,231</u>
Grant funding of activities (see note 6)	-	115,000	115,000	-	44,000	44,000
Share of support costs	3,814	-	3,814	1,945	-	1,945
	<u>13,704</u>	<u>115,000</u>	<u>128,704</u>	<u>15,176</u>	<u>44,000</u>	<u>59,176</u>

Support costs includes payments to the independent examiner of £1,440 (2019 - £1,410) for accountancy fees.

HOLY ROOD COMMUNITY CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Grants payable

	2020 £	2019 £
Grants to institutions:		
Centre for Health and Pastoral Care	15,000	-
Wydale Hall	20,000	10,000
Yo Yo	15,000	5,000
York Historical Churches Trust	25,000	10,000
York Diocesan Board of Finance	40,000	5,000
Holyrood House Grant	-	14,000
	<u>115,000</u>	<u>44,000</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Total	<u>-</u>	<u>-</u>

9 Net gains/(losses) on investments

	Unrestricted funds 2020 £	Endowment funds general 2020 £	Total 2020 £	Unrestricted funds 2019 £	Endowment funds general 2019 £	Total 2019 £
Revaluation of investments	14,684	42,795	57,479	37,735	104,467	142,202
Gain/(loss) on sale of investments	(422)	(13,177)	(13,599)	2,598	82,932	85,530
Revaluation of investment properties	-	300,000	300,000	-	-	-
	<u>14,262</u>	<u>329,618</u>	<u>343,880</u>	<u>40,333</u>	<u>187,399</u>	<u>227,732</u>

HOLY ROOD COMMUNITY CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Tangible fixed assets

	Freehold Land and Buildings £
Cost	
At 1 January 2020	123,950
Disposals	(58,944)
	<hr/>
At 31 December 2020	65,006
	<hr/>
Depreciation and impairment	
At 1 January 2020	30,745
Depreciation charged in the year	892
Eliminated in respect of disposals	(13,361)
	<hr/>
At 31 December 2020	18,276
	<hr/>
Carrying amount	
At 31 December 2020	46,730
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At 31 December 2019	93,205
	<hr/>

11 Investment property

	2020 £
Fair value	
At 1 January 2020	700,000
Net gains or losses through fair value adjustments	300,000
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At 31 December 2020	1,000,000
	<hr/>

The fair value of the investment property has been arrived at on the basis of a valuation carried out in March 2021 by an independent firm of property consultants and Chartered Surveyors, who were not connected with the charity. They have confirmed that this was an appropriate valuation for the property as at 31 December 2020. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

HOLY ROOD COMMUNITY CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Fixed asset investments

	UK Fixed Interest Equities £	Stocks £	Foreign Equities £	Cash in portfolio	Total £
Cost or valuation					
At 1 January 2020	1,326,429	251,329	253,233	27,941	1,858,932
Additions	108,935	6,013	64,229	36,857	216,034
Valuation changes	(100,249)	(6,225)	163,943	-	57,469
Disposals	(125,871)	(39,779)	(71,601)	-	(237,251)
At 31 December 2020	1,209,244	211,338	409,804	64,798	1,895,184
Carrying amount					
At 31 December 2020	1,209,244	211,338	409,804	64,798	1,895,184
At 31 December 2019	1,326,429	251,329	253,233	27,941	1,858,932

All investments are carried at their fair value. Investments in equities, fixed interest and other securities are all traded in quoted public markets for which market prices are readily available.

13 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	1,809	2,584

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	3,540	3,582

HOLY ROOD COMMUNITY CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Movement in funds					Movement in funds					
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Investments gains/losses	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Investments gains/losses	Balance at 31 December 2020
	£	£	£	£	£	£	£	£	£	£	£
Permanent endowments											
Endowment fund	2,004,438	-	(6,972)	-	187,399	2,184,865	-	(6,204)	-	329,618	2,508,279
	<u>2,004,438</u>	<u>-</u>	<u>(6,972)</u>	<u>-</u>	<u>187,399</u>	<u>2,184,865</u>	<u>-</u>	<u>(6,204)</u>	<u>-</u>	<u>329,618</u>	<u>2,508,279</u>

The endowment fund represents capital invested in Holy Rood House and within an investment portfolio.

HOLY ROOD COMMUNITY CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Analysis of net assets between funds

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Endowment funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	46,730	-	46,730	93,205	-	93,205
Investment properties	-	1,000,000	1,000,000	-	700,000	700,000
Investments	345,274	1,549,910	1,895,184	333,153	1,525,779	1,858,932
Current assets/ (liabilities)	192,873	(41,631)	151,242	141,783	(40,914)	100,869
	<u>584,877</u>	<u>2,508,279</u>	<u>3,093,156</u>	<u>568,141</u>	<u>2,184,865</u>	<u>2,753,006</u>

17 Related party transactions

There were no related party transactions during the year (2019 - none).