



ST JOHN'S
FOUNDATION EST. 1174

2021

Annual Report

And consolidated financial statements for the
year ended 31 December 2021

01225 486400 | stjohnsbath.org.uk | 4-5 Chapel Court, Bath

REGISTERED CHARITY 201476

PATRON: HRH THE DUCHESS OF CORNWALL

CONTENTS

Trustees' annual report	Page 3
Independent auditor's report	Page 44
Consolidated statement of financial activities	Page 48
Consolidated balance sheet	Page 49
Charity balance sheet	Page 50
Consolidated statement of cashflows	Page 51
Notes to the financial statements	Page 52

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 2021. This report is prepared in line with the Charities Act 2011 and SORP (FRS 102).

Founded in the 12th century, St John's is one of the UK's oldest charities. The objects of the Charity being the provision of almshouse accommodation and the relief of those who are in need by reason of age, ill-health, disability, financial hardship or other disadvantage within Bath and the surrounding area.

With 847 years of caring for those in crisis, St John's Foundation has amassed an extraordinary amount of 'resource' comprising knowledge, expertise, funding, together with the sheer length of time St John's has been in operation as a successful charity. Working closely with partner organisations and charities based in Bath and the surrounding area, every aspect of St John's delivered work is built upon its values of trust, kindness and courage and inspired by its purpose: To change lives. For good.

Over the centuries, St John's has developed an investment portfolio. This financial independence enables the Charity to act as a neutral partner, to advocate for the organisations it supports, and the ability to continually adapt and respond accordingly.

Delivering its charitable objects while ensuring maximum public benefits was imperative when shaping its ten-year strategy. The Trustees have therefore given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011 in setting the strategy, in agreeing the aims and objectives of the Charity, in setting future plans, and in determining its funding awards policy. The main activities undertaken to further their purpose for the public benefit are set out on the pages that follow.



At the beginning of 2020, after carrying out extensive research to identify key issues affecting society, St John's launched its Foundation Fund as part of its ambitious ten-year strategy. The Foundation Fund focuses on supporting disadvantaged children from birth to twelve years old, together with families; this initiative sits alongside the Charity's almshouse provision and older adults service.

For the first time in history, adults aged 60 and over are the fastest-growing group in our population. This changes both society's demographic and lifestyle expectations, with many of these older adults living on their own. In days gone by, an ageing parent may have looked to their children for support in later life but now, with the localised extended family network more of a rarity, this is far less likely to be the case.

Research has shown that access to support services, together with a varied social life and participation in a thriving community all help older adults maintain an independent lifestyle. In addition, an active mind is as important as an active body with studies showing that you can boost your immune system and delay the onset of conditions such as depression and dementia just by keeping your brain engaged and stimulated.

Unfortunately, older people, particularly those with physical and financial limitations, often find it challenging to stay connected within their community. This may be because of lack of transportation, health conditions that limit mobility, and friends and loved ones living at a distance or moving away. Each of these can be difficult to overcome for an adult living on their own and the challenges may be exacerbated by financial hardship.

St John's recognises that many older adults in their region are facing these challenges and, as part of its service provision, the Charity does all it can to address these challenges. The Community Outreach Service was already offering a range of physical, social and mental stimulation activities. However, the Charity acknowledged the service was not reaching as many older adults as it could be. As part of a strategic change St John's brought together the Community Outreach Service, Independent Living Service, Chaplaincy and almshouse provision into a single unified 'Good Living Service'.

The Good Living Service, which launched in September 2021, was a bold move as it meant both significant restructuring within the Charity and, also, a move away from the paternalistic approach that St John's had previously adopted, to the establishment of a proactive community. With less than five percent of their almshouse tenants in receipt of regulated personal care, the Charity took the decision to de-register from the Care Quality Commission as the bureaucratic burden of work involved in maintaining the registration was disproportionate to the needs of only a small number of people; instead, the Good Living Service is now on hand to signpost residents to approved providers, and as necessary, to external organisations providing an out of hours call service.

The Good Living Service worked with the residents and beneficiaries to ensure any concerns or doubts were resolved during the transition, and the service is going from strength to strength; this is borne out with attendee numbers at activities soaring and, also, further buy-in and interaction from the almshouse residents who had previously been reluctant to get involved.



PLANS FOR THE FUTURE

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

- Continuing to enable older adults to live well, courtesy of the Good Living Service
- Focusing on building communities where every child under 12 is supported to grow into a healthy, happy and educated member of the community
- Continuing to provide funding for individuals in crisis

This will be through expanding the work commenced in the first two years of the strategy (see Performance detailed below) and through new initiatives not yet determined. St John's considers that to maximise impact, the Charity needs to be agile in understanding and best meeting needs. St John's understands the value of collaboration, research, market intelligence and objective assessment of performance and impact. Learning from these will ensure that future activities are evolved to best deliver the above aims and shape future plans through continuous improvement in charitable delivery.



OUR PERFORMANCE

The Foundation Fund

February 2020 saw the creation of the Foundation Fund, developed with the specific aim of narrowing the Attainment Gap for Key Stage 2 children living in Bath and North East Somerset. Since the launch of the fund programmes have been funded that best support children aged 0 to 12 years old and their families.

Early Years

Language for Life – In July 2021, St John’s Foundation collaborated with HCRG Care Group (formerly Virgin Care) and BaNES Council, to launch the Language for Life project. This project focuses on supporting pre-school children to reach their age-related expectations in communication and language development before they transition into primary school settings in Bath and Keynsham.

Language for Life offers a refreshed, area-specific early years approach to speech and language development. With the support of a newly appointed lead Speech and Language Therapist, Early Years practitioners are offered the opportunity to adopt the Wellcomm communications and language toolkit; an evidence-based assessment and intervention programme designed for use by Early Years practitioners with no additional specialist skills required.

Perinatal Emotional Wellbeing Partnership (PEWP) – Initially funded by the local Clinical Commissioning Group (CCG), the Bath and North East Somerset Perinatal Emotional Wellbeing Partnership (PEWP) supports the mental health of mothers in the period immediately before and after the birth of their children. The PEWP brings together NHS midwives, HCRG Care health visitors, BaNES children’s centres and several local charities to support new mothers experiencing mild-to-moderate mental health needs, through a range of one-to-one and group-based interventions.

St John’s awarded match-funding alongside the CCG to fund three organisations to deliver services as part of the PEWP. These services were Bluebell Care, Bright Start and Open Space. Combined, these services support approximately 75 beneficiaries per year.

Nutritious Food

Over £100,000 was awarded to projects that provide access to affordable food and wider support in our community. These included:

- Bath and North East Somerset Council – funding for the role of Public Health Officer in relation to food insecurity.
- Bath and North East Somerset Council – supporting the local authority to carry out bi-annual Health and Wellbeing Surveys across all local primary and secondary schools
- FareShare South West – supplying nutritious food to many affordable food projects run by charities across Bath and North East Somerset
- Oasis Hub – start-up costs for a pantry project in Southdown, co-funded with Feeding Britain
- Schools – funding to support breakfast club provision for schools accessing our Primary Empowerment Programme

St John's granted up to £3,000 each to local charities, as part of the Summer Holiday Activities Fund. These charities included Bath City FC Foundation, Family Action, First Steps, Julian House, Oasis Hub, Off the Record, PCC of Peasedown St John, Southside, Sporting Family Change, VOICES and Young Bristol. This fund was specifically for positive activities for children aged 12 and under, and their families over the school summer holidays.

Primary Empowerment Programme

Throughout 2021, the Foundation Fund engaged with seven local primary schools that have 40% of the most disadvantaged primary school children in Bath and North East Somerset to provide these pupils with additional support with foundational reading, writing, oracy, and mathematics, as well as emotional and behavioural support.

£820,841 was released to fund six delivery partners to support the seven schools under the strands of oracy; reading and writing; numeracy and emotional and behavioural support. The schools themselves have also received funding to directly support their reading and writing work.

The Primary Empowerment Schools are:

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

The schools received a further £7,000 each at the beginning of 2021 to support them through the Covid-19 pandemic. They were encouraged to use this funding to support activities the children would have otherwise missed out on. These funds were used to supply reading books, swimming lessons and a school dog.

Crisis Programme

By the close of 2021, St John's had awarded direct financial support to 887 families and individuals who experienced a point of crisis in their lives. This support amounted to £253,663.

Significant challenges posed by the pandemic and the ever-rising cost of living, saw the demand for St John's Crisis Programme continue throughout 2021. Expenses such as funeral costs, debt relief orders, bankruptcy fees and counselling saw a significant rise throughout the year as the pandemic showed no signs of abating. St John's continued to use a high proportion of the Crisis Programme budget on essential needs such as carpets, white goods and furniture for new tenants.

Given the challenges posed by the pandemic and the ever-rising cost of living, it is anticipated the demand for crisis support will remain steady through 2022 and increase once Bath and North East Somerset Council's Welfare Support budget reverts to pre-pandemic levels in April 2023.

Curo tenant applications account for 65% of the annual crisis budget. A working group has been set up with Curo, Welfare Support and St John's to create joint approaches to support Curo's vulnerable tenants, and to identify ways in which Curo's longer-term reliance on crisis support options can be reduced.

Crisis Projects Fund

A total of £53,445 was awarded in support of 6 charitable projects which align closely with the aims of the Crisis Programme:

Citizens Advice	Match funding with Wessex Water the roles of two Debt Caseworkers	£30,000
VOICES	Supporting the domestic violence Charity relocate into a new Safe Space Centre, which they will cohabit with SARSAS	£10,000
Salvation Army	Fitting out the communal spaces of a new Women's Safe House, which supports victims of human trafficking.	£5,000
Bath Welcomes Refugees	Cost associated with resettling Afghan refugee families across Bath and North East Somerset	£5,000
Nest Project	Purchasing equipment for families which is either rarely donated or not donated in good quality	£1,945
1st Impressions	Start up costs for a newly formed CIC supporting vulnerable women to find employment	£1,500

These projects either provide direct support to individuals and families before their situations reach crisis point, or can provide goods and services in more efficient and/or cost-effective ways than the Foundation Fund team.

Citizens Advice and VOICES have been awarded multi-year commitments of funding. Final funds for these two projects will be released in 2022, subject to the satisfactory completion of monitoring reports. All other awards were one-offs, although St John's will remain in close contact with the organisations and monitor the impact of the awards.

Organisation and Core Funding Programmes

In 2021 £311,936 was released to support 16 multi-year projects, through the St John's legacy Organisation and Core Funding Programmes. These were the final instalments; monitoring of these projects will continue.

Trading

These consolidated financial statements include the results of the trading subsidiary, which is an investment for the Charity. It was established with a view to generating profits which could be gifted to the Charity and used to fund the charitable objectives.

Since 2019, the trading company has operated ten high quality holiday apartments at St Catherine's Hospital (a former almshouse leased at market rent to the subsidiary). In 2021, work finished on the trading company's second commercial venture, the House of St John's at 1 Queen Square. This is also leased at market rent from the Charity.

The building has been thoughtfully refurbished and now hosts a variety of private offices; flexible and dedicated desks; meeting rooms and a stylish event space. This is workspace powered by social purpose. Its unique selling point is that St John's Foundation is its charity partner and profits from the new venture are to be gifted to the Charity to fund positive societal change.



STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal structure

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

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

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

St John's Hospital
Trustee Limited

COMPANY

Board of Directors
(‘the Trustees’)

St John's
Foundation Est. 1174

CHARITY

St John's Hospital
Trading Company
Limited

TRADING COMPANY

GOVERNANCE

The Charity Governance Code

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



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

The Board

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

Decision-making

The Board held four formal meetings and two development days during 2021 to determine strategy, approve financial plans and consider key policies. The Board has delegated authority for certain decisions to committees, which are made up of Trustees with relevant experience and/or qualifications. Professional advisors attend these committees when necessary to add their insight.

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



COMMITTEES

Committee

Purpose

Audit and Risk Committee (ARC)

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

Investment Committee (INV)

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

Remuneration & Nominations Committee (REM)

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

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

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

Remuneration of the Executive Team

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

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



Trustee recruitment and training

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

Once appointed new Trustees are provided with training through an induction pack. This includes a Trustee handbook which is reviewed and updated regularly and shared with all Trustees. Further training may be offered where needs are identified and throughout the year the Charity aims to update Trustees using seminars and briefings. In 2021, there were no face-to-face training courses but details of virtual events such as webinars were shared with Trustees. A formal training schedule will resume in 2022 and opportunities for continued professional development will be offered on a voluntary basis to the board

Fundraising

During 2021, the Charity received zero complaints with regards to fundraising practices (2020: zero)

The Charity does not actively fund raise but sometimes generates funds from the public through events where the primary purpose is not fund-raising but awareness raising. It is anticipated that in 2022, some employees and members of the public will be seeking sponsorship for events to raise funds for St John's Foundation. This will be via donation pages, such as Just Giving and due to the nature of these events no pressure is put on individuals to donate and 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, but the Trading Company will be operated as a social enterprise to raise funds for the Charity in 2022 and in future years.

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





Legal and Administrative Information

Registered office: 4/5 Chapel Court, Bath, BA1 1SQ
Telephone: 01225 486400
Email: info@stjohnsbath.org.uk
Website: www.stjohnsbath.org.uk
Charity reference: 201476

OUR DIRECTORS

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

	FAR	INV	REM	
Ben Fletcher (Chair)			●	
Ashley Ayre	●			
Jamal Benmiloud				from: 27 May 2021
Harriet Bosnell	●		●	
Moira Brennan	●		●	
Richard Brown		●		
Rev Roger Driver	●			from: 16 April 2021
Jeffrey Hayes		●		from: 31 March 2021
Nicholas Hunt		●		
John Lakin				from: 27 May 2021
Karen MacGregor	●			
Ian MacKenzie		●		until: 24 June 2021
David Purdon	●			until: 24 June 2021
Ken Scott		●		
Carole Stott				from: 26 May 2021

● Committee Chair ● Committee Member



OUR DIRECTORS

Directors of St John's Hospital Trading Company Ltd.

Ashley Ayre	A Trustee of the Charity	
Caroline Bee	A Director of the Charity	
Jamal Benmiloud	A Trustee of the Charity	(from 24 June 2021)
Moira Brennan	A Trustee of the Charity	(from 24 June 2021)
Louise Harvey	A Director of the Charity	
David Hobdey	Chief Executive of the Charity	
Karen Macgregor	A Trustee of the Charity	
David Purdon	A Trustee of the Charity	(from 24 June 2021)
Ken Scott	A Trustee of the Charity	

Executive Team

David Hobdey	Chief Executive
Louise Harvey	Director of Funding and Impact
Caroline Bee	Director of Finance

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

OUR PROFESSIONAL ADVISORS

External Auditor:

Crowe U.K. LLP 4th Floor, St James House, St James' Square, Cheltenham, GL50 3PR

Bankers:

Handelsbanken Plc 7 Henry St, Bath, BA1 1JR

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

Solicitors:

Thrings LLP 2 Queen Square, Bath, BA1 2HQ

Stone King LLP 13 Queen Square, Bath, BA1 2HJ

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

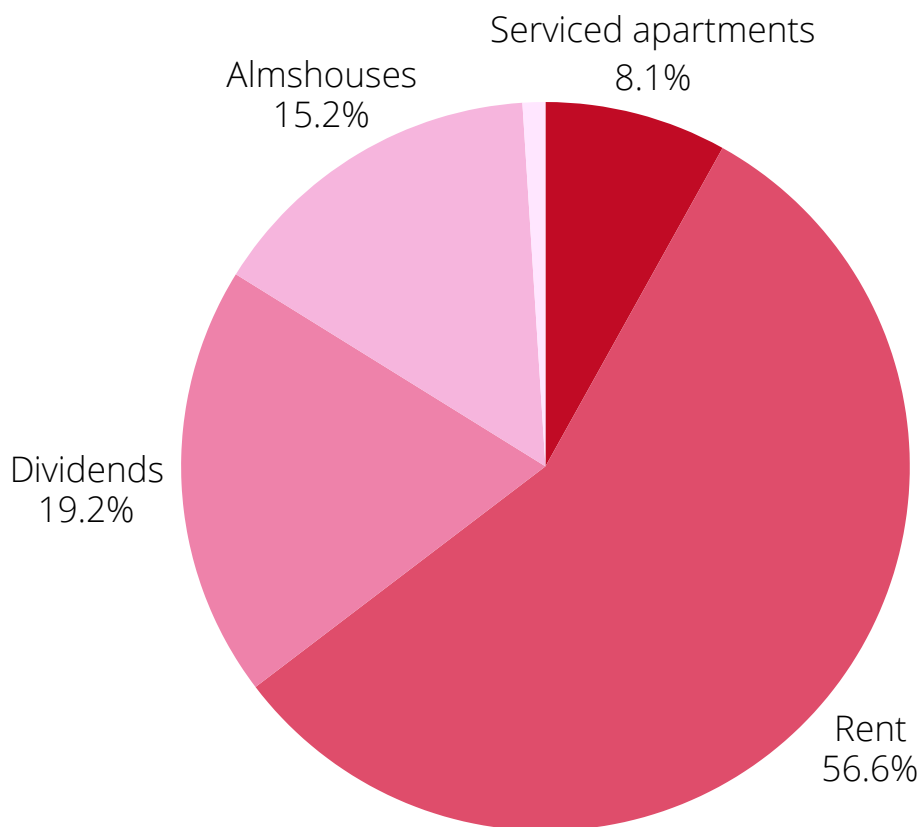
Philip Jennings Suite 1, 25 The Tynning, Widcombe, Bath, BA2 6AL

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

FINANCIAL REVIEW



Our income in 2021 (£'000s)



The consolidated income for 2021 was £5.3m, which is £142k higher than the previous year (£5.2m). This largely reflects a recovery in trading income which was 98% higher in 2021 (£419k) than 2020 (£211k). There were fewer government restrictions and lockdowns in 2021 which enabled the Trading Company to let the holiday apartments for more of the year. International tourism levels remained low but demand by UK residents was higher than in previous years.

Donations and legacies

A donation of £40k was received in year from the Joseph Matthews Foundation to support community outreach activities for those in Bath over 75 years of age.

Investment income

Investment income in 2021 was £4.0m. This is only £54k lower than in 2020 but reflects a fall in property income of 6% (204k) year on year which has been offset by an increase in dividend income on listed investments of 18% (£154k) compared to 2020. This followed the reinvestment of property disposal proceeds from 2020 into a new investment fund managed by investment managers, Cazenove. Residential rental income has grown in year reflecting market growth in rents but conversely, the market rebasing of retail rents contributed to a fall in commercial rental income during 2021. The average number of vacant units held was higher in 2021 although an improvement in market interest was felt and by year end, most vacant unit being marketed were under offer.

Trading activities

The Trading Company saw a recovery in income compared to 2020 when the serviced apartments at St Catherine's Hospital had been closed for long intervals during 2020 in line with government instructions. There were fewer periods of closure in 2021 and advantage was taken of pent-up demand for holiday lets.

Almshouse Income

Income from charitable activities, which includes income from almshouses and residential care, decreased by £7k (1%) in 2021 from 2020. There was a fall in care income following the deregulation with the Care Quality Commission (CQC) and cessation of personal care in 2021. Also, as in 2020, there were slightly higher levels of vacancies than usual because assessing potential residents and moving continued to remain difficult due to the pandemic.

Expenditure

Total expenditure in 2021 was £6.4m (2020: £5.7m).

After consolidation adjustments, costs for the Trading Company were £401k in 2021 (2020: £147k) – the increase being due to setting up the House of St John's.

Across the group, the costs of property related repairs rose by 21% (£127k) compared to 2020 across the estate. To an extent this reflected delays in works from 2020 (when the risk of Covid limited access to homes) to 2021 and an increased turnover in tenants at the residential properties post pandemic. The condition of the property assets is important. Short- and long-term maintenance plans are in place to ensure that all properties are well maintained, and the cost of repairs will fluctuate year on year.

Utility costs also rose sharply by £42k compared to 2020. This was influenced by the number of vacant investment properties but also the Trading Company taking on 1 Queen Square as the House from October 2021 and associated property costs including business rates.

The return of activity in the rental market for both residential and commercial property compared to a very subdued 2020, also lead to an increase in professional fees with legal and agency costs in relation to new leases rising significantly in year (rising £136k compared to 2020). Professional fees were also incurred on obtaining advice over transactions between the charity and the trading company in letting 1 Queen Square and setting up a formal loan agreement and in undertaking a strategic review of the property portfolio.

Offsetting property related costs was a decrease in staffing costs due to vacancies in year and a restructuring of both the maintenance and Good Living teams.

The introduction of a new investment portfolio and new investment manager, and the increase in capital value of the managed portfolios, led to an increase in investment management costs in year of £191k. This was, however, be offset by higher levels of investment returns from listed investments.

Expenditure on charitable activities rose by 5% (£194k) compared to 2020. The Foundation Fund grew with details of this being described in detail above.

Volunteers

The Charity can support many people in Bath and North East Somerset with the valued help of its volunteers who work with our Older Adults Service. We are therefore incredibly grateful for the time and effort of our volunteers who make an important impact across the year even though the financial benefit of volunteers is relatively small (so cannot be shown in these statements)

Annual Deficit

Overall, the operating deficit for 2021 was £1.046m (2020: £548k) before gains and losses on investments. This was smaller than the deficit planned for the year with the budget for the year perhaps being over cautious in relation to the on-going impact of the pandemic in 2021. This included assumptions on investment income from property and the cost of legal and professional support that would be required in year.

Valuation gains on both listed investments and the property portfolio have created a positive net movement in funds of £5.6m compared to a negative net return of £10.7m in 2020.

TOTAL RETURN

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

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

Calculating our inflation +4% target:

·The Board recognises that market volatility could cause the value of its investments to fluctuate each year. However, given the Charity's overall financial strength, the longer-term view is more important. The target is therefore measured as an average over a rolling five-year period.

·Investment management costs, like fees charged by investment managers, are deducted within the calculation. This means that the whole CPI+4% return is available to support charitable activities.

Why CPI +4%?

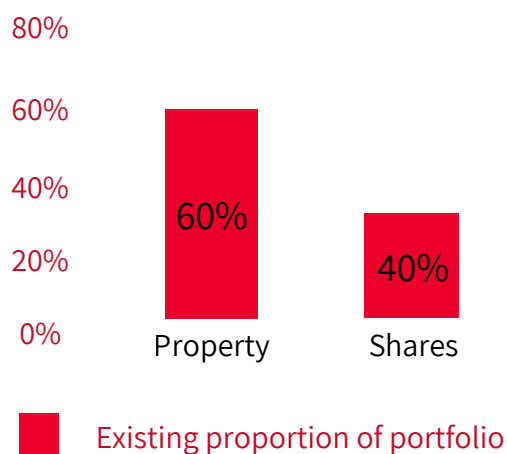
CPI (the Consumer Prices Index) is a measure of inflation. The use of an appropriate measure of inflation is important. The Retail Prices Index (RPI) has historically been used by the Charity but following careful consideration, the Trustees agreed to move to CPI from 1 January 2021. By ensuring the 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 £2,325k for CPI (2020: £510k for RPI).

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 2021 £2.8m of unapplied total return was allocated to income (2020: £4.6m).

INVESTMENTS

At the year end, the Charity held £119.2m of investments (2020: £105.6m). Of this, £70.2m (60%) was property in Bath (2020: £67.7m / 64%). 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 in order 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.



Current allocation of assets



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



INVESTMENT POLICY

A few notes on our Investment Policy:

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

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

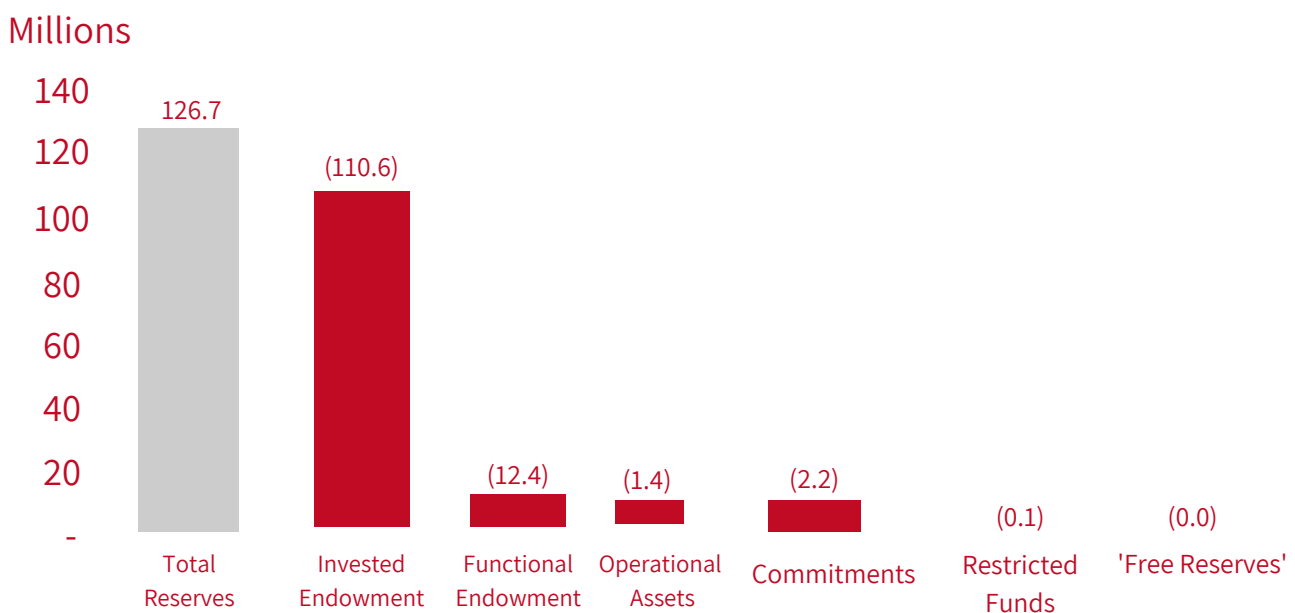
The Trustees do not impose any strict exclusion criteria in relation to the investment values (though appointee investment managers may themselves have their own baseline exclusions), but the investment values should provide a guiding context for investment decision making as they are important to the 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 Trustee on their performance against the UN PRI.
- Investment managers are required to report to the Trustee on any baseline level of investment exclusions applied by them to the Charity's portfolios and the Trustee is 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 Trustee 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 Trustee acknowledges that this reporting will be emergent but expects it to become more mature over time to enable the Trustee 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 Trustee on a quarterly basis any conduct breach of the UN Global Compact by companies within our investment portfolio.
- Individual investments may be excluded if seen to be in conflict with the investment values.

RESERVES

The majority of the Charity's reserves are held as investments. The income from these investments is needed to support today's beneficiaries, as well as future generations. The Trustees therefore protect a significant proportion of reserves for future use. At the end of 2021, total reserves were £126.7m (2020: £121.0m).



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

As shown in the calculation above, not all of 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 £1.4m (2020: £1.4m)
- Designated funds set aside to repair the almshouses of £nil (2020: £0.8m)
- Committed awards or building contracts, not included as a liability in the accounts of £2.2m (except those already excluded from unrestricted funds through the functional endowment) (2020: £0.7m)

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, 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 considered to be 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.

RISKS

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 at least 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:



RISKS

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 impact. 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. 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.

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 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 23 June 2022 and signed on its behalf by:

Moira Brennan (Director)

Harriet Bosnell (Director)

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 2020 which comprise Consolidated statement of financial activities, Consolidated Balance sheet, Charity Balance sheet, Consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

Use of our report

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

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

20 July 2022

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 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted fund £'000	Restricted funds £'000	Endowment fund £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:						
Charitable activities		849	-	-	849	856
Investment income	2a	-	7	4,020	4,027	4,080
Other trading activities		419	-	-	419	211
Donations and legacies	2b	-	43	-	43	49
Transfer to income	17a/22	2,762	-	(2,762)	-	-
Total income		4,030	50	1,258	5,338	5,196
Expenditure:						
Expenditure on charitable activities:						
Older adults services:		1,867	3	113	1,983	1,850
Funding and impact	7	2,335	5	-	2,340	1,987
Community outreach		-	-	-	-	292
Total expenditure on charitable activities	3	4,202	8	113	4,323	4,129
Cost of raising funds	4	1,368	-	297	1,665	1,474
Other expenditure	5	396	-	-	396	141
Total expenditure		5,966	8	410	6,384	5,744
Net (expenditure) / income before investment (losses) / gains		(1,936)	42	848	(1,046)	(548)
Net gains / (losses) on investments	13	-	-	6,595	6,595	(10,163)
Net (expenditure) / income		(1,936)	42	7,443	5,549	(10,711)
Transfers between funds	22	(14)	-	14	-	-
Net (expenditure)/ income & net movement in funds		(1,950)	42	7,457	5,549	(10,711)
Reconciliation of funds:						
Total funds brought forward	23	5,586	10	115,366	120,962	131,673
Total funds carried forward	23	3,636	52	122,823	126,511	120,962

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

St John's Foundation Est. 1174
As at 31 December 2021

CONSOLIDATED BALANCE SHEET

	Note	2021 £'000	2020 £'000
Fixed Assets			
Intangible assets	10	54	32
Tangible assets – freehold property	11	11,839	11,953
Other tangible fixed assets	12	277	105
Investments:			
Financial and property investments	13	119,186	105,551
Social investments	14	99	133
		131,455	117,774
Current Assets			
Social investments	14	32	30
Debtors	15	957	4,177
Cash at bank and in hand		105	3,168
		1,094	7,375
Creditors: amounts falling due within one year	16a	(4,200)	(2,330)
Net current (liabilities) / assets		(3,106)	5,045
Total assets less current liabilities		128,349	122,819
Creditors: amounts falling due after more than one year	16b	(1,838)	(1,857)
Total net assets		126,511	120,962
Group reserves			
Invested endowment fund	17a	110,263	102,723
Functional endowment fund	17b	12,420	12,520
Roxburgh endowment fund	18	140	123
Designated funds	19	-	-
Unrestricted general fund	20	3,636	5,586
Restricted funds	21	52	10
		126,511	120,962

The notes on pages 48 to 77 form part of these financial statements. These financial statements were approved and authorised for issue by the Trustee at the meeting held on 23 June 2022 and were signed on its behalf by:

Moira Brennan (Director)

Harriet Bosnell (Director)

St John's Foundation Est. 1174
As at 31 December 2021

CHARITY BALANCE SHEET

	Note	2021 £'000	2020 £'000
Fixed Assets			
Intangible assets	10	34	32
Tangible assets – freehold property	11	11,850	11,964
Other tangible assets	12	77	105
Investments:			
Financial and property investments	13	119,236	105,601
Social investments	14	99	133
		131,296	117,835
Current Assets			
Social investments	14	32	30
Debtors	15	1,139	4,238
Cash at bank and in hand		3	3,017
		1,174	7,285
Creditors: amounts falling due within one year	16a	(3,977)	(2,288)
Net current (liabilities) / assets		(2,803)	4,997
Total assets less current liabilities		128,493	122,832
Creditors: amounts falling due after more than one year	16b	(1,838)	(1,857)
Total net assets		126,655	120,975
Charity reserves			
Invested endowment fund	17a	110,468	102,797
Functional endowment fund	17b	12,420	12,520
Roxburgh endowment fund	18	140	123
Designated funds	19	-	-
Unrestricted general fund	20	3,575	5,525
Restricted funds	21	52	10
		126,655	120,975

The notes on pages 48 to 77 form part of these financial statements. These financial statements were approved and authorised for issue by the Trustee at the meeting held on 23 June 2022 and were signed on its behalf by:

Moira Brennan (Director)

Harriet Bosnell (Director)

St John's Foundation Est. 1174
Year ended 31 December 2021

CONSOLIDATED STATEMENT OF CASH FLOWS

	2021	2020
	£'000	£'000
Cash flows used by operating activities (note A)	(776)	(7,087)
Cash flows from financing activity		
Cash inflows from new borrowings	1,592	648
Repayments of borrowings	(333)	(291)
Net cash provided by financing activity	<u>1,259</u>	<u>357</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	4,027	4,080
Costs of generating funds paid by endowment capital	(297)	(212)
Improvements to investment properties	(846)	(2,134)
Movement of cash held by brokers to investments	(139)	(111)
Purchase of investments	(13,337)	(3,768)
Proceeds from the sale of investments	7,282	9,476
Social investments repaid	32	30
Purchase of property, plant and equipment	(225)	(105)
Adjustment to cost of intangible additions due to VAT recovery	-	3
Purchase of intangible assets	(43)	-
Net cash (expended by) / provided by investing activity	<u>(3,546)</u>	<u>7,259</u>
Net (decrease) / increase in cash and cash equivalents	<u>(3,063)</u>	<u>529</u>
Change in cash and cash equivalents in the year	(3,063)	529
Cash and cash equivalents at the beginning of the year	3,168	2,639
Cash and cash equivalents at the end of the reporting period (note B)	<u>105</u>	<u>3,168</u>

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

	2021	2020
	£'000	£'000
Net income / (expenditure) for the year (per Statement of Financial Activities)	5,549	(10,711)
Depreciation and amortisation charges	191	176
Disposal of operational assets	-	76
(Gain)/Loss on investments	(6,598)	10,163
Dividends, interest and rents from investments	(4,027)	(4,080)
(Increase)/Decrease in debtors	3,220	(3,293)
Increase in creditors	592	370
Cost of generating funds from endowed capital	297	212
Cash outflow from operating activities	<u>(776)</u>	<u>(7,087)</u>

NOTE B: Analysis of cash and cash equivalents

	At start of year	Cash-flows	At end of year
	£'000	£'000	£'000
Cash	3,168	(3,063)	105
Overdraft	(1,015)	(1,592)	(2,607)
Total	<u>2,153</u>	<u>(4,655)</u>	<u>(2,502)</u>

St John's Foundation Est. 1174

Year ended 31 December 2021

Notes to the Financial Statements

Principal Accounting Policies

Consolidation

The group financial statements consolidate the financial statements of the charity and its wholly owned subsidiary, St John's Trading Company Ltd ('the subsidiary') for the year ended 31 December 2021. The results of the subsidiary for the year are set out in note 13. The group will be referred to as 'St John's' or 'the charity' throughout these financial statements. All intergroup sales and profits have been eliminated upon consolidation. The Mayor of Bath's Relief Fund (Charity ref. 204649) has not been consolidated as, in line with the exemption granted by the Companies Act 2006, its inclusion is not material for the purpose of giving a true and fair view. The appropriateness of this treatment is reviewed annually.

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('FRS102 SORP') and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS102')(effective 1st January 2019) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

St. John's Foundation Est. 1174 constitutes a public benefit entity as defined by FRS102 and is an unincorporated Charity; its subsidiary is a limited company. The functional currency of the Group is sterling. The registered address of both the Charity and its subsidiary is 4/5 Chapel Court, Bath, BA1 1SQ. The country of incorporation for the subsidiary is the United Kingdom.

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

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

Notes to the Financial Statements

Principal Accounting Policies (continued)

Assessment of going concern

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

The charity considers that it has adequate resources to continue in operational existence for the foreseeable future and has adopted the going concern assumption in preparing these financial statements.

Income recognition

Income is recognised when the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. Dividend income is recognised when the dividend has been declared. Interest on capital is recognised when receivable and the amount can be measured reliably. This is upon notification by our investment advisors or the bank of the dividend or interest yield.

Rental income, from investment properties, is recognised over the term of the lease with any lease incentives spread evenly over the lease term. Particular attention has been given this year to assessing the probability of receiving rental income before it is recognised (see accounting policy "key sources of estimation uncertainty"). Almshouse income represents fees from residents and other service user income and is credited to the unrestricted fund.

Donations and grants

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

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

St John's Foundation Est. 1174

Year ended 31 December 2021

Notes to the Financial Statements

Principal Accounting Policies (continued)

Expenditure

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

All costs have been directly attributed to one of the functional categories of expenditure in the SOFA. The cost of raising funds includes investment management costs, for both our listed and property investments. Expenditure on charitable activities includes the cost of running our almshouses, outreach services and our awards programme. Please also refer to the paragraph below regarding the allocation of support costs to activities.

Funding awards payable

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

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

Irrecoverable VAT

Irrecoverable VAT is charged to the SOFA or capitalised as part of the cost of the related asset, where appropriate. The charity has opted to charge tax on certain commercial properties and recovers the associated input VAT. All other expenses are shown inclusive of non-recoverable VAT.

Allocation of support costs

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

St John's Foundation Est. 1174

Year ended 31 December 2021

Notes to the Financial Statements

Principal Accounting Policies (continued)

Gifts in kind, donated services or facilities and volunteers

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

Intangible fixed assets

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

Website 3 years / 33% per annum

Software & brands 4 years / 25% per annum

Tangible fixed assets

The limit above which assets are capitalised is £500 (for individual purchases) and £1,000 (aggregated). Office and computer equipment, fixtures and fittings and motor vehicles are stated at cost less depreciation and provision for impairment. Depreciation is calculated to write off the cost of such fixed assets over their expected useful lives; the rate used for this purpose in the charity is 25% per annum on a straight line basis. In the trading company the rates vary more as follows:

Telephone & plants 3 years / 33%

Computer equipment 4 years / 25%

Furniture 5 years / 20%

Other fittings 10 years / 10%

Housing and administrative properties

Housing and administrative properties are included in the financial statement as freehold fixed assets. The cost of freehold housing properties represents deemed cost at 1st January 2014 under transition to FRS102, plus subsequent additions at cost. Assets are stated at deemed cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. The applicable rate is:

Freehold buildings 50 years / 2% per annum

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

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 2021, and the surplus or loss arising on revaluation has been transferred to the relevant reserve.

Quoted investments

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

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

Social investments

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

Investment in subsidiary

The investment in the subsidiary is held at cost.

Taxation

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

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

Principal Accounting Policies (continued)

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity, which the Trustee has decided at its discretion to set aside for a specific purpose. Restricted and endowment funds are subject to specific restrictions imposed by the donor of the income or the Charity Commission. Further explanation of each fund held by the charity is contained in notes 17-23 of these financial statements.

Total return accounting

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

Financial instruments

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

Debtors

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

Cash and cash equivalents

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

Notes to the Financial Statements

Principal Accounting Policies (continued)

Creditors

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

Pension costs

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

Key sources of estimation uncertainty

Commercial rents

As a result of the national lockdowns in 2020, many of the Charity's commercial tenants have struggled to raise the income needed to meet their rental obligations in full and on time. Whilst 2021 saw an improvement in the situation, lockdowns remained in place for some of the year and a number of tenants still faced financial difficulty. The Charity's staff and agents have been in regular communication with tenants but uncertainty remains over whether the debts due at the year end will be paid. The assumptions made regarding our commercial tenants impact a number of areas in these financial statements, including income recognised, the impairment of debtors, and accrued and deferred income balances. Management have made an assessment based on their knowledge, relationship with the tenant and information available to them at the time of preparing these financial statements.

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

1. Comparative Consolidated Statement of Financial Activities

	Unrestricted fund £'000	Restricted funds £'000	Endowment fund £'000	Total 2020 £'000
Income and endowments from:				
Charitable activities	856	-	-	856
Investment income	119	6	3,955	4,080
Other trading activities	211	-	-	211
Donations and legacies	31	18	-	49
Transfer to income	4,578	-	(4,578)	-
Total income	5,795	24	(623)	5,196
Expenditure:				
Expenditure on charitable activities:				
Residential care & support:	1,735	1	114	1,850
Funding and impact	1,929	58	-	1,987
Community outreach	290	2	-	292
Total expenditure on charitable activities	3,954	61	114	4,129
Cost of raising funds	1,262	-	212	1,474
Other expenditure	141	-	-	141
Total expenditure	5,357	61	326	5,744
Net income / (expenditure) before investment (losses) / gains	438	(37)	(949)	(548)
Net gains / (losses) on investments	(268)	-	(9,895)	(10,163)
Net income	170	(37)	(10,844)	(10,711)
Transfers between funds	-	-	-	-
Net income and net movement in funds	170	(37)	(10,844)	(10,711)
Reconciliation of funds:				
Total funds brought forward	5,586	10	115,366	120,962
Total funds carried forward	5,756	(27)	104,522	110,251

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

2. Income

2a. Investment income

Consolidated	Unrestricted fund	Restricted fund	Permanent endowment fund	2021	2020
	£'000	£'000	£'000	£'000	£'000
Commercial investment properties	-	-	2,233	2,233	2,458
Residential investment properties	-	-	759	759	737
Property investment income	-	-	2,992	2,992	3,195
Interest received on social investment	-	-	6	6	7
Listed investments	-	7	1,022	1,029	875
Interest on cash deposits	-	-	-	-	3
Non-property investment income	-	7	1,028	1,035	885
Total	-	7	4,020	4,027	4,080

2b. Government grants

Included within donations and legacies is £1,000 (2020: £26,000) in respect of government grants. This was an Infection Control grant, received from Bath & North East Somerset Council, to cover additional staff cost incurred as a result of Covid-19 restrictions prohibiting the movement of staff across sites. The group also benefited from business rates relief in 2021.

3. Total expenditure on charitable activities

	Staff costs	Depreciation	Other costs	2021	Restated 2020
	£'000	£'000	£'000	£'000	£'000
Older adults services	979	152	852	1,983	1,850
Funding and impact	406	11	1,923	2,340	1,988
Total	1,385	163	2,775	4,323	4,129

4. Total cost of raising funds

	Staff costs	Depreciation	Other costs	2021	2020
	£'000	£'000	£'000	£'000	£'000
Property investment management costs	527	24	981	1,532	1,391
Other investment management costs	-	-	133	133	83
Total	527	24	1,114	1,665	1,474

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

5. Other expenditure

	Staff costs £'000	Depreciation £'000	Other costs £'000	2021 £'000	2020 £'000
Trading expenditure	50	4	343	396	141
Total	50	4	343	396	141

6. Governance costs

The charity identifies the costs which relate to the charity's governance function and these are recorded as part of the total costs of raising funds (see note 4) and expenditure on charitable activities (see note 3). Governance costs are detailed as follows:

	2021 £'000	2020 £'000
Auditor fees (including irrecoverable VAT):		
- for audit services	17	19
Accountancy and other professional services	8	6
Trustee expenses	5	5
Corporation tax payable by trading company	-	-
	<u>30</u>	<u>30</u>

These have been split across activities:

		Restated
Older adults services	11	13
Funding and impact	6	5
Property operational costs	13	12
	<u>30</u>	<u>30</u>

Auditor fees for audit services as stated above include irrecoverable VAT and are dependent upon best estimates of accrued costs. In 2021, actual fees (net of VAT) were £15,500 (2020: £15,000).

7. Funding and impact

	2021 £'000	2020 £'000
Individual funding	248	359
Organisational funding	1,494	1,110
Funding and impact departmental costs	598	518
	<u>2,340</u>	<u>1,987</u>

St John's awarded grants to a number of individuals and organisations in furtherance of its charitable activities. During 2021, a total of 80 (2020: 76) new awards were made to organisations. For awards payable to individuals, the maximum amount payable is usually £1,500 (2020: £1,500) over three years. Following increases in the cost of living, the limit has been increased to £1,800 from 1 January 2022.

St John's Foundation Est. 1174
Year ended 31 December 2021

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 £1,494,000 above are shown below.

Organisation	Project	Amount (£)
Brighter Futures	PEP Emotional & Behavioural Support	230,076
HCRG Care Group	Language for Life Pilot	78,041
HCRG Care Group	PEP Oracy Support	72,179
Roundhill Primary School	Roundhill Reading and Writing Support	60,100
Castle Primary School	Castle Primary School Reading and Writing Support	57,000
Bath Recreation Limited	Glasshouse Activity Club	50,000
St Michaels Junior School	St Michael's Reading and Writing Support	47,600
B&NES Council	Language for Life Pilot	42,981
St Martin's Garden Primary School	St Martin's Garden Reading and Writing Support	41,600
Trading with Schools - Bristol City Council	PEP Reading and Writing Support	39,000
Developing Health & Independence	Resolve to Stop the Violence (2019-2022)	38,762
Twerton Infants School	Twerton Infants Reading and Writing Support	38,100
St Keyna Primary School	St Keyna Reading and Writing Support	37,100
B&NES Council	Health Improvement Officer - Food Poverty	36,548
3SG	3SG Core Funding	30,533
FareShare South West	No Child Should Go Hungry in B&NES 2021-2022	30,000
SARSAS	Support for Survivors of Rape and Sexual Abuse	30,000
Citizens Advice	Debt Caseworkers	30,000
We Hear You	Talking Bollocks!	30,000
HorseWorld Trust	Discovery	25,000
Bright Start Childrens Centre	Trauma Counselling - PEWP	24,752
St Mary's Primary School Writhlington	St Mary's Writhlington Reading and Writing Support	22,580
Bath Rugby Foundation	Raising the Game Secondary	21,733
Mercy in Action	Combined smaller awards for other projects <£15k	21,280
Bath City FC Community Sports Foundation	Bath City FC Foundation Project Manager	20,425
Bluebell Care Trust	Mum's Comfort Zone - PEWP	20,075
White Rose Maths	PEP Numeracy Support	20,000
Designability	Designability Workshop Relocation and Expansion	20,000
Citizens Advice	Business Development, Fundraising and Marketing S	20,000
Ruth Miskin	PEP Reading and Writing Support	19,440
The Nest Project	The Nest Project	19,400
VOICES	Combined smaller awards for other projects <£15k	16,625
B&NES Council	Children and Young People's Network	16,494
St Mary's Primary School Writhlington	Combined smaller awards for other projects <£15k	15,502
B&NES Council	Combined smaller awards for other projects <£15k	10,129
Twerton Infants School	Combined smaller awards for other projects <£15k	8,450
Bluebell Care Trust	Combined smaller awards for other projects <£15k	8,250
St Michaels Junior School	Combined smaller awards for other projects <£15k	8,000
St Martin's Garden Primary School	Combined smaller awards for other projects <£15k	7,467
Castle Primary School	Combined smaller awards for other projects <£15k	7,450
Roundhill Primary School	Combined smaller awards for other projects <£15k	7,450
St Keyna Primary School	Combined smaller awards for other projects <£15k	7,450
HCRG Care Group	Combined smaller awards for other projects <£15k	3,300
Bath City FC Community Sports Foundation	Combined smaller awards for other projects <£15k	2,750
The Nest Project	Combined smaller awards for other projects <£15k	1,945

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

8. Staff costs and remuneration of key management personnel

	2021	2020
	£'000	£'000
Wages and salaries	1,550	1,724
Social security costs	151	161
Pension costs	156	172
Other employee benefits	20	17
Redundancy costs	118	61
Agency staff costs	1	7
	<u>1,996</u>	<u>2,142</u>

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

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

	2021	2020
	number	number
Older Adults Services	18	22
Funding & Impact	4	5
Management, Administration & Other	26	29
	<u>48</u>	<u>56</u>

Due to the restructuring of services in 2021, the 2020 comparatives have been amended to reflect the new service headings

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:

	2021	2020
	number	number
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1
	<u>3</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 £28,000 (2020: £32,000).

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 £345,000 (2020: £430,000).

St John's Foundation Est. 1174

Year ended 31 December 2021

Notes to the Financial Statements

9. Related party transactions and trustees' expenses and remuneration

Transactions between the Charity and the Trading Subsidiary

Rent of £97,500 was charged by the Charity in 2021 for St Catherine's Hospital, the Trading Company's site of operations (2020: £97,778). Also, costs relating to St Catherine's Hospital (such as insurance, utilities and repairs) were recharged to the Trading Company at cost. This amounted to £18,325 in 2021 (2020: £22,229).

A lease incentive of £33,763 was granted by the Charity in 2021 for House of St Johns, the Trading Company's new venture (2020: £0). Also, costs relating to House of St Johns (such as insurance, utilities and repairs, recharge of staff time) were recharged to the Trading Company at cost. This amounted to £77,805 in 2021 (2020: £0), of which £35,717 (2020: £0) was due at the balance sheet date.

The Charity invoiced the Trading Company for management fees of £4,528 (2020: £4,050) in the year, of which £1,258 (2020: £4,050) was due at the balance sheet date. Finally, a loan was provided by the Charity to the Trading Company (see note 15).

Trustee expenses

During 2021, 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 (2020: £nil).

Expenses paid to the directors of the Trustee in 2021 totalled £434 (2020: £130). These expenses were paid to one director (2020: two directors) for travel and subsistence. Finally, the Charity incurred catering costs for farewell dinners, lunches prior to Board meetings, and selection panels of £0 (2020: £836).

Trustee indemnity insurance was purchased by the charity on behalf of the Trustee. The sum insured was £5m in both 2020 and 2021. The cost of the policy was £4,805 (2020: £3,696).

Other transactions with related parties are summarised as follows:

Related party	Nature of relationship	Payments made	
		2021 £	2020 £
Developing Health and Independence	Mrs S Davies is a Trustee	-	39,837
Bath Business Improvement District	Mr D Hobdey is a Director and Chair	6,181	6,181
The Bath Rugby Community Foundation	Mrs L Harvey is a Trustee	21,733	35,845
Holy Trinity Church (Combe Down)	Mr D Purdon is a Trustee	-	160
Curo	Mrs H F Bosnell is a Director	11,730	80,682
Twerton Infant School	Mr D Hobdey is a Governor	46,550	7,000
Mulberry Park Community Benefit Society	Mrs H F Bosnell is a Director	1,018	-

In addition to the transactions presented above, £0 was received from the Mayor of Bath's Relief Fund in the year (2020: £675) in respect of repayments for awards which were initially paid from the Charity in error. All the Charity's Trustees are also Trustees of the Mayor of Bath's Relief Fund. All transactions were executed in the normal course of business.

During the year, 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 £1,575 (2020: £0) was received from this tenancy, of which £1,137 (2020: £0) was due at the balance sheet date. The licence to occupy lasted 50 days and Mr Hobdey moved out shortly after year end.

During the year, the partner of the son of a close family friend of Mr D Hobdey (CEO of the Charity) moved into a flat within the investment portfolio. This was part of the normal course of business: the letting being managed by local estate agents who advertised the flat on the open market and advised on market rent and the suitability of tenants.

There were no transactions with the Trustee or other related parties during the year, other than those disclosed above (2020: none). No balances were outstanding to or from related parties at the year-end (2020: none).

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

10. Intangible assets

Consolidated and charity	Consolidated 2021 £'000	Charity 2021 £'000
Cost		
At 1 January 2021	80	80
Additions	43	22
Disposals	-	-
At 31 December 2021	123	102
Accumulated amortisation		
At 1 January 2021	48	48
Charge	21	20
Eliminated on disposal	-	-
At 31 December 2021	69	68
Net book value		
At 31 December 2021	54	34
At 31 December 2020	32	32

St John's Foundation Est. 1174
Year ended 31 December 2021

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 2021	8,925	3,749	2,884	740	16,298
Additions	-	-	7	7	14
Disposals	-	-	-	-	-
At 31 December 2021	8,925	3,749	2,891	747	16,312
Accumulated depreciation					
At 1 January 2021	3,875	259	160	51	4,345
Charge for the year	55	37	29	7	128
At 31 December 2021	3,930	296	189	58	4,473
Net book value					
At 31 December 2021	4,995	3,453	2,702	689	11,839
At 31 December 2020	5,050	3,490	2,724	689	11,953

Charity	City centre almshouses £'000	Combe Park almshouse £'000	Operational properties £'000	Magdalen chapel £'000	Total £'000
Cost/valuation					
At 1 January 2021	8,936	3,749	2,884	740	16,309
Additions	-	-	7	7	14
Disposals	-	-	-	-	-
At 31 December 2021	8,936	3,749	2,891	747	16,323
Accumulated depreciation					
At 1 January 2021	3,875	259	160	51	4,345
Charge for the year	55	37	29	7	128
At 31 December 2021	3,930	296	189	58	4,473
Net book value					
At 31 December 2021	5,006	3,453	2,702	689	11,850
At 31 December 2020	5,061	3,490	2,724	689	11,964

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

12. Other tangible fixed assets

Consolidated	Office equipment £'000	Fixtures and fittings £'000	Computer systems £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 January 2021	28	456	17	12	513
Additions	-	188	26	-	214
Disposals	-	-	-	(12)	(12)
At 31 December 2021	28	644	43	-	715
Accumulated depreciation					
At 1 January 2021	22	362	12	12	408
Charge for the year	6	33	3	-	42
Eliminated on disposal	-	-	-	(12)	(12)
At 31 December 2021	28	395	15	-	438
Net book value					
At 31 December 2021	-	249	28	-	277
At 31 December 2020	6	94	5	-	105
Charity					
Cost					
At 1 January 2021	28	456	17	12	513
Additions	-	-	10	-	10
Disposals	-	-	-	(12)	(12)
At 31 December 2021	28	456	27	-	511
Accumulated depreciation					
At 1 January 2021	22	362	12	12	408
Charge for the year	6	30	2	-	38
Eliminated on disposal	-	-	-	(12)	(12)
At 31 December 2021	28	392	14	-	434
Net book value					
At 31 December 2021	-	64	13	-	77
At 31 December 2020	6	94	5	-	105

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

13. Financial and property investments

Consolidated	Investment property £'000	Listed investments £'000	Total £'000
Market value at 1 January 2021	67,675	37,876	105,551
Additions to investments at cost	846	13,337	14,183
Disposal proceeds	-	(7,282)	(7,282)
(Losses) / gains	1,654	4,941	6,595
Movement in cash held by brokers for reinvestment	-	139	139
Market value at 31 December 2021	70,175	49,011	119,186

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded on public markets. The fair value for quoted investments is the market value, using the bid price. The charity's commercial investment properties were re-valued by Jones Lang LaSalle Limited, Chartered Surveyors, and its residential investment properties by Philip Jennings, Chartered Surveyors, on the basis of discounted cash flow at 31 December 2021.

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 2021	50	67,675	37,876	105,601
Additions to investments at cost	-	846	13,337	14,183
Disposal proceeds	-	(3)	(7,282)	(7,285)
(Losses) / gains	-	1,657	4,941	6,598
Movement in cash held by brokers for reinvestment	-	-	139	139
Market value at 31 December 2021	50	70,175	49,011	119,236

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

13. Financial and property investments (continued)

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

The trading results of the subsidiary were as follows:	2021 £'000	2020 £'000
Turnover	403	208
Cost of sales	-	-
Gross profit	<u>403</u>	<u>208</u>
Administrative expenses	(74)	(14)
Operational expenses	(462)	(235)
Other income	-	25
Operating (loss)/profit	<u>(133)</u>	<u>(16)</u>
Interest payable	(1)	-
(Loss)/profit before tax	<u>(134)</u>	<u>(16)</u>
Taxation	-	3
(Loss)/profit after tax	<u>(134)</u>	<u>(13)</u>

The aggregate of the assets, liabilities and funds as at 31 December was:	2021 £'000	2020 £'000
Total assets	370	219
Total liabilities	(453)	(168)
Shareholders' funds	<u>(83)</u>	<u>51</u>

14. Social investments

Consolidated and charity	2021 £'000	2020 £'000
Mixed motive investments:		
Receivable in more than one year	99	133
Receivable in less than one year	32	30
	<u>131</u>	<u>163</u>

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

At the year end there were no amounts committed but undrawn (2020: nil), and no amounts that had been approved subject to the agreement of terms (2020: nil).

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

15. Debtors

	2021 £'000	2020 £'000
Consolidated		
Trade debtors	462	203
Prepayments and accrued income	482	3,955
Taxation and social security	9	17
Other debtors	4	2
	<u>957</u>	<u>4,177</u>
Charity		
Trade debtors	454	142
Prepayments and accrued income	481	3,955
Taxation and social security	-	14
Other debtors	4	2
Amounts owed by subsidiary	200	125
	<u>1,139</u>	<u>4,238</u>

Included within consolidated prepayments and accrued income are lease incentive adjustments of £174,000 (2020: £274,000), of which £159,000 are due in more than one year (2020: £243,000). Within amounts owed by the subsidiary is £200,000 of a loan and £1,000 of interest accruing against this. 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. At the year end £180,000 of the loan was due in more than one year. Also included within amounts owed to subsidiary are prepayments and accrued income of £151,000 (2020: £70,000 reclassified from prepayments and accrued income). Offsetting trade debtors is a bad debt provision of £217,000 (2020: £157,000).

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

16a. Creditors: amounts falling due within one year

	2021	2020
Consolidated	£'000	£'000
Bank overdrafts	2,607	1,015
Loans repayable upon demand	204	518
Trade creditors	317	198
Accruals and deferred income	972	488
Taxation and social security	43	46
Other creditors	57	65
	<u>4,200</u>	<u>2,330</u>
	£'000	£'000
Charity		
Bank overdrafts	2,607	1,015
Loans repayable upon demand	204	518
Trade creditors	238	161
Accruals and deferred income	800	483
Taxation and social security	71	46
Other creditors	57	65
	<u>3,977</u>	<u>2,288</u>

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

Included within other creditors is £16,000 (2020: £11,000) representing the amount held as agent for a small unincorporated voluntary organisation called Bath Woman's Fund for which St John's Foundation has agreed to administer funds and act as an agent. No other amounts were received or paid out in the year in relation to this fund.

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

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

Deferred income movement:

	Charity	Group
	£'000	£'000
Balance at 1 January 2021	145	145
Amount released in the year	(1,309)	(1,309)
Amount deferred in the year	1,631	1,631
Balance at 31 December 2021	<u>467</u>	<u>467</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

	2021	2020
	£'000	£'000
Consolidated and charity		
Loans repayable upon demand	<u>1,838</u>	<u>1,857</u>

St John's Foundation Est. 1174

Year ended 31 December 2021

Notes to the Financial Statements

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.

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

17a. Invested endowment fund (continued)

Consolidated	Permanent endowment fund £'000	Unapplied total return £'000	Total £'000
At 1 January 2020	42,545	70,883	113,428
Movements in the reporting period:			
Investment income	-	3,955	3,955
Realised and unrealised gains	-	(9,869)	(9,869)
Less: property operational and investment management costs	-	(212)	(212)
Total return for the year	-	(6,126)	(6,126)
Unapplied total return allocated to income	-	(4,578)	(4,578)
Transfer to unrestricted funds to reflect 2017 gains	510	(510)	-
	510	(11,214)	(10,704)
At 1 January 2021	43,055	59,669	102,724
Movements in the reporting period:			
Investment income	-	4,020	4,020
Realised and unrealised losses	-	6,578	6,578
Less: property operational and investment management costs	-	(297)	(297)
Total return for the year	-	10,301	10,301
Unapplied total return allocated to income	-	(2,762)	(2,762)
CPI uplift	2,325	(2,325)	-
	2,325	5,214	7,539
At 31 December 2021	45,380	64,883	110,263

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

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

17a. Invested endowment fund (continued)

Charity	Permanent endowment fund £'000	Unapplied total return £'000	Total £'000
At 1 January 2020	42,545	70,858	113,403
Movements in the reporting period:			
Investment income	-	4,053	4,053
Realised and unrealised gains	-	(9,869)	(9,869)
Less: property operational and investment management costs	-	(212)	(212)
Total return for the year	-	(6,028)	(6,028)
Unapplied total return allocated to income	-	(4,578)	(4,578)
RPI uplift	510	(510)	-
	510	(11,116)	(10,606)
At 1 January 2021	43,055	59,742	102,797
Movements in the reporting period:			
Investment income	-	4,152	4,152
Realised and unrealised losses	-	6,578	6,578
Less: property operational and investment management costs	-	(297)	(297)
Total return for the year	-	10,433	10,433
Unapplied total return allocated to income	-	(2,762)	(2,762)
CPI uplift	2,325	(2,325)	-
	2,325	5,346	7,671
At 31 December 2021	45,380	65,088	110,468

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

St John's Foundation Est. 1174

Year ended 31 December 2021

Notes to the Financial Statements

17b. Functional endowment fund

The functional endowment is that part of the endowment which is held for operational, rather than investment purposes, and is therefore not included in total return calculations. The assets which make up the functional endowment are those which were almshouses at the time the 2012 Scheme was approved (Chapel House, Fitzjocelyn / John Wood House, Rosenberg House, Chandos House, Combe Park), and Magdalen Chapel. The functional endowment also includes £1.925m (2020: £1.925m) set aside for future almshouse provision under the 2017 Scheme when the change of use of Chandos and St Catherine's was approved.

Charity & Consolidated	2021 £'000	2020 £'000
Balance brought forward	12,520	12,634
(Deficit)	(114)	(114)
Transfers	14	-
Balance carried forward	12,420	12,520

18. Roxburgh endowment fund

Consolidated and charity	2021 £'000	2020 £'000
Balance brought forward	123	149
Valuation gains / (losses)	17	(26)
Balance carried forward	140	123

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

19. Designated fund

Extraordinary repairs fund	2021 £'000	2020 £'000
Consolidated and charity		
Balance brought forward	-	826
Investment management cost	-	(2)
Unrealised gain / (loss) on revaluation	-	(35)
Transfers	-	(789)
Balance carried forward	-	-

The fund was set up to ensure that monies are available to cover unplanned repairs to the almshouses, in instances where no other funds are available. Upon review, the Trustees decided to release the designated fund in 2020.

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

20. Unrestricted fund

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

	2021	2020
	£'000	£'000
Consolidated		
Realised and unrealised (losses) / gains	-	(233)
Operating result	(4,698)	(4,138)
Total return transfer from permanent endowment fund	2,762	4,578
Transfer of designated fund	-	789
Transfer of functionally endowed asset additions	(14)	-
Net movement in the year	(1,950)	996
Balance brought forward	5,586	4,590
Balance carried forward	3,636	5,586
Charity		
Realised and unrealised (losses) / gains	-	(233)
Operating result	(4,698)	(4,219)
Total return transfer from permanent endowment fund	2,762	4,578
Transfer of designated fund	-	788
Transfer of functionally endowed asset additions	(14)	-
Net movement in the year	(1,950)	914
Balance brought forward	5,525	4,611
Balance carried forward	3,575	5,525

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

21. Restricted funds

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

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

Joseph Matthews Foundation

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

22. Transfers

	Endowment	Unrestricte
	fund	d fund
	£'000	£'000
Transfer of unapplied total return to income	(2,762)	2,762
Transfer of functionally endowed asset additions to relevant fund	14	(14)

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

23. Analysis of net assets between funds

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

Consolidated	Invested endowment fund	Functional endowment fund	Roxburgh endowment fund	Restricted fund	Designated fund	Unrestricted fund	Total
As at 31 December 2020	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	10,595	-	-	-	1,463	12,058
Intangible fixed assets	-	-	-	-	-	32	32
Investments	102,560	-	123	-	-	2,868	105,551
Social investments	163	-	-	-	-	-	163
Cash and bank balances	-	1,925	-	10	-	1,233	3,168
Other current assets and liabilities	-	-	-	-	-	(10)	(10)
	102,723	12,520	123	10	-	5,586	120,962

St John's Foundation Est. 1174
Year ended 31 December 2021

Notes to the Financial Statements

24. Charitable and capital commitments

Capital expenditure commitments:	2021	2020
	£'000	£'000
Legal commitment to build almshouses	1,925	1,925
1 Queen Square	-	281
12/12a Old Bond Street	-	144
	<u>1,925</u>	<u>2,350</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:

	2021	2020
	£'000	£'000
Within one year	1,791	1,966
Between one and five years	5,139	5,377
After five years	11,097	11,824

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:

	2021	2020
	£'000	£'000
Within one year	34	32
Between one and five years	73	10

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

Within one year	1,032	334
Between one and five years	974	-

25. Pensions

The charity operates a defined contribution scheme for the benefit of the employees. During the year £142,000 (2020: £158,000) was payable into the defined contribution scheme. The amount due at the year end was £16,000 (2020: £19,000). Included within 'pension costs' in note 8 are pension scheme management fees payable of £14,000 (2020: £14,000).

