

Charity Registration Number 266602

Holy Rood Trust

Unaudited

Trustees' Report and Financial Statements

For the year ended 31st December 2023

Pothecary
Witham
Weld | **PWW**
solicitors
INCORPORATING HASLAM & PAYNE SOLICITORS

84 Eccleston Square
London SW 1V 1PX
Ref: 0068/0102

Holy Rood Trust

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Reference and administrative details of the Charity, its Trustees and advisers For the year ended 31 December 2023

Trustees

Gerald Edward Kidd
Abbot Thomas Quin OSB
Sister Colette Jordan
Sister Mary Philomena Donnelly, (retired as ex officio trustee on 1 May 2024 and appointed as trustee on 13 June 2024)
Sister Andrea Savage (appointed as ex officio trustee, Chair of Association of British Contemplatives on 1 May 2024)

Charity Registered Number

266602

Principal Office

Pothecary Witham Weld Solicitors
84 Eccleston Square
London
SW1V 1PX

Independent Examiner

Lucy Hammond BSC FCA
Kreston Reeves LLP
Chartered Accountants
9 Donnington Park
85 Birdham Road
Chichester
West Sussex PO20 7AJ

Bankers

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Solicitors

Pothecary Witham Weld
84 Eccleston Square
London
SW1V 1PX

Investment Managers

Brewin Dolphin Limited
12 Smithfield Street
London
EC1A 9BD

Holy Rood Trust

Trustees' Report

For the year ended 31 December 2023

The Trustees present their annual report together with the financial statements for the year 1 January 2023 to 31 December 2023.

Objectives and Activities

Policies and Objectives

The Charity operates as a grant and bursary making Charity and the Trustees' policy is to seek to distribute the income arising each financial year, together with capital where appropriate.

Activities for Achieving Objectives

The Trust Deed, as amended, provides that the Trustees shall hold the capital and income of the Trust Fund upon trust and apply it at their discretion in advancement of the following purposes:

1. To relieve poverty among monks and nuns who are members of contemplative communities, based in convents and monasteries throughout the United Kingdom;
2. To promote the education of monks and nuns in the United Kingdom; and
3. To do all things which are necessary for the attainment of the above.

The Trustees applied for and obtained a Charity Commission Scheme on 14 June 2024 to amend the Charity's objects to include the following: -

3. To relieve those in need by reason of old age, illness or disability among monks and nuns within the UK, members of which devote their lives to prayer and contemplation.

Following amendments to the objects, the Trustees intend to make changes to the grant making policy.

The Charity maintains a webpage on the PWW website with information about the grants and bursaries available. The Charity administers mailings to the beneficiaries as well as funding the production of a directory for use by them.

From time to time the Charity will advertise appeals for donors in relevant publications.

The Bursaries and Grants achieve the aims and objectives of the Trust by providing financial assistance to those communities which are in financial difficulty and helping fund activities that further the education of the communities such as community retreats, special study courses and attendance at various other meetings, courses and conferences.

The Trustees have regard to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning for its activities and setting the grant and bursary policy each year.

Grant and Bursary policy

Grants and bursaries are only paid to communities or umbrella organisations and not to individuals.

Grants and loans are available to assist with significant items of expenditure, for example the

Holy Rood Trust

purchasing of equipment for an infirmary, fitting out of buildings for ease of use by elderly users, such as stair lifts, and the replacement or repair of essential items such as boilers, for communities that have taken a vow of poverty and have little or no capital to meet such expenditure.

The Trustees are in the process of reviewing the grant making process, following recent amendments to the objects.

Holy Rood Trust

Trustees' Report (continued) For the year ended 31 December 2023

Achievements and Performance

Review of Activities

During the year ended 31st December 2023, investment income totalled £28,204 which was an increase of £1,597 compared to the previous year (£26,607).

The Trustees reviewed the number of contemplative communities currently benefiting from grants and bursaries so as to measure this against the total number of communities existing in the United Kingdom.

The Trustees are satisfied that in the reporting year the appropriate class of beneficiaries has benefited and that they represent a sufficient section of the public. The Trustees feel that their objectives have been adequately met during the year, and that the provision of grants and bursaries delivered public benefit. Details of grants paid are shown in Note 4 to the financial statements.

In recent years the charity has seen a decrease in individual communities or individual contemplatives applying for funding but an increase in the number of funding requests for meetings being held by associations or collaborative groups for the benefit of a number of communities. This is partly due to the desire to pool resources and ideas as numbers within communities decline, but has also been precipitated by a papal directive from the Congregation for the Institutes of Consecrated Life and Societies of Apostolic Life "Cor Orans", which makes far reaching changes to the organisation of female communities of contemplatives by encouraging merger and sharing of resources in order to meet the challenges of decreasing numbers, elderly populations and a lack of new vocations.

The Trustees carried out two surveys to review the current age profile and financial situation of the contemplative communities to assist them in assessing whether the focus of the charity needed to be changed to reflect the beneficiaries' current and most pressing needs.

The surveys identified that almost all of the communities surveyed had a majority of members over the age of 70 years old with approximately 150 members over the age of 80 years old. The Trustees recognise that this poses a significant challenge to the charity's beneficiaries and have begun exploring means of changing the focus of the charity to better reflect the needs of the beneficiaries in facing the challenges of aging members.

During the year, the Trustees continued to invest the Charity's capital funds with Brewin Dolphin Limited. The Trustees are satisfied with the performance of the investments and remain satisfied that their investment objectives are being met.

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Trustees' Report (continued) For the year ended 31 December 2023

Investment Policy

There are no restrictions on the Charity's power to invest.

The Trustees set their own retail price index linked benchmark so that they are able to assess the performance of the portfolio. They also set their income requirement annually.

The investment strategy is then set by the Trustees by taking into account these requirements, the risk profile and the investment manager's view of the market prospects in the medium term.

The overall investment policy is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the Trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation in the medium term.

The Trustees meet with the investment managers Brewin Dolphin at least once a year to review the performance of the portfolio and the investment strategy. The benchmark is compared to the standard market indices and adjustments are made if required.

Financial Review

The Trustees have presented the statement of financial activities with the total unrestricted funds split between capital and income. The 'capital' fund represents the total capital available at the start and end of the year. The 'income' fund represents the incoming resources and resources expended, except for those costs directly attributable to, and paid directly out of capital funds such as investment management fees.

Incoming resources totalled £28,204 in the year (2022: £26,607). Resources expended totalled £64,308 (2022: £62,511).

Reserves Policy

All the funds of the Charity are unrestricted. The Trustees are satisfied that the level of reserves held are sufficient for its working capital requirements and for it to produce the level of income required for grants. The Trustees keep their investments under review.

The Trustees use the capital fund to cover temporary shortfalls in income funds, if required, and keep the reserves under review on an annual basis.

This reserves policy reflects the need to balance risk against the objectives. As such the Trustees are satisfied that the Charity's objectives are being met and that the use of the Charity's capital fund towards the Charity's charitable purposes as and when necessary is appropriate.

Structure, Governance and Management

Constitution

The Holy Rood Trust is governed by a Trust Deed dated 2nd November 1973, as amended by a Deed of Amendment dated 2nd July 2007, a Charity Commission Scheme dated 6th December 2012 and by further Deeds of Amendment dated 14th May 2013 and 17th October 2014. The Trustees are incorporated for the purposes of Part 12 of the Charities Act 2011 under a Certificate sealed on 4th April 1995.

The Charity's income, and capital if required, is applied in making grants and bursaries in pursuance of the objectives set out in the Trust Deed which are summarised above.

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The Trustees meet at least once a year and engage Potheary Witham Weld solicitors ("PWW") to administer the Charity on a day-to-day basis. PWW report to the Trustees who retain control of all financial decisions.

From time to time, the Trustees constitute sub-committees and working groups to whom they delegate strategic and administrative matters.

Trustees are nominated and appointed by serving Trustees. New Trustees are briefed by PWW on the history of the Charity, its day-to-day management, the Trustees' responsibilities, the Charity's current objectives and its future plans.

Risk Management

The Trustees have identified and recorded in the annual risk assessment the major risks to which the Charity is exposed and are reviewing the systems that are in place to mitigate those risks.

This results in the constant monitoring of reserve levels, ensuring that administration expenses remain at a reasonable level and reviewing the grant and bursary policies.

The Trustees are aided in their management of risk by cash flow statements and budgetary controls.

The Trustees are of the opinion that the current liquidity of the Charity's funds provides sufficient flexibility to cover temporary shortfalls in incoming resources and meet its objectives adequately.

The Trustees consider the major financial risk to be variability of returns on their investments. This is mitigated by retaining expert investment managers and having a diversified portfolio. The Trustees make transfers out of capital to supplement the income available for grants and bursaries depending on need. However, this is only done having considered the advice of the investment managers so that any transfers out of capital are done at the optimum time to maximise the Trust's return on investments whilst also considering the long-term capital value of the portfolio.

The major operational risk faced by the Trust is the misuse of grant funding by recipients. The Trustees have implemented procedures to manage this risk including ensuring they have sufficient skill and expertise to identify suitable grant recipients and effective monitoring and reviewing grants made.

The Trustees are satisfied that the Charity's objectives have been met during this period and the use of the Charity's funds towards the Charity's charitable purposes is appropriate.

Trustees' Responsibilities Statement

The charity Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of

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Trustees' Report (continued) For the year ended 31 December 2023

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 apply them consistently;
- Observe the methods and principles in the applicable Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the charity will continue in operation.

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 (Accounting and Reporting) Regulations, and the provisions of the Trust Deed. 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

The report was approved by the Trustees on 28 October 2024 and signed on their behalf by:



.....

G E Kidd - Trustee

Holy Rood Trust

Independent Examiner's Report For the year ended 31 December 2023

Independent Examiner's Report to the Trustees of the Holy Rood Trust

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2023 which are set out on pages 8 to 17.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material 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 Act; or
2. The accounts do not accord with those records; or
3. The accounts 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 accounts to be reached.

Signed:

Kreston Reeves LLP

Dated:

29 October 2024

Lucy Hammond BSC
FCA
Kreston Reeves LLP
Chartered Accountants
9 Donnington Park
85 Birdham Road
Chichester
West Sussex PO20 7AJ

Holy Rood Trust

Summary income and expenditure account For Year ended 31 December 2023

	Note	Unrestricted Income Fund £	Unrestricted Capital Fund £	Total Funds 2023 £	Total 2022 £
Income from:					
Investments	2	<u>28,204</u>	-	<u>28,204</u>	<u>26,607</u>
Total Income		<u>28,204</u>	-	<u>28,204</u>	<u>26,607</u>
Expenditure on:					
Raising funds			8,053	8,053	8,167
Charitable activities		<u>56,255</u>	-	<u>56,255</u>	<u>54,344</u>
Total Expenditure	6	<u>56,255</u>	<u>8,053</u>	<u>64,308</u>	<u>62,511</u>
Net expenditure before investment gains/(losses)		(28,051)	(8,053)	(36,104)	(35,904)
Net gains(loss) on investments		-	58,100	58,100	(91,508)
Net income(expenditure) and movement in funds		(28,051)	50,047	21,996	(127,412)
Transfer between funds		<u>28,500</u>	<u>(28,500)</u>	-	
Net movement in funds for the year		449	21,547	21,996	(127,412)
Reconciliation of funds:					
Total funds brought forward		-	<u>843,317</u>	<u>843,317</u>	<u>970,729</u>
Total funds carried forward		<u>449</u>	<u>864,864</u>	<u>865,313</u>	<u>843,317</u>

All income and expenditure in 2023 was unrestricted.

All activities relate to continuing operations.

The notes on pages 11 to 17 form part of these financial statements.

Holy Rood Trust

Summary income and expenditure account For Year ended 31 December 2023

	Total Funds 2023	Total Funds 2022
	Note	
	£	£
Gross income in the reporting period	28,204	26,607
Less Total expenditure	64,308	62,511
	<hr/>	
Net expenditure for the financial year	<u>(36,104)</u>	<u>(35,904)</u>

The notes on pages 11 to 17 form part of these financial statements.

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Balance Sheet

For Year ended 31 December 2023

	Note	2023 £	2022 £
Fixed Assets			
Investments	8	873,323	833,302
Current Assets			
Cash at bank and in hand		13,396	14,386
Creditors: amounts falling due within one year	9	<u>(21,406)</u>	<u>(4,371)</u>
Net Current Assets(Liabilities)		<u>(8,010)</u>	<u>10,015</u>
Net Assets		<u>865,313</u>	<u>843,317</u>
Charity Funds			
Unrestricted funds	10	865,313	843,317
Total Funds		<u>865,313</u>	<u>843,317</u>

The financial statements were approved by the Trustees on 28 October 2024 and signed on their behalf, by:



G E Kidd - Trustee

Date: 28 October 2024

The notes on pages 11 to 17 form part of these financial statements.

Holy Rood Trust

Notes to the Financial Statements For the year ended 31 December 2023

1. Accounting Policies

1.1 Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Holy Rood Trust constitutes a public benefit entity as defined by FRS 102.

1.2 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.

Investment income, gains and losses are allocated to the appropriate fund.

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.

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.

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 is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Grants payable are charged in the year when the grant is paid. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

Holy Rood Trust

Notes to the Financial Statements For the year ended 31 December 2023

1. Accounting Policies (continued)

1.5 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 fair 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 shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

1.6 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 Bank.

1.7 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.

1.8 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.

1.9 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 within interest payable and similar charges.

1.10 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 with the exceptional investments which are revalued annually to their market value.

1.11 Taxation

The Holy Rood Trust is a registered Charity and therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities as they fall within the exemptions available to registered charities.

Holy Rood Trust

Notes to the Financial Statements For the year ended 31 December 2023

1.12 Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Investment Income

	Unrestricted Funds 2023	Total Funds 2023	Total Funds 2022
	£	£	£
Dividends	24,871	24,871	23,828
Interest	3,333	3,333	2,779
Gift aid/tax reclaimed	-	-	-
Total investment income	<u>28,204</u>	<u>28,204</u>	<u>26,607</u>

In 2023, the total investment income of £28,204 accrued to unrestricted funds and £ *NIL* to restricted funds.

3. Grants and Bursaries

	2023	2022
	£	£
Grants to Institutions	33,000	27,000
Bursaries to individuals/institutions	5,195	9,323
	<u>38,195</u>	<u>36,323</u>

Holy Rood Trust

Notes to the Financial Statements For the year ended 31 December 2023

Grants and Bursaries awarded

Grantee	2023	2022
	£	£
Federation of St Clare	-	10,000
Association of British Carmels	6,000	7,000
Federation of St Clare	5,000	6,000
Association of British Carmels	5,000	4,000
Association of British Contemplatives	10,000	-
Kirkintilloch Carmels	7,000	-
Total	<u>33,000</u>	<u>27,000</u>
Bursaries		
Community of St Clare, St Mary's Convent, Freeland	1,500	1,050
Association of St Clare		
Convent of Poor Clares, Arundel	980	1,450
Convent of Poor Clares, Hollington	415	750
Convent of Poor Clares, Arundel	500	700
Conventus of Our Lady of Consolation, Stanbrook Abbey	400	2,500
Quidenham Carmel		123
Convent of Poor Clares, Much Birch	-	750
	1,400	2,000
Total	<u>5,195</u>	<u>9,323</u>

4. Support Costs

	Charitable Activities	Total 2023	Total 2022
	£	£	£
Support costs	<u>15,660</u>	<u>15,660</u>	<u>15,681</u>

5. Governance Costs

	Unrestricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£
Cost of independent examination	<u>2,400</u>	<u>2,400</u>	<u>2,340</u>

Holy Rood Trust

Notes to the Financial Statements For the year ended 31 December 2023

6. Resources Expended by Type

	Other costs 2023 £	Total 2022 £
Raising funds:		
Investment management fees	<u>8,053</u>	<u>8,167</u>
Charitable activities		
Grants payable and other costs	53,855	52,004
Expenditure on governance	2,400	2,340
Total	<u>56,255</u>	<u>54,344</u>

7. Net incoming resources/(resources expended)

	2023 £	2022 £
This is stated after charging:		
Independent examination	<u>2,400</u>	<u>2,340</u>

8. Fixed Asset Investments

	Listed Investments 2023 £	Cash Held 2023 £	Total 2023 £
At 1 January 2023	821,230	12,072	833,302
Additions	36,862	15,152	52,014
Disposals	(70,092)	-	(70,092)
Unrealised gains	58,100	-	58,099
At 31 December 2023	<u>846,100</u>	<u>27,224</u>	<u>873,324</u>

Holy Rood Trust

Notes to the Financial Statements For the year ended 31 December 2023

Material Investments

Included in the above are the following investments, each representing greater than 5% of the total market value

	Cost	Market Value
Scot American	£21,334	£58,850
JP Morgan	£22,244	£105,657
Aviva Investors	£41,786	£76,794

Investments at market value comprise:

	UK	Overseas	2023	2022
	£	£	£	£
Listed investments	285,005	561,094	846,099	821,230
Cash	27,224		27,224	12,072
Total market value	<u>312,229</u>	<u>561,094</u>	<u>873,323</u>	<u>833,302</u>

9. Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals and deferred income	4,406	4,371
Grants awarded, unpaid at year end	<u>17,000</u>	-
	<u>21,406</u>	<u>4,371</u>

10a. Statement of funds - Current Year

Holy Rood Trust

	Brought Forward	Income	Expenditure	Gains/ (Losses)	Carried Forward
	£	£	£	£	£
Unrestricted funds					
General funds	<u>843,317</u>	<u>28,204</u>	<u>(64,308)</u>	<u>58,100</u>	<u>865,313</u>

10b. Statement of funds - Prior Year

	Brought Forward	Income	Expenditure	Gains/ (Losses)	Carried Forward
	£	£	£	£	£
Unrestricted funds					
General funds	<u>970,729</u>	<u>26,607</u>	<u>(62,511)</u>	<u>(91,508)</u>	<u>843,317</u>

11. Related party transactions

One of the Trustees, Gerald Edward Kidd, is a partner in the firm of Potheary Witham Weld. During the year administration and management fees of £15,600 (including VAT) (2022: £15,600) were payable to Potheary Witham Weld. The transactions were at arm's length and on a normal commercial basis. There were no other related party transactions requiring disclosure during the year. There was no remuneration paid or expenses reimbursed to trustees during the year (2022: £nil).