



**ST. JOHN'S FOUNDATION EST. 1174**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Registered Charity Number 201476**

**Patron: HRH The Duchess of Cornwall**

**St. John's Foundation Est. 1174  
Year ended 31 December 2018**

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**St. John's Foundation Est. 1174  
Year ended 31 December 2018**

**CHARITY INFORMATION**

**Patron**

Her Royal Highness The Duchess of Cornwall.

**Trustee**

The Trustee of the charity is St. John's Hospital Trustee Limited (company registration 08188066), a private limited company incorporated on 22 August 2012.

The Directors of St. John's Hospital Trustee Limited are:

Mr J C Barnet	Retired 20 December 2018
Mrs H F Bosnell	
Mrs E J Brooks CBE	Chairman, resigned 20 June 2018
Ms M E Brennan	
Mr R W Chapman	
Mrs S Davies	
Mr B Fletcher	Chairman, appointed 21 March 2019
Rear Admiral P M Franklyn CB MVO	Vice-Chairman; Acting Chairman 20 June 2018 to 21 March 2019
Mr I D MacKenzie	
Group Captain D M Smith OBE	
Reverend J N O Williams MBE	
Mr R M Brown	
Mr K P Scott	
Mr D J Purdon	

Co-opted advisers to Board Committees are:

Mr J Hayes	Adviser to the Investment Committee
Mr B Gilbertson (until 8 June 2018)	Adviser to the Property Committee and honorary surveyor

**Executive Team**

Ms S Porto (until 26 July 2018)	Chief Executive
Mr D Hobdey	Director of Finance and Corporate Governance then Chief Executive from 26 July 2018
Mrs L Harvey	Director of Funding and Impact
Mr P Bradshaw (until 14 March 2018)	Director of People and Organisational Development
Mr J Edmonds (from 1 April 2018)	Director of Property
Mrs M Playle (from 16 November 2018)	Interim Director of Finance

**Registered Office**

4/5 Chapel Court  
Bath  
BA1 1SQ

**Charity Registration**

201476

**Independent Auditor**

PricewaterhouseCoopers LLP  
1 Kingsway  
Cardiff  
CF10 3PW

**St. John's Foundation Est. 1174**  
**Year ended 31 December 2018**

**CHARITY INFORMATION (continued)**

**Bankers**

Handelsbanken  
7 Henry Street  
Bath  
BA1 1JR

**Solicitors**

Thrings LLP  
2 Queen Square  
Bath  
BA1 2HQ

Stone King LLP  
13 Queen Square  
Bath  
BA1 2HJ

**Investment Managers**

Smith & Williamson Investment  
Management LLP  
Portwall Place  
Portwall Lane  
Bristol BS1 6NA

**Chartered Surveyors**

Jones Lang LaSalle Limited  
31 Great George Street  
Bristol  
BS1 5QD

Martin Blake Associates Ltd  
4 Miles Buildings  
Bath  
BA1 2QS

Carter Jonas  
5-6 Wood Street  
Bath  
BA1 2HA

Philip Jennings  
12 Chapel Row  
Queen Square  
BA1 1HN

Savills  
Edgar House  
17 George Street  
Bath  
BA1 2EN

## **St. John's Foundation Est. 1174 Year ended 31 December 2018**

### **TRUSTEE'S ANNUAL REPORT**

The Trustee presents its annual report and financial statements for the year ended 31<sup>st</sup> December 2018, giving the consolidated results of St John's Foundation Est. 1174 ('St John's') and its subsidiary, St John's Hospital Trading Company Ltd.

#### **Background**

St John's has been supporting positive change in people's lives since 1174, making it one of the UK's longest established charities.

Founded to offer shelter to the poor, today our reach is far greater. We work to build resilient communities, supporting people to make real and sustainable improvements in their lives. We support large numbers of older people to live independently, for as long as possible, through our community outreach service to promote well-being and reduce loneliness and through the provision for some, of high quality almshouse accommodation. We also support a wide range of younger people via an extensive funding support programme.

#### **Our objectives**

Our main objectives are to further extend our charitable reach, in terms of both the age ranges and number of people we impact, and to make our money count, which is about increasing our efficiency and using our assets innovatively to develop new sources of income.

#### **Our impact and future plans**

In 2018, our commitment to deliver against our objectives saw St John's provide support for c.100 almshouse residents and over 60,000 other people of all ages living in Bath and the surrounding area. We are dedicated to measuring and understanding the impact of everything we do and to learn how we can continuously improve our impact reporting.

#### ***Provision of Almshouse accommodation***

The provision of almshouse accommodation has been at the heart of our work since our inception. Today, we have c. 100 residents living across two sites in Bath. Our commitment is to provide high quality, safe and secure accommodation, enabling all residents to live independently, in a place they are proud to call home.

Where additional support is required, we operate an Independent Living Service, delivering care and support for those who need it, 365 days a year, twenty-four hours a day.

The quality of our care and support has been recognised as 'good' (with no recommendations for service improvement) by the Care Quality Commission. Our Independent Living Service works to a person-centered ethos providing support when a resident is unwell and with an aim to prevent unnecessary admission to hospital. If a resident is admitted to hospital, the service works with other professionals to enable an earlier discharge, ensuring the resident can recuperate in their own fit for-purpose-home where hands-on care and support is available.

"I enjoy the security of a safe living area without worrying what to do or who to call should anything go wrong. The staff are first class, dealing with residents' queries with kindness, skill, humour and efficiency." – *St John's Almshouse resident, who moved in Summer 2018.*

**St. John's Foundation Est. 1174  
Year ended 31 December 2018**

**TRUSTEE'S ANNUAL REPORT (continued)**

***We award funding support to individuals and charitable organisations***

In 2018, St John's awarded £2m (£1.4m in 2017) through its Funding Support Programme. This provided vital support for over 90 charitable projects (70 in 2017) and over 1,200 individuals facing a point of crisis in their lives (900 in 2017). Over half of the awards supported organisations working in rural communities outside the city of Bath. Investing more has enabled us to provide support where others could not, to prevent essential community lifelines from disappearing.

Every year, the team works with GPs, social workers, case workers and other intermediaries to help people overcome the challenges individuals face in their lives and, most importantly, support them to start to build their resilience and improve their lives in the future.

All funding applications we receive go through a robust and transparent selection process, led by our expert in-house team. This ensures every supported application links directly to one or more of the six strategic social issues we have identified as our priorities in our 2015-2020 strategy. These issues are:

- Health and wellbeing
- Employment and skills
- Relationships
- Isolation
- Housing
- Poverty

"The breadth and variety of St John's funding streams point to why they are so fundamental to the voluntary organisations of our city: with deep local knowledge and understanding and simple, efficient processes, they have the confidence to fund opportunities which more remote and limited grant givers won't, and to provide strategic funding which helps organisations like us improve our practice, our efficiency, our staff development, our partnership capacity and our revenue generation." – *Ruth Keily from Mentoring Plus*

***We engage directly with the local community through our Community Outreach Service***

Our dedicated Community Outreach Service facilitates inspiring opportunities for people aged 55 and over. The aims of the service are to enrich lives, promote positive ageing and reduce isolation and loneliness. The team's work is central to fulfilling our vision and purpose and to building resilience in people and communities in Bath and the surrounding area.

Following the success of activities run from the 'Bubble', (our main venue for outreach events in Bath city centre), 2018 saw an expansion of the programme, with three new Outreach hubs piloted outside the city centre covering Keynsham and Saltford, Midsomer Norton and Radstock, and Southdown, Twerton and Foxhill. Services are delivered in collaboration with 60 local partners; our hubs have hosted 12,000 attendances and helped to improve the health and wellbeing of over 800 older people during 2018.

We understand the effect isolation and loneliness have on older people in our communities, and our outreach work is about delivering positive solutions to combat these challenges.

"Since coming to St John's activities, I feel amazing! My health and happiness is so much better than it used to be. I have somewhere to go and new friends. Everyone is so supportive and encouraging – but it's also great to try something new." - *Community Outreach Service activity participant*

**St. John's Foundation Est. 1174**  
**Year ended 31 December 2018**

**TRUSTEE'S ANNUAL REPORT (continued)**

The Trustee has followed guidance from the Charity Commission on the provision of public benefit, in accordance with the Charities Act 2011. This report aims to demonstrate the ways in which this public benefit has been achieved.

**Structure, governance and management**

St John's was founded by Bishop Reginald Fitzjocelyn after his appointment as the Bishop of Bath in 1174AD and has been supporting the people of Bath and the surrounding area ever since. Today, the charity is governed by a Charity Commission scheme dated 25<sup>th</sup> September 2012 as amended on 8<sup>th</sup> February 2018.

The charity is unincorporated and has a sole corporate Trustee, St John's Hospital Trustee Limited, the directors of which, act as 'trustees' for the charity.

A formal application, interview and induction process is in place to support the appointment of new Directors of the Trustee. Positions are advertised through a variety of printed and online media and all are welcome to apply. The aim of this open recruitment process is to ensure the Board has the right mix of skills and experience to best serve the charity and its long-term strategies. During 2018 the term of appointment of Directors was reviewed and updated. Previously Directors were appointed for an initial term of four years, which could be extended to a second or third term with the Board's approval. This has now been changed to an initial term of three years which may be extended to a second or third term with the Board's approval.

The Directors are ultimately responsible for the charity, which is managed by the Executive Team, led by David Hobdey, the CEO. Regular meetings are held by the Board with the CEO and Executive Team to oversee the governance and performance of the charity. A number of committees operate within the Board to enable effective decision making. At present, committees comprise: finance, audit and risk; strategy and performance; property; investment; and remuneration and nominations.

The remuneration and nominations committee, which comprises the chair of the Board, together with the chairs of both the finance, audit and risk and strategy and performance committees and a further trustee who has recent senior executive experience gained in an organisation operating a workforce of significant scale, is responsible for determining the pay and benefits of the CEO and Executive Team and the broad terms and conditions of employment for all the charity's staff. Where possible, the remuneration and nominations committee determines an appropriate level of remuneration by benchmarking salaries against equivalent posts in similar organisations.

The charity owns 100% of the share capital of St John's Hospital Trading Company Limited ('Trading Company'), a company limited by shares. During 2017 and 2018, the Trading Company managed the conversion of St Catherine's Hospital, one of the charity's former almshouses, into serviced holiday apartments, which began trading in April 2018. The Trading Company's results have been fully consolidated into these financial statements.

## **St. John's Foundation Est. 1174 Year ended 31 December 2018**

### **TRUSTEE'S ANNUAL REPORT (continued)**

#### **Principal risks and uncertainties**

The charity maintains an interactive risk register, comprising a full operational risk register and a corporate risk register which sets out strategic risks and the most significant operational risks. Risks are assessed for their impact and probability and a plan of action is identified for managing them. The full risk register is reviewed monthly by the Executive Team. The finance, audit & risk committee review the full register annually and the corporate risk register quarterly.

#### **Financial Performance Review**

Total income for the year has increased by 8.5% to £6,121k (2017: £5,641k). This is due to one-off donations of almost £200k (from the Joseph Matthews Trust and Roxburgh Annuities Fund), and lettings income from St Catherine's Hospital of £240k.

Rental income from the charity's commercial and residential properties in the year was £3,684k (2017: £3,696k). Although there has been significant spending on improvements to investment properties (at a cost of £544k), no new properties were purchased in the year. The cost of managing the investment estate has increased by £204k in the year, producing net income from investment properties of £2,366k (2017: of £2,493k), equating to a net yield of 2.6% (2017: 2.7%).

The return from St John's investment portfolio has enabled the charity to invest in its charitable activities. During the year, £1,952k was spent on the care and support of our almshouse residents (2017: £2,291k). This activity is also funded in part by £861k of income received from almshouse residents, (2017: £811k).

Individual and community grants paid out during the year totaled £2.0m (2017: £1.4m), an increase of 46% in line with the charity's strategy. A further £359k has been spent in the year on extending the charity's reach to the community, through its community outreach programme (2017: £205k).

Overall, the Trustee reports a consolidated operating deficit of £385k (2017: £181k surplus).

#### **Financial Position Review**

Combining both the operating deficit of £385k (2017: £181k surplus) with realised gains and losses from the sale and unrealised gains and losses on the revaluation of investments in the year, there was an overall decrease in funds of £1,689k (2017: £7,963k increase).

These activities have created a year-end balance on the charity's unrestricted reserves of £15,503k (2017: £16,624k). Included within these unrestricted reserves is the £12,203k (2017: £10,040k) net book value of the charity's consolidated operational property assets (including almshouses, administration properties and the Magdalen Chapel), from which we deliver our charitable activities. These unrestricted and restricted funds combine with our endowed and designated funds to provide total net assets of £137,123k (2017: £138,812k). This represents the total capital and reserves of the charity available to support those in need in Bath and North East Somerset.

**St. John's Foundation Est. 1174**  
**Year ended 31 December 2018**

**TRUSTEE'S ANNUAL REPORT (continued)**

**Surplus and Reserves Policy**

The charity has accumulated surpluses, which arise as a result of its large investment portfolio, which fund its charitable activities.

The Trustee maintains liquidity to cover six month's future operating expenditure of circa £2.0m. In addition, St John's has designated the Extraordinary Repair Fund of £669k (2017: £744k) to meet any unplanned future almshouse repair.

This policy is subject to annual review when the Trustee considers the charity's reserve requirements, including the requirement to preserve core permanent endowment as well as to develop our current and future charitable outreach across Bath.

**Investment strategy**

In line with the charity's investment strategy, a long-term exercise to restructure the property investment portfolio has continued, with the charity aiming to achieve a more diverse investment portfolio. A properly diversified asset allocation ensures that the charity is not unduly exposed to significant swings in the value of particular assets. This portfolio forms the backbone of the charity, generating the vital funds that make all our other work, relating to our almshouse provision, funding support and our community outreach work possible.

**Total return accounting**

The Charity Commission permitted the charity to adopt the use of Total Return in relation to its permanent endowment on 25<sup>th</sup> September 2012. The power permits the Trustee to invest permanent endowment to maximise the Total Return on investments (taking both capital values and income into consideration) and, therefore, to make available an appropriate portion of the Total Return for expenditure each year, after accounting, among other things, for preservation of the real term value of the permanent endowment. Until this power is exercised in full, the Total Return shall be an 'Unapplied Total Return' and remain as part of the permanent endowment. The Trustee has used the indexed values of the permanent endowment at 1<sup>st</sup> January 1995 to represent the 'preserved value' of the original gift. This was considered to be a sufficiently reliable period of time.

Under specific powers in the Scheme, the Trustee adopted Total Return from 1<sup>st</sup> January 2013 and therefore monitors the investment performance in terms of maintaining the purchasing power of the core endowment against inflation, while enabling the charity to commit to a long-term spending rate of 4% of the five-year average value of the permanent endowment (amended from three-year average from December 2018). Note 19 to the financial statements discloses the amounts set as opening Unapplied Total Return and discloses both the amount allocated to income in the year from the Unapplied Total Return, and the amount of Unapplied Total Return allocated to capital in the reporting period (in order to maintain the real value of the original gift).

Under Total Return, the charity allocated £4,723k to income from its endowment in 2018 (2017: £4,520k), compared to a Total Return on the endowment for the year (after fees incurred) of £3,771k (2017: £11,413k). £1,311k of the Total Return was allocated to maintain the preserved value of the permanent endowment fund (2017: £1,357k), with the balance offset against brought forward unapplied total return. The intention is to produce a consistent and sustainable amount for expenditure and to maintain the purchasing power of the endowment over the long term.

**St. John's Foundation Est. 1174**  
**Year ended 31 December 2018**

**TRUSTEE'S ANNUAL REPORT (continued)**

The charity has set a global investment benchmark for the performance for all our investment assets of RPI + 4% net of all fees and expenses, measured over a rolling five-year period (previously three years, amended in December 2018). In 2018, the charity's investments produced a Total Return (net of fees and expenses) across all funds of £3,771k (2017: £11,413k), which equates to a return of 1.8% (2017: 8.7%) against the benchmark of 6.5% (2017: 7.6%).

**Going Concern**

After transfers, the charity continues to meet its day-to-day funding requirements through investment income generated from permanent endowment assets and listed investments. We work with our investment advisers to mitigate volatility and risk by building a diverse investment portfolio. While the majority of the investment portfolio is made up of commercial and residential property in Bath, with income contractually secured by lease agreements, the charity is actively increasing diversification of its investments. Based on the above, the Trustee has a reasonable expectation that St John's has adequate resources to continue in operational existence for the foreseeable future and has adopted the going concern assumption in preparing these financial statements.

**St. John's Foundation Est. 1174  
Year ended 31 December 2018**

**TRUSTEE'S ANNUAL REPORT**

**Statement of the Trustee's Responsibilities**

The trustee is responsible for preparing the Trustee's Annual Report and the 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 Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the charity and the group for that period.

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enables it 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. It is also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

A resolution for the reappointment of PricewaterhouseCoopers LLP as auditors for the Charity will be proposed at the forthcoming Annual General Meeting.

Approved by the Trustee on 20 June 2019 and signed on its behalf by:

.....  
Mr B Fletcher (Chairman)

.....  
Ms M E Brennan (Director)

**St. John's Foundation Est. 1174**  
**Year ended 31 December 2018**

**Independent auditors' report to the Trustee of St. John's Foundation Est. 1174**

**Report on the audit of the financial statements**

**Opinion**

In our opinion, St John's Foundation Est.1174's group financial statements and parent charity financial statements (the financial statements"):

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2018 and of the group's and parent charity's incoming resources and application of resources, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008).

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and charity balance sheets as at 31 December 2018; the consolidated statement of financial activities for the year then ended, the consolidated statement of cash flows for the year then ended; and the notes to the financial statements which include a summary of the significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the charity's trade, customers, suppliers and the wider economy.

**St. John's Foundation Est. 1174  
Year ended 31 December 2018**

**Independent auditors' report to the trustees of St. John's Foundation Est. 1174 (continued)**

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

**Trustees' Report**

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

**Responsibilities for the financial statements and the audit**

**Responsibilities of the Trustees for the financial statements**

As explained more fully in the Statement of the Trustees' Responsibilities set out on page 9, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 group's and parent 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 group and parent charity or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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.

**St. John's Foundation Est. 1174**  
**Year ended 31 December 2018**

**Independent auditors' report to the trustees of St. John's Foundation Est. 1174 (continued)**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**Use of this report**

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Other required reporting**

**Charities Act 2011 exception reporting**

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Cardiff 24 June 2019

**St. John's Foundation Est. 1174**  
**Year ended 31 December 2018**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

	Note	Unrestricted fund	Designated funds	Restricted funds	Endowment fund	Total 2018	Total 2017
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Income:</b>							
Residential care and support		861	-	-	-	861	811
Investment income	3	151	-	3	4,600	4,754	4,776
Other trading activities		240	-	-	-	240	-
Charitable activities		22	-	-	-	22	23
Donations and legacies		13	-	103	128	244	31
Transfer to income	23	4,723	-	-	(4,723)	-	-
<b>Total income</b>		<b>6,010</b>	<b>-</b>	<b>106</b>	<b>5</b>	<b>6,121</b>	<b>5,641</b>
<b>Expenditure:</b>							
Costs of raising funds:							
Investment management costs		17	3	-	71	91	77
Property operational costs		879	-	-	528	1,407	1,203
<b>Total costs of raising funds</b>	4	<b>896</b>	<b>3</b>	<b>-</b>	<b>599</b>	<b>1,498</b>	<b>1,280</b>
Expenditure on charitable activities:							
Residential care & support:		1,943	-	-	7	1,950	2,291
Funding and impact	7	2,538	-	5	-	2,543	1,684
Community outreach		359	-	9	-	368	205
<b>Total expenditure on charitable activities</b>	5	<b>4,840</b>	<b>-</b>	<b>14</b>	<b>7</b>	<b>4,861</b>	<b>4,180</b>
Other expenditure		147	-	-	-	147	-
<b>Total expenditure</b>		<b>5,883</b>	<b>3</b>	<b>14</b>	<b>606</b>	<b>6,506</b>	<b>5,460</b>
<b>Net income / (expenditure) before investment (losses) / gains</b>		<b>127</b>	<b>(3)</b>	<b>92</b>	<b>(601)</b>	<b>(385)</b>	<b>181</b>
Net (losses) / gains on investments	10	(1,009)	(72)	-	(223)	(1,304)	7,782
Net income		(882)	(75)	92	(824)	(1,689)	7,963
Transfers between funds		1,015	-	-	(1,015)	-	-
<b>Net movement in funds</b>		<b>133</b>	<b>(75)</b>	<b>92</b>	<b>(1,839)</b>	<b>(1,689)</b>	<b>7,963</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		16,624	744	1,957	119,487	138,812	130,849
<b>Total funds carried forward</b>	24	<b>16,757</b>	<b>669</b>	<b>2,049</b>	<b>117,648</b>	<b>137,123</b>	<b>138,812</b>

The above results are derived from continuing activities only, and there are no recognised gains or losses other than those shown above. Detailed comparatives for 2017 have been provided in note 2 of these financial statements.

**St. John's Foundation Est. 1174  
As at 31 December 2018**

**CONSOLIDATED BALANCE SHEET**

	<b>Note</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
<b>Fixed Assets</b>			
Intangible assets	12	27	46
Tangible assets – freehold property	13	12,203	10,040
Other tangible fixed assets	14	53	100
Investments:			
Financial and property investments	15	123,180	125,897
Social investments	16	192	221
		<b>135,655</b>	<b>136,304</b>
<b>Current Assets</b>			
Social investments	16	29	28
Debtors	17	994	783
Cash at bank and in hand		3,526	3,189
		<b>4,549</b>	<b>4,000</b>
Creditors: amounts falling due within one year	18a	(1,781)	(1,492)
Net current assets		<b>2,768</b>	<b>2,508</b>
<b>Total assets less current liabilities</b>		<b>138,423</b>	<b>141,796</b>
Creditors: amounts falling due after more than one year	18b	(1,300)	-
<b>Total net assets</b>		<b>137,123</b>	<b>138,812</b>
<b>Capital and reserves</b>			
Permanent endowment fund	19	117,520	119,487
Roxburgh endowment fund	20	128	-
Designated funds	21	669	744
Unrestricted general fund	22	16,757	16,624
Restricted funds	23	2,049	1,957
		<b>137,123</b>	<b>138,812</b>

The accompanying notes form an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Trustee at the meeting held on 20 June 2019 and were signed on its behalf by:

.....  
Mr B Fletcher (Chairman)

.....  
Ms M E Brennan (Director)

Registered charity number 201476

**St. John's Foundation Est. 1174**  
**As at 31 December 2018**

**CHARITY BALANCE SHEET**

	Note	2018 £'000	2017 £'000
<b>Fixed Assets</b>			
Intangible assets	12	27	46
Tangible assets – freehold property	13	12,215	10,051
Other tangible assets	14	53	100
Investments:			
Financial and property investments	15	123,230	125,947
Social investments	16	192	221
		<b>135,717</b>	<b>136,365</b>
<b>Current Assets</b>			
Social investments	16	29	28
Debtors	17	951	818
Cash at bank and in hand		3,476	3,116
		<b>4,456</b>	<b>3,962</b>
Creditors: amounts falling due within one year	18	(1,733)	(1,503)
Net current Assets		2,723	2,459
		<b>138,440</b>	<b>138,824</b>
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	18b	(1,300)	-
		<b>137,140</b>	<b>138,824</b>
<b>Total net assets</b>			
<b>Capital and reserves</b>			
Permanent endowment fund	19	117,496	119,467
Roxburgh endowment fund	20	128	-
Designated funds	21	669	744
Unrestricted general fund	22	16,798	16,656
Restricted funds	23	2,049	1,957
		<b>137,140</b>	<b>138,824</b>

The accompanying notes form an integral part of these financial statements.  
 These financial statements were approved and authorised for issue by the Trustee at the meeting held on 20 June 2019 and were signed on its behalf by:

.....  
 Mr B Fletcher (Chairman)

.....  
 Ms M Brennan (Director)

**St. John's Foundation Est. 1174**  
**Year ended 31 December 2018**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash flows used by operating activities</b>	(4,528)	(4,123)
<b>Cash flows from financing activity</b>		
Cash inflows from net borrowings	1,450	-
Repayments of borrowings	(6)	(5,062)
<b>Net cash (used)/provided by financing activity</b>	<u>1,444</u>	<u>(5,062)</u>
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	4,754	4,776
Costs of generating funds paid by endowment capital	(599)	(477)
Improvements to investment properties	(544)	(1,899)
Purchase of investments	(1,804)	(3,397)
Proceeds from the sale of investments	2,705	5,939
Social investments	28	27
Purchase of property, plant and equipment	(1,118)	(40)
Purchase of intangible assets	(1)	(19)
<b>Net cash provided by investing activity</b>	<u>3,421</u>	<u>4,910</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>337</u>	<u>(4,275)</u>
Change in cash and cash equivalents in the year	337	(4,275)
Cash and cash equivalents at the beginning of the year	3,189	7,464
<b>Cash and cash equivalents at the end of the reporting period</b>	<u>3,526</u>	<u>3,189</u>

**St. John's Foundation Est. 1174**  
**Year ended 31 December 2018**

**Reconciliation of net income to net cash flow from operating activities**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Net (expenditure) / income for the year	(1,689)	7,963
Depreciation charges	200	180
Unrealised gain on investment properties transferred from operational estate	-	(112)
Unrealised (gains) / losses on investments	1,845	(7,105)
Realised gain on disposal of investments	(535)	(566)
Dividends, interest and rents from investments	(4,754)	(4,776)
(Increase)/decrease in debtors	(211)	40
Increase/(decrease) in creditors	145	(221)
Cost of generating funds from endowed capital	599	474
Donated investment assets	(128)	-
<b>Cash outflow from operating activities</b>	<b>(4,528)</b>	<b>(4,123)</b>

**Analysis of changes in net debt**

	<b>At start of year</b>	<b>Cash-flows</b>	<b>At end of year</b>
Cash	3,189	337	3,526
<b>Total</b>	<b>3,189</b>	<b>337</b>	<b>3,526</b>

**St. John's Foundation Est. 1174  
Year ended 31 December 2018**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Principal Accounting Policies**

**Consolidation**

The group financial statements consolidate the financial statements of the charity and its wholly owned subsidiary, St John's Trading Company Limited ('the subsidiary') for the year ended 31 December 2018. The results of the subsidiary for the year are set out in note 15. The group will be referred to as 'St John's' or 'the charity' throughout these financial statements.

**Basis of preparation**

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('FRS102 SORP') and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS102') (effective 1 January 2015) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

St. John's Foundation Est. 1174 constitutes a public benefit entity as defined by FRS102.

Except as set out below, the financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value. Freehold housing properties (operational properties) are shown at deemed cost (see page 20). Investment properties are shown at their revalued amounts and the investment portfolios are valued at closing market values. These policies have been applied consistently throughout the current and prior year.

The exemption provided by s408 of Companies Act 2006 has been taken to not present a separate Statement of Financial Activities ('SOFA') for the charity. The results for the charity and reconciliation of funds are shown in notes 19 to 23.

**Assessment of going concern**

The Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. After transfers, the charity continues to meet its day-to-day funding requirements through investment income generated from permanent endowment assets and listed investments. The charity works with its investment advisers to mitigate volatility and value risk by maintaining a diverse investment portfolio. Currently the majority of the investment portfolio is made up of commercial and residential property in Bath, with income contractually secured by lease agreements. As a result, the charity considers that it has adequate resources to continue in operational existence for the foreseeable future and has adopted the going concern assumption in preparing these financial statements.

**Income recognition**

Income is recognised when 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.

Dividend income is recognised when the dividend has been declared. Interest on capital is recognised when receivable and the amount can be measured reliably. This is upon notification by our investment advisors or the bank of the dividend or interest yield.

Rental income, from investment properties, is recognised over the term of the lease with any lease incentives spread evenly over the lease term. Residential property income represents fees from residents and other service user income and is credited to the unrestricted fund.

**Voluntary income**

Voluntary income is credited to the appropriate fund in the year in which it is receivable. In the event that the income is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until those conditions are met, or if there is sufficient evidence that the conditions will be met and fulfilment of the conditions is wholly within the control of the charity.

**St. John's Foundation Est. 1174  
Year ended 31 December 2018**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Principal Accounting Policies (continued)**

**Expenditure**

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All costs have been directly attributed to one of the functional categories of expenditure in the SOFA.

**Funding awards payable**

Funding awards payable are payments made to third parties in the furtherance of the charity's objects. In the case of an unconditional award offer this is accrued once the recipient has been notified of the award. Where performance-related conditions are attached the cost of the award is not recognised until there is sufficient evidence that the conditions will be met.

Individual awards are recognised on approval of the award. Multi-year awards for core funding are recognised in full on approval of the award where there are no performance conditions attached.

**Irrecoverable VAT**

Irrecoverable VAT is charged to the SOFA or capitalised as part of the cost of the related asset, where appropriate.

The charity has opted to charge tax on certain commercial properties and recovers the associated input VAT. All other expenses are shown inclusive of non-recoverable VAT.

**Allocation of support costs**

General management expenses (including depreciation and property costs) and governance costs are apportioned between the provision of residential care and support and property operational costs on the basis of the estimated time spent on each function.

**Intangible fixed assets**

Intangible fixed assets are those which lack physical substance but provide an on-going economic benefit for the charity. They are recognised at historic cost and subsequently amortised so as to write off the cost over their expected useful lives, as follows:

Website	3 years / 33% per annum
Software	4 years / 25% per annum

**Tangible fixed assets**

All assets costing more than £5,000 are capitalised.

Office and computer equipment, fixtures and fittings and motor vehicles are stated at cost less depreciation and provision for impairment. Depreciation is calculated to write off the cost of such fixed assets over their expected useful lives; the rate used for this purpose is 25% per annum on a straight-line basis.

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Principal Accounting Policies (continued)**

**Housing and administrative properties**

Housing and administrative properties are included in the financial statement as freehold fixed assets.

The cost of freehold housing properties represents deemed cost at 1 January 2014 under transition to FRS102, plus subsequent additions at cost. Assets are stated at deemed cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. The applicable rate is:

Freehold buildings	50 years / 2% per annum
--------------------	-------------------------

Freehold land is not depreciated. A depreciation rate of 2% is applied to the buildings' cost, which is assessed to be two thirds of the total property value less its residual value.

**Fixed asset investments**

**Investment properties**

The charity owns freehold properties and ground rents for long-term investment. In accordance with FRS102 these are included in the balance sheet at valuation at 31 December 2018, and the surplus arising on revaluation has been transferred to the relevant reserve.

Depreciation is not provided in respect of freehold investment properties in the Permanent Endowment Fund. Impairment reviews are carried out annually.

**Quoted investments**

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing market bid price. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year. The surplus or deficit arising on revaluation has been credited or charged to the Permanent Endowment Fund, Designated Extraordinary Repairs Fund or Unrestricted Reserves, as appropriate.

The charity does not have any derivatives or other complex financial instruments.

**Charities Property Fund**

Investments are valued at their bid price as advised by the investment manager at year-end.

**Social investments**

Social investments are in the form of concessionary loans to third parties, which aim to generate a financial return whilst furthering the charitable aims of the charity. As such, they have been classified as mixed-motive investments. These loans are initially recognised at the amount drawn down and the carrying amount then adjusted to reflect capital repayments and any accrued interest and impairment in line with paragraph 21.26 of the FRS 102 SORP.

**St. John's Foundation Est. 1174**  
**Year ended 31 December 2018**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Principal Accounting Policies (continued)**

**Taxation**

The charity is exempt from income and corporation taxes on income and gains to the extent that they are applied for its charitable objects. The trading subsidiary does not generally pay UK corporation tax because its policy is to pay taxable profits to the charity as Gift Aid.

**Realised gains and losses**

All gains and losses are taken to the SOFA as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired during the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the SOFA.

**Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity, which the Trustee has decided at its discretion to set aside for a specific purpose. Restricted and endowment funds are subject to specific restrictions imposed by the donor of the income or the Charity Commission. Further explanation of each fund held by the charity is contained in notes 19-23 of these financial statements.

**Total return accounting**

The Charity Commission permitted the charity to adopt the use of total return in relation to its permanent endowment on 25 September 2012. The power permits the Trustee to invest permanent endowments to maximise total return and to make available an appropriate portion to the total return for expenditure each year. Until this power is exercised the total return shall be an 'unapplied total return' and remain as part of the permanent endowment. The Trustee has used the indexed values of the permanent endowment at 1 January 1995 to present the 'preserved value' of the original gift.

**Financial instruments**

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

Financial assets include the charity's trade and other receivables. Financial liabilities include the charity's trade creditors, accruals and other creditors.

**Debtors**

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

**Cash and cash equivalents**

Cash and cash at bank comprise 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.

**Creditors and provisions**

Provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for any trade discounts due.

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Principal Accounting Policies (continued)**

**Pension costs**

Employees of the charity are entitled to join a defined contribution scheme. The pension costs charged in the year represent the amount of the contributions payable to the defined contribution scheme in respect of the accounting period. The charity's pension contributions for current employees are charged to the SOFA in the year in which the contribution arises. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

**Related party transactions**

Transactions with related parties are disclosed in the notes to these financial statements. St John's policy is for the Trustee's Directors, Senior Leadership Team members and advisers to declare their interests and exempt themselves from all relevant decisions and discussions which may give rise to a conflict of interest or involve a transaction with a related party.

**Functional currency**

The functional currency of the Group is sterling.

**Registered address**

The registered address of the charity and its subsidiary is 4/5 Chapel Court, Bath, BA1 1SQ.

**Key sources of estimation uncertainty**

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 13-14 for the carrying amount of the property plant and equipment.

Impairment of debtors

The charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debt and historical experience.

Revaluation of properties

The charity carries its investment property at fair value, with changes in the fair value being recognised in the SOFA. Fair value is determined by independent valuation specialists using discounted cash flow models over an appropriate period, with the net income in the final year capitalised into perpetuity. Allowances are made for voids and the cost of management, repairs and maintenance. The discount rate used reflects the overall level of risk associated with the income.

**St. John's Foundation Est. 1174**  
**Year ended 31 December 2018**

**NOTES TO THE FINANCIAL STATEMENTS**

**2. Comparative Statement of Financial Activities**

	Unrestricted fund	Designated fund	Restricted fund	Permanent endowment fund	Total 2017
	£'000	£'000	£'000	£'000	£'000
<b>Income:</b>					
Residential care and support	811	-	-	-	811
Investment income	183	-	-	4,593	4,776
Charitable activities	23	-	-	-	23
Donations and legacies	1	-	30	-	31
Transfer to income	4,520	-	-	(4,520)	-
<b>Total income</b>	<b>5,538</b>	<b>-</b>	<b>30</b>	<b>73</b>	<b>5,641</b>
<b>Expenditure:</b>					
Costs of raising funds:					
Investment management costs	14	2	-	61	77
Property operational costs	790	-	-	413	1,203
Total costs of raising funds	804	2	-	474	1,280
Expenditure on charitable activities:					
Residential care and support	2,291	-	-	-	2,291
Funding and impact	1,684	-	-	-	1,684
Community outreach	202	-	3	-	205
Total expenditure on charitable activities	4,177	-	3	-	4,180
<b>Total expenditure</b>	<b>4,981</b>	<b>2</b>	<b>3</b>	<b>474</b>	<b>5,460</b>
<b>Net (expenditure) / income before investment gains/losses</b>	<b>557</b>	<b>(2)</b>	<b>27</b>	<b>(401)</b>	<b>181</b>
Net gains on investments	396	92	-	7,294	7,782
Net income	953	90	27	6,893	7,963
Transfers between funds	-	-	-	-	-
<b>Net movement in funds</b>	<b>953</b>	<b>90</b>	<b>27</b>	<b>6,893</b>	<b>7,963</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	15,671	654	1,930	112,594	130,849
<b>Total funds carried forward</b>	<b>16,624</b>	<b>744</b>	<b>1,957</b>	<b>119,487</b>	<b>138,812</b>

**St. John's Foundation Est. 1174**  
**Year ended 31 December 2018**

**NOTES TO THE FINANCIAL STATEMENTS**

**3. Investment income**

<b>Consolidated</b>	<b>Unrestricted fund</b>	<b>Restricted fund</b>	<b>Permanent endowment fund</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Commercial investment properties	-	-	3,004	3,004	3,032
Residential investment properties	-	-	680	680	664
<b>Property investment income</b>	<b>-</b>	<b>-</b>	<b>3,684</b>	<b>3,684</b>	<b>3,696</b>
Interest received on social investment	-	-	9	9	11
Listed investments	149	3	907	1,059	1,057
Interest on cash deposits	2	-	-	2	12
<b>Non-property investment income</b>	<b>151</b>	<b>3</b>	<b>916</b>	<b>1,070</b>	<b>1,080</b>
<b>Total</b>	<b>151</b>	<b>3</b>	<b>4,600</b>	<b>4,754</b>	<b>4,776</b>

<b>Charity</b>	<b>Unrestricted fund</b>	<b>Restricted fund</b>	<b>Permanent endowment fund</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Commercial investment properties	89	-	3,004	3,093	3,032
Residential investment properties	-	-	680	680	664
<b>Property investment income</b>	<b>89</b>	<b>-</b>	<b>3,684</b>	<b>3,773</b>	<b>3,696</b>
Interest received on social investment	-	-	9	9	11
Listed investments	148	3	907	1,058	1,057
Interest on cash deposits	2	-	-	2	12
<b>Non-property investment income</b>	<b>150</b>	<b>3</b>	<b>916</b>	<b>1,069</b>	<b>1,080</b>
<b>Total</b>	<b>239</b>	<b>3</b>	<b>4,600</b>	<b>4,842</b>	<b>4,776</b>

**4. Total cost of raising funds**

	<b>Staff costs</b>	<b>Depreciation</b>	<b>Other costs</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Property operational costs	503	43	861	1,407	1,203
Investment management	-	-	91	91	77
<b>Total</b>	<b>503</b>	<b>43</b>	<b>952</b>	<b>1,498</b>	<b>1,280</b>

Investment management costs of £90,000 (2017: £77,000) relate to third party investment management fees for management of the portfolio of listed investments.

**St. John's Foundation Est. 1174**  
**Year ended 31 December 2018**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. Total expenditure on charitable activities**

	<b>Staff costs</b>	<b>Depreciation</b>	<b>Other costs</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Residential care and support	977	138	835	1,950	2,291
Funding and impact	356	14	2,173	2,543	1,684
Community outreach	210	5	153	368	205
<b>Total</b>	<b>1,543</b>	<b>157</b>	<b>3,161</b>	<b>4,861</b>	<b>4,180</b>

**6. Governance costs**

The charity identifies the costs which relate to the charity's governance function and these are recorded as part of the total costs of raising funds (see note 4) and expenditure on charitable activities (see note 5). Governance costs are detailed as follows:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Auditor fees (including irrecoverable VAT):		
- for audit services	20	17
- VAT advice	1	1
Accountancy and other professional services	3	1
Trustee expenses	4	4
Corporation tax payable by trading company	-	-
	<b>28</b>	<b>23</b>
These have been split across activities:		
Residential care and support	13	11
Funding and impact	5	2
Property operational costs	10	10
	<b>28</b>	<b>23</b>

**7. Funding and impact**

St John's undertakes its charitable activities through funding and awarded grants to a number of individuals and organisations in furtherance of its charitable activities.

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Individual funding	306	251
Organisational funding	1,659	1,146
Funding and impact departmental costs	578	287
	<b>2,543</b>	<b>1,684</b>

During 2018, a total of 114 (2017: 71) new awards were made to organisations. For awards payable to individuals, the maximum amount payable is £1,500 (2017: £1,500) over three years.

**St. John's Foundation Est. 1174**  
**Year ended 31 December 2018**

**NOTES TO THE FINANCIAL STATEMENTS**

**7. Funding and impact (continued)**

**Recipients of institutional funding awards:**

All awards of £15,000 or over paid in the year to charitable groups as part of the £1,659,000 above are shown below.

<b>Organisation</b>	<b>Project</b>	<b>Amount (£)</b>
Sporting Family Change	Lifestyle Change Programme (Special Programmes)	90,000
All Saints Weston	Refurbishment of Weston Children's Centre	40,000
Off the Record	Listening Services	40,000
Southside Family Project	Domestic Abuse - Supporting Lasting Change	39,974
Somer Valley Education Trust CIO	METS (Media Education Training and Skills)	39,420
Curo	Working Well	39,310
Developing Health & Independence	Resolve to Stop the Violence Programme	36,173
St Mungo's	St Mungo's Mental Health Support Service	34,703
Soundwell Music Therapy Trust	Music Therapy Services	32,000
VOICES	Domestic Abuse Recovery Group Programmes	30,630
Anorexia & Bulimia Care	BANES Recovery Hub	30,000
Make a Move	Moving on Up! (2018)	30,000
Grow for Life	Grow for Life	30,000
Sporting Family Change	Capital Building Project and Relocation of SFC	30,000
Julian House	Specialist Female Support Worker	29,973
Bath Mind	Welfare Benefits Advice and Support	28,334
Holy Trinity Combe Down	Community Outreach Worker and Church Centre Manager	25,978
Reason	Time to Talk	25,700
Clean Slate Training & Employment Ltd	Quids In (3 Bs) Training	25,000
Bath Youth for Christ	Southdown Youth Worker	25,000
We Hear You	One to One Counselling	23,596
Black Families ESG	Saturdays for Success	22,890
Cycling Projects	Wheels for All	21,810
The Life Project	Parent Carer Drop-In Group	21,054
Avon Mutual	Avon Mutual	20,000
Bath Area Play Project	Quality Improvement	20,000
Mentoring Plus	Extended Activities Programme (2017 to 2020)	20,000
VOICES	VOICES Core Funding (2016)	20,000
Bath City Farm	Bath City Farm Core Funding (2016)	20,000
Jamie's Farm	Core Funding Support	20,000
Southside Family Project	Strengthening Southside's Impact	20,000
Young Bristol	Mobile Youth Bus for B&NES	20,000
Jessie May Trust	Hospice at Home Support	20,000
Genesis Trust Bath	Head of New Project Development (Continuation)	20,000
Three Ways School	Manager for the 3 Cafe and Kitchen	20,000
FareShare South West	Dismantling Food Poverty in BANES through Surplus Food	20,000
BEMSCA	Building Links	19,982
Somer Valley Education Trust CIO	Sustain & Grow	19,971
Bath City FC Community Sports Foundation	BCFCS Foundation Project Manager	19,960
Bath Rugby Foundation	Fundraising Events Coordinator (FEC) and Fundraising Volunteer Coordinator (FVC)	19,908
Sporting Family Change	SFC Core Funding (2016)	19,898
Mentoring Plus	Riverside Youth Club	19,599
Farnborough Pre-school	Farnborough Pre-school	19,445

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**7. Funding and impact (continued)**

**Recipients of institutional funding awards (continued):**

Bath Youth for Christ	Strengthening the Bath Youth for Christ Core	18,780
Swallow	Investment in Efficiency	18,252
NSPCC	Speak Out Stay Safe in BANES	17,100
Mercy in Action	The Petra Project	16,378
Jamie's Farm	B&NES Impact	16,200
Read Around Bath	Read! Talk! Together!	15,600
Developing Health & Independence	Connecting Communities and Services	15,000
The Wheels Project	Driving Ambition for Young People in B&NES! 2018-2020	15,000
Julian House	Housing First Partnership	15,000
Citizens Advice	Fundraising for the Future	15,000
Bath Stroke Support Group	Stroke Support Group	15,000

**8. Staff costs and remuneration of key management personnel**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	1,688	1,649
Social security costs	159	156
Pension costs	151	146
Other employee benefits	24	27
Redundancy costs	58	45
Agency staff costs	70	130
	<u>2,150</u>	<u>2,153</u>

Redundancy costs were payable to staff, whose jobs were made redundant, as part of their final salary received from the charity. All amounts had been fully paid by the balance sheet date. Costs are recognised when there is an obligation to make the redundancy payment.

The average number of persons employed by the Group during the year and the prior year was:

	<b>2018</b>	<b>2017</b>
	<b>number</b>	<b>number</b>
Property maintenance	11	12
Residential care and support	17	17
Management of the charity	30	29
	<u>58</u>	<u>58</u>

The average number of full-time equivalent persons employed by the Group during the year and the prior year was:

	<b>2018</b>	<b>2017</b>
	<b>number</b>	<b>number</b>
Property maintenance	9	10
Residential care and support	16	16
Management of the charity	28	27
	<u>53</u>	<u>53</u>

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**8. Staff costs and remuneration of key management personnel (continued)**

The number of employees whose emoluments were in excess of £60,000 per annum, excluding pension costs, fell within the following bands:

	2018 number	2017 number
£60,001 to £70,000	-	1
£70,001 to £80,000	2	2
£80,001 to £90,000	1	1
£90,001 to £100,000	1	-
£110,001 to £120,000	-	1
	4	5

The employer pension contributions made in respect of the above four employees to the defined contribution scheme amounted to £33,000 (2017: five employees £40,000). No enhanced or special terms apply and there are no additional pension arrangements for these employees. St John's considers its key management personnel to comprise the directors of the Trustee and the senior leadership team. The total employment benefits, including employer pension contributions of the key management personnel were £397,000 (2017: £510,000).

**9. Related party transactions and trustees' expenses and remuneration**

During 2018, all the directors of the Trustee continued to give their time and expertise without any form of remuneration or other benefit in cash or kind (2017: £nil). Expenses paid to the directors of the Trustee in 2018 totalled £1,974 (2017: £1,233). These expenses were paid to nine directors (2017: eight directors) for travel and subsistence. The charity also paid for training for directors of the Trustee of £937 in 2018 (2017: £840). Trustee indemnity insurance was purchased by the charity on behalf of the Trustee. The sum insured was £5m in both 2017 and 2018. The cost of the policy was £2,446 (2017: £2,288). Other transactions with related parties are summarised as follows:

Related party	Nature of relationship	Expenditure	
		2018 £	2017 £
Developing Health and Independence	Mrs S Davies is a Trustee	51,791	47,883
Julian House	Ms S Porto is a Trustee	50,739	1,779
Bath Business Improvement District	Ms S Porto was a Director and Mr D Hobdey is a Director	6,870	6,120
Royal United Hospitals Bath NHS Foundation Trust	Ms M F Brennan is a Director	250	475
Holy Trinity Church (Combe Down)	Mr D J Purdon is a Trustee	37,004	10,900
Sirona Care and Health CIC	Mr D J Purdon is a Director	143	203
Curo Group	Mrs H F Bosnell is a Director	129,778	119,233
The Bath Rugby Community Foundation	Mrs L Harvey is a Trustee	32,389	15,000

All transactions were executed in the normal course of business. There were no transactions with the Trustee or other related parties during the year, other than those disclosed above (2017: none). No balances were outstanding to or from related parties at the year-end (2017: none).

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**10. Gains and losses**

<b>Consolidated</b>	<b>Unrestricted fund</b>	<b>Designated fund</b>	<b>Permanent endowment fund</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Unrealised (losses)/gains	(1,010)	(72)	(757)	(1,839)	7,216
Realised gains	1	-	534	535	566
	<b>(1,009)</b>	<b>(72)</b>	<b>(223)</b>	<b>(1,304)</b>	<b>7,782</b>

  

<b>Charity</b>	<b>Unrestricted fund</b>	<b>Designated fund</b>	<b>Permanent endowment fund</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Unrealised (losses)/gains	(1,010)	(72)	(761)	(1,843)	7,196
Realised gains	1	-	534	535	566
	<b>(1,009)</b>	<b>(72)</b>	<b>(227)</b>	<b>(1,308)</b>	<b>7,762</b>

**11. Realised gains and losses**

	<b>Unrestricted fund</b>	<b>Designated fund</b>	<b>Permanent endowment fund</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Investment properties	-	-	27	27	(1)
Listed Investments	1	-	507	508	567
	<b>1</b>	<b>-</b>	<b>534</b>	<b>535</b>	<b>566</b>

**12. Intangible assets**

<b>Consolidated and charity</b>	<b>Website and database</b>
	<b>£'000</b>
<b>Cost</b>	
At 1 January 2018	64
Additions	1
Disposals	-
At 31 December 2018	<b>65</b>
<b>Accumulated amortisation</b>	
At 1 January 2018	18
Charge	20
Eliminated on disposal	-
At 31 December 2018	<b>38</b>
<b>Net book value</b>	
At 31 December 2018	<b>27</b>
At 31 December 2017	<b>46</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**13. Tangible assets – freehold property**

<b>Consolidated</b>	<b>City centre almshouses</b>	<b>Combe Park almshouse</b>	<b>Operational properties</b>	<b>Magdalen chapel</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost/valuation</b>					
At 1 January 2018	8,955	3,749	543	740	13,987
Additions	1,113	-	4	-	1,117
Transfer	1,190	-	-	-	1,190
At 31 December 2018	11,258	3,749	547	740	16,294
<b>Accumulated depreciation</b>					
At 1 January 2018	3,748	148	21	30	3,947
Charge for the year	83	37	5	7	132
Transfer	12	-	-	-	12
At 31 December 2018	3,843	185	26	37	4,091
<b>Net book value</b>					
At 31 December 2018	7,415	3,564	521	703	12,203
At 31 December 2017	5,207	3,601	522	710	10,040

<b>Charity</b>	<b>City centre almshouses</b>	<b>Combe Park almshouse</b>	<b>Operational properties</b>	<b>Magdalen chapel</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost/valuation</b>					
At 1 January 2018	8,966	3,749	543	740	13,998
Additions	1,113	-	4	-	1,117
Transfer	1,190	-	-	-	1,190
At 31 December 2018	11,269	3,749	547	740	16,305
<b>Accumulated depreciation</b>					
At 1 January 2018	3,748	148	21	30	3,947
Charge for the year	82	37	5	7	131
Transfer	12	-	-	-	12
At 31 December 2018	3,842	185	26	37	4,090
<b>Net book value</b>					
At 31 December 2018	7,427	3,564	521	703	12,215
At 31 December 2017	5,218	3,601	522	710	10,051

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**14. Other tangible fixed assets**

<b>Consolidated and charity</b>	<b>Office equipment £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Computer systems £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At 1 January 2018	95	356	67	12	530
Additions	1	-	-	-	1
At 31 December 2018	96	356	67	12	531
<b>Accumulated depreciation</b>					
At 1 January 2018	72	279	67	12	430
Charge for the year	6	42	-	-	48
At 31 December 2018	78	321	67	12	478
<b>Net book value</b>					
At 31 December 2018	18	35	-	-	53
At 31 December 2017	23	77	-	-	100

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**NOTES TO THE FINANCIAL STATEMENTS**

**15. Financial and property investments**

<b>Consolidated</b>	<b>Investment property</b>	<b>Listed investments</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Market value brought forward at 1 January 2018	90,865	35,032	125,897
Additions to investments at cost	544	1,830	2,374
Gifted investments at carrying value	-	128	128
Transfers to operational assets	(1,178)	-	(1,178)
Disposals at carrying value	(268)	(2,435)	(2,703)
Unrealised gain/(loss) on revaluation	397	(2,243)	(1,846)
Realised gain/(loss) on sale of funds	-	508	508
<b>Market value at 31 December 2018</b>	<b>90,360</b>	<b>32,820</b>	<b>123,180</b>

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded on public markets. The fair value for quoted investments is the market value, using the bid price.

The charity's commercial investment properties were re-valued by Jones Lang LaSalle Limited, Chartered Surveyors, and its residential investment properties by Philip Jennings, Chartered Surveyors, on the basis of open market value at 31st December 2018. The surpluses or deficits arising on revaluations have been transferred to the permanent endowment fund. As a result of the length of time that the charity has owned the investment properties there are no records of their original cost.

Social investments also form part of the charity's investments (note 16).

<b>Charity</b>	<b>Trading subsidiary</b>	<b>Investment property</b>	<b>Listed investments</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Market value brought forward at 1 January 2018	50	90,865	35,032	125,947
Additions to investments at cost	-	544	1,830	2,374
Gifted investments at carrying value	-	-	128	128
Transfers to operational assets	-	(1,178)	-	(1,178)
Disposals at carrying value	-	(268)	(2,435)	(2,703)
Unrealised gain/(loss) on revaluation	-	397	(2,243)	(1,846)
Realised gain/(loss) on sale of funds	-	-	508	508
<b>Market value at 31 December 2018</b>	<b>50</b>	<b>90,360</b>	<b>32,820</b>	<b>123,230</b>

The charity owns the entire share capital of St John's Hospital Trading Company Limited, a company incorporated in England and Wales - company registration number 08632453. The share capital of St John's Hospital Trading Company Limited comprises 50,000 ordinary shares of £1, which are all wholly owned by the charity. The principal activity of St John's Hospital Trading Company Limited is to manage serviced apartments and procure services on behalf of St. John's Foundation Est. 1174.

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**15. Financial and property investments (continued)**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>The trading results of the subsidiary were as follows:</b>		
Turnover	390	705
Cost of sales	(145)	(673)
<b>Gross profit</b>	<b>245</b>	<b>32</b>
Administrative expenses	(10)	(9)
Operational expenses	(237)	-
<b>Operating (loss) / profit</b>	<b>(2)</b>	<b>23</b>
Interest receivable	-	-
Interest payable	(1)	(1)
<b>(Loss) / profit before tax</b>	<b>(3)</b>	<b>22</b>
Taxation	-	-
<b>(Loss) / profit after tax</b>	<b>(3)</b>	<b>22</b>

**The aggregate of the assets, liabilities and funds as at 31- December was:**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Total assets	242	197
Total liabilities	(195)	(147)
<b>Shareholders' funds</b>	<b>47</b>	<b>50</b>

**16. Social investments**

<b>Consolidated and charity</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Mixed motive investments:		
Receivable in more than one year	192	221
Receivable in less than one year	29	28
	<b>221</b>	<b>249</b>

The mixed motive investment above represents two concessionary loans to a single party drawn down together on 28 October 2015, secured by a legal charge over freehold property and charged interest at a rate of 4%.

At the year end there were no amounts committed but undrawn (2017: nil), and no amounts that had been approved subject to the agreement of terms (2017: nil).

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**17. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Consolidated</b>		
Trade debtors	375	183
Prepayments and accrued income	617	597
Other debtors	2	3
	<u>994</u>	<u>783</u>
<b>Charity</b>		
Trade debtors	348	188
Prepayments and accrued income	601	597
Other debtors	2	3
Amounts owed by subsidiary	-	8
Gift aid owed by subsidiary	-	22
	<u>951</u>	<u>818</u>

All amounts fall due within one year and relate to unrestricted funds including the balance owed by the subsidiary which is paid in instalments with the final payment made in 2018.

**18a. Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Consolidated</b>		
Accruals for grants payable	5	12
Trade creditors	238	324
Accruals and deferred income	1,112	986
Taxation and social security	243	138
Corporation tax	-	-
Other creditors	39	32
Amounts due to lifetime leasehold tenants	144	-
	<u>1,781</u>	<u>1,492</u>
<b>Charity</b>		
Accruals for grants payable	4	12
Trade creditors	205	318
Accruals and deferred income	1,097	1,002
Taxation and social security	244	139
Other creditors	39	32
Amounts due to lifetime leasehold tenants	144	-
	<u>1,733</u>	<u>1,503</u>

Deferred income relates to rent paid in advance. In 2018, £656,000 (2017: £697,000) of deferred income was reversed in the first quarter of 2018 when the rents were earned (2017: in the first quarter of 2018). The amounts due to lifetime leasehold tenants relates to the amounts paid by residents for their leases which is repayable when the properties are vacated.

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**18b. Creditors: amounts falling due after more than one year**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Consolidated and charity</b>		
Amounts due to lifetime leasehold tenants	1,300	-

**19. Permanent endowment fund**

The permanent endowment fund represents the funds of the charity derived from gifts and legacies received since its foundation. It is to be held and maintained in perpetuity. Investment income and surpluses or deficits arising on the sale or revaluation of investment properties and investments are transferred to the permanent endowment fund. Expenses incurred in the administration or protection of the endowment investments are charged to the fund. From 1 January 2013, the Trustee has adopted the use of total return accounting in relation to its investment.

**Total return investment**

The investment power of total return was granted by the Charity Commission on 25 September 2012. The power permits the Trustee to invest permanent endowments to maximise total return and to make available an appropriate portion of the total return for expenditure each year. Until this power is exercised in full, that portion of the total return which is in excess of the amount required to preserve the value of the permanent endowment, shall be an 'unapplied total return' and remain as part of the permanent endowment. The Trustee has used the indexed values of the permanent endowment at 1 January 1995 to represent the 'preserved value' of the original gift.

Under specific powers in the governing Scheme, the Trustee monitors the investment performance in terms of maintaining the purchasing power of the core endowment against inflation, while enabling the charity to commit to a long-term spending rate of 4% of the three-year average value of the permanent endowment.

The amounts set as opening unapplied return, together with the amount allocated to income in the year from the unapplied total return, and the amount of unapplied total return allocated to capital in the reporting period (in order to maintain the real value of the original gift) are disclosed below.

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**19. Permanent endowment fund (continued)**

<b>Consolidated</b>	<b>Permanent endowment fund £'000</b>	<b>Unapplied total return £'000</b>	<b>Total £'000</b>
<b>At 1 January 2017</b>	37,895	74,699	112,594
<b>Movements in the reporting period:</b>			
Investment income	-	4,593	4,593
Realised and unrealised gains / (losses)	-	7,294	7,294
Less: property operational and investment management costs	-	(474)	(474)
<b>Total return for the year</b>	-	11,413	11,413
Unapplied total return allocated to income	-	(4,520)	(4,520)
RPI uplift	1,357	(1,357)	-
	1,357	5,536	6,893
<b>At 1 January 2018</b>	39,252	80,235	119,487
<b>Movements in the reporting period:</b>			
Investment income	-	4,600	4,600
Realised and unrealised gains / (losses)	-	(223)	(223)
Less: property operational and investment management costs	-	(606)	(606)
<b>Total return for the year</b>	-	3,771	3,771
Unapplied total return allocated to income	-	(4,723)	(4,723)
Transfer to unrestricted funds to reflect 2017 gains	-	(1,015)	(1,015)
RPI uplift	1,311	(1,311)	-
	1,311	(3,278)	(1,967)
<b>At 31 December 2018</b>	40,563	76,957	117,520

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**NOTES TO THE FINANCIAL STATEMENTS**

**19. Permanent endowment fund (continued)**

Charity	Permanent endowment fund	Unapplied total return	Total
	£'000	£'000	£'000
<b>At 1 January 2017</b>	37,895	74,699	112,594
<b>Movements in the reporting period:</b>			
Investment income	-	4,593	4,593
Realised and unrealised gains / (losses)	-	7,274	7,274
Less: property operational and investment management costs	-	(474)	(474)
<b>Total return for the year</b>	-	11,393	11,393
Unapplied total return allocated to income	-	(4,520)	(4,520)
RPI uplift	1,357	(1,357)	-
	1,357	5,516	6,873
	-	-	-
<b>At 1 January 2018</b>	39,252	80,215	119,467
<b>Movements in the reporting period:</b>			
Investment income	-	4,600	4,600
Realised and unrealised gains / (losses)	-	(227)	(227)
Less: property operational and investment management costs	-	(606)	(606)
<b>Total return for the year</b>	-	3,767	3,767
Unapplied total return allocated to income	-	(4,723)	(4,723)
Transfer to unrestricted funds to reflect 2017 gains	-	(1,015)	(1,015)
RPI uplift	1,311	(1,311)	-
	1,311	(3,282)	(1971)
<b>At 31 December 2018</b>	40,563	76,933	117,496

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**20. Roxburgh endowment fund**

<b>Consolidated and charity</b>	<b>2018</b>
	<b>£'000</b>
 <b>At 1 January 2018</b>	 -
 <b>Movements in the reporting period:</b>	
Gifted investments at carrying value	128
Investment income	3
Transfers to restricted funds	(3)
 <b>At 31 December 2018</b>	 <hr/> <u>128</u>

During 2018, the assets of Roxborough Annuities – Charity no. 201835 (“Roxburgh”) were gifted into the ownership of St John’s. This included the following:

	<b>Endowed funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total £'000</b>
Financial investments	128	-	128
Cash at bank and in hand	-	5	5
	<hr/> <u>128</u>	<hr/> <u>5</u>	<hr/> <u>133</u>

The Roxburgh endowment fund has been shown separately in these notes as, unlike the rest of the charity’s endowment funds, the income from this fund has a restricted purpose; namely, to provide relief for single woman over the age of 50 in the Bath area.

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**21. Designated funds**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Extraordinary repairs fund - consolidated and charity</b>		
Balance brought forward	744	654
Investment management cost	(3)	(2)
Unrealised (loss) / gain on revaluation	(72)	92
<b>Balance carried forward</b>	<u>669</u>	<u>744</u>

The fund was set up to ensure that monies are available to cover unplanned repairs to the almshouses, in instances where no other funds are available, and the fund has therefore been included as a designated fund.

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**22. Unrestricted general fund**

The unrestricted fund is the retained annual surplus of investment income over the deficit on the provision of almshouse accommodation, the cost of grants and community outreach activities. Surpluses are available at the discretion of the Trustee for maintenance of the permanent endowment and other purposes to achieve the charitable objectives of the charity. Unrestricted funds also include designated funds, as shown in note 21.

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Consolidated</b>		
Realised gain / (loss) on investments	1	(34)
Unrealised (loss) / gain on investments	(1,010)	430
Operating result	(4,597)	(3,962)
Total return transfer from permanent endowment fund	4,723	4,520
Transfer from endowed funds to reflect 2017 gains	1,015	-
Net movement in the year	<u>132</u>	<u>954</u>
Balance brought forward	16,625	15,671
<b>Balance carried forward</b>	<u>16,757</u>	<u>16,625</u>
<b>Charity</b>		
Realised gain / (loss) on investments	1	(34)
Unrealised (loss) / gain on investments	(1,010)	430
Operating result	(4,587)	(3,931)
Total return transfer from permanent endowment fund	4,723	4,520
Transfer from endowed funds to reflect 2017 gains	1,015	-
Net movement in the year	<u>142</u>	<u>985</u>
Balance brought forward	16,656	15,671
<b>Balance carried forward</b>	<u>16,798</u>	<u>16,656</u>

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**23. Restricted funds**

<b>Consolidated and charity</b>	<b>Action Against Child Poverty</b>	<b>Joseph Matthews Foundation</b>	<b>Residents' activities</b>	<b>Roxburgh</b>	<b>Chandos House &amp; St Catherine's Hospital</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance brought forward	10	21	1	-	1,925	1,957
Income	29	68	-	9	-	106
Expenditure	-	(8)	(1)	(5)	-	(14)
<b>Balance carried forward</b>	<b>39</b>	<b>81</b>	<b>-</b>	<b>4</b>	<b>1,925</b>	<b>2,049</b>

**Action Against Child Poverty**

The charity is committed to raising funds to reduce child deprivation and poverty in partnership with organisations across Bath and North East Somerset. The funds above are those donated to the charity specifically for the project.

**Joseph Matthews Foundation**

A restricted legacy was provided to the charity to support St John's in community outreach activities for those in Bath over 75 years of age.

**Residents' Activities**

This fund was started in the previous year by a generous donation from one of our current almshouse residents, who wanted to support the organisation in providing activities for their fellow residents.

**Chandos House & St Catherine's Hospital**

During 2017, £1,925,000 was transferred from unrestricted funds to restricted funds. The transfer relates to the decommissioning of two buildings, St Catherine's Hospital and Chandos House, as almshouse accommodation. At this time both properties were transferred from the charity's functional estate to its property investment portfolio. The transfer was made pursuant to a Charity Commission Scheme dated 8th February 2018, under the terms of which, the charity has established a restricted fund to be applied to the replacement of almshouse capacity lost as a result of the transfer. Following the completion of refurbishment of Chandos House and granting of leases to people over the age of 65 it has been returned to use as an operational asset, recognising that the Chandos House apartments form a style of almshouses that help the Foundation to extend its charitable reach.

**Roxburgh**

During the year, an endowment fund was gifted to St John's. The income (in the form of dividends) from this fund must be used to support single women over 50 year of age in Bath and is therefore restricted. See note 20.

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**NOTES TO THE FINANCIAL STATEMENTS**

**24. Transfers**

	Permanent endowment fund	Unrestricted fund	Designated fund
	£'000	£'000	£'000
Unrealised gains in 2017 on Chandos and St Catherine's to unrestricted funds	(1,015)	1,015	-
Transfer of unapplied total return to income	(4,723)	4,723	-

During 2016 and 2017, St John's developed plans to transfer three operational properties (St Catherine's Hospital, Chandos House and Hetling Court) to investment properties. As such, their value was transferred from tangible fixed assets into investments. In 2018 refurbishment of Chandos House was completed to provide specialist accommodation to older people further meeting the Foundation's charitable objective to extend its reach, and the property has been transferred back to an operational asset.

Following transfer, these assets were treated as endowed, in line with all other property investments. However, they are unrestricted assets and continue to be so, despite the change in use. Valuation gains of £1,015,000 were reflected as part of the total return to endowed funds in 2017, and as such, has now been transferred back to unrestricted funds.

**25. Analysis of net assets between funds**

Consolidated	Permanent endowment fund	Roxburgh endowment fund	Restricted fund	Designated fund	Unrestricted fund	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	703	-	-	-	11,500	12,203
Intangible fixed assets	-	-	-	-	27	27
Investments	120,131	128	-	684	2,237	123,180
Social investments	221	-	-	-	-	221
Cash and bank balances	(1,135)	-	124	-	4,537	3,526
Other current assets and liabilities	(2,400)	-	1,925	(15)	(1,544)	(2,034)
	117,520	128	2,049	669	16,757	137,123

The investments above are presented net of reserves transferred from the permanent endowment fund in accordance with the Total Return accounting policy set out in notes 1 and 19.

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**NOTES TO THE FINANCIAL STATEMENTS**

**26. Charitable and Capital Commitments**

Capital expenditure commitments:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Legal commitment to build almshouses	1,925	1,925
St Catherine's Hospital	-	98
Chandos House	-	822
14 Westgate Street	221	-
	<u>2,146</u>	<u>2,845</u>

The charity acts as lessor for its commercial and residential investment property portfolios and is contractually entitled to receive future income. The future minimum lease payments under non-cancellable operating leases expected to be received by the charity and Group are due as follows:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	2,606	2,917
Between one and five years	8,740	9,211
After five years	<u>16,461</u>	<u>17,611</u>

At the year end the charity had the following conditional grant-making commitments:

Within one year	165	463
Between one and five years	<u>1,172</u>	<u>135</u>
	<u>1,337</u>	<u>598</u>

**27. Contingent Liabilities**

At 31<sup>st</sup> December 2018 there were no contingent liabilities (2017: £nil).

**28. Pensions**

The charity operates a defined contribution scheme for the benefit of the employees. During the year £138,000 (2017: £131,000) was payable into the defined contribution scheme.

