



ST JOHN'S
FOUNDATION EST. 1174



Annual Report

And consolidated financial statements for
the year ended 31 December 2022

REGISTERED CHARITY 201476

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TRUSTEES' ANNUAL REPORT

The Trustees present their annual report and consolidated financial statements. This includes the financial results of St John's Foundation Est. 1174 ('St John's' or 'the Charity') and its subsidiary, St John's Hospital Trading Company Ltd for the year ended 31 December 2022. This report is prepared in line with the Charities Act 2011 and SORP (FRS 102).

As one of the UK's oldest and most respected community charities, St John's Foundation supports people in need throughout the Bath and North East Somerset area. The objects of the Charity comprise 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. Whilst primarily an almshouse charity, St John's also focuses support on young people aged 0-12 years, adults over the age 55, and people experiencing financial crisis.

Understanding that we need to work together to ensure everyone has fair and equal opportunity, we take a holistic approach to our charitable work. We choose to work with local partner organisations for their specific knowledge and expertise, as well as their ability to help implement our initiatives and programmes to support positive social change.

We invest our funds wisely, to maximise returns and generate the income we require to ensure we can implement our charitable activities, now and long into the future. This financial independence enables us to invest in forward-thinking social initiatives and partnership programmes, as well as honouring our founding principles of offering high-quality almshouse accommodation.

Founded in Bath on Christian principles by Bishop Reginald Fitzjocelyn in 1174, St John's Hospital, now St John's Foundation, is – and always has been – a thought-leader and a pioneer, often challenging the status quo, identifying where systems in society are broken or failing, and seeking solutions to fix them.

To extend the reach and social impact of our charitable work, we share our experiences and learning with like-minded organisations throughout the UK and beyond. It is our duty as a charity supporting our local community to remove inequalities from society.

At the beginning of 2020, St John's launched an ambitious ten-year strategy with the vision for our funding activities of ensuring every child in Bath and North East Somerset grows up to live a happy, healthy, educated life.

This change in our strategic direction moved us away from being a generalist funder and saw us focus our efforts and resources on our Foundation Fund. Extensive research was undertaken to determine the issues effecting children within our communities – specifically, why a disproportionately wide educational attainment gap exists in Bath and North East Somerset. The findings of our research influenced our focus, and our manifesto aims, which are:

- ensuring all children have access to safe places and nutritious food;
- providing additional support with foundational reading, writing, oracy, and mathematics; and
- the provision of support for emotional and behavioural development.

The Foundation Fund sits alongside St John's almshouse provision and older adults' service. In 2021 our former Independent Living Service and Chaplaincy were amalgamated to create the Good Living Service. The overarching ambition of this service is to provide opportunities for people to live purposeful and fulfilling lives in their later years.

No matter a person's age, most people want to make their own decisions, support themselves financially and take care of their own physical and emotional needs throughout their adult lives. Conscious that our previous service was too paternalistic, the Good Living Service encourages independent living, and signposts to external support services where necessary.

All of us want the ageing process and living on one's own to be a positive experience, offering ongoing opportunities to enjoy life. In creating the Good Living Service, our mission was to make this a reality.

St John's also offers a lifeline for those who have reached a point of crisis in their lives. Through our Crisis Programme, we provide financial support to families and individuals in Bath and North East Somerset who are struggling to make ends meet. We fund the most essential needs, such as beds, white goods, furniture, counselling, debt support and basic employment skills and training.

Every aspect of St John's work is built upon our values of trust, kindness and courage and is inspired by our purpose: To change lives. For good.



We received the first academic year's report from our evaluation partner ImpactEd, for the Primary Empowerment Programme. Whilst it is early in the context of our 10-year strategy, the report and anecdotal evidence from teachers and professionals show the programme is starting to make real and lasting change for under-served young people.

We were also honoured with a visit from our patron, HRH The Former Duchess of Cornwall, in February. The Duchess is passionate about improving oracy and literacy in children, as well as championing women's rights. Her visit comprised a trip to Roundhill Primary School to see the work of the Primary Empowerment Programme, and then to VOICES, a domestic abuse charity supported by St John's.

Our plan to diversify our investment portfolio, which includes reducing reliance on direct property holdings, has progressed at pace. The sale of our properties will rebalance our investment portfolio, ensuring St John's receives the returns required to continue delivering charitable work for a further 850 years.

Our Trading Company officially opened the House of St John's in February 2022. Following a successful year of events and a growing membership base, the House won the Bath Life Property 'One to Watch' Award, in November.



The Good Living Service

Almshouses

2022 was an extra-ordinary year for the Good Living Service; we sadly said goodbye to several residents and welcomed 15 new members into the alms-community.

Emergence from the pandemic saw many of the older adults we work with suffering with feelings of isolation and loneliness. However, as we progressed through the year, we saw their confidence and their engagement across our alms-community returning.

Activities and advice service

The Good Living service ran a variety of 57 active learning classes in 2022. These classes were attended by over 370 older adults from across Bath and North East Somerset.

Partnership working

A successful relationship with the community group BathShed was established. The group was seeking a new venue to run classes for members to learn carpentry and other skills. As well as being a class for older adults to finesse their skills, it also offers a safe space for members to talk through problems and socialise. We have been in the position to offer the group a permanent residence in our maintenance workshop and the group is thriving. As well as meeting weekly, the group holds monthly events including demonstrations from professional upholsterers.

We have been working alongside the University of Bath on a bid for funding for two Active Ageing projects. If successful, these projects will enable the university to work with our alms-residents to develop strategies for older people to live independently for longer.

Working with Connecting Generations, students from the University of Bath offer free technology support to our alms-residents, who are encouraged to bring their phones, iPads, laptops and devices for impartial help and advice. This has been a successful endeavour with residents and students enjoying the opportunity to socialise with each other.

Through a donation of £20,000, the Good Living Service was able to support the set-up of the Ageing Well Network in BaNES. The Good Living Service has been working with AGE UK, Citizen's Advice, BaNES Council, NatWest, and other bodies to support our residents and the public to find out about benefits and entitlements, scams, care and support, and other much needed information they may have difficulty accessing.

The Foundation Fund

We established the Foundation Fund in 2020 to level the playing field across Bath and North East Somerset and help provide all children with the same chances to live happy healthy and educated lives. Since the launch, we have worked in partnership with other organisations and funded programmes to provide children aged 0-12 with the best opportunities to contribute to our community for generations to come.

Early Years

In September 2022 the Early Nurture Service (ENS) was launched to complement the work of the Language for Life project in local pre-school settings. ENS is run by the Bath based organisation Brighter Futures which supports children with their social, emotional, and mental health needs. The number of children being identified as having significant mental health concerns across our region is increasing year on year. Brighter Futures is working with Early Years practitioners to enable them to meet this demand. An initial pilot project will run until July 2024.

Launched in 2021, the Language for Life project has proved very successful; hundreds of pre-school children are being assessed for speech and language needs across 25 settings. A red, amber, green system is used to identify the level of understanding a child has against a national benchmark. Many children coming through the programme are progressing well, with children identified within the pupil premium band showing the biggest improvements.

The Perinatal Emotional Wellbeing Partnership (PEWP) is continuing to improve the mental health of new parents across Bath and North East Somerset. Many of the projects are reporting an increase in complex cases, that must be referred to specialist services. Funding has been agreed until 2024.

Nutritious Food

Four programmes supporting access to affordable food and services across our region were also funded, these were:

- Bath and North East Somerset Council – funding for the role of public health officer in relation to food insecurity.
- Bath and North East Somerset Council – supporting the local authority to carry out bi-annual health and wellbeing surveys across all local primary and secondary schools.
- FareShare South West – supplying nutritious food to many affordable food projects run by charities across Bath and North East Somerset.
- Hope House Surgery – a new Community Centre in Radstock this is a partnership between the local GP surgery, the local authority and voluntary sector organisations. St John's funded part of the community kitchen.

In the last quarter of 2022, the Board of Trustees agreed to release funding to provide all children across the seven Primary Empowerment Schools, who are not eligible for free schools meals, a hot meal every day at school. This initiative went live in January 2023 and will run until the Primary Empowerment Programme closes in July 2024.

Primary Empowerment Programme

The Primary Empowerment Programme entered its second year of a three-year pilot in September 2022. The delivery partners working across the seven schools are now fully embedded and reporting strong relationships with each school. Several of the schools were able to take up further provision offered through the Primary Empowerment Programme.

The total cost of the Primary Empowerment Programme in 2022 was £750,248. This pilot is due to end in July 2024.

The Primary Empowerment Schools are:

- Castle Primary School, Keynsham
- Roundhill Primary School, Southdown, Bath
- St Keyna Primary School, Keynsham
- St Martin's Garden Primary School, Odd Down, Bath
- St Mary's School, Writhlington
- St Michael's Junior Church School, Twerton, Bath
- Twerton Infants School, Twerton, Bath

Big Education

St John's partnered with Bath and North East Somerset Council to embark on a joint project to support schools across the region with the persistent attainment gap. The aim of this project is to improve educational outcomes for under-served pupils.

Big Education, an organisation with extensive experience in working with education providers to effect change, was successfully appointed as project lead. The venture will see Big Education analyse local needs and data for different approaches adopted by schools across the region. This will help formulate a new strategy to deliver the best outcomes for under-served pupils across the region.

A joint report detailing findings on the disadvantage gap in Bath and North East Somerset will be published early in May 2023. Once published, Big Education will work with Multi-Academy Trusts to implement the report's recommendations.

This is a three-year project with four separate phases:

Phase 1: Data and Discovery

Phase 2: Action research and development of best practice

Phase 3: Recommendation and next steps

Phase 4: Impact Evaluation

ImpactEd

In December our external evaluation partner ImpactED presented a report on the educational outcomes achieved in the first year of the Primary Empowerment Programme. The report highlighted the significant progress made in the seven schools, with results that were favourable compared to national results. Given the impact of the pandemic and the huge pressures placed on the schools during this time, the improvements shown for pupil premium pupils were positive.

The number of pupil premium children moving closer to their age-related expectations is increasing and children across the early years settings who require additional speech and language support are now more likely to be identified and helped, prior to transitioning into reception. The number of pupil premium children receiving emotional and behavioural support suggests that this targeted intervention is working.

2023 will see a review of the evaluation framework and an adapted annual report.

Crisis Programme

In 2022, 551 applications to the Crisis Programme were received. 400 of them were awarded support totalling £243,400 of the overall £320,000 budget. Of these applications, 198 supported single people, 134 were to support families who had children under the age of 12 years old and the remaining 68 were for families with children over 12 years old and couples without dependents.

The total number of applications continued to remain below the levels seen prior to the pandemic, partly due to Bath and North East Somerset Council's Welfare Support Scheme having an increased legacy budget from the pandemic and in response to the cost-of-living crisis. However, there was a noticeable increase in application numbers towards the end of the year, coinciding with Welfare Support scaling back on grant allowances, to a level more consistent with 2020.

Project funding

The third year of funding was released to continue the provision of two debt caseworkers based at Bath and North East Somerset Citizens Advice.

The School Kit Project (SKiP) was awarded £5,000 to continue to provide under-served children with school uniforms.

Funding totalling £30,000 was awarded to Curo's pilot furnished tenancy programme – Cosy Start. This programme will ensure 20 homes will no longer be let as 'empty shells' but instead will be housed with white goods and furniture.

This programme will target those most in need, namely care leavers and people moving in to their first tenancy from temporary accommodation or homelessness. Evidence provided by End Furniture Poverty (EFP) has highlighted the harm that living without sufficient furniture can have on an individual or family's mental health and self-esteem, as well as showing that moving into a furnished tenancy results in a reduced likelihood of people getting into debt.

Financial Wellbeing

As part of the drive to maximise the impact of the Crisis Programme, the team is focusing on mapping out the current financial support being delivered across the region and seeking opportunities to collaborate and enhance the offer of support.

Property and investments

When St John's launched its current strategy in February 2020, a strategic asset review was undertaken to assess the investment portfolio allocation. This concluded that the Charity should reduce its reliance on property investments.

This will enable St John's to re-invest the funds in other classes of investment assets. It will help achieve a more balanced mix of investments and therefore generate the income St John's requires to continue implementing its ambitious programme of charitable activities, as well as maintaining the financial health of the Charity for future generations.

In late 2022, the Charity commenced a programme of marketing selected properties for sale – this process will continue over the next five years.



Over the seven years remaining of its current ten-year strategy, St John's will manage its investments to meet the aims of:

- Building communities where every child under 12 is supported to grow into a healthy, happy, and educated member of the community, courtesy of the Foundation Fund.
- Enabling older adults to live well independently, courtesy of the Good Living Service.
- Providing funding for individuals in crisis, courtesy of the Crisis Programme.

The length of St John's tenure is testament to the Charity's ability to move with the times and continue to deliver a wide range of services that address the changing needs of our community. The Charity will continue to review the impact of the Foundation Fund and will continue to work with its partners to deliver our aims and shape future work.



The Trading Company is 100% owned by the Charity. Revenue is generated by the Trading Company through the letting of serviced apartments at St Catherine's Hospital and the provision of serviced offices and event space at the House of St John's. The Trading Company is a social enterprise which aims to gift as much of its taxable profits to the Charity as possible. Ultimately, it aims to gift 100% of profits to the Charity.

St Catherine's Hospital

Originally part of the almshouse provision, St Catherine's narrow doorways and hallways made it unsuitable for older people with limited mobility. Therefore in 2018, the Grade II listed building was transformed into ten luxury apartments.

It is situated just behind Bath's Thermae Spa and only 50 metres from the Roman Baths. The ten one-bedroomed maisonettes and apartments all face into the original courtyard garden, creating a truly tranquil sanctuary in the heart of the city of Bath.

House of St John's

No. 1 Queen Square was gifted to St John's in 1953 and the building was let as offices for more than 60 years. In 2019, St John's began an extensive renovation programme on the property, which is Grade 1 listed.

Working with local experts in the field, St John's completed its sympathetic renovation at the end of 2021. Once returned to its former glory, the building was named the House of St John's and opened its doors to Bath in February 2022. It operates as a versatile workspace, powered by social purpose. It houses a variety of private offices, co-working lounges, dedicated desks, meeting rooms and a stylish event space.

In 2022, the House of St John's has sold all but one of its private offices; all dedicated desks became fully occupied, 45 co-working memberships were sold and almost 200 businesses booked meeting rooms.

As the House of St John's charity partner all profits are gifted to St John's, specifically to be used for the Foundation Fund.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal structure

St John's Hospital
Trustee Limited

COMPANY

Board of Directors
(‘the Trustees’)

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.

St John's
Foundation Est. 1174

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 on 8 February 2017.

St John's Hospital
Trading Company
Limited

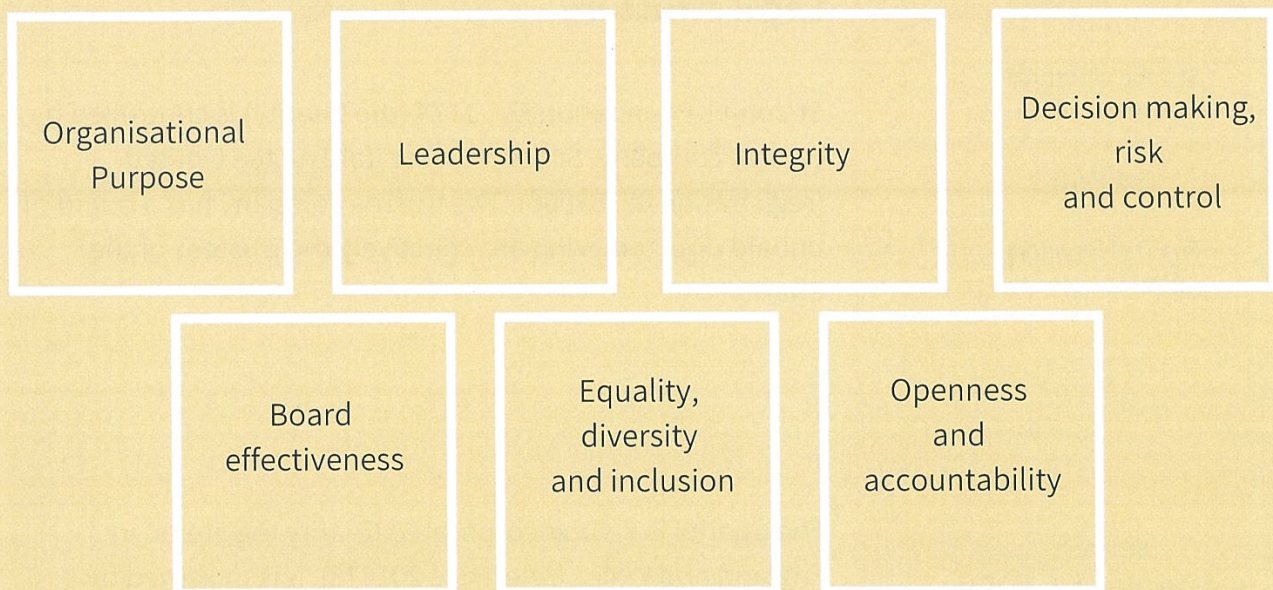
TRADING COMPANY

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

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. 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 the Trustees and the employees help to make our organisation an uplifting and cohesive place to work.

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



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 three years and may be re-appointed to serve for up to nine years.

Decision-making

The Board held four formal meetings and two development days during 2021 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 using surveys to gain insight into trustee opinions on effectiveness. An appraisal of the Chair is conducted regularly by the Senior Independent trustee with the next one concluding in 2023. As one of the recommendations arising from the Corporate Governance Code review, the trustees are considering whether to undertake external evaluations of performance and how individual trustee performance will be reviewed in the future.

COMMITTEES

Committee

Purpose

Charitable Delivery
and Impact (CDIC)

To assure the Board that there is an adequate system in place to measure strategic charitable delivery and impact of the organisation. While CDIC's primary function is assurance, its purpose also includes supporting continuous improvement in the way impact is measured and demonstrated.

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 to ensure 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 '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.



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 an external recruitment agency, this ensures the Charity can recruit trustees from diverse professional backgrounds. 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. Throughout the year the Charity updates trustees using seminars and briefings. A formal training schedule was adopted 2022 and opportunities for continued professional development offered on a voluntary basis to the Board. In 2023, this will continue and trustees will feed back on the skills they wish to focus on developing. A budget exists for to pay for trustees to attend individual, and skill based CPD events.



During 2022, the Charity received zero complaints with regards to fundraising practices (2021: zero).

It does not actively fund raise but sometimes generates funds from the public through events. The primary purpose is not fund-raising but awareness raising. In 2022, some employees and members of the public sought sponsorship for events to raise funds for St John's Foundation. This is via donation pages, such as Just Giving. Due to the nature of these events no pressure is put on individuals to donate. There is very little perceived risk to vulnerable people or other members of the public in relation to fundraising. We never use an external partner to raise funds. The Trading Company will be operated as a social enterprise to raise funds for the Charity.

Communications and actions taken in relation to using the Charity to promote for commercial advantage is compliant with the Charities (Protection and Social Investment) Act 2016, an Act which the Charity is also compliant with.



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: HM The Queen

OUR DIRECTORS

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

	CDIC	ARC	INV	REM	
Ben Fletcher (Chair)				●	
Ashley Ayre	●	●			
Jamal Benmiloud	●				to: 24 March 2023
Harriet Bosnell		●		●	to: 23 June 2022
Moira Brennan		●		●	
Richard Brown			●		
Rev Roger Driver		●			
Jeffrey Hayes	●		●		
Nicholas Hunt			●		to: 30 March 2023
John Lakin	●				
Karen MacGregor		●			
Ken Scott			●		
Carole Stott	●				

● Committee Chair

● Committee Member



Directors of St John's Hospital Trading Company Ltd.

Ashley Ayre	A Trustee of the Charity	
Caroline Bee	A Director of the Charity	
Jamal Benmiloud	A Trustee of the Charity	(to 24 March 2023)
Moira Brennan	A Trustee of the Charity	
Louise Harvey	A Director of the Charity	
David Hobdey	Chief Executive of the Charity	
Karen Macgregor	A Trustee of the Charity	
Ken Scott	A Trustee of the Charity	

Executive Team

David Hobdey	Chief Executive
Louise Harvey	Executive Director of the Foundation Fund
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 4th 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 Upper Borough Court, Upper Borough Walls, Bath BA1 1RG

Investment Managers:

Evelyn Partners 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

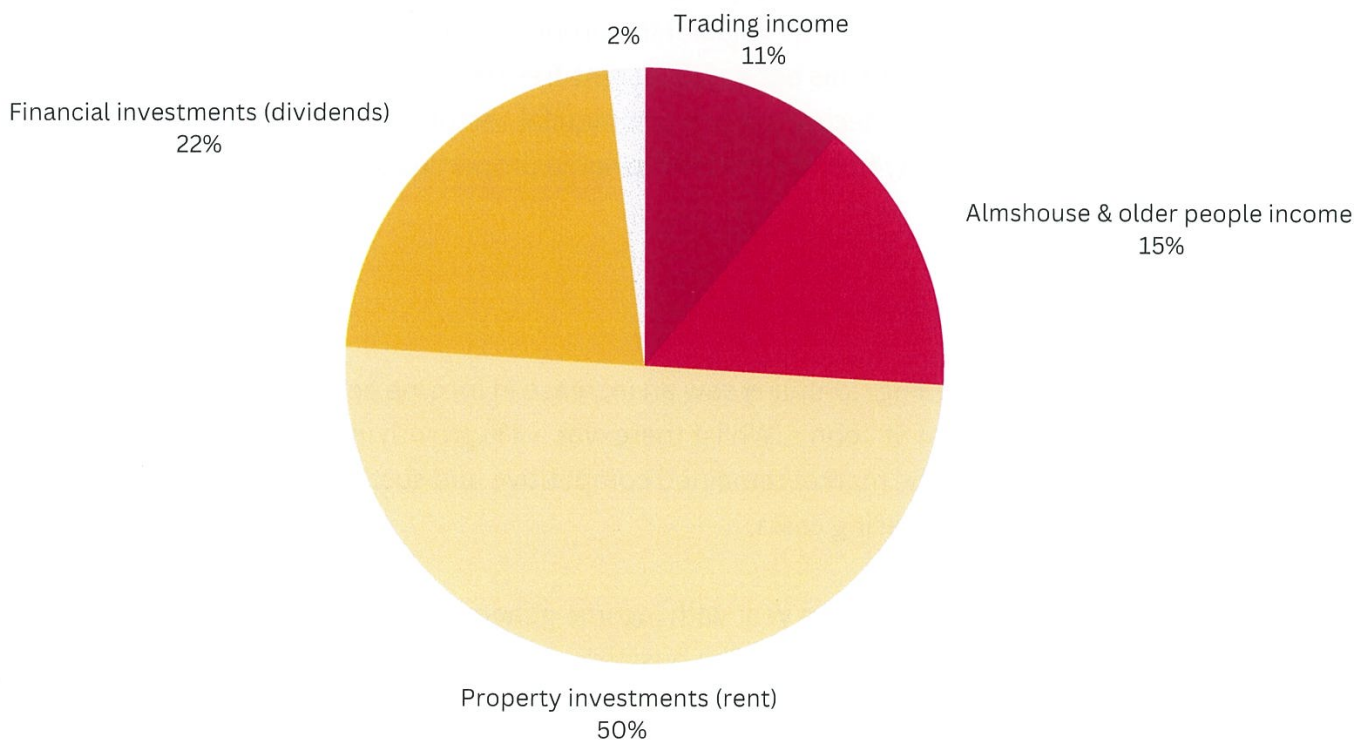
Carter Jonas 5-6 Wood St, Bath, BA1 2JQ

Jennings Estate Agents and Chartered Surveyors Suite 1, 25 The Tynning, Widcombe,
Bath, BA2 6AL



FINANCIAL REVIEW

The consolidated income for 2022 was £5.3m. This is the same as in the previous year, however, the composition has changed with more income from dividends and less income from property.



Charitable Activities

Income from charitable activities, which includes income from almshouses and residential care, decreased by £35k (4%) in 2022 from 2021. Almshouse income fell by £20k (2.6%) due to a higher number of vacancies than expected. There was also a fall in care income following the deregulation with the Care Quality Commission (CQC) and cessation of personal care part way through 2021.

Donations and legacies

A grant of £70,000 was received towards the end of the year from the Julia and Hans Rausing Trust, to mark the accession of Her Majesty the Queen. The funds were provided for core costs of the organisation and have been treated as unrestricted income. In the previous year a donation of £40k was received from the Joseph Matthews Foundation to support community outreach activities for those in Bath over 75 years of age.

Investment income

Investment income in 2022 was £3.9m. This is £169k lower than in 2021 and reflects a fall in property income of 11% (£340k) year on year which has been offset by an increase in dividend income on financial investments of 17% (£172k) compared to 2021. The reduction in rental income is largely due to a decline in the value of the property market. The level of vacancies has reduced in the year but there has been several rent-free period incentives offered to tenants and rental values have declined in the commercial sector. In addition, to this, the decision to reduce the property holdings has led to some properties being held vacant pending sale.

Trading activities

As discussed above, the Trading Company saw an increase in income across both St Catherine's and the House of St John's. Whilst there was a 4% growth in the income from the holiday apartments (£16k), the market remained competitive and sustaining growth will be required in 2023 to meet increasing costs.

The House of St John's opening in the year with income generated from office rental, event space hire and co-working memberships. The business operated at a loss which was anticipated as it was the first year of trading.

Expenditure

Total expenditure in 2022 was £6.5m (2021: £6.4m).

After consolidation adjustments, costs for the Trading Company were £674k in 2022 (2021: £396k) – the increase was due to the opening of the House of St John's.

Charitable Delivery

Expenditure on charitable delivery was £548k lower in 2022 than in 2021 (including a £58k reduction in allocated central overheads) and £149k lower than budgeted. 2022 was the first full operational year of the Good Living Service. The previous year included one-off costs associated with the service review (including deregulation from the Care Quality Commission (CQC)). Spend on Funding and Impact in 2021 was also higher as it included the final tranche of multi-year awards committed to prior to the implementation of the new strategy. Funding of the nutritious food element of the strategy was £32k lower than in 2021, as there was greater collaboration with other funding partners but a significant increase in spend on this area is planned for 2023 and 2024, as the Charity has agreed to fund school meals across seven local primary schools for those not entitled to free school meals under the government scheme. Further information on charitable activities is provided above and in Note 7 below. The direct estates costs of running the almshouses (excluding staff) was £31k lower than last year despite being budgeted to increase (actual costs were £59k lower than budget). This was largely due to repairs planned for 2022 being deferred into 2023. Significant repairs and capital costs on the almshouses are planned for 2024 as part of the cyclical maintenance of the buildings.

Costs of Raising Funds

The increase in costs of raising funds in 2022 compared to 2021 is due to increased expenditure associated with the property investment portfolio. Before allocation of central overheads, spending on property management costs rose by £182k to £1.2m (2021: £1.0m) which includes one-off costs associated with the new investment strategy, including professional advice on disposal strategies. There was also a significant increase in planned maintenance costs on the residential estate compared to 2021. Such repair costs fluctuate year on year and are programmed over a 30-year property plan.

Inflationary increases in the year meant the cost of building repairs, insurance, computer software, licensing and general consumables became more expensive. Gas and electricity costs remained stable and did not rise in line with market prices, due to a pre-existing long-term agreement for both utilities. The electricity contract is due for renewal in 2023 and the gas contract in 2024. It is anticipated that this will lead to significant unit cost increases which is being built into financial plans.

Finance costs rose in year as the Bank of England raised its base rate and overdraft levels increased.

Volunteers

The Charity supports many people in Bath and North East Somerset with the valued help of volunteers who work with the Good Living Service. We are therefore incredibly grateful for the time and effort of the volunteers who support the activities of the Charity. The financial benefit of volunteers is small and therefore not reflected in these accounts.

Annual Deficit

Overall, the operating deficit for 2022 was £1.145m (2021: £1.046m) before gains and losses on investments.

Valuation losses on both listed investments and the property portfolio have created a negative net movement in funds of £13.0m compared to a positive net return of £6.6m in 2021. This reflects a decrease in the financial markets affecting both equities and property prices as at 31 December 2022.

Property valuations were also affected by a decision to amend the valuation assumptions on the majority of the residential property portfolio. The trustees have agreed that it is in the Charity's best interest to sell a significant proportion of the residential estate on a portfolio basis with tenants in situ. This approach would lead to a lower market value being achieved on sale than if the properties were sold on an individual basis with vacant possession (the basis usually used in the financial statements to determine fair value). The trustees are of the view that the fair value of these properties should reflect the decisions made at year end and agreed to reduce the fair value to a portfolio basis with tenants in situ for those properties being marketed as such at the year end.



The Charity adopted a total return method of accounting from the 1st of 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.

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 investment managers, are deducted within the calculation. This means that the whole CPI+4% return is available to support charitable activities.

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).

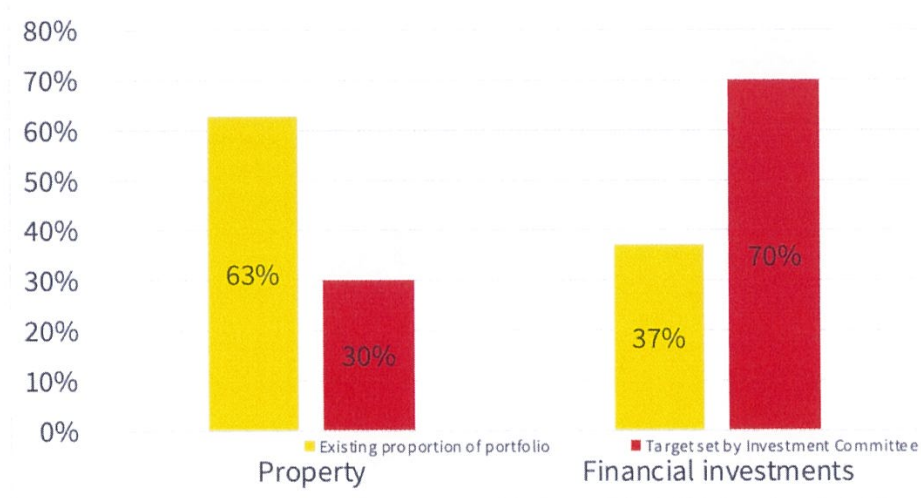
Why CPI +4%?

CPI (the Consumer Prices Index) is a measure of inflation. The use of an appropriate measure of inflation is important. The Retail Prices Index (RPI) has historically been used by the Charity but following careful consideration, the trustees agreed to move to CPI from 1 January 2021. By ensuring the investments grow in line with inflation, the value of investments is protected to support the needs of future generations. In 2021 the permanent endowment was increase by £4.765m for CPI (2020: £2.325m CPI).

The Charity also relies on income from its investments to fund its charitable activities today. The 4% return more than inflation is used to support our existing beneficiaries. In 2022 £3.5m of unapplied total return was allocated to income (2021: £2.8m).



At the year end, the Charity held £106.6m of investments (2021: £119.3m). Of this, £62.8m (59%) was property in Bath (2020: £70.2m / 60%). 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. A review of the property portfolio was commissioned in year and reports previously commissioned from two independent investment managers to establish an appropriate target. This led to a change in the Investment Policy and a new strategic asset allocation. The need to rebalance the investment portfolio (by buying and selling assets) is assessed at least annually with a detailed plan in place to achieve any identified need to rebalance the portfolio. 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.





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.

Responsible Investing

The trustees recognise the importance of responsible investment (RI) and during 2021 the Investment Policy was amended to better reflect the values of the Charity. The UN Sustainable Development Goals (UNSDGs) were recognised as a good indicator of this for investments and the following goals have been adopted as the Charity's investment values:

UNSD Goal 1 – No poverty

UNSD Goal 2 – Zero hunger

UNSD Goal 3- Good health and well-being

UNSD Goal 4 – Quality education

UNSD Goal 10 – Reduced inequalities

UNSD Goal 11 – Sustainable cities and communities

The trustees do not impose any strict exclusion criteria in relation to the investment values (though appointee investment managers may themselves have their own baseline exclusions). The investment values should provide a guiding context for investment decision making as they are important to the Charity.

The trustees also seek continuous improvement in how the Charity's investments can be better aligned to its investment values whilst still providing the best financial return within an acceptable level of risk. In the first instance the trustees expect the following in relation to RI considerations:

- Investment managers must be signatories of the UN Principles of Responsible Investment (PRI) and report annually to the trustees on their performance against the UN PRI.
- Investment managers are required to report to the trustees on any baseline level of investment exclusions applied by them to the Charity's portfolios and the trustees are to be kept apprised of any developments in exclusion policy by the investment managers.

- Where investment managers place the Charity's funds with 3rd party managers, the investment managers must ensure that the third-party managers are also signatories of the UN PRI, and they must evaluate their performance in relation to this.
- Annual reports are to be provided to the trustees showing how the Charity's managed portfolios are performing in relation to RI considerations and where possible, this should be reported in relation to the Charity's investment values. The trustees acknowledge that this reporting will be emergent but expects it to become more mature over time to enable the trustees to track how well the Charity's investments are aligned to the Charity's values.
- It is expected that investment managers will report to the trustees on a quarterly basis on any conduct breach of the UN Global Compact by companies within our investment portfolio.
- Individual investments may be excluded if seen to conflict with the investment values.



CHARITY RESERVES

Most 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 2022, total charity reserves were £112.9m (2021: £126.7m).

Charity only	£'m
Invested endowment	97.9
Functional endowment	12.3
Operational assets (excluding endowed)	1.5
Commitments	1.1
Restricted funds	0.1
“Free” reserves”	Nil
Total reserves	112.9

At the year-end there were zero 'free' reserves held as in 2021 the trustees reviewed and revised the Reserves Policy for the Charity. The Charity now adopts a zero free Reserve Policy, drawing down funds from the unapplied total returns into unrestricted reserves only as required to meet operational expenditure in any given year. The trustees consider this to be a reasonable approach as the Charity adopts a total return approach and holds significant unapplied total returns which can be expended as required.

As shown in the calculation above, not all the unrestricted fund is relevant in calculating free reserves and a zero 'free' reserves policy does not mean that the unrestricted fund is zero. The following are still held in the unrestricted fund and excluded in calculating the 'free' reserves as they are not readily available for spending:

Any operational fixed assets not already excluded from unrestricted funds through the functional endowment (e.g., head office) of £1.5m (2021: £1.4m).

Committed awards or building contracts, not included as a liability in the accounts of £1.1m (except those already excluded from unrestricted funds through the functional endowment) (2021: £2.2m).

The level of unapplied total returns is managed carefully to ensure that the Charity has financial resilience but also maximises the charitable impact by not holding surplus funds. This is achieved through long term financial planning to ensure that investments are maintained at a level which will produce sufficient returns to fund the almshouses, the Good Living Service and funding awards for future generations and protects the spending power of this by inflation. Unapplied total returns in excess of this are expendable on the Foundation Fund and other subsequent strategies and can be released for expenditure by resolution of the Board.

As a long-term approach is taken, the level of unapplied total returns in any one year is expected to fluctuate but the average position is considered and taken into financial planning to determine spending plans and budgets.



Within the Charity, each team actively manages its own risk register 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 four times a year and may suggest further actions to reduce the likelihood or impact of a risk.

The key risks St John's manages can be summarised into charitable impact, economic and people related risks as follows:

Charitable impact risk: failure to achieve and/or demonstrate charitable impact to the extent intended.

Mitigating actions: Robust due diligence processes are in place for established charitable work throughout the crisis programme and alms-houses. The 2020 – 2030 strategy, covering all aspects of charitable delivery including its ambitious goal to reduce the attainment gap in Bath and North East Somerset, is supported by evaluation and delivery partners, and a system of capabilities to drive continuous improvement.

Economic Risk: Failure to achieve the targeted total return which impacts the income/ capital required to pursue strategic aims.

Mitigating actions: St John's takes a long-term view on its investments, and it uses professional investment managers for the financial portfolio to enable recovery and future growth, and to mitigate short-term impacts. The direct property portfolio is proactively managed with agents' advice. The long-term financial plan is regularly refreshed and guides discussion, planning and decision making at Investment Committee and Board. The new investment strategy and divestment of properties is a mitigating action to this risk by better diversifying the portfolio. On an operational level, employees are supported to regularly engage with budget/ forecasting exercises, actively manage contracts, and consider costs throughout projects to ensure financial efficiency in delivering strategic aims.

People related risk: A poor organisational culture results in ineffective operational delivery, there is a high staff turnover and/or there is a failure to build the capabilities that will enable St John's to deliver its strategy.

Mitigating actions: Quarterly pulse surveys are circulated to all employees to receive feedback with additional ad hoc staff events. Regular internal communications ensure employees feel informed and understand how their role contributes to the wider strategy. Senior managers are asked to report against the capability system and are invited to explore concerns through coaching and 1:1s, with support given for training as needed.

Going Concern

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.

The trustees actively plan for the Charity to exist for many years, and this is reflected in the approaches taken to both long-term planning of investments and reserves, detailed above. These approaches (including the planned level of unapplied total returns held by the Charity and the discretion that it has over its expenditure) mean that whilst heavily reliant on investment returns, the trustees consider the Charity to be resilient to shorter-term volatility in its investments and plans are in place to remain adequately resourced to meet the need of both present and future beneficiaries. To provide ample headroom, overdraft facilities are in place which cover a reasonable worst-case scenario for cash flow and if required, the financial investments could be liquidated.



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.

The Trustee is responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions, that disclose with reasonable accuracy at any time the financial position of the Charity and enables it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed.

It is also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Crowe 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 26 September 2023 and signed on its behalf by:

MOIRA BRENNAN
.....

Name:

Signature:

RICHARD BLOWN
.....

Name:

Signature:

St John's Foundation Est. 1174

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 2022 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 2022 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 44 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.

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 investments (investment property and listed investments more specifically) and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, 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 and designing audit procedures over both types of investment listed previously.

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.

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.

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 UK LLP

Crowe U.K. LLP

Statutory Auditor
Fourth Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date: 28 September 2023

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 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted fund £'000	Restricted funds £'000	Endowment fund £'000	Total 2022 £'000	Total 2021 £'000
Income and endowments from:						
Charitable activities		814	-	-	814	849
Investment income	2a	-	7	3,851	3,858	4,027
Other trading activities		600	-	-	600	419
Donations and legacies	2b	70	3	-	73	43
Transfer to income	17a/21	3,521	-	(3,521)	-	-
Total income		5,005	10	330	5,345	5,338
Expenditure:						
Expenditure on charitable activities:						
Older adults services:		1,675	19	113	1,807	1,983
Funding and impact	7	1,963	5	-	1,968	2,340
Total expenditure on charitable activities	3	3,638	24	113	3,775	4,323
Cost of raising funds	4	1,759	-	282	2,041	1,665
Other expenditure	5	674	-	-	674	396
Total expenditure		6,071	24	395	6,490	6,384
Net (expenditure) / income before investment (losses) / gains		(1,066)	(14)	(65)	(1,145)	(1,046)
Net gains / (losses) on investments	13	-	-	(12,961)	(12,961)	6,595
Net (expenditure) / income		(1,066)	(14)	(13,026)	(14,106)	5,549
Transfers between funds	21	-	-	-	-	-
Net (expenditure)/ income & net movement in funds		(1,066)	(14)	(13,026)	(14,106)	5,549
Reconciliation of funds:						
Total funds brought forward	22	3,636	52	122,823	126,511	120,962
Total funds carried forward	22	2,570	38	109,797	112,405	126,511

The notes on pages 54 to 80 form part of these financial statements.

**St John's Foundation Est. 1174
As at 31 December 2022**

CONSOLIDATED BALANCE SHEET

	Note	2022 £'000	2021 £'000
Fixed Assets			
Intangible assets	10	38	54
Tangible assets – freehold property	11	11,709	11,839
Other tangible fixed assets	12	313	277
Investments:			
Financial and property investments	13	106,439	119,186
Social investments	14	67	99
		<u>118,566</u>	<u>131,455</u>
Current Assets			
Social investments	14	32	32
Debtors	15	1,180	957
Cash at bank and in hand		102	105
		<u>1,314</u>	<u>1,094</u>
Creditors: amounts falling due within one year	16a	(5,656)	(4,200)
Net current (liabilities) / assets		<u>(4,342)</u>	<u>(3,106)</u>
Total assets less current liabilities		<u>114,224</u>	<u>128,349</u>
Creditors: amounts falling due after more than one year	16b	(1,819)	(1,838)
Total net assets		<u>112,405</u>	<u>126,511</u>
Group reserves			
Invested endowment fund	17a	97,358	110,263
Functional endowment fund	17b	12,306	12,420
Roxburgh endowment fund	18	132	140
Unrestricted general fund	19	2,571	3,636
Restricted funds	20	38	52
		<u>112,405</u>	<u>126,511</u>

The notes on pages 54 to 80 form part of these financial statements. These financial statements were approved and authorised for issue by the Trustee at the meeting held on 26 September 2023 and were signed on its behalf by:

**St John's Foundation Est. 1174
As at 31 December 2022**

CHARITY BALANCE SHEET

	Note	2022 £'000	2021 £'000
Fixed Assets			
Intangible assets	10	25	34
Tangible assets – freehold property	11	11,721	11,850
Other tangible assets	12	112	77
Investments:			
Financial and property investments	13	106,489	119,236
Social investments	14	67	99
		<u>118,414</u>	<u>131,296</u>
Current Assets			
Social investments	14	32	32
Debtors	15	1,795	1,139
Cash at bank and in hand		2	3
		<u>1,829</u>	<u>1,174</u>
Creditors: amounts falling due within one year	16a	<u>(5,534)</u>	<u>(3,977)</u>
Net current (liabilities) / assets		<u>(3,705)</u>	<u>(2,803)</u>
Total assets less current liabilities		114,709	128,493
Creditors: amounts falling due after more than one year	16b	(1,820)	(1,838)
Total net assets		<u>112,889</u>	<u>126,655</u>
Charity reserves			
Invested endowment fund	17a	97,795	110,468
Functional endowment fund	17b	12,306	12,420
Roxburgh endowment fund	18	132	140
Unrestricted general fund	19	2,618	3,575
Restricted funds	20	38	52
		<u>112,889</u>	<u>126,655</u>

The notes on pages 54 to 80 form part of these financial statements. These financial statements were approved and authorised for issue by the Trustee at the meeting held on 26 September 2023 and were signed on its behalf by:

St John's Foundation Est. 1174
Year ended 31 December 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

	2022 £'000	2021 £'000
Cash flows used by operating activities (note A)	(5,106)	(776)
Cash flows from financing activity		
Cash inflows from new borrowings	1,858	1,592
Repayments of borrowings	(22)	(333)
Net cash provided by financing activity	<u>1,836</u>	<u>1,259</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	3,858	4,027
Costs of generating funds paid by endowment capital	(282)	(297)
Improvements to investment properties	(322)	(846)
Movement of cash held by brokers to investments	(50)	(139)
Purchase of investments	(5,655)	(13,337)
Proceeds from the sale of investments	5,815	7,282
Social investments repaid	32	32
Purchase of property, plant and equipment	(112)	(225)
Adjustment to cost of intangible additions due to VAT recovery	-	-
Purchase of intangible assets	(17)	(43)
Net cash (expended by) / provided by investing activity	<u>3,267</u>	<u>(3,546)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(3)</u>	<u>(3,063)</u>
Change in cash and cash equivalents in the year	(3)	(3,063)
Cash and cash equivalents at the beginning of the year	105	3,168
Cash and cash equivalents at the end of the reporting period (note B)	<u>102</u>	<u>105</u>

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

	2022 £'000	2021 £'000
Net income / (expenditure) for the year (per Statement of Financial Activities)	(14,106)	5,549
Depreciation and amortisation charges	239	191
(Gain)/Loss on investments	12,961	(6,598)
Dividends, interest and rents from investments	(3,858)	(4,027)
(Increase) / Decrease in debtors	(223)	3,220
(Decrease) / Increase in creditors	(401)	592
Cost of generating funds from endowed capital	282	297
Cash outflow from operating activities	<u>(5,106)</u>	<u>(776)</u>

NOTE B: Analysis of cash and cash equivalents

	At start of year £'000	Cash-flows £'000	At end of year £'000
Cash	105	(3)	102
Overdraft	(2,607)	(1,858)	(4,465)
Total	<u>(2,502)</u>	<u>(1,861)</u>	<u>(4,363)</u>

St John's Foundation Est. 1174

Year ended 31 December 2022

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 2022. 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.

St John's Foundation Est. 1174

Year ended 31 December 2022

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.

St John's Foundation Est. 1174

Year ended 31 December 2022

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 2022

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 & brands 4 years / 25% per annum

Tangible fixed assets

The limit above which assets are capitalised is £500 (for individual purchases) and £1,000 (aggregated). 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 in the charity is 25% per annum on a straight line basis. In the trading company the rates vary more as follows:

Telephone & plants	3 years / 33%
Computer equipment	4 years / 25%
Furniture	5 years / 20%
Other fittings	10 years / 10%

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 2022

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.

Key sources of estimation uncertainty

Commercial rents

The economic downturn, which started in 2020 with the pandemic and has continued into the current cost of living crisis, has affected some of the charity's commercial tenants who have struggled to raise the income needed to meet their rental obligations in full and on time. 2022 has seen an improvement in the situation, but a number of tenants still faced financial difficulty. The charity's staff and agents have been in regular communication with tenants but uncertainty remains over whether all of the debts due at the year end will be paid. 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. Management have made an assessment based on their knowledge, relationship with the tenant and information available to them at the time of preparing these financial statements.

St John's Foundation Est. 1174

Year ended 31 December 2022

Notes to the Financial Statements

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.

Notes to the Financial Statements

1. Comparative Consolidated Statement of Financial Activities

	Unrestricted fund £'000	Restricted funds £'000	Endowment fund £'000	Total 2021 £'000
Income and endowments from:				
Charitable activities	849	-	-	849
Investment income	-	7	4,020	4,027
Other trading activities	419	-	-	419
Donations and legacies	-	43	-	43
Transfer to income	2,762	-	(2,762)	-
Total income	4,030	50	1,258	5,338
Expenditure:				
Expenditure on charitable activities:				
Residential care & support	1,867	3	113	1,983
Funding and impact	2,335	5	-	2,340
Total expenditure on charitable activities	4,202	8	113	4,323
Cost of raising funds	1,368	-	297	1,665
Other expenditure	396	-	-	396
Total expenditure	5,966	8	410	6,384
Net income / (expenditure) before investment (losses) / gains	(1,936)	42	848	(1,046)
Net gains / (losses) on investments	-	-	6,595	6,595
Net income	(1,936)	42	7,443	5,549
Transfers between funds	(14)	-	14	-
Net income and net movement in funds	(1,950)	42	7,457	5,549
Reconciliation of funds:				
Total funds brought forward	5,586	10	115,366	120,962
Total funds carried forward	3,636	52	122,823	126,511

Notes to the Financial Statements

2. Income

2a. Investment income

Consolidated	Unrestricted fund	Restricted fund	Permanent endowment fund	2022	2021
	£'000	£'000	£'000	£'000	£'000
Commercial investment properties	-	-	1,849	1,849	2,233
Residential investment properties	-	-	804	804	759
Property investment income	-	-	2,653	2,653	2,992
Interest received on social investment	-	-	5	5	6
Listed investments	-	7	1,193	1,200	1,029
Interest on cash deposits	-	-	-	-	-
Non-property investment income	-	7	1,198	1,205	1,035
Total	-	7	3,851	3,858	4,027

2b. Donations and legacies including government grants

During the year a £70,000 general grant was received from another charitable foundation (2021: £nil) with all other donations being small amounts received through the year. Included within donations and legacies in 2021 is £1,000 in respect of government grants (the Charity received an Infection Control grant, received from Bath & North East Somerset Council, to cover additional staff cost incurred as a result of Covid-19 restrictions prohibiting the movement of staff across sites.) The group also benefited from business rates relief in 2021. No government funding was received in 2022.

3. Total expenditure on charitable activities

	Staff costs	Depreciation	Other costs	2022	2021
	£'000	£'000	£'000	£'000	£'000
Older adults services	745	34	1,029	1,808	1,983
Funding and impact	405	10	1,552	1,967	2,340
Total	1,150	44	2,581	3,775	4,323

4. Total cost of raising funds

	Staff costs	Depreciation	Other costs	2022	2021
	£'000	£'000	£'000	£'000	£'000
Property investment management costs	591	31	1,285	1,907	1,532
Other investment management costs	-	-	134	134	133
Total	591	31	1,419	2,041	1,665

Notes to the Financial Statements

5. Other expenditure

	Staff costs £'000	Depreciation £'000	Other costs £'000	2022 £'000	2021 £'000
Trading expenditure	114	51	509	674	396
Total	114	51	509	674	396

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:

	2022 £'000	2021 £'000
Auditor fees (including irrecoverable VAT):		
- for audit services	20	17
Accountancy and other professional services	3	8
Trustee expenses	6	5
Corporation tax payable by trading company	-	-
	29	30

These have been split across activities:

Older adults services	8	11
Funding and impact	5	6
Property operational costs	16	13
	29	30

Auditor fees for audit services as stated above include irrecoverable VAT and are dependent upon best estimates of accrued costs. In 2022, actual fees (net of VAT) were £18,700 (2021: £15,500).

7. Funding and impact

	2022 £'000	2021 £'000
Individual funding	235	248
Organisational funding	1,148	1,494
Funding support costs	585	598
	1,968	2,340

St John's awarded grants to a number of individuals and organisations in furtherance of its charitable activities. During 2022, a total of 44 (2021: 80) new awards were made to organisations. For awards payable to individuals, the maximum amount payable is usually £1,800 over two years (2021: £1,500 over three years).

Notes to the Financial Statements

7. Funding and impact (continued)

Recipients of organisational funding awards:

All organisation awards with a combined total of £15,000 or over paid in the year to charitable groups as part of the £1,148,000 above are shown below.

Organisation	Project	Amount (£)
Brighter Futures	PEP Emotional & Behavioural Support	230,076
B&NES Council	Language for Life Pilot	68,680
HCRG Care Group	PEP Oracy Support	67,654
Roundhill Primary School	Roundhill Reading and Writing Support	60,100
Castle Primary School	Castle Primary School Reading and Writing Support	57,000
Bath Recreation Limited	Glasshouse Activity Club	50,000
St Michael's Junior School	St Michael's Reading and Writing Support	47,600
Brighter Futures	Early Nurture Service Pilot	47,484
St Martin's Garden Primary School	St Martin's Garden Reading and Writing Support	41,600
Twerton Infants School	Twerton Infants Reading and Writing Support	38,100
St Keyna Primary School	St Keyna Reading and Writing Support	37,100
B&NES Council	Health Improvement Officer - Food Poverty	36,548
Quro	Furnished Tenancy Pilot	30,000
Citizens Advice	Debt Caseworkers	30,000
FareShare South West	No Child Should Go Hungry in B&NES 2021-2022	30,000
B&NES Council	Language for Life Pilot	29,661
St Mary's Primary School Withlington	St Mary's Withlington Reading and Writing Support	29,080
Bright Start Childrens Centre	Trauma Counselling - PEWP	24,752
3SG	Ageing Well Network	20,385
Bluebell Care Trust	Mum's Comfort Zone - PEWP	20,075
White Rose Maths	PEP Numeracy Support	20,000
Ruth Miskin	PEP Reading and Writing Support	17,760
B&NES Council	Children and Young People's Network	16,494

Notes to the Financial Statements

8. Staff costs and remuneration of key management personnel

	2022 £'000	2021 £'000
Wages and salaries	1,526	1,550
Social security costs	156	151
Pension costs	158	156
Other employee benefits	19	20
Termination and redundancy costs	29	118
Agency staff costs	38	1
	1,926	1,996

The termination and redundancy costs in 2022 relate solely to amounts paid under agreement on termination of employment and includes salary costs in lieu of notice. There were three terminations of employment in the year. The termination and redundancy costs in 2021 reflect 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 or termination payment.

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

	2022 number	2021 number
Older adults services	14	18
Funding & impact	5	4
Management, administration & other	22	26
Trading activities	2	-
	43	48

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:

	2022 number	2021 number
£60,001 - £70,000	1	-
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1
	4	3

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 £29,000 (2021: £28,000).

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 £357,000 (2021: £345,000).

Notes to the Financial Statements

9. Related party transactions and trustees' expenses and remuneration

Transactions between the Charity and the Trading Subsidiary

Rent of £97,241 was charged by the Charity in 2022 for St Catherine's Hospital, the Trading Company's holiday apartment operations (2021: £97,500). 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 £24,465 in 2022 (2021: £18,325).

The rent free period on the lease for House of St John's, the Trading Company's new venture, came to an end during the year, after which rent of £133,931 was charged by the Charity (2021: £33,763). Also, costs relating to House of St Johns (such as insurance, utilities and repairs, cleaning, recharge of staff time) were recharged to the Trading Company at cost. This amounted to £70,779 in 2022 (2021: £77,805), of which £7,210 (2021: £35,717) was due at the balance sheet date.

Finally, the Charity invoiced the Trading Company for management fees of £5,089 (2021: £4,528) in the year, of which £1,364 (2021: £1,258) was due at the balance sheet date.

Trustee expenses

During 2022, 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 (2021: £nil).

Expenses paid to the directors of the Trustee in 2021 totalled £211 (2021: £434). These expenses were paid to one director (2021: one director) for travel and subsistence.

Trustee indemnity insurance was purchased by the charity on behalf of the Trustee. The sum insured was £5m in both 2021 and 2022. The cost of the policy was £5,285 (2021: £4,805).

Other transactions with related parties are summarised as follows:

Related party	Nature of relationship	Payments made	
		2022 £	2021 £
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		21,733
Curo	Mrs H F Bosnell is a Director	40,512	11,730
Twerton Infant School	Mr D Hobdey is a Governor	38,820	46,550
Mulberry Park Community Benefit Society	Mrs H F Bosnell is a Director	2,148	1,018
Bath and North East Somerset Third Sector Group	Mr R Driver is a Trustee	20,425	-

In 2021, Mr D Hobdey (CEO of the Charity) was granted a short-term licence to occupy Flat 1 of Chandos House, at market rent of £950 per month. The market rent was in line with an independent letting agent's valuation. The property was vacant and still being marketed during this period, with the licence to occupy being granted under the condition viewings would continue to be carried out, and notice would be given if a buyer was found. Total income of £437 (2021: £1,137) was received in the year, of which £0 (2021: £1,137) was due at the balance sheet date. The licence to occupy lasted 50 days and Mr Hobdey moved out on 14/01/2022.

In 2022, the Charity held money as agent on behalf of Bath Unlimited, a community interest initiative in which Mr D Hobdey is a director. A total of £5,000 was held with £4,340 remaining at 31 December 2022 (2021: £nil). Bath Unlimited uses 1 Queen Square as its Registered Office for which there is no charge and used the House for events and meeting space for which £667 of invoices were raised by the trading company.

There were no transactions with the Trustee or other related parties during the year, other than those disclosed above (2021: none). No balances were outstanding to or from related parties at the year-end (2021: none).

Notes to the Financial Statements

10. Intangible assets

Consolidated and charity	Consolidated 2022 £'000	Charity 2022 £'000
Cost		
At 1 January 2022	123	102
Additions	17	17
Disposals	-	-
At 31 December 2022	<u>140</u>	<u>119</u>
Accumulated amortisation		
At 1 January 2022	69	68
Charge	33	26
Eliminated on disposal	-	-
At 31 December 2022	<u>102</u>	<u>94</u>
Net book value		
At 31 December 2022	<u>38</u>	<u>25</u>
At 31 December 2021	<u>54</u>	<u>34</u>

Notes to the Financial Statements

11. Tangible assets - freehold property

Consolidated	City centre almshouses	Combe Park almshouse	Operational properties	Magdalen chapel	Total
	£'000	£'000	£'000	£'000	£'000
Cost/valuation					
At 1 January 2022	8,925	3,749	2,891	747	16,312
Additions	1	-	-	-	1
Disposals	-	-	-	-	-
At 31 December 2022	8,926	3,749	2,891	747	16,313
Accumulated depreciation					
At 1 January 2022	3,930	296	189	58	4,473
Charge for the year	58	36	30	7	131
At 31 December 2022	3,988	332	219	65	4,604
Net book value					
At 31 December 2022	4,938	3,417	2,672	682	11,709
At 31 December 2021	4,995	3,453	2,702	689	11,839

Charity	City centre almshouses	Combe Park almshouse	Operational properties	Magdalen chapel	Total
	£'000	£'000	£'000	£'000	£'000
Cost/valuation					
At 1 January 2022	8,936	3,749	2,891	747	16,323
Additions	1	-	-	-	1
Disposals	-	-	-	-	-
At 31 December 2022	8,937	3,749	2,891	747	16,324
Accumulated depreciation					
At 1 January 2022	3,930	296	189	58	4,473
Charge for the year	57	36	30	7	130
At 31 December 2022	3,987	332	219	65	4,603
Net book value					
At 31 December 2022	4,950	3,417	2,672	682	11,721
At 31 December 2021	5,006	3,453	2,702	689	11,850

Notes to the Financial Statements

12. Other tangible fixed assets

Consolidated	Office equipment	Fixtures and fittings	Computer systems	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2022	28	644	43	715
Additions	-	91	20	111
Disposals	-	-	-	-
At 31 December 2022	28	735	63	826
Accumulated depreciation				
At 1 January 2022	28	395	15	438
Charge for the year	-	66	9	75
Eliminated on disposal	-	-	-	-
At 31 December 2022	28	461	24	513
Net book value				
At 31 December 2022	-	274	39	313
At 31 December 2021	-	249	28	277

Charity	Office equipment	Fixtures and fittings	Computer systems	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2022	28	456	27	511
Additions	-	46	20	66
Disposals	-	-	-	-
At 31 December 2022	28	502	47	577
Accumulated depreciation				
At 1 January 2022	28	392	14	434
Charge for the year	-	26	5	31
Eliminated on disposal	-	-	-	-
At 31 December 2022	28	418	19	465
Net book value				
At 31 December 2022	-	84	28	112
At 31 December 2021	-	64	13	77

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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 2022	70,175	49,011	119,186
Additions to investments at cost	322	5,655	5,977
Disposals at carrying value	(1)	(5,814)	(5,815)
(Losses) / gains	(7,698)	(5,261)	(12,959)
Movement in cash held by brokers for reinvestment	-	50	50
Market value at 31 December 2022	62,798	43,641	106,439

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, on the basis of discounted cash flow at 31 December 2022. As at the year end the decision had been made to dispose of three blocks of residential property as investment portfolio assets. The fair value of these assets has been determined on the basis of market value on the assumption of a sale of a whole portfolio with tenants in situ, and not on an individual sale with vacant possession basis (as in previous years) as this was deemed to better reflect the fair value to the charity as at 31 December 2022. The impact of this change in accounting estimate was a decrease in the asset value of £4,954,000 which is shown as a loss on investment value in the SOFA. The remaining residential investment properties were re-valued by Philip Jennings, Chartered Surveyors on a market value approach based on vacant possession and individual sale as at 31 December 2022.

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 2022	50	70,175	49,011	119,236
Additions to investments at cost	-	324	5,655	5,979
Disposal proceeds	-	(1)	(5,814)	(5,815)
(Losses) / gains	-	(7,700)	(5,261)	(12,961)
Movement in cash held by brokers for reinvestment	-	-	50	50
Market value at 31 December 2022	50	62,798	43,641	106,489

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 activities of St John's Hospital Trading Company Ltd are to manage serviced apartments and coworking space.

The trading results of the subsidiary were as follows:	2022	2021
	£'000	£'000
Turnover	598	403
Cost of sales	-	-
Gross profit	598	403
Administrative expenses	(43)	(74)
Operational expenses	(866)	(462)
Other income	-	-
Operating (loss)/profit	(311)	(133)
Interest payable	(24)	(1)
(Loss)/profit before tax	(335)	(134)
Taxation	-	-
(Loss)/profit after tax	(335)	(134)

The aggregate of the assets, liabilities and funds as at 31 December was:	2022	2021
	£'000	£'000
Total assets	481	370
Total liabilities	(899)	(453)
Shareholders' funds	(418)	(83)

14. Social investments

Consolidated and charity	2022	2021
	£'000	£'000
Mixed motive investments:		
Receivable in more than one year	67	99
Receivable in less than one year	32	32
	99	131

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 (2021: nil), and no amounts that had been approved subject to the agreement of terms (2021: nil).

Notes to the Financial Statements

15. Debtors

	2022 £'000	2021 £'000
Consolidated		
Trade debtors	579	462
Prepayments and accrued income	592	482
Taxation and social security	-	9
Other debtors	9	4
	<u>1,180</u>	<u>957</u>
Charity		
Trade debtors	441	454
Prepayments and accrued income	573	481
Other debtors	9	4
Amounts owed by subsidiary	772	200
	<u>1,795</u>	<u>1,139</u>

Included within consolidated prepayments and accrued income are lease incentive adjustments of £236,000 (2021: £174,000), of which £211,000 are due in more than one year (2021: £159,000). Within amounts owed by the subsidiary is £475,000 of a loan (2021: £200,000) and £0 of interest accruing against this (2021: £1,000). The loan agreement was entered on an arms length basis at a market rate of interest (4.2% above base) and the Charity has taken a charge over the assets of the trading company as security. The loan agreement provides for up to £480,000 to be drawdown on loan which is repayable in equal instalments over 8 years from September 2022. One repayment was made of £5,000 in the year but the remaining loan repayments have been deferred. At the year end £405,000 of the loan was due in more than one year. Also included within amounts owed to subsidiary are prepayments and accrued income of £200,000 (2021: £151,000 reclassified from prepayments and accrued income). Offsetting trade debtors is a bad debt provision of £111,000 (2021: £217,000).

Notes to the Financial Statements

16a. Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Consolidated		
Bank overdrafts	4,465	2,607
Loans repayable upon demand	202	204
Trade creditors	293	317
Accruals and deferred income	537	972
Taxation and social security	75	43
Other creditors	84	57
	<u>5,656</u>	<u>4,200</u>
Charity	£'000	£'000
Bank overdrafts	4,466	2,607
Loans repayable upon demand	202	204
Trade creditors	199	238
Accruals and deferred income	525	800
Taxation and social security	79	71
Other creditors	63	57
	<u>5,534</u>	<u>3,977</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 £14,000 (2021: £16,000) representing the amount held as agent for a small unincorporated voluntary organisation called Bath Woman's Fund and £4,000 (2021: £nil) for Bath Unlimited 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 these funds.

Deferred income movement:

	Charity	Group
	£'000	£'000
Balance at 1 January 2022	467	467
Amount released in the year	(454)	(509)
Amount deferred in the year	408	408
Balance at 31 December 2022	<u>421</u>	<u>366</u>

Deferred income is made up of rental income received in advance of the accounting period to which it relates.

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

	2022	2021
	£'000	£'000
Consolidated and charity		
Loans repayable upon demand	<u>1,819</u>	<u>1,838</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 endowmen t fund £'000	Unapplied total return £'000	Total £'000
At 1 January 2021	43,055	59,669	102,724
Movements in the reporting period:			
Investment income	-	4,020	4,020
Realised and unrealised gains	-	6,578	6,578
Less: property operational and investment management costs	-	(297)	(297)
Total return for the year	-	10,301	10,301
Unapplied total return allocated to income	-	(2,762)	(2,762)
Transfer to unrestricted funds to reflect 2017 gains	2,325	(2,325)	-
	<u>2,325</u>	<u>5,214</u>	<u>7,539</u>
At 1 January 2022	45,380	64,883	110,263
Movements in the reporting period:			
Investment income	-	3,851	3,851
Realised and unrealised losses	-	(12,953)	(12,953)
Less: property operational and investment management costs	-	(282)	(282)
Total return for the year	-	(9,384)	(9,384)
Unapplied total return allocated to income	-	(3,521)	(3,521)
CPI uplift	4,765	(4,765)	-
	<u>4,765</u>	<u>(17,670)</u>	<u>(12,905)</u>
At 31 December 2022	<u>50,145</u>	<u>47,213</u>	<u>97,358</u>

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

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17a. Invested endowment fund (continued)

Charity	Permanent endowmen t fund £'000	Unapplied total return £'000	Total £'000
At 1 January 2021	43,055	59,742	102,797
Movements in the reporting period:			
Investment income	-	4,152	4,152
Realised and unrealised gains	-	6,578	6,578
Less: property operational and investment management costs	-	(297)	(297)
Total return for the year	-	10,433	10,433
Unapplied total return allocated to income	-	(2,762)	(2,762)
CPI uplift	2,325	(2,325)	-
	<u>2,325</u>	<u>5,346</u>	<u>7,671</u>
At 1 January 2022	45,380	65,088	110,468
Movements in the reporting period:			
Investment income	-	4,083	4,083
Realised and unrealised losses	-	(12,953)	(12,953)
Less: property operational and investment management costs	-	(282)	(282)
Total return for the year	-	(9,152)	(9,152)
Unapplied total return allocated to income	-	(3,521)	(3,521)
CPI uplift	4,765	(4,765)	-
	<u>4,765</u>	<u>(17,438)</u>	<u>(12,673)</u>
At 31 December 2022	<u>50,145</u>	<u>47,650</u>	<u>97,795</u>

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

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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 £1.924m (2021: £1.925m) 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	2022 £'000	2021 £'000
Balance brought forward	12,420	12,520
(Deficit)	(114)	(114)
Transfers	-	14
Balance carried forward	12,306	12,420

18. Roxburgh endowment fund

Consolidated and charity	2022 £'000	2021 £'000
Balance brought forward	140	123
Valuation gains / (losses)	(8)	17
Balance carried forward	132	140

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.

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19. 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.

	2022	2021
	£'000	£'000
Consolidated		
Operating result	(4,586)	(4,698)
Total return transfer from permanent endowment fund	3,521	2,762
Transfer of functionally endowed asset additions	-	(14)
Net movement in the year	<u>(1,065)</u>	<u>(1,950)</u>
Balance brought forward	3,636	5,586
Balance carried forward	<u>2,571</u>	<u>3,636</u>
Charity		
Operating result	(4,478)	(4,698)
Total return transfer from permanent endowment fund	3,521	2,762
Transfer of functionally endowed asset additions	-	(14)
Net movement in the year	<u>(957)</u>	<u>(1,950)</u>
Balance brought forward	3,575	5,525
Balance carried forward	<u>2,618</u>	<u>3,575</u>

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20. Restricted funds

Consolidated and charity (as at 31 December 2022)	Joseph Matthews Foundation £'000	Roxburgh £'000	Bath Half Marathon donations £'000	Waitrose donation to Stitch Club £'000	Total £'000
Balance brought forward	40	12	-	-	52
Income	-	7	2	1	10
Expenditure	(17)	(5)	(1)	(1)	(24)
Balance carried forward	23	14	1	-	38

Consolidated and charity (as at 31 December 2021)	Joseph Matthews Foundation £'000	Roxburgh £'000	Feeding Britain £'000	Infection Control Fund £'000	Total £'000
Balance brought forward	-	10	-	-	10
Income	40	7	1	2	50
Expenditure	-	(5)	(1)	(2)	(8)
Balance carried forward	40	12	-	-	52

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.

21. Transfers

	Endowment fund £'000	Unrestricted fund £'000
Transfer of unapplied total return to income	(3,521)	3,521

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22. Analysis of net assets between funds

Consolidated	Invested endowment fund	Functional endowment fund	Roxburgh endowment fund	Restricted fund	Unrestricted fund	Total
As at 31 December 2022	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	10,382	-	-	1,640	12,022
Intangible fixed assets	-	-	-	-	38	38
Investments	97,258	-	132	-	9,049	106,439
Social investments	99	-	-	-	-	99
Cash and bank	-	1,924	-	38	(1,860)	102
Other current assets and liabilities	-	-	-	-	(6,296)	(6,296)
	97,358	12,306	132	38	2,571	112,404

Consolidated	Invested endowment fund	Functional endowment fund	Roxburgh endowment fund	Restricted fund	Unrestricted fund	Total
As at 31 December 2021	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	10,495	-	-	1,621	12,116
Intangible fixed assets	-	-	-	-	54	54
Investments	110,132	-	140	-	8,915	119,186
Social investments	131	-	-	-	-	131
Cash and bank	-	1,925	-	52	(1,872)	105
Other current assets and liabilities	-	-	-	-	(5,081)	(5,081)
	110,263	12,420	140	52	3,636	126,511

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23. Charitable and capital commitments

Capital expenditure commitments:	2022 £'000	2021 £'000
Legal commitment to build almshouses	1,924	1,925
	<u>1,924</u>	<u>1,925</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:

	2022 £'000	2021 £'000
Within one year	1,882	1,791
Between one and five years	5,109	5,139
After five years	11,772	11,097

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:

	2022 £'000	2021 £'000
Within one year	34	34
Between one and five years	39	73

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

Within one year	1,021	1,032
Between one and five years	50	974

24. Pensions

The charity operates a defined contribution scheme for the benefit of the employees. During the year £143,000 (2021: £142,000) was payable into the defined contribution scheme. The amount due at the year end was £17,000 (2021: £16,000). Included within 'pension costs' in note 8 are pension scheme management fees payable of £14,000 (2021: £14,000).