



ST JOHN'S
FOUNDATION EST. 1174

Annual Report

And consolidated financial statements for
the year ended 31 December 2023.



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 2023. This report is prepared in line with the Charities Act 2011 and SORP (FRS 102).

For 850 years, St John's Foundation has been changing people's lives, for good with the Charity's objects being to provide almshouse accommodation and relief to those who are in need by reason of age, ill-health, disability, financial hardship or other disadvantage within Bath and the surrounding area.

In 2020, we launched our Foundation Fund to ensure that every child under 12 has the chance to grow up as a healthy, happy, and educated member of our community. We work to provide children the support they need to lead fulfilling, independent lives beyond school and into older age. We are determined to narrow the primary school educational attainment gap, which is particularly acute in our area. This is to ensure that underserved children in the local area can get the best start in life and we have started to refer to this programme as 'Best Start in Life' rather than the Foundation Fund as we feel it better reflects its ambition.

Alongside this, we continue our long-standing work providing older people with housing and outreach services. With older adults now outnumbering younger people in our region, it's more important than ever that we foster an age-friendly community, promoting independent living for longer.

Our city and the neighbourhoods around it are beautiful and age-old. However, divisions and inequalities are concealed behind the veneer of Bath stone and rural beauty. This is why, through our Crisis Programme, we provide relief for those who have reached a point of financial crisis in their life and need support.

We are continuously working to address the challenges our community faces, forging connections with like-minded charities and donors for their specific knowledge and expertise, as well as their ability to help implement our initiatives and programmes to support positive social change.

A photograph of an elderly woman with short blonde hair, wearing a light pink sweater, smiling broadly in a kitchen. She is holding a blue and green patterned bag of groceries. The kitchen background includes a sink, a faucet, a yellow rubber glove, and a small house-shaped decoration on the wall.

CHARITABLE DELIVERY AND IMPACT

Through our charitable delivery, we help under-served younger people, mature adults and those in crisis. We believe in helping to shape a much kinder and more caring community, where everybody, irrespective of age or social environment, has the opportunity to thrive and lead fulfilling lives.

The Good Living Service

Almshouses

Almshouses actively work to create an environment that empowers residents to make their own choices and live life on their own terms. With the appropriate support provided by St John's, our residents can maintain their independence for longer, enhancing their overall well-being and quality of life. In 2023, 108 residents lived in St John's almshouses.

St John's almshouses are more than just a refuge for older people, they are the basis of a thriving community, that through a variety of means, provide support and friendship. Made up of people from a range of backgrounds and walks of life, our residents enjoy each other's company and culture, whilst maintaining and sharing their own individuality.

The almshouses themselves are a unique tapestry of each resident's personality. Beautifully decorated and representative of the experiences and journeys that our residents have encountered throughout their lives, the apartments play a large part in cementing our residents place within our community, whilst helping them to feel safe, secure and supported.

Advice Service

The advice service offered by the Good Living team encompasses a range of support options, ranging from direct help, to signposting to specialist services. The advice service offers help with admin tasks such as signing up for, and understanding pension credits and housing benefits, as well as supporting with health needs and ensuring residents can access the right support they need.

The service goes further than just our residents and provides the families of people living in our almshouses support and advice when required. The Good Living team take pride in being reactive to the needs of the people we work with and offer creative solutions for a wealth of situations. The Good Living team recognise that sometimes, when older people's needs change, their families may not be aware of the best route of support and in response, they ensure that the best advisory service is available and can offer support and reassurance for those who may be experiencing difficulties as they or their relatives age.

In 2023, we gave advice and signposting to 293 older adults.

Activities

The activities programme, run by the Good Living Service aims to provide residents from within our almshouse community, and adults over 55 in the wider BaNES community, a comprehensive programme of activities designed to enrich wellbeing, build confidence and encourage connections in daily life. The classes offer activities that engage both the body and the mind, whilst bringing together older adults from within the community.

The Good Living service ran 71 active learning classes in 2022. These classes were attended by over 372 older adults from across Bath and North East Somerset, which equated to 7,269 attendances across the year. 49 of our 102 residents attend activities within our programme. Of the 17 different activities we provide, 14 of these are full. Ballet, Pilates and Stitch continue to be our most popular, with the Good Living Service providing increased sessions for Pilates and Ballet.

Use of our Space

Through our provision of space on site, we are currently supporting various charities in Bath and North East Somerset, offering them use of both The Bubble and Combe Park free of charge. In 2023, 9 charities used our space, with 372 people attending these sessions throughout the year.

These 9 charities include: Bath Mind, Bath Welcomes Refugees, Bath Macular Society, Stillwaters Group, Mencap, Bath Diabetes Group, Alzheimer's Society, Bath Climate Hub and Rice Clinic.

Ageing Well Bath & North East Somerset

Towards the end of 2023, St John's jointly funded the Age Friendly Bath & North East Somerset programme. This collaborative programme with Age UK Bath is designed to drive change in the region to improve the lives of older people. It aims to establish a World Health Organisation accredited age friendly community and with this, strengthen compassionate and healthy communities locally. The programme's first aim is to gather intelligence to inform the Health and Wellbeing board and ensure older people's needs and views are listened to when decisions are made.

As well as an Ageing Well Forum and a steering group, the programme will also collaborate with the existing Ageing Well Network, facilitated by Bath and North East Somerset's Third Sector Group (3SG). The network has so far welcomed 100 participants from 35 organisations supporting older adults.

Partnership Working

Pets As Therapy (PAT): The Good Living team partner with Pets As Therapy to provide support-animal visits to our residents. The service supports residents in both their health and wellbeing by providing access to the companionship of an animal to people who may be suffering from health issues or experiencing isolation due to circumstances beyond their control. Currently, PAT volunteers visit on a weekly basis.

Active Ageing: The team 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.

Connecting Generations: 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.

Best Start in Life (formerly known as The Foundation Fund)

Academic attainment levels have, historically, been lower among children from under-served backgrounds for a variety of complex reasons. The gap between the highest and lowest achieving pupils has been exacerbated over recent years by the pandemic, schools have faced a challenging task to narrow this disparity back down to pre-COVID levels. The impact of the cost-of-living crisis on families has further deepened the complexity of this challenge.

Before the pandemic struck, in February 2020, St John's Foundation launched an ambitious ten-year strategy and pledge to support under-served children through interventions within our Foundation Fund. The aim of our fund is to narrow the attainment gap for Key Stage 2 children living in Bath and North East Somerset (BaNES) through a broad range of initiatives. This crucial work will best support children aged 0 to 12 and level out the opportunities for them to thrive.

Supporting 0-4 years

Early Nurture Service

The number of children with mental health concerns across Bath and North East Somerset is increasing year on year.

Our Early Nurture Service is tackling this growing issue by providing support to nurseries and pre-schools so they can identify and assess children experiencing social, emotional and mental health (SEMH) issues. Using an accredited SEMH assessment, children are supported through their early years settings and into primary school.

In 2023, we provided support to 146 children across six early years settings through the programme. Additionally, the team conducted training sessions for 16 early years practitioners, empowering them with the skills necessary to effectively support children.

Perinatal and Emotional Wellbeing Partnership

Becoming a new parent can be challenging and overwhelming. St John's works alongside local services to care for the mental health of new parents, providing a comprehensive approach to address the emotional wellbeing of those navigating parenthood.

Working together with local partners, in 2023 St John's supported 22 new mothers with 90% of them showing considerable improvement in their mental health.

Language for Life

Evidence shows the importance of speech and language development in young children, it is fundamental to their ability to learn. As they learn, it is also crucial for children to get help to develop their communication skills so they are able to manage their emotions and behaviours. However, under-served children often arrive at school with lower speech and language ability than their peers, leading to an early language gap.

Language for Life is a speech and language programme supporting nursery-age children to improve their communication skills. Every child is assessed and a personalised plan is developed for those requiring support.

The hope is that more under-served children will begin their school life with the level of speech and language they need for a better chance of fulfilling a successful school experience.

At the start of the 2021/2022 academic year, 84 per cent of children assessed at participating settings were identified as needing extra support, including the majority of children in receipt of early years pupil premium (EYPP). By the end of the 2022/2023 year, this figure reduced to just 29 per cent.

Throughout 2023, 23 early year settings were involved in the pilot programme. Given the success of the programme, Language for Life is now being extended to an additional 45 settings.

Supporting 4-12 years

As part of our ten-year strategy, St John's launched the Primary Empowerment Programme (PEP). The programme provides additional support with reading, writing, mathematics and oracy as well as emotional and behavioural support. The programme supports 1,657 children within seven primary schools in BaNES which, together, teach 40% of the region's most under-served children. Close collaboration with the respective head teachers has helped to shape the programme and direct its focus to where the support would be most beneficial to each school.

At the end of the 2022/23 school year, the PEP completed its second year and initial data indicates a clear movement towards more children meeting expected academic levels for their year group. However, the initiative is not just about hard figures. The wide range of support offered is making a tangible difference to many pupils' self-confidence and wellbeing, as well as positive knock-on effects this has on their teachers, school communities and parents.

Most powerfully, the anecdotal evidence so far has been overwhelmingly positive. Feedback from head teachers often focuses on the difficulty of quantifying the impact of the PEP's various support streams, as it continues to be so wide-ranging. One head teacher says that the PEP "has enabled our school to proactively support our children in ways which we would have only been able to dream about without this funding", adding: "Children now read more books than two years ago and in KS2 they read on average for seven minutes longer each day. They become fluent readers earlier, are proud of their reading and love talking about it. I also feel that the broad range of consultation and training has helped us to move forward and recover much quicker following the pandemic."

Behavioural and emotional support

One key focus has been around behavioural and emotional support. In the wake of multiple lockdowns, the additional support for emotional and mental health (SEMH) needs, particularly for children with special educational needs and disabilities (SEND) has been overwhelming for many schools, with long waiting lists to receive any specialist support.

As part of the programme, the schools are receiving training, guidance and support from specialist providers, Brighter Futures. Funded by St John's, they help to improve learning and wellbeing outcomes for these children and equip the teachers with the tools they need to provide ongoing support. This has in many cases changed schools' approaches and culture in this area, with positive outcomes such as reduced numbers of suspensions.

The total cost of the Primary Empowerment Programme in 2023 was £734,046.

Supporting children and families

Safe places

Access to a safe place is a fundamental human right. When we established our Foundation Fund in 2020, we recognised that one of the issues families might face would be a shortage of places outside of school hours where they would feel safe and which would contribute to their general well-being.

Our definition of a 'Safe Place' is a place where children and their parents can go to engage with each other and have access to activities and support. Through accessing a safe place children and parents have the opportunity to engage with their community and feel a better sense of connection and belonging. They are often also able to access nutritious food to support their physical wellbeing.

In 2023, St John's published a map of all Safe Places across Bath and North East Somerset. The locations vary from sports clubs to community halls and churches with many organising activities for children to get involved with. This includes the Glasshouse Academy which St John's has funded on a five-year agreement (starting 2020) where children can go with the aim of raising their aspiration and opportunities. Other activities on the mapping support older adults and some Safe Places also have kitchens, which means food can be offered.

Nutritious Food

Every young person has the potential to do well at school. However, a lack of nutritious food can affect brain development. Many families whose children attend the seven Primary Empowerment Programme schools struggle financially but are not eligible for free school meals.

St John's funds school meals for children who are not entitled to free school meals so they can have a hot lunch each day. With proven links between nutritious food and academic achievement this, in turn, benefits children's brain development and their ability to concentrate and learn. As well as supporting children's academic achievements, these measures impact the wider class and teachers, by reducing disruptive behaviour caused by hunger. The initiative also provides support to parents who are struggling to feed their families in these economically challenging times by supporting their financial and mental wellbeing.

In 2023, St John's provided 49,242 free school meals for 406 children across six schools.

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 was published in May 2023.

Big Education have subsequently worked with school leaders to research practices under the areas of parental engagement; behaviour and self-regulation and aspiration. It is hoped that schools will be able to implement new ways of supporting children in these areas.

The programme will run until the end of the 2024/25 academic year, with findings being shared with local and national stakeholders.

Crisis Programme

In 2023, St John's received 490 applications to our Crisis Programme. 332 of these were approved and a total of £203,000 was awarded. Of these applications, 170 supported single people, 115 were to support families who had children under the age of 12 years old and the remaining 47 were for families with children over 12 years old, or couples without dependents.

The total number of applications remained below the levels seen prior to the pandemic, largely due to Bath & North-East Somerset Council's Welfare Support Scheme continuing to have a significantly-increased budget from the Government's "Household Support Fund" in response to the cost-of-living crisis. However, the number of applications remained consistent throughout the year with sustained demand for help and the HSF is expected to come to an end in October 2024.

Project funding

Debt continues to be a big problem for under-served households in BaNES and nationally and St John's has funded debt advisory services at Citizen's Advice Bath & North East Somerset. Since December 2021, the team have worked with local residents to support them with clearing debt and obtaining benefits or other funding, to the value of over £1m.

The funding has been agreed for an additional three years, running until 2026.

In 2022, funding totalling £30,000 was awarded to Curo's pilot furnished tenancy programme – Cosy Start. This programme has supported 16 households over the two years by providing them with fully furnished properties.

Rent arrears among these households is currently at 0%, this contrasts with the average of 18% of new universal credit tenancies going into rent arrears. The feedback from the Cosy Start beneficiaries has been extremely positive and plans are in place to expand the programme in 2024.

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 2023, the Charity sold ten properties worth £11.503m at a profit of £1.191m and continued its programme of marketing selected properties for sale – this process will continue over the next few years.



PLANS FOR THE FUTURE

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

- Establishing, in collaboration with others, an age-friendly community across Bath and North East Somerset. This includes maintaining and growing our almshouse accommodation.
- Building communities where every child under 12 is supported to grow into a healthy, happy, and educated member of the community, courtesy of the Best Start in Life.
- 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. St John's will continue to review the impact of our charitable arms and will continue to work with its partners to deliver our aims and shape future work.



TRADING COMPANY

The Trading Company is 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 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 although due to the need to repay set up costs and the time required to grow the business to its full potential, such gift aiding of profits is not expected in the next few years.

St Catherine's Hospital

Comprising 10 one-bedroom apartments, St Catherine's offers a truly tranquil sanctuary in the heart of Bath. Run by our dedicated commercial trading subsidiary, the holiday lets will generate funds that support our wide range of charitable work across Bath and North East Somerset.

People staying at St Catherine's are not only enjoying a lovely stay in Bath, they are also helping to fund positive change within the local community. It's a place to stay with a social purpose.

House of St John's

In 2019, the charity began an extensive renovation project of their Grade 1 listed property, 1 Queen Square. In February 2022, the Trading Company launched the House of St John's, offering a range of private offices, co-working lounges, dedicated desks, meeting rooms, and an event space.

After nearly two years of operation, in 2023, the team assessed the space to optimise layout and usage. With a significant portion of offices already sold, the focus shifted to meeting rooms as a key revenue driver, resulting in the repurposing of the first floor to just meeting rooms and events.

Due to high demand, the co-working offering was capped at 40 memberships to ensure optimal utilisation of space. Additionally, a more flexible membership model was introduced to accommodate member needs.

In September of that year, the dedicated desk capacity was expanded from 4 to 6, all of which have been sold. In 2023, the House also introduced a new product, a registered business address. This service provides clients with the use of its prestigious Bath address. This additional offering serves as a passive income generator for the House.

As the House of St John's charity partner, profits will be gifted to St John's and the focus is on developing a sustainable business which will lead to a long-term profit stream. This will take time as set up costs were high and the business has had to adapt to changing markets. However, business plans are in place to deliver the repayment of debts and provide future profits.

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 and by resolution dated 28 September 2017.

St John's Hospital
Trading Company
Ltd

TRADING COMPANY

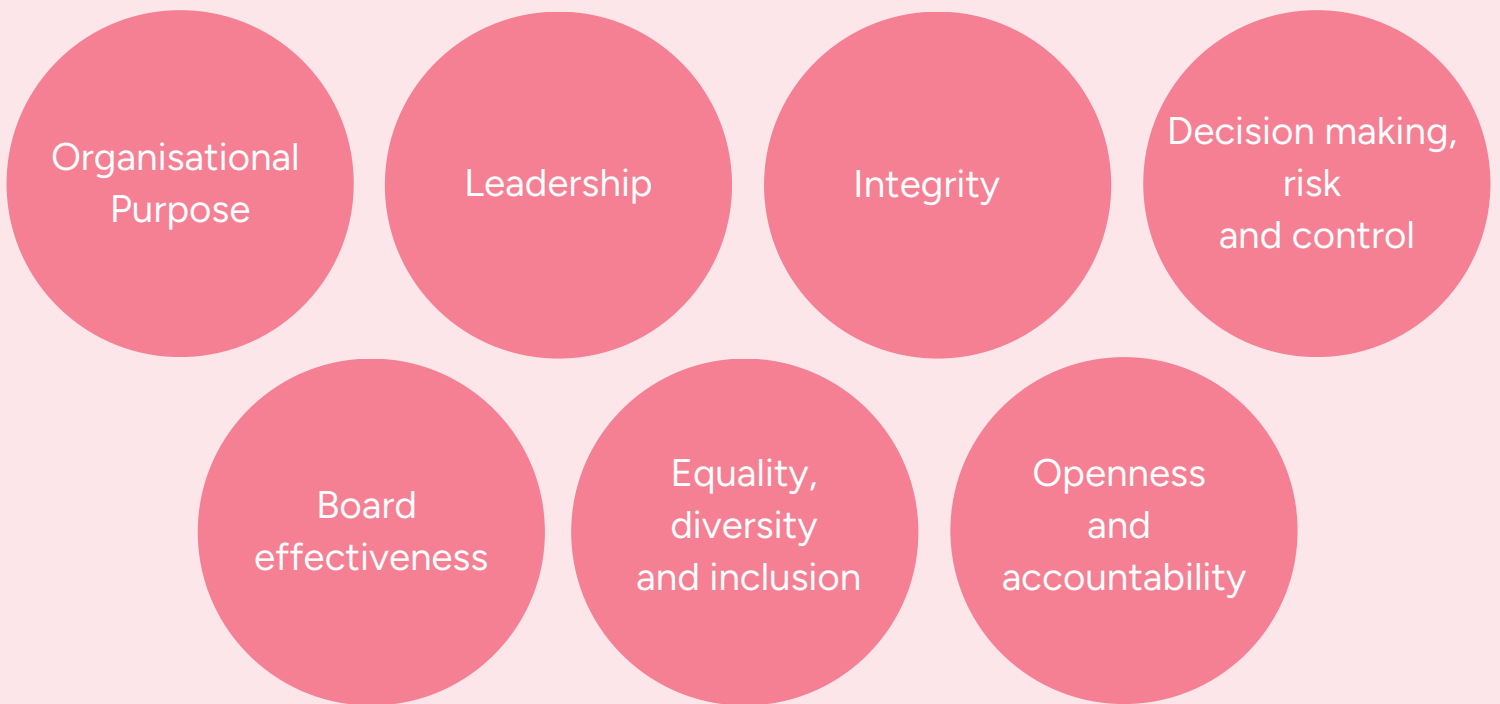
St John's Hospital Trading Company Ltd (registration 08632453) is the trading arm of the Charity and is a wholly owned subsidiary.

There is a second subsidiary company, wholly owned by the Charity - St John's Hospital Design and Build Ltd (registration 1523021). This is currently a dormant company.

GOVERNANCE

The Charity Governance Code

The Code (published in 2017 and reviewed in 2020) 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.



GOVERNANCE STRUCTURE

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 2023 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 and one was undertaken 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

Charitable Delivery
and Impact (CDIC)

Purpose

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. This includes overseeing the accounts and audit process.

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 'Advisers section below.

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

Remuneration of the Executive Team

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

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

TRUSTEE RECRUITMENT AND TRAINING

The Remuneration and Nominations Committee determines the appointment procedures for new trustees including how the vacancies will be advertised. This is through social media and 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 continued with trustees feeding back on the skills they wish to focus on developing in future year. A budget exists to pay for trustees to attend individual, and skill based CPD events.

FUNDRAISING

Whilst over recent years, the Charity did not actively fund raise it did sometimes generate funds from the public through events. The primary purpose of these has not been fundraising but awareness raising. In recognising the significant milestone of the Charity's 850th birthday in 2024, it was considered that there may be a wider number of people engaging with St John's who may wish to donate or raise funds for the Charity. Therefore, a fundraising page was set up on the Charity's website and the Charity registered with the Fundraising Regulator, committing to the Code of Fundraising Practice and the Fundraising Promise. QR codes and links to the fundraising page have been added to publications by the Charity and anyone approaching the charity wishing to donate or fundraise have been directed to the donate page. The donations are managed through Just Giving and allows relevant taxpayers to giftaid their donations. The page includes frequently asked questions which includes details on what to expect in relation to fundraising by St John's, the Code under which the Charity operates and the complaints process. During 2023, the Charity received zero complaints with regards to fundraising practices (2022 zero).

In 2023, 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 is 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 with which the Charity is also compliant.

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: Her Majesty The Queen

OUR DIRECTORS

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

	CDIC	ARC	INV	REM	
Ben Fletcher (Chair)				●	Resigned: 23 Jul 2024
Ashley Ayre	●	●			Resigned: 6 Jun 2024
Jamal Benmiloud	●				Resigned: 30 Mar 2023
Catharine Brown					Appointed: 14 Dec 23, Resigned: 26 Jun 24
Moira Brennan		●		●	Retired: 28 Sept 2023
Richard Brown			●		
Rev Roger Driver		●			
Jeffrey Hayes	●		●		
Nicholas Hunt			●		Resigned: 30 Mar 2023
John Lakin (Vice Chair)	●			●	
Karen MacGregor	●	●			
Ken Scott			●	●	
Carole Stott	●			●	
Madeleine Musselwhite		●			Appointed: 28 Sept 2023
Lorraine Coward			●		Appointed: 14 Dec 2023
Eric Zwickel			●		Appointed: 14 Dec 2023

● Committee Chair

● Committee Member



Directors of St John's Hospital Trading Company Ltd.

Ashley Ayre	A Trustee of the Charity	Resigned 6 Jun 2024
Caroline Bee	Finance Director of the Charity	
Jamal Benmiloud	A Trustee of the Charity	Resigned 24 Mar 2023
Moira Brennan	A Trustee of the Charity (Chair)	Retired 28 Sept 2023
Louise Harvey	Executive Director of the Charity	Stood down 14 Dec 2023
David Hobdey	Chief Executive of the Charity	Stood down 14 Dec 2023
Karen MacGregor	A Trustee of the Charity	
Ken Scott	A Trustee of the Charity	
Catharine Brown	A Trustee of the Charity (Chair)	Appointed 14 Dec 2023, Resigned 15 Jul 2024
Laura Alexander	Commercial Director of the Charity	Appointed 14 Dec 2023

Executive Team

Catharine Brown	Interim Chief Executive (from 15 Jul 2024)
David Hobdey	Chief Executive (until 18 Jul 2024)
Louise Harvey	Executive Director of the Foundation Fund (until 28 Jun 2024)
Caroline Bee	Director of Finance
Laura Alexander	Commercial Director and Managing Director of St John's Hospital Trading Company (from 1 Jun 2023)

OUR PROFESSIONAL ADVISERS

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 1HJ

Moger Drewetts LLP, St James House, The Square, Lower Bristol Rd, Bath BA2 3BH

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

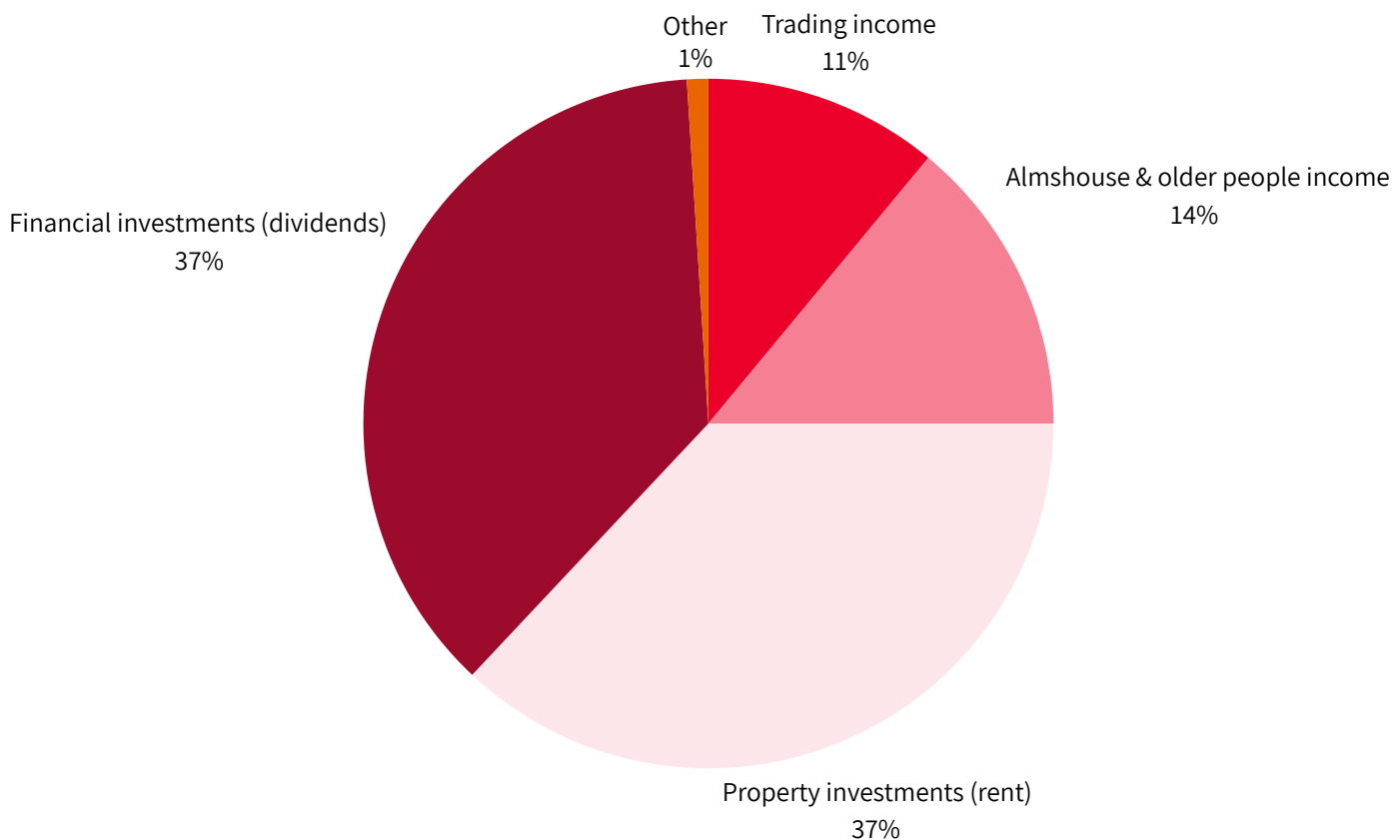
Carter Jonas 5-6 Wood St, Bath, BA1 2JQ

C Squared 82 Walcot St, Bath BA15BD



FINANCIAL REVIEW

The consolidated income for 2023 was £5.7m. This is higher than the £5.3m in the previous year. Investment income remained broadly at the same level (c£3.9m). However, income from both trading and charitable activities grew.





CHARITABLE ACTIVITIES

Income from charitable activities, which includes income from almshouses and residential care, increased by £196,000 (24%) in 2023 from 2022.

The monthly maintenance charge paid by residents within the almshouses was reviewed in year and increased in alignment with the Local Housing Allowance. This was the main driver of the 24% increase in income from charitable activities.

Donations and legacies

Donation income fell from £73,000 in 2022 to £3,000 in 2023. This is because at the end of 2022 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.

Investment income

Investment income in 2023 was £3.9m, the same as in 2022. Within this, property income continued to fall as properties were sold and/or held vacant for disposal. Residential income fell by £23,000 (2.9%) and commercial income by £87,000 (4.7%). This was offset by higher dividend income with financial investment income increasing by 12.8% in year from £1.2m to £1.4m. With property disposals planned into 2024 and the reinvestment of proceeds into the financial investments, the trend seen in 2023 from property income to dividends, is expected to continue into 2024.

Trading activities

As discussed above, the Trading Company saw an increase in overall income of £207,000 (34.6%). This was due to the growth in the House of St John's which saw turnover increase by 150% to £455,000 as the business entered its second year of trading. The income from House of St John's was however, offset by a decrease in income from St Catherine's which fell by £66,000 (15.9%). During 2023, the holiday apartment operator running St Catherine's on the trading company's behalf went into voluntary liquidation. The running of the business was transferred to a company connected to the directors of the liquidated business for a few months whilst St John's sought a new managing agent. The new managing agents were appointed in January 2024 and started trading with St Catherine's in February 2024. These changes led to reduced income and higher costs during the transition.

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

Expenditure

Total expenditure in 2023 was £6.8m (2022: £6.5m).

After consolidation adjustments, costs for the Trading Company were £693,000 in 2023 (2022: £674,000).

Charitable Delivery

Expenditure on charitable delivery was £1.2m higher in 2023 than in 2022 but only £42,000 higher than budgeted. The year on year increase was largely driven by an exercise in 2023 to review cost allocations. The basis of overhead allocation had not been reviewed since the introduction of the new strategy in 2020 and it was felt that the historical method of allocating costs no longer reflected the true underlying nature of the costs and use of overheads on different activities. There were also some costs which could be directly attributed to the almshouses or investment properties with some improved cost coding. The allocation of central overheads to charitable activities increased from £660,000 in 2022 to £1.5m in 2023.

Spend on the almshouses was £240,000 (29%) higher in 2023 than 2022 but £60,000 lower than budget. These extra costs reflect ongoing maintenance costs and increasing costs of utilities, as well as an inflationary increase in wages during the year. Significant repairs and capital costs on the almshouses are planned for 2024 as part of the cyclical maintenance of the buildings.

Spend on Funding and Impact in 2023 was also slightly higher at £1.8m before overheads compared to £1.7m in 2022 but below budget by £365,000.

The decrease expected from the final tranche of multi-year funding awards to which the Charity had committed prior to the implementation of the new strategy in 2022 was offset by the introduction of a free school meals programme. Under this programme, the Charity agreed to fund school meals across seven local primary schools for those not entitled to free school meals under the government scheme. However, spend on this was £250,000 lower than budgeted due to over estimating the take up of meals and speed at which the programme would be rolled out. The crisis fund saw fewer applicants and spend in 2023 was £80,000 below budget. Further information on charitable activities is provided above and in Note 7 below.

Costs of Raising Funds

There was a significant decrease in the cost of raising funds in 2023 compared to 2022. This relates to the cost of operating the investment property portfolio and most of the decrease is due to the cost allocation exercise discussed above.

Before allocation of central overheads, spending on property management costs fell by £404,000 to £749,000 (2021: £1.15m). 2022 included one-off costs associated with the new investment strategy, including professional advice on disposal strategies and 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. Higher costs had been budgeted for in 2023 but repairs which were not deemed essential or likely to generate a return on sale were not undertaken on properties due for disposal. Property costs were 16% below budget as a result. The disposal strategy should lead to repair costs reducing each year as the number of buildings in the portfolio reduces.

Inflationary increases in the year meant the cost of building repairs, insurance, computer software, licensing and general consumables became more expensive. Electricity costs increased due to the long-term price contract ending in July 2023, and whilst significant increases were seen these remained below the budgeted position, which had been over prudent. The gas contract is due for renewal in 2024. It is anticipated that this will lead to significant unit cost increases which is being built into financial plans. There were also increased costs within the finance team as three of the four team members went on maternity leave in 2024, leading to increased costs of providing cover and recruitment.

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 incredibly grateful for the time and effort of the volunteers who support the activities of the Charity.

Annual Deficit

Overall, the operating deficit for 2023 was £1.083m (2022: £1.145m) before gains and losses on investments.

Valuation gains on both listed investments and the property portfolio have created a positive net movement in funds of £3.4m compared to a negative net return of £13.0m in 2022. 2022 reflected a decrease in the financial markets affecting both equities and property prices as at 31 December 2022.

In 2022 property valuations were affected by a decision to amend the valuation assumptions on the majority of the residential property portfolio. The trustees had agreed that it was 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 were therefore 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. During 2023, it became clear that the discount in selling the properties with tenants in situ would be too large to justify a sale and the decision was made to sell the properties on a piecemeal basis when vacant. The properties are therefore valued on a vacant possession basis as at 31 December 2023.

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 £2.0m for CPI (2022: £4.765m 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 2023 £4.5m of unapplied total return was allocated to income (2022: £3.5m).



INVESTMENTS

At the year end, the Charity held £105.1m of investments (2022: £106.4m). Of this, £51.7m (49%) was property in Bath (2022: £62.8m / 59%). 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 photograph of a woman with her hair tied back, wearing a leopard print top, sitting on a teal sofa and holding a baby. The baby is wearing a pink top and has a pacifier in their mouth. The woman is looking down at the baby. The background shows a white wall and a green plant.

INVESTMENT POLICY

A few notes on our Investment Policy:

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



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 2023, total charity reserves were £115.3m (2022: £112.9m).

The Charity adopts a zero “free” reserves policy. However, 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 £1.7m (2022: £1.5m).

Committed awards or building contracts, not included as a liability in the accounts of £1.3m (except those already excluded from unrestricted funds through the functional endowment) (2022: £1.2m).

Charity only	£'m
Invested endowment	100.5
Functional endowment	12.2
Operational assets (excluding endowed)	1.7
Commitments	1.3
Restricted funds	0.1
“Free” reserves	(0.5)
Total reserves	115.3

At the year-end there were negative ‘free’ reserves held - in other words there was a deficit of £0.5m such that the accounts show that there are insufficient unrestricted reserves held to meet commitments as at 31 December 2023. This is against the reserves policy set in 2021 when the trustees reviewed and revised the Reserves Policy for the Charity to adopt a zero free Reserve Policy. This policy aims to draw down funds from the unapplied total returns into unrestricted reserves only as required to meet operational expenditure in any given year, including enough to cover commitments at year end.

The trustees consider a zero “free” reserves policy 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. The level of reserves required for transfer must be set prior to the year end and is usually set at a high-level estimate of what is required. Unfortunately, the resolution passed by the Board of Trustees in December 2023 capped the increase at £4.5m which was less than the amount required once the year end adjustments had been made. As a result there is a deficit on free reserves at year end. This is not a cause for concern however, as the charity can make transfers in year as required from unapplied total returns and the levels of these are significant, being £47.7m at year-end. Therefore, whilst showing a deficit on unrestricted ‘free’ reserves, there was more than sufficient funds available in other reserves to meet commitments and a transfer was made in March 2024 from unapplied total returns to unrestricted reserves to cover the year end deficit.

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.



STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the group and of the incoming resources and application of resources of the Charity and the group for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

Approved by the Trustee on (date) and signed on its behalf by:

.....
Name:

.....
Signature:

.....
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 39 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

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

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

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

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 the override of controls by management and investment properties. 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 investment properties.

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

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 2023

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted fund £'000	Restricted funds £'000	Endowment fund £'000	Total 2023 £'000	Total 2022 £'000
Income and endowments from:						
Charitable activities		985	25	-	1,010	814
Investment income	2a	1	8	3,892	3,901	3,858
Other trading activities		797	-	-	797	600
Donations and legacies	2b	1	2	-	3	73
Transfer to income	17a/21	4,500	-	(4,500)	-	-
Total income		6,284	35	(608)	5,711	5,345
Expenditure:						
Expenditure on charitable activities:						
Older adults services		2,262	15	114	2,391	1,807
Funding and impact	7	2,546	29	-	2,575	1,968
Total expenditure on charitable activities	3	4,808	44	114	4,966	3,775
Cost of raising funds	4	948	-	187	1,135	2,041
Other expenditure	5	693	-	-	693	674
Total expenditure		6,449	44	301	6,794	6,490
Net (expenditure) before investment (losses) / gains		(165)	(9)	(909)	(1,083)	(1,145)
Net gains / (losses) on investments	13	-	-	3,427	3,427	(12,961)
Net (expenditure) / income		(165)	(9)	2,518	2,344	(14,106)
Transfers between funds	21	-	-	-	-	-
Net (expenditure)/ income & net movement in funds		(165)	(9)	2,518	2,344	(14,106)
Reconciliation of funds:						
Total funds brought forward	22	2,571	38	109,796	112,405	126,511
Total funds carried forward	22	2,406	29	112,314	114,749	112,405

The notes on pages 52 to 81 form part of these financial statements.

St John's Foundation Est. 1174
As at 31 December 2023

CONSOLIDATED BALANCE SHEET

	Note	2023 £'000	2022 £'000
Fixed Assets			
Intangible assets	10	30	38
Tangible assets – freehold property	11	11,630	11,709
Other tangible fixed assets	12	539	313
Investments:			
Financial and property investments	13	105,090	106,439
Social investments	14	68	67
		117,357	118,566
Current Assets			
Social investments	14	-	32
Debtors	15	1,134	1,180
Cash at bank and in hand		1,102	102
		2,236	1,314
Creditors: amounts falling due within one year	16a	(3,284)	(5,656)
Net current (liabilities)		(1,048)	(4,342)
Total assets less current liabilities		116,309	114,224
Creditors: amounts falling due after more than one year	16b	(1,560)	(1,819)
Total net assets		114,749	112,405
Group reserves			
Invested endowment fund	17a	99,993	97,358
Functional endowment fund	17b	12,192	12,306
Roxburgh endowment fund	18	129	132
Unrestricted general fund	19	2,406	2,571
Restricted funds	20	29	38
		114,749	112,405

The notes on pages 52 to 81 form part of these financial statements. These financial statements were approved and authorised for issue by the Trustee at the meeting held on 20 June 2024 and were signed on its behalf by:

.....

John Lakin

.....

Madeline Musselwhite

St John's Foundation Est. 1174
As at 31 December 2023

CHARITY BALANCE SHEET

	Note	2023 £'000	2022 £'000
Fixed Assets			
Intangible assets	10	23	25
Tangible assets – freehold property	11	11,642	11,721
Other tangible assets	12	373	112
Investments:			
Financial and property investments	13	105,140	106,489
Social investments	14	68	67
		117,246	118,414
Current Assets			
Social investments	14	-	32
Debtors	15	2,059	1,795
Cash at bank and in hand		791	2
		2,850	1,829
Creditors: amounts falling due within one year	16a	(3,249)	(5,534)
Net current (liabilities)		(399)	(3,705)
		116,847	114,709
Creditors: amounts falling due after more than one year	16b	(1,560)	(1,820)
		115,287	112,889
Total net assets			
Charity reserves			
Invested endowment fund	17a	100,535	97,795
Functional endowment fund	17b	12,192	12,306
Roxburgh endowment fund	18	129	132
Unrestricted general fund	19	2,402	2,618
Restricted funds	20	29	38
		115,287	112,889

The notes on pages 52 to 81 form part of these financial statements. These financial statements were approved and authorised for issue by the Trustee at the meeting held on 20 June 2024 and were signed on its behalf by:

.....

John Lakin

.....

Madeline Musselwhite

St John's Foundation Est. 1174
Year ended 31 December 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

	2023	2022
	£'000	£'000
Cash flows used by operating activities (note A)	(4,431)	(5,106)
Cash flows from financing activity		
Repayments of borrowings	(289)	(22)
Net cash used in financing activity	(289)	(22)
Cash flows from investing activities:		
Dividends, interest and rents from investments	3,901	3,858
Costs of generating funds paid by endowment capital	(187)	(282)
Improvements to investment properties	(94)	(322)
Movement of cash held by brokers to investments	(15)	(50)
Purchase of investments	(14,733)	(5,655)
Proceeds from the sale of investments	19,618	5,815
Social investments repaid	31	32
Purchase of property, plant and equipment	(367)	(112)
Adjustment to cost of intangible additions due to VAT recovery	-	-
Purchase of intangible assets	(8)	(17)
Net cash provided by investing activity	8,147	3,267
Net increase / (decrease) in cash and cash equivalents	3,426	(1,861)
Change in cash and cash equivalents in the year	3,426	(1,861)
Cash and cash equivalents at the beginning of the year	(4,363)	(2,502)
Cash and cash equivalents at the end of the reporting period (note B)	(937)	(4,363)

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

	2023	2022
	£'000	£'000
Net income / (expenditure) for the year (per Statement of Financial Activities)	2,344	(14,106)
Depreciation and amortisation charges	237	239
(Gain)/Loss on investments	(3,427)	12,961
Dividends, interest and rents from investments	(3,901)	(3,858)
(Increase) / Decrease in debtors	46	(223)
(Decrease) / Increase in creditors	83	(401)
Cost of generating funds from endowed capital	187	282
Cash outflow from operating activities	(4,431)	(5,106)

The cashflow statement has been restated for 2022 to improve the accuracy of presentation by including the overdraft facility within cash and cash equivalent on the face of the cashflow. In prior years this was shown only in the note.

St John's Foundation Est. 1174
Year ended 31 December 2023

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

NOTE B: Analysis of cash and cash equivalents

	At start of year	At end of year
	£'000	£'000
Cash	102	1,102
Overdraft facility repayable on demand	(4,465)	(2,038)
Total	<u>(4,363)</u>	<u>(936)</u>

NOTE C: Analysis of changes in net debt

	At start of year	Cash-flows	At end of year
	£'000	£'000	£'000
Cash	102	1,000	1,102
Overdraft facility repayable on demand	(4,465)	2,427	(2,038)
	<u>(4,363)</u>	<u>3,427</u>	<u>(936)</u>
Loans falling due within one year	(202)	(29)	(173)
Loans falling due after one year	(1,820)	(260)	(1,560)
Total	<u>(6,385)</u>	<u>3,138</u>	<u>(2,669)</u>

St John's Foundation Est. 1174

Year ended 31 December 2023

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 Hospital Trading Company Ltd ('the subsidiary') for the year ended 31 December 2023. 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 22. 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 2023

Notes to the Financial Statements

Principal Accounting Policies (continued)

Assessment of 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.

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. It is recognised in the period to which the almshouse residency relates on an accruals basis.

Donations and grants

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

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. The split of overheads is a close 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 2023

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 5% to 25% per annum on a straight line basis, depending on the asset. In the trading company the rates vary from 10% to 33%.

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 2023

Notes to the Financial Statements

Principal Accounting Policies (continued)

Fixed asset investments

Investment properties

The charity owns freehold properties and ground rents for long term investment. In accordance with FRS102 these are included in the balance sheet at valuation at 31 December 2023, and the surplus or loss arising on revaluation has been transferred to the relevant reserve. On disposal of investment properties, the net gain or loss on disposal is calculated and transferred to the relevant reserve. The gain or loss is calculated as the proceeds less book value at the previous year end less direct costs of disposal, such as agent and legal fees.

Quoted investments

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

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

Social investments

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

Investment in subsidiary

The investment in the subsidiary is held at cost.

Taxation

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

St John's Foundation Est. 1174

Year ended 31 December 2023

Notes to the Financial Statements

Principal Accounting Policies (continued)

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted and endowment funds are subject to specific restrictions imposed by the donor of the income or the Charity Commission. Further explanation of each fund held by the charity is contained in notes 17-22 of these financial statements.

Total return accounting

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

Financial instruments

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets include the charity's trade and other receivables. Financial liabilities include the charity's trade creditors, accruals and other creditors.

Debtors

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

Cash and cash equivalents

Cash and cash at bank comprise short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

St John's Foundation Est. 1174

Year ended 31 December 2023

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

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

9. Related party transactions and trustees' expenses and remuneration

Transactions between the Charity and the Trading Subsidiary

In 2023, the Charity charged £97,481 (2022: £97,241) for the lease of St Catherine's Hospital to the Trading Company, and it charged £133,923 (2022: £133,931) for the lease of the House of St John's (1 Queen Square).

Also, costs relating to the Trading Company (such as insurance, utilities, repairs and staff time) were recharged to the Trading Company at cost. In 2023, this amounted to £91,770 (2022: £85,409).

At the year end, the Trading Co owed the Charity £1.02m (2022: £772,000). This comprised of £472,908 in respect of rent and recharges (2022: £153,447), uninvoiced rent of £nil held as accrued income by the Charity (2022: £125,000), the loan shown in Note 15 of £475,000 (2022: £475,000) and other sundry amounts owed for recharges and interest accruals of £71,991 (£18,150).

Trustee expenses

During 2023, 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 (2022: £nil).

Expenses paid to the directors of the Trustee in 2023 totalled £1,572 (2022: £211). These expenses were paid to six directors (2022: 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 2022 and 2023. The cost of the policy was £5,285 (2022: £5,285).

Other transactions with related parties are summarised as follows:

Related party	Nature of relationship	Payments made	
		2023 £	2022 £
Bath Business Improvement District	Mr D Hobdey is a Director and Chair	-	6,181
Curo	Mrs H F Bosnell is a Director	-	40,512
Twerton Infant School	Mr D Hobdey is a Governor	39,830	38,820
Mulberry Park Community Benefit Society	Mrs H F Bosnell is a Director	-	2,148
Bath and North East Somerset Third Sector Group	Mr R Driver is a Trustee	1,060	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 £nil (2022: £437) was received in the year, of which £nil (2022: £0) was due at the balance sheet date. The licence to occupy lasted 50 days and Mr Hobdey moved out on 14/01/2022.

In 2023, 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 received during the year, with a balance remaining of £9,340 at 31 December 2023 (2022: £4,340). 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 £nil (2022:£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 (2022: none). No balances were outstanding to or from related parties at the year-end (2022: none).

Notes to the Financial Statements

1. Comparative Consolidated Statement of Financial Activities

	Unrestricted fund £'000	Restricted funds £'000	Endowment fund £'000	Total 2022 £'000
Income and endowments from:				
Charitable activities	814	-	-	814
Investment income	-	7	3,851	3,858
Other trading activities	600	-	-	600
Donations and legacies	70	3	-	73
Transfer to income	3,521	-	(3,521)	-
Total income	5,005	10	330	5,345
Expenditure:				
Expenditure on charitable activities:				
Residential care & support	1,675	19	113	1,807
Funding and impact	1,963	5	-	1,968
Total expenditure on charitable activities	3,638	24	113	3,775
Cost of raising funds	1,759	-	282	2,041
Other expenditure	674	-	-	674
Total expenditure	6,071	24	395	6,490
Net income / (expenditure) before investment (losses) / gains	(1,066)	(14)	(65)	(1,145)
Net gains / (losses) on investments	-	-	(12,961)	(12,961)
Net income	(1,066)	(14)	(13,026)	(14,106)
Transfers between funds	-	-	-	-
Net income and net movement in funds	(1,066)	(14)	(13,026)	(14,106)
Reconciliation of funds:				
Total funds brought forward	3,636	52	122,823	126,511
Total funds carried forward	2,570	38	109,797	112,405

Notes to the Financial Statements

2. Income

2a. Investment income

Consolidated	Unrestricted fund	Restricted fund	Permanent endowment fund	2023	2022
	£'000	£'000	£'000	£'000	£'000
Commercial investment properties	-	-	1,762	1,762	1,849
Residential investment properties	-	-	780	780	804
Property investment income	-	-	2,542	2,542	2,653
Interest received on social investment	-	-	4	4	5
Listed investments	1	8	1,346	1,355	1,200
Interest on cash deposits	-	-	-	-	-
Non-property investment income	1	8	1,350	1,359	1,205
Total	1	8	3,892	3,901	3,858

2b. Donations and legacies including government grants

No government funding or donations from other charitable foundations were received in 2023. In 2022 a general grant was received from another charitable foundation. All other donations were small amounts received through the year.

3. Total expenditure on charitable activities

	Staff costs £'000	Depreciation £'000	Other costs £'000	2023 £'000	2022 £'000
Older adults services	927	158	1,306	2,391	1,808
Funding and impact	572	16	1,987	2,575	1,967
Total	1,499	174	3,293	4,966	3,775

4. Total cost of raising funds

	Staff costs £'000	Depreciation £'000	Other costs £'000	2023 £'000	2022 £'000
Property investment management costs	198	8	797	1,003	1,907
Other investment management costs	-	-	132	132	134
Total	198	8	929	1,135	2,041

Notes to the Financial Statements

5. Other expenditure

	Staff costs £'000	Depreciation £'000	Other costs £'000	2023 £'000	2022 £'000
Trading expenditure	125	55	513	693	674
Total	125	55	513	693	674

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) and such costs are recorded in other expenditure when incurred by the Trading Company. Governance costs are detailed as follows:

	2023 £'000	2022 £'000
Auditor fees (including irrecoverable VAT):		
- for audit services	21	20
Accountancy and other professional services	29	3
Trustee expenses	7	6
Corporation tax payable by trading company	-	-
	57	29

These have been split across activities:

	2023 £'000	2022 £'000
Older adults services	22	8
Funding and impact	22	5
Property operational costs	7	16
Other expenditure	6	-
	57	29

Auditor fees for audit services as stated above include irrecoverable VAT and are dependent upon best estimates of accrued costs. In 2023, actual fees (net of VAT) were £18,800 (2022: £18,700).

7. Funding and impact

	2023 £'000	2022 £'000
Individual funding	157	235
Organisational funding	1,268	1,148
Funding support costs	1,150	585
	2,575	1,968

St John's awarded grants to a number of individuals and organisations in furtherance of its charitable activities. During 2023, a total of 44 (2022: 40) new awards were made to organisations. For awards payable to individuals, the maximum amount payable is usually £1,800 over two years (2022: £1,800 over two 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 £1,268,000 above are shown below.

Project	Organisation	Amount (£)
PEP Emotional & Behavioural Support	Brighter Futures	£250,074
Language for Life Pilot	B&NES Council	£76,702
PEP Oracy Support	HCRG Care Group	£67,654
Roundhill Reading and Writing Support	Roundhill Primary School	£60,100
Castle Primary School Reading and Writing Support	Castle Primary School	£57,000
Early Nurture Service Pilot	Brighter Futures	£51,243
Glasshouse Activity Club	Bath Recreation Limited	£50,000
St Michael's Reading and Writing Support	St Michaels Junior School	£47,600
Debt Caseworkers 2023 - 2026	Citizens Advice	£47,000
St Martin's Garden Reading and Writing Support	St Martin's Garden Primary School	£41,600
Ageing Well - Bath & North East Somerset	Age UK Bath & North East Somerset	£40,000
Twerton Infants Reading and Writing Support	Twerton Infants School	£38,100
St Keyna Reading and Writing Support	St Keyna Primary School	£37,100
Health Improvement Officer - Food Poverty	B&NES Council	£36,548
PEP free school meals and breakfast club provision	Roundhill Primary School	£32,791
PEP free school meals and breakfast club provision	Castle Primary School	£29,682
No Child Should Go Hungry in B&NES 2021-2022	FareShare South West	£15,000
No Child Should Go Hungry in B&NES 2021-2022	FareShare South West	£15,000
Language for Life Pilot	B&NES Council	£29,661
St Mary's Writhlington Reading and Writing Support	St Mary's Primary School Writhlington	£29,080
Trauma Counselling - PEWP	Bright Start Childrens Centre	£24,752
PEP Numeracy Support	White Rose Education	£23,989
Children and Young People's Network	B&NES Council	£23,101
PEP Reading and Writing Support	Ruth Miskin	£22,860
PEP free school meals and breakfast club provision	St Keyna Primary School	£19,513

During the year £19,381 was refunded to the charity being a grant paid out to Developing Health & Independence in 2022 refunded in line with the grant agreement (2022 £nil).

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 £1,268,000 above are shown below.

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Debt Caseworkers 2023 - 2026	Citizens Advice	£47,000
St Martin's Garden Reading and Writing Support	St Martin's Garden Primary School	£41,600
Ageing Well - Bath & North East Somerset	Age UK Bath & North East Somerset	£40,000
Twerton Infants Reading and Writing Support	Twerton Infants School	£38,100
St Keyna Reading and Writing Support	St Keyna Primary School	£37,100
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PEP Reading and Writing Support	Ruth Miskin	£22,860
PEP free school meals and breakfast club provision	St Keyna Primary School	£19,513

During the year £19,381 was refunded to the charity being a grant paid out to Developing Health & Independence in 2022 refunded in line with the grant agreement (2022 £nil).

Notes to the Financial Statements

8. Staff costs and remuneration of key management personnel

	2023 £'000	2022 £'000
Wages and salaries	1,518	1,526
Social security costs	151	156
Pension costs	164	158
Other employee benefits	18	19
Termination and redundancy costs	-	29
Agency staff costs	6	38
	<u>1,857</u>	<u>1,926</u>

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 no terminations of employment in the year (2022: three). 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:

	2023 number	2022 number
Older adults services	14	14
Funding & impact	4	5
Management, administration & other	22	22
Trading activities	3	2
	<u>43</u>	<u>43</u>

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

	2023 number	2022 number
£60,001 - £70,000	2	1
£80,001 - £90,000	-	1
£90,001 - £100,000	2	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
	<u>5</u>	<u>4</u>

St John's considers its key management personnel to comprise the directors of the Trustee and the executive team. The employer pension contributions made in respect of key management personnel to the defined contribution scheme amounted to £30,000 (2022: £29,000).

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 £370,000 (2022: £357,000).

Notes to the Financial Statements

9. Related party transactions and trustees' expenses and remuneration

Transactions between the Charity and the Trading Subsidiary

In 2023, the Charity charged £97,481 (2022: £97,241) for the lease of St Catherine's Hospital to the Trading Company, and it charged £133,923 (2022: £133,931) for the lease of the House of St John's (1 Queen Square).

Also, costs relating to the Trading Company (such as insurance, utilities, repairs and staff time) were recharged to the Trading Company at cost. In 2023, this amounted to £91,770 (2022: £85,409).

At the year end, the Trading Co owed the Charity £1.02m (2022: £772,000). This comprised of £472,908 in respect of rent and recharges (2022: £153,447), uninvoyed rent of £nil held as accrued income by the Charity (2022: £125,000), the loan shown in Note 15 of £475,000 (2022: £475,000) and other sundry amounts owed for recharges and interest accruals of £71,991 (£18,150).

Trustee expenses

During 2023, 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 (2022: £nil).

Expenses paid to the directors of the Trustee in 2023 totalled £1,572 (2022: £211). These expenses were paid to six directors (2022: 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 2022 and 2023. The cost of the policy was £5,285 (2022: £5,285).

Other transactions with related parties are summarised as follows:

Related party	Nature of relationship	Payments made	
		2023 £	2022 £
Bath Business Improvement District	Mr D Hobdey is a Director and Chair	-	6,181
Curo	Mrs H F Bosnell is a Director	-	40,512
Twerton Infant School	Mr D Hobdey is a Governor	39,830	38,820
Mulberry Park Community Benefit Society	Mrs H F Bosnell is a Director	-	2,148
Bath and North East Somerset Third Sector Group	Mr R Driver is a Trustee	1,060	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 £nil (2022: £437) was received in the year, of which £nil (2022: £0) was due at the balance sheet date. The licence to occupy lasted 50 days and Mr Hobdey moved out on 14/01/2022.

In 2023, 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 received during the year, with a balance remaining of £9,340 at 31 December 2023 (2022: £4,340). 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 £nil (2022:£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 (2022: none). No balances were outstanding to or from related parties at the year-end (2022: none).

Notes to the Financial Statements

10. Intangible assets

Consolidated and charity	Consolidated	Charity
	2023	2023
	£'000	£'000
Cost		
At 1 January 2023	140	119
Additions	8	8
Disposals	-	-
At 31 December 2023	<u>148</u>	<u>127</u>
Accumulated amortisation		
At 1 January 2023	101	94
Charge	17	10
Eliminated on disposal	-	-
At 31 December 2023	<u>118</u>	<u>104</u>
Net book value		
At 31 December 2023	<u>30</u>	<u>23</u>
At 31 December 2022	39	25

Notes to the Financial Statements

11. Tangible assets - freehold property

Consolidated	City centre almshouses £'000	Combe Park almshouse £'000	Operational properties £'000	Magdalen chapel £'000	Total £'000
Cost/valuation					
At 1 January 2023	8,926	3,749	2,891	747	16,313
Additions	50	-	-	-	50
Disposals	-	-	-	-	-
At 31 December 2023	8,976	3,749	2,891	747	16,363
Accumulated depreciation					
At 1 January 2023	3,988	332	219	65	4,604
Charge for the year	55	37	30	7	129
At 31 December 2023	4,043	369	249	72	4,733
Net book value					
At 31 December 2023	4,933	3,380	2,642	675	11,630
At 31 December 2022	4,938	3,417	2,672	682	11,709

Charity	City centre almshouses £'000	Combe Park almshouse £'000	Operational properties £'000	Magdalen chapel £'000	Total £'000
Cost/valuation					
At 1 January 2023	8,937	3,749	2,891	747	16,324
Additions	50	-	-	-	50
Disposals	-	-	-	-	-
At 31 December 2023	8,987	3,749	2,891	747	16,374
Accumulated depreciation					
At 1 January 2023	3,987	332	219	65	4,603
Charge for the year	55	37	30	7	129
At 31 December 2023	4,042	369	249	72	4,732
Net book value					
At 31 December 2023	4,945	3,380	2,642	675	11,642
At 31 December 2022	4,950	3,417	2,672	682	11,721

Notes to the Financial Statements

12. Other tangible fixed assets

Consolidated	Office equipment £'000	Fixtures and fittings £'000	Computer systems £'000	Total £'000
Cost				
At 1 January 2023	28	735	63	826
Additions	-	301	16	317
Disposals	-	-	-	-
At 31 December 2023	28	1,036	79	1,143
Accumulated depreciation				
At 1 January 2023	28	461	24	513
Charge for the year	-	80	11	91
Eliminated on disposal	-	-	-	-
At 31 December 2023	28	541	35	604
Net book value				
At 31 December 2023	-	495	44	539
At 31 December 2022	-	274	39	313
Charity	Office equipment £'000	Fixtures and fittings £'000	Computer systems £'000	Total £'000
Cost				
At 1 January 2023	28	502	47	577
Additions	-	287	16	303
Disposals	-	-	-	-
At 31 December 2023	28	789	63	880
Accumulated depreciation				
At 1 January 2023	28	418	19	465
Charge for the year	-	35	7	42
Eliminated on disposal	-	-	-	-
At 31 December 2023	28	453	26	507
Net book value				
At 31 December 2023	-	336	37	373
At 31 December 2022	-	84	28	112

Notes to the Financial Statements

13. Financial and property investments

Consolidated	Investment property £'000	Listed investments £'000	Total £'000
Market value at 1 January 2023	62,798	43,641	106,439
Additions to investments at cost	94	14,733	14,827
Disposal proceeds net of transaction costs	(12,694)	(6,924)	(19,618)
Gains	1,551	1,876	3,427
Movement in cash held by brokers for reinvestment	-	15	15
Market value at 31 December 2023	51,749	53,341	105,090

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 2023. The value of the residential properties is based on the revaluation of the portfolio by Jones Lang LaSalle Limited on a market value basis as at 31 December 2023. In 2022, however, a decision had been made to dispose of three blocks of residential property as investment portfolio assets. The fair value of these assets was 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 and in 2023) 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 was shown as a loss on investment value in the SOFA in 2022. 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. The sale did not occur and the decision was made to sell the properties with vacant possession on a piecemeal basis.

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 2023	50	62,798	43,641	106,489
Additions to investments at cost	-	94	14,733	14,827
Disposal proceeds	-	(12,694)	(6,924)	(19,618)
Gains	-	1,551	1,876	3,427
Movement in cash held by brokers for reinvestment	-	-	15	15
Market value at 31 December 2023	50	51,749	53,341	105,140

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:	2023	2022
	£'000	£'000
Turnover	805	598
Cost of sales	-	-
Gross profit	805	598
Administrative expenses	(57)	(43)
Operational expenses	(759)	(866)
Other income	-	-
Operating (loss)/profit	(11)	(311)
Interest payable	(43)	(24)
(Loss)/profit before tax	(54)	(335)
Taxation	-	-
(Loss)/profit after tax	(54)	(335)

The aggregate of the assets, liabilities and funds as at 31 December was:	2023	2022
	£'000	£'000
Total assets	608	481
Total liabilities	(1,079)	(899)
Shareholders' funds	(471)	(418)

The charity also owns the entire share capital of St John's Hospital Design and Build Ltd, a company incorporated in England and Wales - company registration number 15213021. The share capital of St John's Hospital Design and Build Ltd comprises 1 ordinary share of £1, which is wholly owned by the charity. This company is has not traded and is currently dormant but was established to act as a design and build company for the future construction projects and so may trade in the future.

14. Social investments

Consolidated and charity	2023	2022
	£'000	£'000
Mixed motive investments:		
Receivable in more than one year	68	67
Receivable in less than one year	-	32
	68	99

The mixed motive investment above represents a new loan issued on 1st December 2023 to a single party. This loan replaced two concessionary loans to that same single party drawn down together on 28th October 2015. Each of the loans is 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 (2022: nil), and no amounts that had been approved subject to the agreement of terms (2022: nil).

Notes to the Financial Statements

15. Debtors

	2023 £'000	2022 £'000
Consolidated		
Trade debtors	258	579
Prepayments and accrued income	869	592
Taxation and social security	-	-
Other debtors	7	9
	<u>1,134</u>	<u>1,180</u>
Charity		
Trade debtors	216	441
Prepayments and accrued income	796	573
Other debtors	7	9
Amounts owed by subsidiary	1,040	772
	<u>2,059</u>	<u>1,795</u>

Included within consolidated prepayments and accrued income are lease incentive adjustments of £294,000 (2022: £163,000), of which £257,000 are due in more than one year (2022: £211,000). Within amounts owed by the subsidiary is £475,000 of a loan (2022: £475,000) and £8,000 of interest accruing against this (2022: £0). 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 £140,000 of the loan was due in more than one year. Also included within amounts owed to subsidiary are prepayments and accrued income of £72,000 (2022: £200,000 reclassified from prepayments and accrued income). Offsetting trade debtors is a bad debt provision of £154,000 (2022: £114,000).

Notes to the Financial Statements

16a. Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Consolidated		
Bank overdrafts	2,038	4,465
Loans repayable upon demand	173	202
Trade creditors	370	293
Accruals and deferred income	467	537
Taxation and social security	118	75
Other creditors	118	84
	<u>3,284</u>	<u>5,656</u>
Charity	£'000	£'000
Bank overdrafts	2,038	4,466
Loans repayable upon demand	173	202
Trade creditors	359	199
Accruals and deferred income	469	525
Taxation and social security	124	79
Other creditors	86	63
	<u>3,249</u>	<u>5,534</u>

The bank overdrafts are repayable on demand and reviewed annually and relate to two facilities. One is a facility of up to £3m secured against those investment assets of the Charity managed by Evelyn Partners. These assets were valued at £28.7m at the year end with borrowing against this of £2.038m at 31 December (2022: £2.030m). The second overdraft facility of up to £1.5m was not in use at year end (2022: £2.337m) but was available for use and is secured against investment properties valued at £3.57m as at 31 December 2023. 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 £29,000 (2022: £14,000) representing the amount held as agent for a small unincorporated voluntary organisation called Bath Woman's Fund and £9,360 (2022: £4,000) for Bath Unlimited for which St John's Foundation has agreed to administer funds and act as an agent. The monies in represented grants totalling £10,000 from the local authority less two payments made on behalf of Bath Unlimited, including one to the trading company for room hire. No other amounts were received or paid out in the year in relation to these funds. In the first quarter of 2024, a further £5,000 was received and all monies were paid across to Bath Unlimited and the agency arrangement ceased.

Deferred income movement:

	Charity	Group
	£'000	£'000
Balance at 1 January 2023	365	365
Amount released in the year	(1,981)	(1,789)
Amount deferred in the year	1,916	1,675
Balance at 31 December 2023	<u>300</u>	<u>251</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

	2023	2022
	£'000	£'000
Consolidated and charity		
Loans repayable upon demand	<u>1,560</u>	<u>1,820</u>

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17a. Invested endowment fund

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

Total return investment

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

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

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

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17a. Invested endowment fund (continued)

Consolidated	Permanent endowment fund £'000	Unapplied total return £'000	Total £'000
At 1 January 2022	45,380	64,883	110,263
Movements in the reporting period:			
Investment income	-	3,851	3,851
Realised and unrealised gains	-	(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)	-
	4,765	(17,438)	(12,673)
At 1 January 2023	50,145	47,213	97,358
Movements in the reporting period:			
Investment income	-	3,892	3,892
Realised and unrealised losses	-	3,430	3,430
Less: property operational and investment management costs	-	(187)	(187)
Total return for the year	-	7,135	7,135
Unapplied total return allocated to income	-	(4,500)	(4,500)
CPI uplift	2,006	(2,006)	-
	2,006	629	2,635
At 31 December 2023	52,151	47,842	99,993

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

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Notes to the Financial Statements

17a. Invested endowment fund (continued)

Charity	Permanent endowment fund £'000	Unapplied total return £'000	Total £'000
At 1 January 2022	45,380	65,088	110,468
Movements in the reporting period:			
Investment income	-	4,083	4,083
Realised and unrealised gains	-	(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)	-
	4,765	(17,438)	(12,673)
At 1 January 2023	50,145	47,650	97,795
Movements in the reporting period:			
Investment income	-	3,999	3,999
Realised and unrealised losses	-	3,428	3,428
Less: property operational and investment management costs	-	(187)	(187)
Total return for the year	-	7,240	7,240
Unapplied total return allocated to income	-	(4,500)	(4,500)
CPI uplift	2,006	(2,006)	-
	2,006	734	2,740
At 31 December 2023	52,151	48,384	100,535

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 £1.873m (2022: £1.924m) 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	2023 £'000	2022 £'000
Balance brought forward	12,306	12,420
(Deficit)	(114)	(114)
Transfers	-	-
Balance carried forward	<u>12,192</u>	<u>12,306</u>

18. Roxburgh endowment fund

Consolidated and charity	2023 £'000	2022 £'000
Balance brought forward	132	140
Valuation (losses)	(3)	(8)
Balance carried forward	<u>129</u>	<u>132</u>

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

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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.

	2023	2022
	£'000	£'000
Consolidated		
Operating result	(4,665)	(4,586)
Total return transfer from permanent endowment fund	4,500	3,521
Transfer of functionally endowed asset additions	-	-
Net movement in the year	<u>(165)</u>	<u>(1,065)</u>
Balance brought forward	2,571	3,636
Balance carried forward	<u>2,406</u>	<u>2,571</u>
Charity		
Operating result	(4,716)	(4,478)
Total return transfer from permanent endowment fund	4,500	3,521
Transfer of functionally endowed asset additions	-	-
Net movement in the year	<u>(216)</u>	<u>(957)</u>
Balance brought forward	2,618	3,575
Balance carried forward	<u>2,402</u>	<u>2,618</u>

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20. Restricted funds

Consolidated and charity (as at 31 December 2023)	Joseph Matthews Foundation £'000	Roxburgh £'000	Feeding Britain £'000	Various funds £'000	Total £'000
Balance brought forward	23	14	1	-	38
Income	-	8	1	26	35
Expenditure	(13)	(4)	(1)	(26)	(44)
Balance carried forward	10	18	1	-	29

Consolidated and charity (as at 31 December 2022)	Joseph Matthews Foundation £'000	Roxburgh £'000	Feeding Britain £'000	Infection Control Fund £'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

Roxburgh

The restricted fund for Roxburgh relates to net income received from the Roxburgh endowment (see Note 18 above)

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.

Various Funds

During the year the charity received donations for specific resident meals and activities which were spent in year. These totalled less than £1,000. Bath & North East Somerset Council also paid £25,000 towards a Big Education project which was also spent in year.

21. Transfers

	Endowment fund £'000	Unrestricted fund £'000
Transfer of unapplied total return to income	(4,500)	4,500

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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 2023	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	10,319	-	-	1,850	12,169
Intangible fixed assets	-	-	-	-	30	30
Investments	99,925	-	129	-	5,035	105,090
Social investments	68	-	-	-	-	68
Cash and bank balances	-	1,873	-	29	(800)	1,102
Other current assets and liabilities	-	-	-	-	(3,710)	(3,710)
	99,993	12,192	129	29	2,406	114,749

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 balances	-	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

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23. Charitable and capital commitment

Capital expenditure commitments:	2023	2022
	£'000	£'000
Legal commitment to build almshouses	1,873	1,924
	<u>1,873</u>	<u>1,924</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:

	2023	2022
	£'000	£'000
Within one year	1,377	1,882
Between one and five years	3,229	5,109
After five years	12,265	11,772

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:

	2023	2022
	£'000	£'000
Within one year	34	34
Between one and five years	5	39

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

Within one year	1,164	1,021
Between one and five years	50	50

24. Pensions

The charity operates a defined contribution scheme for the benefit of the employees. During the year £149,000 (2022: £143,000) was payable into the defined contribution scheme. The amount due at the year end was £18,000 (2022: £17,000). Included within 'pension costs' in note 8 are pension scheme management fees payable of £14,000 (2022: £14,000).