



ST JOHN'S
FOUNDATION EST. 1174



2020 Annual Report

And consolidated financial statements for year
ended 31 December 2020

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REGISTERED CHARITY 201476
PATRON: HRH THE DUCHESS OF CORNWALL

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TRUSTEES' ANNUAL REPORT

The Trustees present their annual report and the consolidated financial statements and results of St John's Foundation Est. 1174 ('St John's') and its subsidiary, St John's Hospital Trading Company Ltd for the year ended 31 December 2020. The report is prepared in line with the Charities Act 2011 and SORP (FRS 102).

Originally founded in 1174, St John's Foundation remains one of the oldest charities in Europe, and the oldest in the city of Bath. Over our 847-year history, we have continuously adapted to meet our community's needs. Founded as an almshouse charity by the fourth Bishop of Bath, we remain true to our original aims, centered on supporting those in need in the local community. The objects of the Charity are the provision of almshouse accommodation and the relief of those who are in need by reason of age, ill-health, disability, financial hardship or other disadvantage within Bath and the surrounding area. We reflect this in our purpose "Changing lives. For good."

In February 2020, we launched a new, bold and ambitious 10-year strategy to deliver our purpose and set out a new vision. We will continue to change lives through our Older Adults Services, providing alms-apartments and helping older adults across the area to live independently for as long as possible. In addition, we have launched the St John's Foundation Fund. This new initiative has been set up to address two key areas - inequality of opportunity for children and individuals and families facing crisis.

One of the Fund's overarching aims, relating to inequality of opportunity for children, is to significantly reduce the Key Stage 2 educational attainment gap in Bath and North East Somerset by 2030.



Despite its beauty and affluent veneer Bath and North East Somerset is one of the most unequal regions in the UK. Currently, it is estimated over 8,000 children live in poverty in the region with 3,500 in receipt of free school meals; this equates to 1 in 5 children. The unstable circumstances in which these children grow up leads to unmet physical, emotional and educational needs and BaNES is ranked 146 out of 152 in the national educational attainment gap table.

We know these inequalities transmit into later life outcomes affecting lifelong health, well-being, career opportunities and wealth. Focusing our strategy on addressing inequalities at an early age will therefore not only relieve current need but the potential for even greater future need too. We are galvanised into action to ensure that every child from birth to twelve years old is supported to grow into a healthy, happy and educated member of our community. This is our vision for the Foundation Fund.

Since the start of the pandemic, St John's, together with partner organisations in Bath and North East Somerset has reported a 50% increase in the number of people seeking support through our crisis support fund with debt.

Local house prices in Bath are now some of the highest in the land, with salaries some of the lowest. Wealth and poverty sit hand in hand in the region. Over the years this disparity has motivated St John's to extend its charitable reach and offer support to disadvantaged children and families.

The region's population is ageing, in line with the demographic trends of the developed world, and support for older adults, therefore, also remains at the heart of our strategy. We continue to provide high quality alms accommodation that supports independent living for older adults and augment this with services that can be accessed by the wider population of older adults in the community.

In addition, our new strategy will enable us to hone our expertise in the provision of funding and become the initiator of major societal change in our region. Through the Foundation Fund, St John's will play an integral part in bringing about transformation in BaNES, creating a platform for diverse organisations to collaborate and support childhood development.

Our purpose, "Changing Lives, for Good", underpins all that we do, be it through the services we deliver directly or how we interact with other organisations to support the delivery of services by third parties.

How we can best deliver our charitable objects and ensure the public benefits is important to us. The Trustees have therefore given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011 in setting its 10 year strategy, in agreeing the aims and objectives of the charity, in setting future plans and in determining its funding awards policy. The main activities undertaken to further the Charity's purpose for the public benefit are set out on the following pages.



OUR AMBITIOUS VISION

Over the following nine years we will manage our investments so we can:

- Continue to enable older adults to live well through both the provision of almshouses and community outreach services
- Continue to provide funding for individuals in crisis
- Focus on building communities where every child under 12 is supported to grow into a healthy, happy and educated member of the community. We will lead change in our communities so that every child has:
 - Nutritious food every day
 - A safe place outside school hours
 - Professional support for behavioral and emotional needs
 - Extra help with foundational reading, writing, oracy and mathematics.



OUR PERFORMANCE

The Foundation Fund

Since launching the Foundation Fund in early 2020, St John's has been developing a framework for delivery of its strategy over a 10-year period.

Working with a number of different departments of the Local Authority, the University of Bath, Multi-Academy Trust Chief Executives, Primary School Head-teachers, regional representatives of the Department for Education, the Educational Endowment Fund, Public Health England and other organisations and expert advisers, St John's has set about determining the interventions and related support required to ensure its strategic aims will be met.

With uncertainty and pressure created by the Covid-19 pandemic and related 'lockdown' restrictions put in place from March 2020, we focused initially on our aim to ensure children have access to nutritious food. We have been instrumental in establishing the BaNES Fair Food Alliance, in partnership with BaNES Council and Feeding Britain, another UK charity. The provision of funding and other related work has helped to significantly reduce food poverty in families and children in the BaNES region and will continue through 2021 and beyond.

- ✓ In partnership with Feeding Britain, the Foundation Fund awarded **£30,000** to support a range of projects providing nutritious food and positive activities to children during the summer holidays.
- ✓ St John's also worked with the local authority and 3SG, another local charity, to support and advise on the distribution of a further **£65,000**. These funds were focussed on affordable food projects serving children and families in some of Bath and North East Somerset's most deprived communities.

As 2020 progressed, the concept of a 'Primary Empowerment Programme' emerged from research with our collaborators. This is focused on the seven primary schools within the local area with the highest levels of disadvantaged children among their pupil populations (as determined by entitlement to free school meals). In spite of the particular challenges faced by our seven schools, wrought by the pandemic, agreement had been reached with all of them, by the end of 2020, regarding the approach to be taken in finalising the first areas of work for the Primary Empowerment Programme. Although focused most strongly on providing support for children's emotional and behavioural development and on extra help with foundational reading, writing, oracy and mathematics, we expect the programme will support all four of the key aims that will enable us to fulfil our vision for the Foundation Fund in relation to children aged 5-12.

Towards the end of 2020, we were also able to scope out a programme to be aimed at pre-school age ('Early Years') children, which will focus on building children's speech and language skills. Both the Early Years and Primary Empowerment Programmes will be launched formally in 2021. Towards the end of 2020, a further programme was conceptualised and was in the early stages of development (in conjunction with a major provider of social housing), which will provide safe places for families and children to use outside school hours.

In addition, during December 2020, we appointed ImpactEd, a national impact evaluation specialist, to evaluate the impact of our work. ImpactEd are working alongside key stakeholders and the St John's team to finalise the design of our Foundation Fund programmes.

- ✓ Immediate support was provided to our identified seven schools to help pupils access online learning. The funding was used to provide hardware devices, connectivity to the internet and staff support time, to ensure children without technology at home would not miss out on vital learning during lockdown.

Crisis Support Programme

As part of the Foundation Fund St John's continued to provide crisis support during 2020 to individuals and families who were struggling financially. Over 600 applications were awarded, totalling £241,459. This financial assistance directly supported people and families living in low-income households across BaNES purchasing essential items they desperately needed.

- ✓ As a direct result of the Covid-19 pandemic, a further £117,619 was awarded through the Crisis Support Programme to other charitable organisations who were directly supporting the people and families most impacted by the pandemic within our community.

Organisational Funding Committed in Previous Years

St John's upheld all financial commitments it had made to organisations prior to the launch of our new strategy. We awarded a total of £1,109,686 from our former Organisational Funding Award programme in support of 66 charitable projects and organisations that are continuing to deliver essential work for the community in line with our charitable aims. These organisations were not only supported financially but were also provided with expert support and guidance to equip them with the tools they needed to develop, and become more sustainable and self-sufficient. More detail on the organisations funded can be found on page 58.

Independent Living

We currently have 94 alms-apartments and are committed to increasing the number of dwellings we offer by investing at least a further £1.9m by 2024, in accordance with an obligation to the Charity Commission agreed by St John's. On average in 2020, 95% of our alms-apartments were occupied (2019: 98%). In addition, Personal Care and Domiciliary Support was delivered to 44 of our residents.

The attendance for our activity programme was at an all-time high at the start of 2020, with over 2,300 attendances by March 2020 (up 24% compared to the previous year). Due to Covid-19, the programme transitioned to become an online service, which proved to be successful. Over the course of the year, over 400 people attended classes which totalled over 75 hours of activity. Between lockdowns 1 and 2, the team were able to re-introduce face-to-face activities for a five week period and when the latest lockdown restrictions ease, these face-to-face activities will recommence. The intention is to extend our reach to exceed the pre-pandemic levels and to help more older adults to live independently for longer across Bath and North East Somerset.

Trading

These consolidated financial statements include the results of the trading subsidiary, which is an investment for the charity. It was established with a view to generating profits which could be gifted to the charity and used to fund the charitable objectives. In 2019 and 2020 the main trade undertaken was the operation of 10 high quality, holiday apartments at St Catherine's Hospital (a former almshouse owned by the charity and leased to the subsidiary at a market rent).

National lockdown restrictions imposed by the Government led to the holiday lets being closed for significant parts of 2020 and a resultant loss of income and reduction in profitability for the year.



STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal structure

St John's Foundation Est. 1174 (the Charity) is controlled by a trustee company, St John's Hospital Trustee Limited (registration 08188066). The trustee company has a board of unpaid directors, who are effectively the trustees of the Charity.

The Charity is an unincorporated charity registered in England and Wales (reference 201476). It is governed by a Charity Commission Scheme dated 25 September 2012 as amended by a scheme dated 8 February 2017 and a resolution dated 28 September 2017.

St John's Hospital Trading Company Ltd (registration 08632453) is the trading arm of the Charity and is a wholly owned subsidiary.

St John's Hospital
Trustee Limited

COMPANY

Board of Directors
(‘the Trustees’)

St John's
Foundation Est. 1174

CHARITY

St John's Hospital
Trading Company
Limited

TRADING COMPANY

GOVERNANCE

The Charity Governance Code

The Code (published in 2017) sets out seven principles of good governance, including:



The Trustees recognise that effective governance is essential in enabling the Charity to meet its aims and have reviewed the Charity's governance against the Code. The findings of this review were that St John's has an effective, well-governed board and that the new strategy underpins many elements that are fundamental to the spirit of the Code including transparency, collaboration and strategic drive. There were no significant concerns or risks identified as part of the review but in line with continuous improvement a list of recommendations has been adopted for implementation in 2021. All Trustees have signed a Code of Conduct based upon the Charity Governance Code. Our current governance arrangements are set out in the report.

TRUST

COURAGE

KINDNESS

HOW OUR VALUES SUPPORT EFFECTIVE GOVERNANCE

We embrace our organisational values of Courage, Kindness and Trust and apply these values to everything we do and in how we treat one another.

The breadth of St John's work necessitates a diverse workforce and each one of our Trustees and employees helps to make our organisation an uplifting and cohesive place to work.

We actively encourage the sharing of ideas and promote continuing personal development.



GOVERNANCE STRUCTURE

The Board

In line with the Articles of Association of St John's Hospital Trustee Limited ("the Articles"), the Board of Trustees must comprise between 10 and 14 members. Trustees are each appointed for a term of five years and may be re-appointed to serve for up to 15 years.

These appointment terms were reviewed by the Board and a change to lower the lengths of appointment was agreed. It was resolved that all new trustees would be appointed for a term of 3 years and may be re-appointed to serve up to 9 years. The Articles of Association will be amended to reflect this change once transitional arrangements for existing trustees are in place.

Decision-making

The Board met six times during 2020 to determine strategy, approve financial plans and consider key policies. The Board has delegated authority for certain decisions to committees, which are made up of Trustees with relevant experience and/or qualifications. Professional advisors attend these committees when necessary to add their insight.

The Board and the Committees review their performance annually. This is carried out through discussion and has been supported by the use of surveys to gain insight into Trustee opinions on effectiveness. An appraisal of the Chair is conducted every two years by the Senior Independent Trustee. As one of the recommendations arising from the Corporate Governance Code review, the Trustees are considering whether to undertake external evaluations of performance and also how individual trustee performance will be reviewed in the future.

The structure and membership of committees changed early in 2020 and this report sets out the committee structure in place for most of the financial year.



COMMITTEES

Committee

Purpose

Audit and Risk Committee (ARC)

To assure the Board that there is an adequate system of risk management in place for the activities of the Charity and which ensures effective delivery of all its services, including compliance with all relevant regulations that relate to the Charity's activities.

Investment Committee (INV)

To recommend the investment strategy for the Charity and to assure the Board that there is an adequate system of processes and controls in place to ensure all the Charity's investment portfolios, including the property portfolio are appropriately managed to deliver the agreed investment objectives.

Remuneration & Nominations Committee (REM)

To oversee the trustee appointment process and CEO/ exec recruitment, ensuring that St John's has effective remuneration, nomination and Board recruitment policies and procedures in place, which are fair and transparent, adhere to all relevant legislation and support the strategy, objectives and values of the Charity.

Committee membership, along with a list of professional advisors, is available in the “Legal and administrative information” and “Our Advisors” section below.

The Trustees have delegated day-to-day management of the Charity to the Executive team and the employees of St John’s.

Remuneration of the Executive Team

The Remuneration and Nominations committee is responsible for setting remuneration policies for the Executive team, based on individual contributions and the prevailing market. This includes the annual salary, contractual terms of employment and any severance arrangements.

For the Charity to meet its strategic goals, it must recruit and retain highly skilled employees. The salaries offered to the Executive team are competitive both locally and within the charitable sector. The Remuneration and Nominations committee, taking advice from the Chief Executive, determines the salaries of the rest of the Executive team. An over-riding factor in salary setting is always affordability in the context of the whole organisation’s budget.



Trustee recruitment and training

The Remuneration and Nominations committee determines the appointment procedures for new Trustees including how the vacancies will be advertised. This is through social media and sometimes an external recruitment agency may be used, to ensure greater reach to potential trustees. The Remuneration and Nominations Committee agree the terms and conditions of appointment and any interview process, which will involve a minimum of 2 existing trustees. It then nominates candidates for approval by the Board.

Once appointed new Trustees are provided with training through an induction pack. This includes a Trustee handbook which is reviewed and updated regularly and shared with all Trustees. Further training may be offered where needs are identified and throughout the year the Charity aims to update Trustees using seminars and briefings. In 2020, there were no face to face training courses but details of virtual events such as webinars were shared with Trustees.

Fundraising

The Charity does not actively fund raise but sometimes generates funds from the public through events where the primary purpose is not fund-raising but awareness raising. Due to the nature of these events no pressure is put on individuals to donate and there is no perceived risk to vulnerable people or other members of the public in relation to fundraising. We never use an external partner to raise funds. During 2020, the Charity received zero complaints with regards to fundraising practices (2019: zero). The Charity is compliant with The Charities (Protection and Social Investment) Act 2016.





Legal and Administrative Information

Registered office: 4/5 Chapel Court, Bath, BA1 1SQ

Telephone: 01225 486400

Email: info@stjohnsbath.org.uk

Website: www.stjohnsbath.org.uk

Charity reference: 201476

Trustee: St John's Hospital Trustee Limited (08188066)

Patron: HRH The Duchess of Cornwall

OUR DIRECTORS

Directors of St John's Hospital Trustee Limited ('The Trustees') & Committee Membership

	ARC	INV	REM	
Ben Fletcher (Chair)			●	
Ashley Ayre	○			from: 19 March 2020
Harriet Bosnell	○		○	
Moira Brennan			○	
Richard Brown		●		
Sarah Davies	○		○	to: 17 Dec 2020
Nicholas Hunt		○		from: 19 March 2020
Karen MacGregor	○			from: 18 June 2020
Ian MacKenzie		○		
David Purdon	●			to: 24 June 2021
Ken Scott		○		
Rev Nicholas Williams	○			to: 17 Dec 2020
Rev Roger Driver	○			from: 16 April 2021
Jeffrey Hayes	○			from: 31 March 2021
Carole Stott		○		from: 26 May 2021
Jamal Benmiloud				from: 27 May 2021
John Lakin				from: 27 May 2021

● Committee Chair ○ Committee Member

Prior to becoming a Trustee, Jeffrey Hayes was a co-opted advisor to the investment committee.



OUR DIRECTORS

Directors of St John's Hospital Trading Company Ltd.

Ashley Ayre	A Trustee of the Charity	from: 18 June 2020
Caroline Bee	A Director of the Charity	from: 18 June 2020
Louise Harvey	A Director of the Charity	from: 18 June 2020
David Hobdey	Chief Executive of the Charity	
Karen MacGregor	A Trustee of the Charity	from: 14 Aug 2020
David Purdon	A Trustee of the Charity	fto: 24 June 2021
Ken Scott	A Trustee of the Charity	

Executive Team

David Hobdey	Chief Executive	
Louise Harvey	Director of Funding and Impact	
James Edmonds	Director of Property	to: 13 March 2020
Caroline Bee	Director of Finance	

To find out more about the skills and experience of our team please visit <https://stjohnsbath.org.uk/about/our-team/>

OUR PROFESSIONAL ADVISORS

External Auditor:

Crowe U.K. LLP Fourth Floor, St James House, St James Square, Cheltenham, GL50 3PR

Bankers:

Handelsbanken Plc 7 Henry St, Bath, BA1 1JR

Hampdens & Co Plc 9 Charlotte Square, Edinburgh, EH2 4DR

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

Schroder & Co Ltd trading as Cazenove Capital, 1 London Wall Place, London EC2Y 5AU

Charities Property Fund Savills Investment Management, 33 Margaret Street, London, W1G
0JD

Chartered Surveyors:

Jones Lang LaSalle Ltd 31 Great George St, Bristol, BS1 5QD

Martin Blake Associates Ltd 8a Bartlett St, Bath, BA1 2QZ

Carter Jonas 5-6 Wood St, Bath, BA1 2JQ

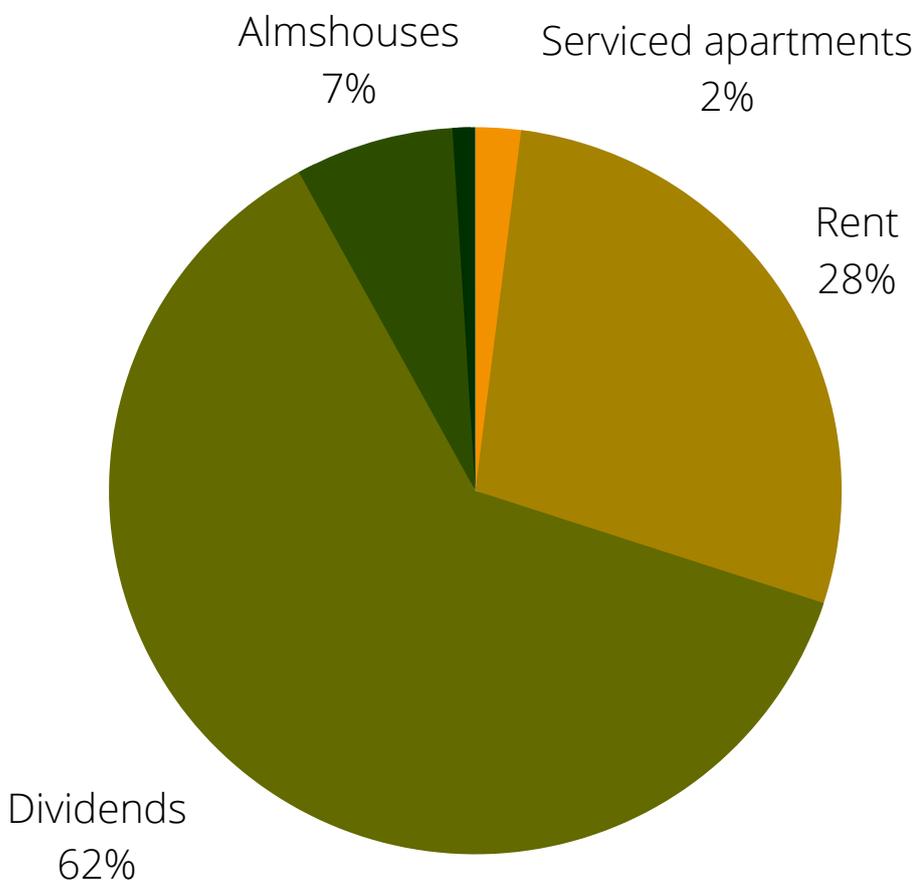
Philip Jennings Suite 1, 25 The Tynning, Widcombe, Bath, BA2 6AL

Savills Edgar Buildings, 17 George St, Bath, BA1 2EN

FINANCIAL REVIEW



Our income in 2020 (£'000s)



The consolidated income for 2020 was £5.2m, which is £684k lower than the previous year (£5.9m). This reflected the impact of the pandemic on our investment income.

Donations and legacies
There were no large donations in 2020.

Investment income

Investment income in 2020 was £4.1m, which is £535k lower than in 2019. £301k of this reduction (56%) was in rental income on the commercial estate, reflecting the heavy reliance in the direct property portfolio on retail properties which were severely affected by national lockdowns. A further £224k (42%) of the fall in income relates to dividends from listed investments, following a particularly volatile year in the financial markets.

Trading activities

In addition to this, the Trading Company has generated £208k of income in 2020, a £123k (or 37%) fall from income in 2019 (£331k). The Trading Company is reliant on hospitality business from serviced apartments at St Catherine's Hospital, which closed for long intervals during the year in line with government instructions.

Almshouse Income

Income from charitable activities, which includes income from almshouses and residential care, decreased by £53k (6%) in 2020 from 2019 to £856k. There were slightly higher levels of vacancies than usual because assessing potential residents and moving became more difficult during the pandemic.

Expenditure

Total expenditure in 2020 was £5.7m (2019: £6.5m). The cost of managing our investments rose by £239k to £1.5m (2019: £1.2m). This reflects increased levels of bad debt and higher professional fees that have resulted from greater vacancies, tenants falling into administration and renegotiations on leases.

To offset increasing costs and reducing income, the Charity decreased the level of funding awarded to local organisations and individuals by £735k to £1.5m (2019: £2.2m). The pandemic created delays in the roll out of our Foundation Fund and the funding programme was adapted in response to the changing needs and environment created under the pandemic shaped. This is described in detail earlier in this report.

Volunteers

The Charity is able to support many people in Bath and North East Somerset with the valued help of its volunteers who work with our outreach services and provide administrative support. While national lockdowns prevented much of the usual support in 2020, there were a small number of volunteers supporting residents with their shopping and errands. We are therefore incredibly grateful for the time and effort of our volunteers who make an important impact across the year even though the financial benefit of volunteers is relatively small (so cannot be shown in these statements).

Deficit

Overall, the operating deficit for 2020 was £548k (2019: £577k). This was a smaller deficit than planned for the year as spending was reduced in light of the impact of the pandemic on the Charity's finances. The charity plans to have annual deficits in order to reduce the level of unapplied total returns. The level of unapplied returns was however, impacted significantly in year by the decline in value of the direct property portfolio. More detail on our reserves policy follows.

Valuation losses, particularly on investment property, have created a negative net movement in funds of £10.7m (2019: £5.4m).

TOTAL RETURN

The Charity adopted a Total Return method of accounting from 1 January 2013. On this date the initial value of the unapplied total return was £45.5m and the core capital endowment was valued at £35.0m. In arriving at these values, the Trustees used the indexed values of the permanent endowment at 1 January 1995 to represent the preserved value of the original gift.

From this date the Charity has set a target to achieve a 'total return' from its investments of inflation + 4% on average each year. 'Total return' is the sum of valuation gains and income (e.g. dividends or rent).

Calculating our inflation + 4% target:

- The Board recognises that market volatility could cause the value of its investments to fluctuate each year. However, given the Charity's overall financial strength, the longer-term view is more important. The target is therefore measured as an average over a rolling five-year period.
- Investment management costs, like fees charged by our investment managers, are deducted within the calculation. This means that the whole RPI+4% return is available to support our charitable activities.

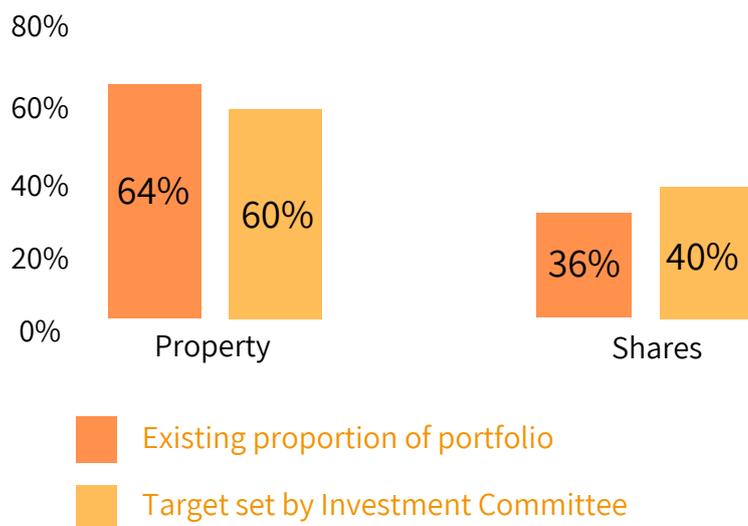
Why inflation + 4%?

The use of an appropriate measure of inflation is important. Historically the Charity has used RPI (Retail Price Index) as a measure of inflation and did so throughout 2020. However, after careful consideration the Trustees have agreed to move to CPI from 1 January 2021. By ensuring the investments grow in line with inflation, we are protecting the value of investments to support the needs of future generations. In 2020 the permanent endowment was increased by £510k for RPI (2019: £895k).

The Charity also relies on income from its investments to fund its charitable activities today. The 4% return in excess of inflation is used to support our existing beneficiaries. In 2020 £4.6m of unapplied total return was allocated to income (2019: £4.8m).

INVESTMENTS

At the year end, the Charity held £105.7m of investments (2019: £119.4m). Of this, £67.7m (64%) was property in Bath (2019: £82.3m / 69%). The Investment Committee has agreed a target strategic allocation of assets (i.e. mix of different types of investments), designed to create the highest return at an acceptable level of risk. Reports were commissioned from two independent investment managers in order to establish an appropriate target. The need to rebalance the investment portfolio (by buying and selling assets) is assessed at least annually.



Current allocation of assets



Other investments (including a social loan, and cash balances) have not been included, as these make up less than 0.5% of the total value.



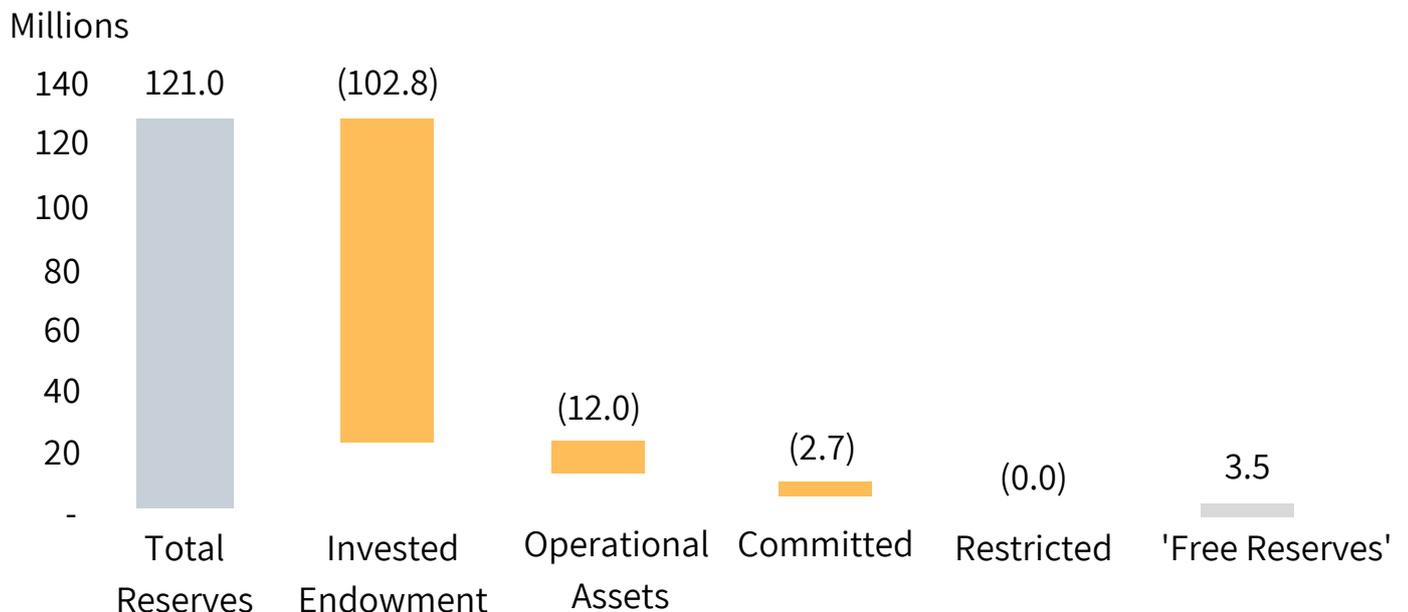
INVESTMENT POLICY

A few notes on our Investment Policy:

- There is no limit on investment in individual assets, but the Investment Committee actively monitors any asset which makes up more than 5% of the value of the portfolio.
- The Investment Policy allows for investment in any type of asset, with the exception of derivatives (unless for the purpose of hedging) and individual investments may be excluded where there is conflict with the Charity's objectives.
- The Charity can invest in mixed motive and social investments where they align with the Charity's objects. It currently holds a small social investment representing two concessionary loans to a carer's centre, the purpose of which aligned to the Charity's object of assisting those in need. These do not form a material part of the Charity's charitable or investment activities.

RESERVES

The majority of the Charity's reserves are held as investments. The income from these investments is needed to support today's beneficiaries, as well as future generations. The Trustees therefore protect a significant proportion of reserves for future use. At the end of 2020, total reserves were £121.0m (2019: £131.7m).



The free reserves of £3.5m are freely available to spend on any of the Charity's purposes. This is only 2.9% of the Charity's net assets. However, St John's has also accumulated gains and surpluses of £59.7m in the unapplied total return element of the endowment as a result of its large investment portfolio. These funds can also be used to further the Charity's objects. However, this is managed carefully, as any fall in these funds reduces income available for future generations.

Calculating reserves

The starting point for calculating the amount of reserves held is therefore the amount of unrestricted funds. Which was £5.6m at 31 December 2020 (2019: £5.4m). However, some or all of the unrestricted funds of a charity may not be readily available for spending.

This is because spending those funds may adversely impact on the Charity's ability to deliver its aims. The items that should be excluded from reserves are:

- any operational fixed assets not already excluded from unrestricted funds through the functional endowment (e.g. head office) of £1.4m (2019: £1.4m)
- designated funds set aside to repair the almshouses of £nil (2019: £0.8m)
- committed awards or building contracts, not included as a liability in the accounts of £0.7m (except those already excluded from unrestricted funds through the functional endowment) (2019: £1.2m)

As at 31 December 2020 the Charity's free reserve was £3.5m, which is £1.5m higher than the £2.0m reserve held to cover six months' future operating expenditure, in line with the Charity's own financial regulations.

However, this does not address the balances held within unapplied returns which are also expendable on delivering the charitable purpose. The Charity therefore uses its long-term financial plan to consider the level of both unrestricted reserves and unapplied total returns that it needs to maintain for future expenditure in the short, medium and long term.

As part of this the Charity sets out to maintain investments at a level which can provide sufficient returns to fund the almshouses, community outreach and individual funding for future generations and protects the spending power of this by inflation. It will use total unapplied returns and unrestricted funds in excess of this to deliver the Foundation Fund and subsequent strategies ('free' reserves).

RISKS

Risk: Failure to achieve the targeted total return of CPI+4% and, as a result, not having enough income and capital to pursue our strategic aims.

Risk: Commercial, financial and/or reputational risk from the failure of projects.

Within the Charity, each team manages its own risk register. This is actively managed to ensure mitigating actions are carried out and scoring is up to date. High-scoring risks (i.e. those with significant likelihood and impact) are included on the Corporate Risk Register. The Audit and Risk Committee reviews the Corporate Risk Register at least four times a year and may suggest further actions to reduce the likelihood or impact of a risk.

Some of the key risks that St John's manages are:

Mitigating actions: Long-term financial planning is undertaken to understand the sensitivity of income and capital to different economic scenarios. Regular meetings are held with asset managers. Strategic asset review being undertaken to maximise returns on direct property portfolio.

Mitigating actions: Detailed business cases are prepared and approved by Board before a project begins. Specialist project teams are set up, and detailed risk analysis is undertaken at every project meeting.

RISKS

Risk: Delayed implementation of strategic projects, or a failure to invest sufficiently in charitable activities and utilise the unapplied total return, results in failure to support stakeholders and damages the Charity's reputation.

Risk: Building costs for the Charity's capital projects exceed budget.

Mitigating actions: Committee meetings continue to be held at least quarterly to enable effective decision-making, with additional meetings being held for specific projects when necessary.

Mitigating actions: Contractors are selected by a thorough tendering process. As part of the tender process, value engineering is carried out, as well as extensive pre-construction surveys. Costs will be monitored carefully whilst the site undergoes construction. An experienced project team is used and is ready to respond swiftly to any change in circumstances.

IMPACT OF COVID-19

As detailed in this report the Covid-19 pandemic has affected the Charity in a number of ways and continues to impact upon the risks and future activities of the Charity. It is therefore addressed as part of this Trustee report.

In response to the initial outbreak, the Charity implemented its business continuity plan to ensure risks and impacts were properly identified and managed.

Community Outreach activities were suspended in line with government guidance and a new online service introduced to continue to engage with vulnerable people in the community. As the government lockdown restrictions change, St John's will respond accordingly with risk assessments in place to ensure safe operations.

The Charity's head office closed and office based staff have been able to work from home using existing equipment and increased use of remote technology such as video conferencing. This technology has also been used to ensure that Board and Committee meetings continue during lockdown.

One of the main risks associated with the pandemic has been in relation to the health and safety of employees and residents. The Charity has taken this very seriously and ensured policies and procedures are updated and implemented in line with latest guidance, including the appropriate use of personal, protective, equipment. All residents and employees have been encouraged to take up the offer of a vaccination and in 2021 regular Covid testing has been introduced for employees working on site.

A further risk is the economic impact of the pandemic reducing and delaying receipt of our investment income. The cashflow risk has been mitigated by revisions to financial forecasts, careful management of the finances and the introduction of new bank facilities.

The longer term impact of the pandemic on our investment income remains uncertain. The Charity is well placed to adapt however given the scale of the unapplied total returns held. The Charity therefore considers that it remains a going concern and will continue to update the long term financial plan and reassess reserve levels and spending plans in line with our reserve policy set out on pages 33-34.

STATEMENT OF 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 Generally Accepted Accounting Practice (United Kingdom). 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 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.

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.

Crowe U.K. LLP have been appointed as auditors in the period. A resolution for the reappointment of Crowe U.K. LLP as auditors for the Charity will be proposed at the forthcoming Annual General Meeting.

Approved by the Trustee on 24th June 2021 and signed on its behalf by:

Mr B Fletcher (Chairman)

Ms M E Brennan (Director)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. JOHN'S FOUNDATION EST. 1174

Opinion

We have audited the financial statements of St. John's Foundation Est. 1174 ('the charity') and its subsidiary ('the group') for the year ended 31 December 2020 which comprise Consolidated statement of financial activities, Consolidated Balance sheet, Charity Balance sheet, Consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 39 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Acts 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context were CQC Regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the completeness and accuracy of income, grants payable to third parties and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, designing audit procedures over income and grant expenditure, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP
Statutory Auditor
Fourth Floor
St James House
St James Square
Cheltenham
GL50 3PR

12 August 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

St John's Foundation Est. 1174
Year ended 31 December 2020

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted fund £'000	Restricted funds £'000	Endowment fund £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Charitable activities		856	-	-	856	909
Investment income	2a	119	6	3,955	4,080	4,615
Other trading activities		211	-	-	211	350
Donations and legacies	2b	31	18	-	49	6
Transfer to income	17a/22	4,578	-	(4,578)	-	-
Total income		5,795	24	(623)	5,196	5,880
Expenditure:						
Expenditure on charitable activities:						
Residential care & support:		1,735	1	114	1,850	1,921
Funding and impact	7	1,929	58	-	1,987	2,715
Community outreach		290	2	-	292	380
Total expenditure on charitable activities	3	3,954	61	114	4,129	5,016
Cost of raising funds	4	1,262	-	212	1,474	1,235
Other expenditure	5	141	-	-	141	206
Total expenditure		5,357	61	326	5,744	6,457
Net income / (expenditure) before investment (losses) / gains		438	(37)	(949)	(548)	(577)
Net gains / (losses) on investments	13	(268)	-	(9,895)	(10,163)	(4,873)
Net income and net movement in funds		170	(37)	(10,844)	(10,711)	(5,450)
Reconciliation of funds:						
Total funds brought forward	23	5,416	47	126,210	131,673	137,123
Total funds carried forward	23	5,586	10	115,366	120,962	131,673

The notes on pages 48 to 77 form part of these financial statements.

St John's Foundation Est. 1174
As at 31 December 2020

CONSOLIDATED BALANCE SHEET

	Note	2020 £'000	2019 £'000
Fixed Assets			
Intangible assets	10	32	60
Tangible assets – freehold property	11	11,953	12,156
Other tangible fixed assets	12	105	24
Investments:			
Financial and property investments	13	105,551	119,177
Social investments	14	133	163
		117,774	131,580
Current Assets			
Social investments	14	30	30
Debtors	15	4,177	884
Cash at bank and in hand		3,168	2,639
		7,375	3,553
Creditors: amounts falling due within one year	16a	(2,330)	(1,890)
Net current assets		5,045	1,663
Total assets less current liabilities		122,819	133,243
Creditors: amounts falling due after more than one year	16b	(1,857)	(1,570)
Total net assets		120,962	131,673
Group reserves			
Invested endowment fund	17a	102,723	113,428
Functional endowment fund	17b	12,520	12,633
Roxburgh endowment fund	18	123	149
Designated funds	19	-	826
Unrestricted general fund	20	5,586	4,590
Restricted funds	21	10	47
		120,962	131,673

The notes on pages 48 to 77 form part of these financial statements. These financial statements were approved and authorised for issue by the Trustee at the meeting held on 24 June 2021 and were signed on its behalf by:

Mr B Fletcher (Chairman)

Mrs M E Brennan (Director)

St John's Foundation Est. 1174
As at 31 December 2020

CHARITY BALANCE SHEET

	Note	2020 £'000	2019 £'000
Fixed Assets			
Intangible assets	10	32	60
Tangible assets – freehold property	11	11,964	12,167
Other tangible assets	12	105	24
Investments:			
Financial and property investments	13	105,601	119,227
Social investments	14	133	163
		<u>117,835</u>	<u>131,641</u>
Current Assets			
Social investments	14	30	30
Debtors	15	4,238	929
Cash at bank and in hand		3,017	2,521
		<u>7,285</u>	<u>3,480</u>
Creditors: amounts falling due within one year	16a	<u>(2,288)</u>	<u>(1,882)</u>
Net current Assets		4,997	1,598
Total assets less current liabilities		<u>122,832</u>	<u>133,239</u>
Creditors: amounts falling due after more than one year	16b	(1,857)	(1,570)
Total net assets		<u>120,975</u>	<u>131,669</u>
Charity reserves			
Invested endowment fund	17a	102,797	113,403
Functional endowment fund	17b	12,520	12,633
Roxburgh endowment fund	18	123	149
Designated funds	19	-	826
Unrestricted general fund	20	5,525	4,611
Restricted funds	21	10	47
		<u>120,975</u>	<u>131,669</u>

The notes on pages 48 to 77 form part of these financial statements. These financial statements were approved and authorised for issue by the Trustee at the meeting held on 24 June 2021 and were signed on its behalf by:

Mr B Fletcher (Chairman)

Mrs M E Brennan (Director)

St John's Foundation Est. 1174
Year ended 31 December 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

	2020	2019
	£'000	£'000
Cash flows used by operating activities (note A)	(7,087)	(4,863)
Cash flows from financing activity		
Cash inflows from new borrowings	648	589
Repayments of borrowings	(291)	(15)
Net cash provided by financing activity	<u>357</u>	<u>574</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	4,080	4,615
Costs of generating funds paid by endowment capital	(212)	(235)
Improvements to investment properties	(2,134)	(1,025)
Reclassification of cash held by brokers to investments	(111)	-
Purchase of investments	(3,768)	(4,600)
Proceeds from the sale of investments	9,476	4,750
Social investments repaid	30	28
Purchase of property, plant and equipment	(105)	(73)
Adjustment to cost of intangible additions due to VAT recovery	3	-
Purchase of intangible assets	-	(58)
Net cash provided by investing activity	<u>7,259</u>	<u>3,402</u>
Net increase/(decrease) in cash and cash equivalents	<u>529</u>	<u>(887)</u>
Change in cash and cash equivalents in the year	529	(887)
Cash and cash equivalents at the beginning of the year	2,639	3,526
Cash and cash equivalents at the end of the reporting period (note B)	<u>3,168</u>	<u>2,639</u>

NOTE A: Reconciliation of net income to net cash flow from operating activities

	2020	2019
	£'000	£'000
Net (expenditure) for the year (per Statement of Financial Activities)	(10,711)	(5,450)
Depreciation and amortisation charges	176	179
Disposal of operational assets	76	-
Losses on investments	10,163	4,873
Dividends, interest and rents from investments	(4,080)	(4,615)
(Increase)/Decrease in debtors	(3,293)	110
Increase/(Decrease) in creditors	370	(195)
Cost of generating funds from endowed capital	212	235
Cash outflow from operating activities	<u>(7,087)</u>	<u>(4,863)</u>

NOTE B: Analysis of cash and cash equivalents

	At start of year	Cash-flows	At end of year
	£'000	£'000	£'000
Cash	2,639	529	3,168
Overdraft	-	(1,015)	(1,015)
Total	<u>2,639</u>	<u>(486)</u>	<u>2,153</u>

St John's Foundation Est. 1174

Year ended 31 December 2020

Notes to the Financial Statements

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 Ltd ('the subsidiary') for the year ended 31 December 2020. The results of the subsidiary for the year are set out in note 13. The group will be referred to as 'St John's' or 'the charity' throughout these financial statements. All intergroup sales and profits have been eliminated upon consolidation. The Mayor of Bath's Relief Fund (Charity ref. 204649) has not been consolidated as, in line with the exemption granted by the Companies Act 2006, its inclusion is not material for the purpose of giving a true and fair view. The appropriateness of this treatment is reviewed annually.

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 1st January 2019) 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 and is an unincorporated Charity; its subsidiary is a limited company. The functional currency of the Group is sterling. The registered address of both the Charity and its subsidiary is 4/5 Chapel Court, Bath, BA1 1SQ. The country of incorporation for the subsidiary is the United Kingdom.

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. 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 results for the charity and reconciliation of funds are shown in notes 17 to 25. The Charity has also taken qualifying exemptions available to a qualifying entity in FRS 102 from the requirement to present a Charity only cash flow statement.

Notes to the Financial Statements

Principal Accounting Policies (continued)

Assessment of going concern

The Trustees have considered the impact of the Covid-19 pandemic on the Charity's going concern status. The Charity is heavily reliant on its investment portfolio and has seen the capital values and income of both the direct property portfolio and managed investment portfolio reduced as a result of the Covid-19 pandemic. However, due to the level of the unapplied total returns held by the Charity and the discretion that it has over its expenditure, they do not consider that the pandemic will impact the Charity's ability to remain a going concern. To provide ample headroom, overdraft facilities are in place which cover a reasonable worst-case scenario for cash flow.

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. Particular attention has been given this year to assessing the probability of receiving rental income before it is recognised (see accounting policy "key sources of estimation uncertainty"). Almshouse income represents fees from residents and other service user income and is credited to the unrestricted fund.

Donations and grants

Donations are accounted for when received. Donations subject to specific wishes of the donors are carried to the relevant restricted fund.

Income from government grants is recognised when the conditions of the grant have been met. Where there are no conditions, income is recognised upon receipt.

Notes to the Financial Statements

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. The cost of raising funds includes investment management costs, for both our listed and property investments. Expenditure on charitable activities includes the cost of running our almshouses, outreach services and our awards programme. Please also refer to the paragraph below regarding the allocation of support costs to activities.

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, property costs and the cost of supporting teams) and governance costs are apportioned between charitable activities and raising funds based on the proportion of direct costs associated with each activity. Direct costs exclude direct fees from investment managers and awards granted. In this way, the split of overheads is a closer reflection of the time spent on each activity. Governance costs include audit and accounting fees, and Trustee expenses.

St John's Foundation Est. 1174

Year ended 31 December 2020

Notes to the Financial Statements

Principal Accounting Policies (continued)

Gifts in kind, donated services or facilities and volunteers

These are estimated and included in the period in which they are received. In accordance with the Charities SORP (FRS102), volunteer time is not recognised in the SOFA. More information about their contribution is explained in the Trustee's annual report.

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

During the year, the limit above which assets are capitalised reduced from £5,000 to £500 (for individual purchases) and £1,000 (aggregated). The opening value of assets has not been adjusted for this change in accounting policy as the impact is believed to be immaterial due to the low spend, the age of existing assets and the depreciation applied. 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.

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 1st 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.

St John's Foundation Est. 1174
Year ended 31 December 2020

Notes to the Financial Statements

Principal Accounting Policies (continued)

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 2020, and the surplus or loss arising on revaluation has been transferred to the relevant reserve.

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 Fund or Unrestricted Reserves, as appropriate.

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

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.

Investment in subsidiary

The investment in the subsidiary is held at cost.

Taxation

The Charity does not pay tax, provided any surplus or gains are used for charitable purposes. For the subsidiary, current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted at the balance sheet date.

Notes to the Financial Statements

Principal Accounting Policies (continued)

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 17-23 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 25th 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 1st 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, other debtors and accrued income are recognised at the settlement amount due after any discounts offered. Prepayments 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.

St John's Foundation Est. 1174
Year ended 31 December 2020

Notes to the Financial Statements

Principal Accounting Policies (continued)

Creditors

Creditors are recognised at their settlement amount after allowing for any trade discounts due.

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, Executive 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.

Key sources of estimation uncertainty

Commercial rents

As a result of the national lockdowns in 2020, many of the Charity's commercial tenants have struggled to raise the income needed to meet their rental obligations in full and on time. Whilst the Charity's staff and agents have been in constant communication with our tenants, uncertainty remains over whether the debts due at the year end will be paid, and the reliability of future income. The assumptions made regarding our commercial tenants impact a number of areas in these financial statements, including income recognised, the impairment of debtors, and accrued and deferred income balances. The uncertainty over future rents has also impacted the work of valuation specialists when determining the value of the Charity's properties at the year end.

Notes to the Financial Statement

Principal Accounting Policies (continued)

Key sources of estimation uncertainty (continued)

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.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets (and amortisation for intangible 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 10-12 for the carrying amount of the property, land, plant and equipment.

Residual value of tangible assets

The residual value of operational properties has been estimated at 25% (the land on which the buildings are situated is not depreciated). This estimate has been reached on the basis that, as sites are actively used by the Charity, and the majority are grade I and II listed, they are kept to a high standard of repair. It would therefore not be representative of the assets' ongoing worth to depreciate them fully.

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Notes to the Financial Statements

1. Comparative Consolidated Statement of Financial Activities

	Unrestricted fund £'000	Restricted funds £'000	Endowment fund £'000	Total 2019 £'000
Income and endowments from:				
Charitable activities	909	-	-	909
Investment income	150	10	4,455	4,615
Other trading activities	350	-	-	350
Donations and legacies	3	3	-	6
Transfer to income	4,781	-	(4,781)	-
Total income	6,193	13	(326)	5,880
Expenditure:				
Expenditure on charitable activities:				
Residential care & support:	1,809	-	112	1,921
Funding and impact	2,631	84	-	2,715
Community outreach	373	7	-	380
Total expenditure on charitable activities	4,813	91	112	5,016
Cost of raising funds	1,000	-	235	1,235
Other expenditure	206	-	-	206
Total expenditure	6,019	91	347	6,457
Net income / (expenditure) before investment (losses) / gains	174	(78)	(673)	(577)
Net gains / (losses) on investments	733	-	(5,606)	(4,873)
Net income / (expenditure)	907	(78)	(6,279)	(5,450)
Transfers between funds	-	-	-	-
Net income and net movement in funds	907	(78)	(6,279)	(5,450)
Reconciliation of funds:				
Total funds brought forward	4,509	125	132,489	137,123
Total funds carried forward	5,416	47	126,210	131,673

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2. Income

2a. Investment income

Consolidated	Unrestricted fund	Restricted fund	Permanent endowment fund	2020	2019
	£'000	£'000	£'000	£'000	£'000
Commercial investment properties	-	-	2,458	2,458	2,770
Residential investment properties	-	-	737	737	726
Property investment income	-	-	3,195	3,195	3,496
Interest received on social investment	-	-	7	7	8
Listed investments	116	6	753	875	1,099
Interest on cash deposits	3	-	-	3	12
Non-property investment income	119	6	760	885	1,119
Total	119	6	3,955	4,080	4,615

2b. Government grants

Included within donations and legacies is £26,000 (2019: £nil) in respect of government grants. This includes a £25,000 retail, leisure and hospitality grant which assisted the trading subsidiary in covering losses from running serviced apartments during national lockdowns. The group also benefited from business rates relief in 2020.

3. Total expenditure on charitable activities

	Staff costs	Depreciation	Other costs	2020	2019
	£'000	£'000	£'000	£'000	£'000
Residential care and support	941	138	771	1,850	1,921
Funding and impact	405	15	1,568	1,988	2,715
Community outreach	222	5	64	291	380
Total	1,568	158	2,403	4,129	5,016

4. Total cost of raising funds

	Staff costs	Depreciation	Other costs	2020	2019
	£'000	£'000	£'000	£'000	£'000
Property investment management costs	538	20	833	1,391	1,148
Other investment management costs	-	-	83	83	87
Total	538	20	916	1,474	1,235

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5. Other expenditure

Other expenditure relates wholly to the operation of serviced apartments at St Catherine's Hospital by the Trading Subsidiary.

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 3). Governance costs are detailed as follows:

	2020 £'000	2019 £'000
Auditor fees (including irrecoverable VAT):		
- for audit services	19	18
- VAT advice	-	1
Accountancy and other professional services	6	2
Trustee expenses	5	11
Corporation tax payable by trading company	-	3
	30	35

These have been split across activities:

Residential care and support	10	13
Funding and impact	5	7
Property operational costs	12	11
Community outreach	3	4
	30	35

Auditor fees for audit services as stated above include irrecoverable VAT and are dependent upon best estimates of accrued costs. In 2020, actual fees (net of VAT) were £15,000 (2019: £19,000).

7. Funding and impact

	2020 £'000	2019 £'000
Individual funding	359	356
Organisational funding	1,110	1,848
Funding and impact departmental costs	518	511
	1,987	2,715

St John's awarded grants to a number of individuals and organisations in furtherance of its charitable activities. During 2020, a total of 76 (2019: 128) new awards were made to organisations. For awards payable to individuals, the maximum amount payable is usually £1,500 (2019: £1,500) over three years. This rule was relaxed temporarily from the beginning of the coronavirus crisis until 7 August 2020 for those experiencing hardship as a direct result of the pandemic and national lockdown.

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Notes to the Financial Statements

7. Funding and impact (continued)

Recipients of organisational funding awards:

All awards of £15,000 or over paid in the year to charitable groups as part of the £1,110,000 above are shown below.

Organisation	Project	Amount (£)
B&NES Council	Local Authority Commissioned Children's Services	53,750
Bath Mind	Welfare Benefits Advice and Support	40,000
Off the Record	Listening Services	40,000
Somer Valley Education Trust CIO	METS (Media Education Training and Skills) 2018-2021	39,420
Developing Health & Independence	Resolve to Stop the Violence (2019-2021)	38,762
Curo	Hubs for Over 70's	36,278
Soundwell Music Therapy Trust	Music Therapy Services	32,000
VOICES	Domestic Abuse Recovery Group Programmes	30,630
SARSAS	Support for Survivors of Rape and Sexual Abuse	30,000
Citizens Advice	Debt Caseworkers	30,000
We Hear You	Talking Bollocks!	30,000
Julian House	Specialist Female Support Worker	29,848
Bath Recreation Limited	Glasshouse Activity Club	29,750
3SG	3SG Core Funding	29,305
Reason	Time to Talk	25,700
HorseWorld Trust	Discovery	25,000
Make a Move	Moving on Up! (2018-2020)	25,000
Bath Youth for Christ	Southdown Youth Worker	25,000
The Life Project	Parent Carer Drop-In Group	22,335
Bath Rugby Foundation	Raising the Game Secondary	21,733
Bath Area Play Project	Quality Improvement	20,000
Jamie's Farm	Core Funding Support	20,000
Designability	Designability Workshop Relocation and Expansion	20,000
Southside Family Project	Strengthening Southside's Impact	20,000
Citizens Advice	BD, Fundraising and Marketing Support Role	20,000
Southside Family Project	Domestic Abuse Programme (Coronavirus Extension)	19,987
Somer Valley Education Trust CIO	Sustain & Grow	19,971
Bath City FC Community Sports Foundation	Bath City FC Foundation Project Manager	19,934
The Nest Project	The Nest Project	19,600
Swallow	Investment in Efficiency	19,519
Charlie Waller Memorial Trust	Boys in Mind/Girls Mind Too 2019 - 2021	18,040
Read Around Bath	Read! Talk! Together!	15,600

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Notes to the Financial Statements

8. Staff costs and remuneration of key management personnel

	2020	2019
	£'000	£'000
Wages and salaries	1,724	1,663
Social security costs	161	152
Pension costs	172	157
Other employee benefits	17	20
Redundancy costs	61	-
Agency staff costs	7	63
	<u>2,142</u>	<u>2,055</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:

	2020	2019
	number	number
Property maintenance	7	9
Residential care and support	18	18
Management of the charity	30	32
	<u>55</u>	<u>59</u>

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

	2020	2019
	number	number
£70,001 - £80,000	1	-
£80,001 - £90,000	1	2
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1
	<u>4</u>	<u>3</u>

St John's considers its key management personnel to comprise the directors of the Trustee and the executive team. The employer pension contributions made in respect of key management personnel to the defined contribution scheme amounted to £32,000 (2019: £31,000).

No enhanced or special terms apply and there are no additional pension arrangements for these employees. The total employment benefits, including employer pension and national insurance contributions of the key management personnel were £430,000 (2019: £403,000).

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Notes to the Financial Statements

9. Related party transactions and trustees' expenses and remuneration

Transactions between the Charity and the Trading Subsidiary

Rent of £97,778 was charged by the Charity in 2020 for St Catherine's Hospital, the Trading Company's site of operations (2019: £97,491). Also, costs relating to St Catherine's Hospital (such as insurance, utilities and repairs) were recharged to the Trading Company at cost. This amounted to £22,229 in 2020 (2019: £12,001). At the year end, £55,498 was owed by the Trading Company to the Charity (2019: £64,887), and a further £51,944 is included in accruals in the Trading Company (accrued income in the Charity) in respect of rent uninvoiced but due under the terms of the lease.

In 2020, £nil was invoiced by the Trading Subsidiary to the Charity for construction services (2019: £18,869).

Finally, the Charity invoiced the Trading Company for management fees of £4,050 (2019: £4,432) in the year, of which £4,050 (2019: £986) was due at the balance sheet date.

Trustee expenses

During 2020, 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 (2019: £nil).

Expenses paid to the directors of the Trustee in 2020 totalled £130 (2019: £935). These expenses were paid to two directors (2019: seven directors) for travel and subsistence. Finally, the Charity incurred catering costs for farewell dinners, lunches prior to Board meetings, and selection panels of £836 (2019: £6,261).

Trustee indemnity insurance was purchased by the charity on behalf of the Trustee. The sum insured was £5m in both 2019 and 2020. The cost of the policy was £3,696 (2019: £3,360).

Other transactions with related parties are summarised as follows:

Related party	Nature of relationship	Payments made	
		2020 £	2019 £
Developing Health and Independence	Mrs S Davies is a Trustee	39,837	94,898
Bath Business Improvement District	Mr D Hobdey is a Director and Chair	6,181	6,181
The Bath Rugby Community Foundation	Mrs L Harvey is a Trustee	35,845	33,713
Holy Trinity Church (Combe Down)	Mr D Purdon is a Trustee	160	47,536
Holy Trinity Trust	Mr D Purdon is a Trustee	-	1,300
Curo	Mrs H F Bosnell is a Director	80,682	125,084
Twerton Infant School	Mr D Hobdey is a Governor	7,000	-

In addition to the transactions presented above, £675 was received from the Mayor of Bath's Relief Fund in the year (2019: £185) in respect of repayments for awards which were initially paid from the Charity in error. All the Charity's Trustees are also Trustees of the Mayor of Bath's Relief Fund. All transactions were executed in the normal course of business.

During the year, Flat 7 of Chandos House became occupied by Mr I Ruddlesdin, the brother-in-law of Mr D Hobdey (CEO of the Charity). The exchange value of the flat was in line with an independent qualified surveyor's market valuation, and the sale was in the normal course of business for the Charity.

There were no transactions with the Trustee or other related parties during the year, other than those disclosed above (2019: none). No balances were outstanding to or from related parties at the year-end (2019: none).

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Notes to the Financial Statements

10. Intangible assets

Consolidated and charity	2020 £'000
Cost	
At 1 January 2020	83
Adjustment to cost of additions due to VAT recovery	(3)
Disposals	-
At 31 December 2020	<u>80</u>
Accumulated amortisation	
At 1 January 2020	23
Charge	25
Eliminated on disposal	-
At 31 December 2020	<u>48</u>
Net book value	
At 31 December 2020	<u>32</u>
At 31 December 2019	<u>60</u>

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Notes to the Financial Statements

11. Tangible assets - freehold property

Consolidated	City centre almshouses £'000	Combe Park almshouse £'000	Operational properties £'000	Magdalen chapel £'000	Total £'000
Cost/valuation					
At 1 January 2020	11,262	3,825	547	740	16,374
Additions	-	-	-	-	-
Disposals	-	(76)	-	-	(76)
At 31 December 2020	11,262	3,749	547	740	16,298
Accumulated depreciation					
At 1 January 2020	3,921	222	31	44	4,218
Charge for the year	78	37	5	7	127
At 31 December 2020	3,999	259	36	51	4,345
Net book value					
At 31 December 2020	7,263	3,490	511	689	11,953
At 31 December 2019	7,341	3,603	516	696	12,156

Charity	City centre almshouses £'000	Combe Park almshouse £'000	Operational properties £'000	Magdalen chapel £'000	Total £'000
Cost/valuation					
At 1 January 2020	11,273	3,825	547	740	16,385
Additions	-	-	-	-	-
Disposals	-	(76)	-	-	(76)
At 31 December 2020	11,273	3,749	547	740	16,309
Accumulated depreciation					
At 1 January 2020	3,921	222	31	44	4,218
Charge for the year	78	37	5	7	127
At 31 December 2020	3,999	259	36	51	4,345
Net book value					
At 31 December 2020	7,274	3,490	511	689	11,964
At 31 December 2019	7,352	3,603	516	696	12,167

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Notes to the Financial Statements

12. Other tangible fixed assets

Consolidated and charity	Office equipment £'000	Fixtures and fittings £'000	Computer systems £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 January 2020	28	356	12	12	408
Additions	-	100	5	-	105
Disposals	-	-	-	-	-
At 31 December 2020	28	456	17	12	513
Accumulated depreciation					
At 1 January 2020	15	345	12	12	384
Charge for the year	7	17	-	-	24
Eliminated on disposal	-	-	-	-	-
At 31 December 2020	22	362	12	12	408
Net book value					
At 31 December 2020	6	94	5	-	105
At 31 December 2019	13	11	-	-	24

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Notes to the Financial Statements

13. Financial and property investments

Consolidated	Investment property £'000	Listed investments £'000	Total £'000
Market value at 1 January 2020	82,345	36,832	119,177
Additions to investments at cost	2,134	3,768	5,902
Disposal proceeds	(6,396)	(3,080)	(9,476)
(Losses) / gains	(10,408)	245	(10,163)
Cash held by brokers for reinvestment	-	111	111
Market value at 31 December 2020	67,675	37,876	105,551

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 discounted cash flow at 31 December 2020.

Social investments also form part of the charity's investments (note 14).

Charity	Trading subsidiary £'000	Investment property £'000	Listed investments £'000	Total £'000
Market value at 1 January 2020	50	82,345	36,832	119,227
Additions to investments at cost	-	2,134	3,768	5,902
Disposal proceeds	-	(6,396)	(3,080)	(9,476)
(Losses) / gains	-	(10,408)	245	(10,163)
Cash held by brokers for reinvestment	-	-	111	111
Market value at 31 December 2020	50	67,675	37,876	105,601

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Notes to the Financial Statements

13. Financial and property investments (continued)

The charity owns the entire share capital of St John's Hospital Trading Company Ltd, a company incorporated in England and Wales - company registration number 08632453. The share capital of St John's Hospital Trading Company Ltd 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 Ltd is to manage serviced apartments and procure services on behalf of St. John's Foundation Est. 1174.

The trading results of the subsidiary were as follows:	2020	2019
	£'000	£'000
Turnover	208	350
Cost of sales	-	(18)
Gross profit	208	332
Administrative expenses	(14)	(8)
Operational expenses	(235)	(303)
Other income	25	-
Operating (loss)/profit	(16)	21
Interest payable	-	-
(Loss)/profit before tax	(16)	21
Taxation	3	(4)
(Loss)/profit after tax	(13)	17

The aggregate of the assets, liabilities and funds as at 31 December was:	2020	2019
	£'000	£'000
Total assets	219	183
Total liabilities	(168)	(119)
Shareholders' funds	51	64

14. Social investments

Consolidated and charity	2020	2019
	£'000	£'000
Mixed motive investments:		
Receivable in more than one year	133	163
Receivable in less than one year	30	30
	163	193

The mixed motive investment above represents two concessionary loans to a single party drawn down together on 28th 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 (2019: nil), and no amounts that had been approved subject to the agreement of terms (2019: nil).

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Notes to the Financial Statements

15. Debtors

	2020	2019
	£'000	£'000
Consolidated		
Trade debtors	203	289
Prepayments and accrued income	3,955	592
Taxation and social security	17	-
Other debtors	2	3
	<u>4,177</u>	<u>884</u>
Charity		
Trade debtors	142	254
Prepayments and accrued income	4,025	607
Taxation and social security	14	-
Other debtors	2	3
Amounts owed by subsidiary	55	65
	<u>4,238</u>	<u>929</u>

Included within consolidated prepayments and accrued income are lease incentive adjustments of £274,000 (2019: £319,000), of which £243,000 are due in more than one year (2019: £297,000). Also included within the Charity's prepayments and accrued income is a balance of £70,000 (2019: £20,000) which relates to the subsidiary. Offsetting trade debtors is a bad debt provision of £161,000 (2019: £2,000).

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Notes to the Financial Statements

16a. Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Consolidated		
Bank overdrafts	1,015	-
Loans repayable upon demand	518	448
Trade creditors	198	320
Accruals and deferred income	488	830
Taxation and social security	46	245
Corporation tax	-	3
Other creditors	65	44
	<u>2,330</u>	<u>1,890</u>
Charity	£'000	£'000
Bank overdrafts	1,015	-
Loans repayable upon demand	518	448
Trade creditors	161	296
Accruals and deferred income	483	848
Taxation and social security	46	246
Other creditors	65	44
	<u>2,288</u>	<u>1,882</u>

The bank overdrafts are secured against assets of the Charity. The loans repayable on demand are amounts due to lifetime leasehold tenants for their leases which is repayable when the properties are vacated.

Included within other creditors is £11,000 (2019: £9,000) representing the amount held as agent for a small unincorporated voluntary organisation called Bath Woman's Fund for which St John's Foundation has agreed to administer funds and act as an agent. No other amounts were received or paid out in the year in relation to this fund.

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Notes to the Financial Statements

16a. Creditors: amounts falling due within one year (continued)

Deferred income movement:

	Charity £'000	Group £'000
Balance at 1 January 2020	665	642
Amount released in the year	(2,667)	(2,594)
Amount deferred in the year	2,147	2,097
Balance at 31 December 2020	<u>145</u>	<u>145</u>

16b. Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Consolidated and charity		
Loans repayable upon demand	<u>1,857</u>	<u>1,570</u>

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17a. Invested endowment fund

The permanent invested 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 1st 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 25th 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 1st 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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17a. Invested endowment fund (continued)

Consolidated	Permanent endowment fund £'000	Unapplied total return £'000	Total £'000
At 1 January 2019	41,650	77,966	119,616
Movements in the reporting period:			
Investment income	-	4,455	4,455
Realised and unrealised gains	-	(5,627)	(5,627)
Less: property operational and investment management costs	-	(235)	(235)
Total return for the year	-	(1,407)	(1,407)
Unapplied total return allocated to income	-	(4,781)	(4,781)
Transfer to unrestricted funds to reflect 2017 gains	-	-	-
RPI uplift	895	(895)	-
	895	(7,083)	(6,188)
At 1 January 2020	42,545	70,883	113,428
Movements in the reporting period:			
Investment income	-	3,955	3,955
Realised and unrealised losses	-	(9,869)	(9,869)
Less: property operational and investment management costs	-	(212)	(212)
Total return for the year	-	(6,126)	(6,126)
Unapplied total return allocated to income	-	(4,578)	(4,578)
RPI uplift	510	(510)	-
	510	(11,214)	(10,704)
At 31 December 2020	43,055	59,669	102,724

The above figures exclude the functional endowment fund (note 17b) and the Roxburgh endowment fund (note 18).

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Notes to the Financial Statements

17a. Invested endowment fund (continued)

Charity	Permanent endowment fund £'000	Unapplied total return £'000	Total £'000
At 1 January 2019	41,650	77,942	119,592
Movements in the reporting period:			
Investment income	-	4,455	4,455
Realised and unrealised gains	-	(5,628)	(5,628)
Less: property operational and investment management costs	-	(235)	(235)
Total return for the year	-	(1,408)	(1,408)
Unapplied total return allocated to income	-	(4,781)	(4,781)
Transfer to unrestricted funds to reflect 2017 gains	-	-	-
RPI uplift	895	(895)	-
	895	(7,084)	(6,189)
At 1 January 2020	42,545	70,858	113,403
Movements in the reporting period:			
Investment income	-	4,053	4,053
Realised and unrealised losses	-	(9,869)	(9,869)
Less: property operational and investment management costs	-	(212)	(212)
Total return for the year	-	(6,028)	(6,028)
Unapplied total return allocated to income	-	(4,578)	(4,578)
RPI uplift	510	(510)	-
	510	(11,116)	(10,606)
	-	-	-
At 31 December 2020	43,055	59,742	102,797

The above figures exclude the functional endowment fund (note 17b) and the Roxburgh endowment fund (note 18).

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Notes to the Financial Statements

17b. Functional endowment fund

The functional endowment is that part of the endowment which is held for operational, rather than investment purposes, and is therefore not included in total return calculations. The assets which make up the functional endowment are those which were almshouses at the time the 2012 Scheme was approved (Chapel House, Fitzjocelyn / John Wood House, Rosenberg House, Chandos House, Combe Park), and Magdalen Chapel. The functional endowment also includes £1.925m (2019: £1.849m) set aside for future almshouse provision under the 2017 Scheme when the change of use of Chandos and St Catherine's was approved.

Charity & Consolidated	2020 £'000	2019 £'000
Balance brought forward	12,633	12,746
(Deficit)	(114)	(113)
Balance carried forward	<u>12,519</u>	<u>12,633</u>

18. Roxburgh endowment fund

Consolidated and charity	2020 £'000	2019 £'000
Balance brought forward	149	128
Valuation (losses) / gains	(26)	21
Balance carried forward	<u>123</u>	<u>149</u>

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

19. Designated fund

Extraordinary repairs fund	2020 £'000	2019 £'000
Consolidated and charity		
Balance brought forward	826	669
Investment management cost	(2)	(2)
Unrealised gain / (loss) on revaluation	(35)	159
Transfers	(789)	-
Balance carried forward	<u>-</u>	<u>826</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. Upon review, the Trustees decided to release the designated fund in the financial year. A transfer has been made to unrestricted funds (note 20).

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20. Unrestricted 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.

	2020	2019
	£'000	£'000
Consolidated		
Realised and unrealised (losses) / gains	(233)	574
Operating result	(4,138)	(4,605)
Total return transfer from permanent endowment fund	4,578	4,781
Transfer of designated fund	788	-
Net movement in the year	995	750
Balance brought forward	4,590	3,840
Balance carried forward	5,585	4,590
Charity		
Realised and unrealised (losses) / gains	(233)	573
Operating result	(4,219)	(4,623)
Total return transfer from permanent endowment fund	4,578	4,781
Transfer of designated fund	788	-
Net movement in the year	914	731
Balance brought forward	4,611	3,880
Balance carried forward	5,525	4,611

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21. Restricted funds

Consolidated and charity (as at 31 December 2020)	Joseph Matthews Foundation	Roxburgh	Feeding Britain	Infection Control Fund	Total
	£'000	£'000	£'000	£'000	£'000
Balance brought forward	38	9	-	-	47
Income	-	6	18	1	24
Expenditure	(38)	(5)	(18)	(1)	(61)
Balance carried forward	-	10	-	-	10

Consolidated and charity (as at 31 December 2019)	Joseph Matthews Foundation	Roxburgh	Action Against Child Poverty	Total
	£'000	£'000	£'000	£'000
Balance brought forward	82	4	39	125
Income	-	10	3	13
Expenditure	(44)	(5)	(42)	(91)
Balance carried forward	38	9	-	47

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.

22. Transfers

	Permanent endowment fund	Unrestricted fund	Designated fund
	£'000	£'000	£'000
Closure of designated fund		789	(789)
Transfer of unapplied total return to income	(4,578)	4,578	

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Notes to the Financial Statements

23. Analysis of net assets between funds

Consolidated	Invested endowment fund	Functional endowment fund	Roxburgh endowment fund	Restricted fund	Designated fund	Unrestricted fund	Total
As at 31 December 2020	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	10,595	-	-	-	1,463	12,058
Intangible fixed assets	-	-	-	-	-	32	32
Investments	102,561	-	123	-	-	2,867	105,551
Social investments	163	-	-	-	-	-	163
Cash and bank balances	-	1,925	-	10	-	1,233	3,168
Other current assets and liabilities	-	-	-	-	-	(10)	(10)
	102,724	12,520	123	10	-	5,585	120,962

Consolidated	Invested endowment fund	Functional endowment fund	Roxburgh endowment fund	Restricted fund	Designated fund	Unrestricted fund	Total
As at 31 December 2019	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	10,784	-	-	-	1,396	12,180
Intangible fixed assets	-	-	-	-	-	60	60
Investments	113,235	-	149	-	844	4,949	119,177
Social investments	193	-	-	-	-	-	193
Cash and bank balances	-	1,849	-	47	-	743	2,639
Other current assets and liabilities	-	-	-	-	(18)	(2,558)	(2,576)
	113,428	12,633	149	47	826	4,590	131,673

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24. Charitable and capital commitments

Capital expenditure commitments:	2020	2019
	£'000	£'000
Legal commitment to build almshouses	1,925	1,849
1 Queen Square	281	30
12/12a Old Bond Street	144	-
	<u>2,350</u>	<u>1,879</u>

The legal commitment with the Charity Commission to build almshouses is also reflected in the functional endowment fund (note 17b).

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:

	2020	2019
	£'000	£'000
Within one year	1,966	2,534
Between one and five years	5,377	8,250
After five years	11,824	15,697

The charity leases parking spaces for staff using the head office. The future minimum lease payments under non-cancellable operating leases by the charity and Group are due as follows:

	2020	2019
	£'000	£'000
Within one year	32	32
Between one and five years	10	43

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

Within one year	334	866
Between one and five years	-	340

25. Pensions

The charity operates a defined contribution scheme for the benefit of the employees. During the year £158,000 (2019: £143,000) was payable into the defined contribution scheme. The amount due at the year end was £19,000 (2019: £19,000). Included within 'pension costs' in note 8 are pension scheme management fees payable of £14,000 (2019: £14,000).