

The Tranquility House Trust

Charity No 201815

Report of the Trustees for the year ended 31st March 2019

The Charity's Trustees present their Annual Report and Financial Statements of the Charity for the year ended 31st March 2019. The Financial Statements have been prepared on a Receipts and Payments basis. The financial statements for previous years have been prepared on an accruals basis and the comparative figures have been restated in accordance with the newly adopted basis of accounting.

Objectives and activities for the public benefit

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

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

During the year, the Trust paid or approved 36 new grants totalling £28,800. The full take up of grants had been achieved by the Grant Secretary chasing several of the dioceses and their bishops for nominations.

Financial review

The value of the trust's portfolio stood at £696,410 at the year-end compared with £659,514 at 1st April 2018.

Investment income for the year ending 31st March 2019 was higher than the previous twelve months namely £28,817.

The cost of grants in the year increased to £28,800 partly because the trustees increased the individual amounts of grants and partly because there was an improved take up.

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

The Trustees have appointed an Investment Committee, comprising three trustees: the Chairman (Jeremy Howell), the Treasurer (John Purdy) and a trustee with previous extensive investment management experience (Paul Hewson). Sadly John Purdy died at the beginning of 2019 and he has not been replaced on the Investment Committee. The Committee has responsibility for agreeing strategy, selecting investment managers and monitoring their performance. The year before last, Brewin Dolphin Ltd were appointed as the Trust's

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

Risk management

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

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

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

Reserves policy

It is the policy of the Trustees to maintain unrestricted funds at a level that equates to at least 6 months' unrestricted expenditure. The Trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

The balance held on unrestricted funds at 31 March 2019 was £40,063 (2018: £49,250). Total expenditure in the year was £42,965 (2018: £33,919). The current level of Reserves is therefore higher than is needed under the Trustees' policy but not, in the scheme of things, excessively so and the Trustees do not feel that any corrective action is necessary at this time.

Plans for the future

As mentioned above our very able treasurer died at the beginning of last year – 13th February 2019. Ian Barrett chartered accountant has been appointed as treasurer to the Trust and a new trustee has been identified to take his position on the Trust who it is hoped, will be appointed shortly.

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

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

Structure, governance and management

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

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

The Trust does not actively fundraise and seeks to continue the charitable work desired by the original donor through the careful stewardship of its existing resources.

New Trustees are appointed by the existing Trustees and serve for five years after which they may put themselves forward for re-appointment. The Scheme document (as amended in 1991) provides for a maximum of ten Trustees, with a quorum of four.

At the half-yearly Trustees' meetings, the Trustees agree the broad strategy and areas of activity for the Trust, including consideration of grant-making, reserves and risk management policies and performance. In November 2015, the Trustees established an Investment Committee, consisting of the Chairman, the Treasurer and one other Trustee; decision-making on investment matters was delegated to this Committee by the Board of Trustees. The Investment Committee has responsibility for agreeing investment strategy, selecting investment managers and monitoring the investment assets. It will meet at least twice a year to review the portfolio, including an analysis of return, risk and asset allocation and monitoring against agreed market indices. The Investment committee will report formally to the full Trustee board on at least an annual basis.

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

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

Reference and Administrative information

The trustees who served during the year and to the date of this report are:

J W Howell (Chairman)

Mrs Ann Berrow

The Rev Preb. R J Carlton

The Ven. D J Dettmer

C G Goldsmith

J Hart

P Hewson

J Purdy - died 13th February 2019

Grants Secretary
Mrs Hilary Howell

Treasurer
Ian Barrett FCA (Treasurer)

Charity Registration Number: 201815

Address (for Charity Commission purposes)
c/o Messrs Barretts
22, Union Street,
Newton Abbot
TQ12 2JS

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

Independent Examiner
Clare Lillington BSc (Hons), FMAAT
Raddon
Station Hill
Chudleigh TQ13 0EE

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

Trustees' responsibilities in relation to the financial statements

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

J W Howell (Chairman)

22nd January 2020

**Independent Examiner's Report to the
Trustees of Tranquility House Trust
Charity no. 201815**

I report to the trustees on my examination of the accounts of Tranquility House Trust for the year ended 31st March 2019.

Responsibilities and basis of report

As the charity 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 2011 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.

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.

Clare Lillington BSc (Hons), FMAAT

Raddon
Station Hill
Chudleigh
TQ13 0EE

30th January 2020

Tranquility House Trust
Charity no 201815

Receipts and Payments Account for
The Year Ended 31st March 2019

	<i>General Fund 2019</i>	<i>General Fund 2018</i>
<i>Receipts</i>		
Dividends received	28,817	22,798
Interest	16	41
Withdrawal from investments	4,945	3,017
	33,778	25,856
<i>Payments</i>		
Grants to individuals	36,000	30,200
Investment management	4,945	2,660
Accountancy	1,020	0
Secretarial	1,000	1,059
	42,965	33,919
Net deficit for the year	-9,187	-8,063
Bank balance at 1st April 2018	49,250	57,313
Bank balance at 31st March 2019	40,063	49,250

Statement of Assets and Liabilities
At 31st March 2019

	<i>General Fund 2019</i>	<i>Permanent Endowment 2019</i>	<i>General Fund 2018</i>	<i>Permanent Endowment 2018</i>
<i>Assets</i>				
Investments - market value		696,410		659,514
Cash at bank	40,063		49,250	
	40,063	696,410	49,250	659,514
<i>Liabilities</i>				
Grants payable	20,000		26,400	
Secretarial	500		500	
Accountancy	1,080		1,720	
Portfolio management	1,200		1,221	
Bookkeeping	720			
	23,500		29,841	

Approved by the trustees

22nd January 2020