

THE SOCIETY OF ST JAMES

England & Wales · Charity number 1043664

Details

Status	Registered
Legal form	Charitable company
Company number	03009700
Registered	1995-01-27
Register	View on the Charity Commission register

Contact

Address	The Society of St. James 125 Albert Road South Southampton SO14 3FR
Phone	02380634596
Email	info@ssj.org.uk
Website	www.ssj.org.uk

Activities

Objects: THE RELIEF OF POVERTY, SICKNESS, HARDSHIP AND DISTRESS IN PARTICULAR BUT NOT EXCLUSIVELY OF PERSONS WHO ARE HOMELESS, UNEMPLOYED OR WHO HAVE DRUG, ALCOHOL OR OTHER SUBSTANCE ADDICTIONS BY THE PROVISION OF HOUSING, REHABILITATION, CARE, SUPPORT, EDUCATION, TRAINING AND EMPLOYMENT OPPORTUNITIES; IN ORDER TO IMPROVE INDIVIDUALS' OPPORTUNITIES AND QUALITY OF LIFE AND TO CONTRIBUTE TO THE WIDER COMMUNITY.

Activities: The relief of poverty, sickness, hardship and distress in particular but not exclusively of persons who are homeless, unemployed or who have substance addictions by the provision of housing, rehabilitation, care, support, education, training and employment opportunities; in order to improve individuals life opportunities and the quality of life and to contribute to the wider community

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

Geography

- Hampshire
- Portsmouth City
- Southampton City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£17,867,000	£17,254,000	£4,519,000	319
2024-03-31	£16,473,000	£16,036,000	£4,313,000	318
2023-03-31	£15,268,000	£14,824,000	£4,186,000	280
2022-03-31	£13,773,030	£13,560,794	£3,974,000	249
2021-03-31	£12,021,632	£11,679,423	£3,728,000	229

Trustees

Name	Role	Appointed
Alan Davis	Chair	2021-10-05
Adnan Chaudry		2022-09-06
Alison Margaret Powell ACMA CPFA		2024-04-02
Andy Holdup		2020-09-01
David Watson		2024-04-02
Graeme Calder Walker Marshall FCA		2017-10-12
Peta Joyce Ash		2022-04-05
Samantha Belfrage		2025-09-30
Stephen Andrew Butterfill		2015-10-15
Stephen Morgan		2024-04-02

THE SOCIETY OF ST JAMES

England & Wales - Charity number 1043664

Accounts

Society of St James

Report and Financial Statements

Year Ended

31 March 2025

Company Number: 03009700

Charity Number: 1043664

Society of St James

Annual report and financial statements for the year ended 31 March 2025

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Society of St James

Reference and administrative information for the year ended 31 March 2025

Trustees and Directors:	S Butterfill		(appointed 15 October 2015)
	P Hillary	(Chair until)	(appointed 27 October 2016) (resigned 7 April 2025)
	G Marshall	(Treasurer)	(appointed 12 October 2017)
	A Holdup		(appointed 1 September 2020)
	A Davis	(Chair from 6 April 2025)	(appointed 5 October 2021)
	J Ash		(appointed 5 April 2022)
	A Chaudry		(appointed 6 September 2022)
	A M Powell		(appointed 2 April 2024)
	D Watson		(appointed 2 April 2024)
	S Morgan		(appointed 2 April 2024)
Company Secretary:	T Pickup	(until 2 July 2024)	
	T Marsh	(from 2 July 2024)	
Senior Staff	T Pickup	(Chief Executive, retired 17 May 2024)	
	T Marsh	(Chief Executive, appointed 24 June 2024)	
	A R Powell	(Director of Finance and Central Services)	
	M Taylor	(Operations Director)	
	T Keall	(Operations Director)	
	N Wilsenham	(Operations Director)	
	G Nesbitt	(Director of Asset Management)	
Registered Office:	125 Albert Road South Southampton SO14 3FR		
Registered Company Number:	03009700		
Regulator of Social Housing Registration Number:	LH4337		
Registered Charity Number:	1043664		
Auditors:	S&W Partners Audit Limited Cumberland House 15 – 17 Cumberland Place Southampton SO15 2BG		
Solicitors:	Blake Morgan New Kings Court Tollgate Chandler's Ford Hampshire SO53 3LG		
Bankers:	NatWest 68 Above Bar Street Southampton SO14 7DS		

Society of St James

Report of the Board of Trustees incorporating a Strategic Report for the year ended 31 March 2025

Introduction

The Board of Trustees presents its report and financial statements for the year ended 31 March 2025. All Trustees are directors of the Charitable Company for the purposes of company law.

Structure, Governance and Management

The Society of St James (SSJ/ the Society) is a charitable company limited by guarantee and is registered with the Regulator of Social Housing (RSH) (number LH4337). The liability of the members is limited to their guarantee. In the event of SSJ being wound up during the period of the membership (or within the year following), members undertake to contribute such amounts as may be required, but not exceeding £10.

SSJ is governed by the Board of Trustees, which meets at least quarterly. The Board has created four Committees to take specific interest in the areas of Personnel, Audit and Finance, Asset Management and Operations, who also meet at least quarterly. A Development Panel is also convened as required to provide a mechanism for Board supervision of new major projects as they arise. In line with good practice, SSJ also convenes a Directors' Remuneration Committee annually to appraise performance and set the Senior Management Team's salaries. SSJ's policy is for these salaries to be broadly in line with median rates of pay for comparable posts as informed by independent specialists. Meetings are held both in person and virtually.

During the year SSJ has helped our Service User and Resident's Association (SURA) develop and move towards the aim of ensuring Service Users have an independent body through which to influence SSJ's decision making.

As a Registered Provider (Housing Association) SSJ is required to meet the Standards set by the RSH, as its key regulator.

In June 2024 the Board reviewed its own performance and the performance of the committees of the Board. It also reviewed the effectiveness of the current committee structure and systems in place to ensure that they provided effective governance arrangements for SSJ. The Chair of the Board also undertook appraisals with each of the Board members. The Board regularly reviews the key risks facing SSJ and mechanisms to ensure that they are addressed within Board meetings and reports to the Board. The Board confirms that they comply with the Regulator of Social Housing governance and financial viability standard.

SSJ seeks to recruit one or two new Board members each year. The recruitment and induction process includes a tour around some of SSJ's projects and an introduction to SSJ's work. Potential new Board members also attend a Board Meeting as observers before appointment to the Board. All Board members serve in a voluntary capacity; it is not the policy of SSJ to remunerate Board members.

The Chief Executive reports to the Board, the senior staff report to the Chief Executive and the rest of the staff in turn report to the senior staff.

The Trustees have given due consideration to Charity Commission guidance on public benefit when reviewing objects and activities. Trustees are also mindful of the duties of Trustees under charity law and have reviewed Charity Commission guidance and the Charities Governance Code checklist for larger charities in parallel with the RSH guidelines to ensure good governance practice.

SSJ has adopted the National Housing Federation Code of Governance and is continuing to work towards compliance with the 2020 edition. SSJ has made further progress this year towards achieving compliance with the Resident Engagement requirements; Service User Engagement Lead has organised numerous engagement and consultation events through our Service User & Residents Association (SURA). In order to work within the spirit of the code and to follow good practice, the model of co-production is being followed as this area of work advances.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report for the year ended 31 March 2025

Structure, Governance and Management (continued)

The code requires a declaration of any areas of non-compliance. These are:

- 1) Resident engagement – SSJ continues work to develop effective systems and processes in this area to make them fully compliant with the requirements of the code.
- 2) Six-year maximum length of tenure on the Board – The code of governance provides flexibility to allow a Board member to stay on the board for up to 9 years if the organisation feels there is good reason to do so. SSJ's board has decided that, in line with Charity Commission guidance, a tenure of up to 9 years is preferable for the organisation.

Objectives and Activities

The Objectives of SSJ are:

“The relief of poverty, sickness, hardship and distress in particular but not exclusively of persons who are homeless, unemployed or who have drug, alcohol or other substance addictions by the provision of housing, rehabilitation, care, support, education, training and employment opportunities: in order to improve the individuals' opportunities and quality of life and to contribute to the wider community”.

SSJ seeks to achieve this through a range of activities, which can be broken down between the following headings:

- Housing;
- Support;
- Care;
- Substance Misuse Services; and
- Social Enterprise.

SSJ agreed a 10-year strategy in the spring of 2019, to provide a long-term direction for its work which was reviewed in 2023-24. Further detail was provided in a 3-year Business Plan. The plan outlines how we will achieve our 5 overarching outcomes of:

- Outcome 1: Meeting the needs of homeless and vulnerable adults across our region
- Outcome 2: Providing safe accommodation and services that meet the needs of current and futures residents and service users
- Outcome 3: Being the provider of choice for contracted services for vulnerable individuals across Hampshire
- Outcome 4: Building the capacity and infrastructure to support actual and planned growth each year
- Outcome 5: Working towards being a carbon neutral organisation.

Housing

SSJ provides a range of housing to homeless people in Southampton, Portsmouth and elsewhere in Hampshire, including hostels, shared housing, one-bedroom flats and registered residential care homes. SSJ also manages accommodation for homeless families in Southampton and Rushmoor.

SSJ has continued to increase its stock of owned units through its ongoing acquisition and development programme. A new leased unit was taken on as part of a partnership with the Southampton Quaker Meeting where SSJ agreed to take over the management of the Meeting House and attached cottage. The numbers of bed spaces managed by SSJ are shown below:

Bed spaces/units	2023	2024	2025
Owned	280	306	321
Managed or leased	240	219	220
Total	520	525	541

Society of St James

Report of the Board of Trustees incorporating a Strategic Report for the year ended 31 March 2025

Objectives and Activities (continued)

Housing (continued)

For its owned property SSJ fulfils a full range of property maintenance obligations, from day-to-day repairs to managing a long-term repairs and maintenance programme. As a Registered Provider SSJ offers tenancy or licence agreements, collects rents and generally fulfils the role of landlord.

For leased or managed projects, SSJ fulfils some of these functions, depending upon the form of agreement with the property owner. These often include maintenance obligations, offering tenancy and licence agreements, and the collection of rent.

Support

SSJ seeks to provide support beyond the services normally provided by a landlord to those living in its accommodation. This activity is largely funded through contracts from Local Authorities, under which SSJ received £3.356 million (2024 £3.247 million) during the year, enabling the employment of support staff in most residential projects. This increased as SSJ was successful in winning a number of contracts from local authorities and other statutory funders over the year. The support provided enables people previously homeless, with mental health issues and with substance misuse problems to maintain their housing and to develop skills to live independently in the community. SSJ is also supporting nine residents in Aldershot in a homelessness hostel with Housing Related Support being funded by the Local Authority

The provision of Housing Related Support remains a major element of SSJ's work, delivering services under contractual arrangements and being subject to a wide range of inspection, regulation and monitoring. In addition, as existing contracts expire, services are put out to competitive tender, so that a range of organisations have the opportunity to competitively bid to provide the service. These contractual arrangements are a crucial factor in forming a picture of the environment in which SSJ operates.

Care

Through St James Care, SSJ operates two registered care homes to create a specialist care service for people with backgrounds of homelessness, substance misuse and mental health issues. This provides an appropriate environment for older residents who can no longer stay in their existing accommodation because of their increasing care needs.

Substance Misuse Services

SSJ provides a number of non-residential services for people with substance misuse issues. These services are provided in Portsmouth and elsewhere in Hampshire. Each area has a different structure for substance misuse services and SSJ provides a different service in each area.

These services work with over 1,000 people at any one time, providing a range of interventions to people with issues with alcohol and drugs. Each project is commissioned through competitive tendering and performance is carefully monitored by the commissioning body, the relevant local authority.

Employment and Training Opportunities

SSJ manages Jamie's Computers which operates as a Social Enterprise. The aim of Jamie's is to generate income for SSJ and to create training and learning opportunities as well as work placements for vulnerable adults in the city of Southampton.

The Café in the Park is also a Social Enterprise, providing employment and volunteering opportunities in Portsmouth, as well as good quality food.

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Report of the Board of Trustees incorporating a Strategic Report for the year ended 31 March 2025

Objectives and Activities (continued)

Meaningful Activity

SSJ was awarded new lottery funding which has enabled the development of the SSJ Academy which formally launched in April 2025, marking a more strategic approach to delivering a cross-SSJ timetable of activities that our residents and clients need, alongside the more therapeutic support we offer through our contracted work. The SSJ Academy builds and expands on work previously undertaken by our lottery funded sports activity programmes as well as developing new services. The Academy consists of Meaningful Activities (Re-Fit), Education Pathways (Re-Set) and Volunteering (Re-Connect)

In addition, we deliver Pathways, a volunteering service to match stable service users with volunteering opportunities within SSJ and in the community (including our Café and Jamie's). This is funded by the Office of the Police and Crime Commissioner.

Strategic Report - *Achievements and performance*

SSJ had a successful year with an annual turnover of £17.9 million and an operating surplus of £613k. This represents 8.5% growth in turnover on the previous year. The results were also improved by a number of factors, including additional funding received from local and central government as further work was commissioned by local authorities.

Housing development

SSJ is committed to reducing rough sleeping and homelessness for vulnerable adults by developing new housing. As a housing association, SSJ can access grants from Homes England and match these with borrowings to enable the purchase and refurbishment of property. During the year SSJ purchased 2 properties to provide move-on opportunities for 12 residents utilising these funding sources.

In addition to the above the Department for Levelling Up, Housing and Communities provided a grant to SSJ through the local authority to acquire and develop 15 properties for Afghan and Ukrainian refugee families. By 31 March 2024 SSJ had acquired 12 of these properties, the purchases of the remaining 3 properties were completed in April & May 2025.

SSJ Quality Assurance Framework

During 2024/25 SSJ reviewed the SSJ Quality Assurance Framework and made a number of improvements. The audit continues to cover 8 themes containing a total of 55 standards. This process resulted in both service level improvement plans that will be overseen at Operational Director level and a 'whole organisation' improvement plan that will address cross-cutting themes and be overseen by the Chief Executive reporting to the Operations Committee.

Fundraising

This year, fundraising has taken a more strategic position within the charity, with a sharpened focus on increasing unrestricted income. This vital shift enables us to more effectively fund initiatives that directly address and ultimately end homelessness in the areas where we operate, allowing for greater responsiveness to immediate needs. To bolster this strategic direction, we welcomed a new fundraising post in July 2024. Our fundraising efforts continue to benefit significantly from a proportion of the business development manager's time and the dedicated work of a full-time fundraising officer. We are profoundly grateful for the crucial funding received from **The National Lottery Community Fund, Portsmouth City Council, JD Foundation, Kingfisher, Change Grow Live, Office of the Police and Crime Commissioner, Richard Kirkman Trust, and Southern Co-op** amongst others.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report for the year ended 31 March 2025

Objectives and Activities (continued)

Fundraising (continued)

During the year we were very grateful to receive donations of £100,000 from an anonymous donor, £10,836 from a Touch of Magic, £10,000 from Ahmed Tea and £5,000 from B&Q.

Furthermore, we extend our sincere appreciation to our numerous corporate supporters this year, including **Tandem Electricals, Wessex Cleaning Services, Currie and Brown, Grainger plc, B&Q, Kingfisher plc, Lead Forensics**, and **NHS Shared Business Services**. Their commitment was also evident through the invaluable contribution of 48 corporate volunteers, who collectively provided 235 volunteer hours to support the refurbishment and cleaning of our properties so that we can continue to meet the high-quality standards we set ourselves for the condition of our homes.

Our Christmas appeal was hugely successful and we are grateful to the staff, service users and our partners for their input. We are also thankful to the local press for their backing and their inclusion of our appeal and work in their articles as we approached the holiday period. We were delighted to have our work highlighted by Meridian News with a strongly supportive article that aired three times on Christmas Eve. Sincere thanks go to our service users for their involvement and their inspiring stories. Finally, we are immensely thankful to our local community, both individuals and community groups, for their continued support in our mission to end homelessness.

Staff

SSJ is dependent on the commitment of our staff to meet the challenging and demanding needs of our environment and client base. The Trustees applaud our staff for all that they have achieved in these particularly difficult circumstances and would like to record their formal thanks and appreciation for their efforts. The trustees were pleased to note the broadly positive feedback from staff about their work at SSJ at their conference held during this year. Given the stresses inherent in the nature of this work we particularly welcome the various suggestions around further enhancing staff support and wellbeing to be taken forward by a staff working group in the coming year.

We have a diverse workforce, with an average of 319 FTE staff (318 in 2024) being employed over the last 12 months. We seek to be an Excellent Employer. We are currently, and aim to continue to be, a “National Living Wage” employer and have been paying staff at least these rates for the last six years.

SSJ also relies on volunteers in our projects and services, and we are grateful for the contribution they have made.

Strategic Report - *Plans for the Future*

There are significant areas of unmet need within the areas of expertise in which SSJ operates. In order to meet the charitable objectives of SSJ, it will need to continue to fulfil its existing role and to develop new services.

SSJ will continue to deliver Housing, Support, Care, Treatment and Training to vulnerable adults in Hampshire and surrounding areas. SSJ may also develop its work into new geographic areas and into new types of services, in order to meet the needs of our existing and potential new service users and/or the requirements of new local authority tenders. This will include bidding for new work through the tendering process. SSJ will also continue to work on specific proposals with local commissioners and seeking philanthropic funding for projects or areas of work.

The Board have agreed a number of priorities for the coming year. These include:

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Report of the Board of Trustees incorporating a Strategic Report for the year ended 31 March 2025

Strategic Report - Plans for the Future (continued)

Property acquisition programme

Subject to available funding, SSJ will continue to prioritise the development of new property to help reduce homelessness and increase opportunities for our existing service users. By increasing our stock of move-on housing, SSJ can move more residents out of hostels, and therefore create spaces for more people to move from rough sleeping into accommodation. The Government has committed to building more homes and SSJ will continue to engage with funding available from government sources to develop its portfolio of housing.

SSJ has agreed the purchase of 49 units of accommodation from Hyde Housing Association. These are properties that SSJ already leases from or manages for Hyde but the purchase of these properties secures their availability for SSJ's residents into the future (see note 26).

Support

SSJ will continue to work with local authority partners to explore new opportunities within Southampton, Portsmouth and elsewhere in Hampshire, to meet the needs of homeless people, other vulnerable adults and specific priority groups within our target beneficiaries e.g., LGBTQ+, Veterans etc. As part of our commitment to be a trauma-informed organisation, SSJ will continue to train new in-house Reflective Practitioners to ensure that all frontline staff and all managers have regular access to the benefits of Reflective Practice. SSJ will also continue to audit services against our Quality Framework, to improve standards and outcomes. This will include an organisational scorecard, setting of key performance indicators and quarterly review of progress against targets for continuous improvement.

Fundraising

Our Business Development and Fundraising department is a shining example of dedication, with a focus on generating, securing, and managing the essential funding and support needed to end homelessness across Hampshire. In the coming year, our strategic focus will be on securing additional unrestricted funding from a diverse range of sources, including community engagement, individual giving, regular donations, and legacies. We will continue to build strong corporate partnerships and approach grant funders for core funding. Furthermore, SSJ will leverage our internal bid management capability to re-tender and bid for local contracts that directly support our mission. This vital funding provides the resources needed for core services like the Academy, welfare support, and essential property refurbishments, as well as the resources to innovate and meet local and changing needs. SSJ are not just raising money; we are fostering a strong community of support, inviting individuals and organisations to become true partners in our mission to create lasting, tangible change.

Our ambitious plans for 2025/26 are fuelling a renewed approach, invigorated by our Chief Executive and a dedicated team. SSJ are re-establishing our presence and engagement with the community to meet our supporters, sharing stories of lives transformed by their generosity, and inviting new individuals and organisations to join our mission. Our innovative strategies include a new Christmas Campaign with a target income of £80,000, enhanced engagement through activity-based fundraising, and a complete revolution of our online presence. We're launching a new digital marketing strategy that leverages social media platforms and prioritises SEO to expand our reach, connect with a wider audience and deliver strong, well-considered supporter journeys. To build a robust and sustainable future, we're cautiously exploring AI capabilities for personalised communication and will invest in approaches to increase regular giving and legacy commitments. Through our new fundraising strategy, we are fostering a culture where every staff member is an ambassador, maximising every opportunity and upholding the highest ethical standards to ensure our supporters know their generosity directly transforms lives.

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Report of the Board of Trustees incorporating a Strategic Report for the year ended 31 March 2025

Strategic Report - *Plans for the Future (continued)*

Strategy development

The homelessness and housing landscape continue to be challenging. There is an ever-increasing number of rough sleepers and a record number of people currently placed in temporary accommodation and uncertainty remains in longer term funding and local authority direction in terms of reorganisation and strategy. However, the new

Government is committed to building more housing, including affordable housing, and further committed to ending rough sleeping. The limited increase in contract uplifts to cover yearly pay increases, and most notably this year

the significant rise in employee National Insurance contributions and minimum/national living wage, have proved a significant challenge. SSJ's strategic planning for this year will take into account a continuing level of uncertainty.

In reviewing the current strategy, SSJ will focus on three key areas of priority:

- Ending homelessness across Hampshire
- People and Culture
- Ensuring a financially secure future

SSJ will take a 'place-based' approach to our work and seek to influence local policy on homelessness and increase involvement from our local community. We will continue to invest in our staff team, wellbeing, training and benefits of working for SSJ and we will focus our fundraising efforts towards regular giving.

Strategic Report - *Principal Risks and Uncertainties*

SSJ faces a wide range of risks and uncertainties, many of which are collated annually in SSJ's Business Risk Management Plan. The principal risks identified are as follows:

Cash flow problem impacting on ability to meet immediate obligations to suppliers or lenders

SSJ's financial and treasury policies ensure that a financial buffer is in place to meet unexpected delays in receipt of contract payments from local authorities or unplanned expenditure. It maintains good contact with the relevant local authority departments to ensure that purchase orders are raised in a timely manner and contract variations are processed and diarised. SSJ is confident that its long-term banking relationships would enable temporary overdraft facilities to be arranged if required.

Loss of contracts due to change of priorities or financial pressures within Local Authorities and the Government

The risk of commissioners ending contracts and not replacing the service with any other provision has been amplified by the planned overhaul of Unitary Authorities in Hampshire. This is a significant financial risk to the Society, with potential redundancy costs to be managed, and possible ongoing commitments for leased buildings. The risk can be mitigated by having good liaison with the commissioners and by the ability to redeploy staff into other services, which may be possible on occasion.

Having or taking contracts without protection against inflationary risks

SSJ has committed to provide services to commissioners at a fixed price over a number of years. Where costs increase over the period of the contracts in excess of SSJ's inflationary expectations, it may have to consider whether continuation of these contracts is affordable and whether to bring these contracts to an end at the earliest possible termination date. SSJ maintains good working relationships with local commissioners and has to date been able to highlight financial pressures and obtain additional funding.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report for the year ended 31 March 2025

Strategic Report - *Principal Risks and Uncertainties (continued)*

Changes to Housing Benefit regime may make our intensive housing management services unsustainable

The Government is consulting on the proposed Supported Housing Regulatory Oversight Act which could potentially have a financial impact on SSJ delivering supported housing. SSJ has completed a response to the consultation and joined colleagues across the sector to raise key concerns and alternative proposals. SSJ will also consider a different approach to supported housing delivery and consideration is being given to alternative funding streams.

Failure of compliance – non-SSJ owned properties

Around 45% of the property stock is leased from other landlords. Within the lease terms it is the landlord's responsibility to conduct cyclical servicing such as gas and electrical safety checks. SSJ does not have control of these responsibilities and so there is a risk they could be missed. To mitigate this risk the Property Department have set reminders ahead of any servicing expiry under lease to inform the landlord of the requirement and then set reminders to chase until carried out and certified. SSJ will agree a formal escalation procedure to be used if these owners do not comply with their legislative obligations.

Failure to comply with the Decent Homes Standard specifically regarding the occurrence of mould in our properties. Risk of claims against us or people getting ill

The Decent Homes Standard outlines the minimum standards of property provided by Social Housing Landlords. Properties should be free from the 29 classified health and safety hazards including damp and mould, fire risks etc. To mitigate the risk of failing to meeting the standard, SSJ conducts property condition surveys which build informed annual planned works programmes and trigger responsive repairs where necessary to address any immediate risk to residents. This is also supplemented by working with the Housing and Supported Teams and providing clear lines of communication for residents to report property related issues.

Strategic Report - *Fundraising practices*

Fundraising Practices

SSJ is dedicated to ethical and transparent fundraising, building lasting trust with donors while supporting our mission to help people end homelessness. We adhere strictly to all relevant legal and regulatory requirements, including the Charity Commission and the Fundraising Regulator's standards.

Core principles

- Ethical practices: All fundraising activities are conducted legally and ethically, treating donors with courtesy, dignity, and understanding. We are open about our methods and how donations are used.
- Responsible use of funds: We commit to using donations efficiently to maximise their impact on beneficiaries.
- Donor privacy: Donor privacy is paramount; we never share personal information without consent and maintain strict data security protocols.
- No pressure tactics: We train our team to recognise signs of vulnerability and never pressure individuals to donate. We avoid misleading communications.
- Beneficiary representation: Our communications always respectfully portray beneficiaries in the way they wish to be seen, ensuring consent for personal information use.
- Accountability: We are accountable for our fundraising practices, welcoming feedback and promptly addressing any complaints.

Key practices and procedures

We utilise various fundraising methods, including individual giving, events, grants, corporate partnerships, and legacy giving. All activities require approval from the Business Development & Fundraising Manager (BDFM) and must clearly state how funds benefit SSJ beneficiaries.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report for the year ended 31 March 2025

Strategic Report - *Fundraising practices (continued)*

Key practices and procedures (continued)

- Staff solicitation: Staff soliciting donations must clearly identify themselves, state SSJ's mission, explain how donations are used, and inform potential donors that annual reports are available upon request.
- Donor relations and due diligence: We respect donor intent for restricted funds and conduct due diligence for all donations, particularly those over £1,000, to ensure alignment with our mission and mitigate risks like money laundering.
- Refusing, accepting, and returning donations: We generally accept donations that align with our mission, are from legal sources, and come without unreasonable conditions. We may refuse donations that pose reputational risk, conflict with our values, or are from illegal sources or vulnerable individuals. Refunds may be considered for errors, misrepresentation, undue pressure, or in exceptional cases of donor incapacity. Decisions are made by the Board, with thorough record-keeping and transparent communication.
- Public disclosure & anonymity: Donations of £5,000 or more are publicly disclosed on our website and in annual reports to foster transparency and recognition. We respect the right to anonymous donations, though public recognition of the donor is not possible, and basic contact information is required for tax purposes (kept confidential).
- Gift aid: As a registered charity, we actively promote Gift Aid, which increases the value of UK taxpayer donations by 25p for every £1 at no extra cost to the donor.
- Vulnerable individuals & safeguarding: All staff receive regular training on working with vulnerable individuals, and communications are mindful of potential vulnerabilities. Our adult safeguarding policies and procedures are adhered to.
- Data protection & AI: We manage donor data responsibly in line with GDPR and the Fundraising Regulator's Code of Fundraising Practice. While exploring AI to enhance donor journeys, we prioritise ethical considerations, data privacy, and human oversight.
- Complaints: We are committed to resolving complaints promptly and fairly. Concerns can be raised via email, phone, post, or online, with a detailed complaints procedure available. Staff and volunteers can use our whistleblowing mechanism for internal concerns.
- Transparency in costs & marketing: We manage fundraising expenses responsibly, ensuring a healthy balance between costs and funds directed to our mission. Marketing materials clearly display our charity name, contact information, mission, impact of donations, financial information availability, and charity registration number.
- Legacy fundraising: We encourage legacy giving by respecting donor autonomy, providing clear and honest information, avoiding pressure tactics, maintaining confidentiality, and recommending professional legal or financial advice. We cannot be named as executors of wills.
- Children in fundraising: Activities involving children are age-appropriate and guided by professionals. Parents/guardians receive safety guidance, and children under 16 do not handle collected money. Permission is sought before publishing photographs of children.
- Grant applications: We apply for grants responsibly through careful research, accurate applications, transparent reporting, and respectful communication with grant-making bodies. Applications over £250,000 require Board approval.
- Bullying and abuse: We maintain a zero-tolerance policy for abuse, including discrimination, bullying, and sexual harassment, for all involved with the charity. We ensure clear processes for raising concerns, which are dealt with promptly and sensitively.

This policy undergoes a biennial review by the Board of Trustees to ensure ongoing effectiveness and compliance with regulations.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report for the year ended 31 March 2025

Strategic Report - Financial Review

Financial Position and Management Policies

The year ended 31 March 2025 has seen an operating surplus of £613k (2024 – £437k), net cash generated from operating activities of £924k (2024 £879k) and EBITDA of £1.237m (2024 - £0.99m). SSJ remains in a sound financial position at 31 March 2025 and finished the year with cash of £1,349k (2024 - £811k). During the year SSJ invested £1.6m (2024 £3.8m) in acquiring and developing new Housing Property.

The increase in cash during the year of £538k (2024 £1,217k) has been generated largely through cash from operating activities and new loans drawn down, offset by loan repayments and interest. SSJ had undrawn facilities of £1.2m at the end of the year with plans to draw this balance down in the first half of the 25/26 year. Current debtors were similar to the previous year whilst creditors have reduced by approximately £200k.

SSJ's formal financial procedures have been ratified by the Audit and Finance Committee. The Board considers the internal control systems in use to be sufficient for purpose. For items of major expenditure, competitive quotes are requested to ensure SSJ receives the best value for money.

Reserves

The reserves policy reflects the nature of SSJ's business and the sustainability of its sources of income from rent and contracts with local authorities. The Trustees seek to hold sufficient reserves to maintain financial stability while maximising the deployment of funds in pursuit of the charity's objectives; the Trustees review the implementation of the Policy annually.

The Trustees believe that it is prudent for the charity to hold a level of free financial reserves (general unrestricted funds less those held as fixed assets net of long-term debt) for the following purposes:

- To provide adequate short-term liquidity, and cover temporary timing differences in receipt of grant claims;
- To absorb setbacks and manage change should a major income stream fail;
- To enable the organisation to respond quickly to new opportunities.

The Trustees intend that the level of free reserves held by the charity should equate to at least one months' total unrestricted operating costs which were £1,436k during the year (2024 £1,328k). Although free reserves have increased from £134k in 2024 to £1,097k at 31 March 2025, they remain below the desired level. SSJ will continue to seek to increase this figure to achieve the desired level of reserves.

Free reserves are calculated by subtracting the value of fixed assets (excluding investments) from total reserves before adding back long-term liabilities and the next year's mortgage and grant liabilities.

SSJ had £4,519k of total reserves at 31 March 2025 (2024 - £4,313k).

Sources of Income

The largest source of income for SSJ this year has again been net rental and service charge income which has increased by 7.3% to £7,149k (2024 - £6,664k) and represents 40% of SSJ's total income (2024 - 41%). Rental income is usually collected directly from the relevant Local Authority in the form of Housing Benefit payments or the payment of invoices related to SSJ's care provision. The percentage of SSJ's income that it receives through housing support (previously Supporting People ("SP")) contracts has remained fairly static and is now around 19% (2024 - 20%) of total income.

Grant income from substance misuse services has increased to £5.288m (2024: £4.772m) and represents 30% of SSJ's income (2024: 29%). Donations and awards from philanthropic trusts and the general public increased by 63% and remain an important source of funding, with SSJ benefitting from £249k in the year to 31 March 2025 (2024 - £153k).

Society of St James

Report of the Board of Trustees incorporating a Strategic Report for the year ended 31 March 2025

Strategic Report - *Financial Review (continued)*

Property

SSJ acquired 5 properties during the year at a cost of £1.6m (2024 £3.3m). These costs, plus fees and development costs, are capitalised and depreciated over the useful life of the assets. Our properties are shown at their original cost in our accounts, less applicable depreciation. Properties used as security for borrowing are revalued regularly to comply with the terms of loan agreements. The 44 secured properties that are carried at £13.7m in our financial statements were most recently valued at £15.3m.

Funding

SSJ has financed its property acquisition programme through a combination of grants and long-term debt. Government grants are amortised to income over the life of the asset they funded and remain associated with that asset until it is disposed of. If an asset is disposed of the grant must be placed into a Recycled Capital Grant Fund (RCGF) (see note 17) and held until it can be used to acquire or develop similar property to that for which it was originally awarded or is repayable if this hasn't been achieved within 3 years. Government grant awaiting amortisation is shown in the accounts as a short or long-term creditor. Other capital grants, such as lottery funding, are shown as income in the year that the purpose for which they were awarded was achieved. Such grants usually come with a requirement to repay if the asset which they helped acquire are disposed of within a certain period of time.

In arranging external funding, SSJ has borrowed money from a spread of lenders, on a long-term basis and with a mix of fixed and variable interest rates appropriate to balance the risk of interest rate rises with the annual cost of borrowing.

SSJ maintained its borrowing relationships with five organisations during the year and drew down £1,428k of loan finance at a fixed rate of interest. At 31st March 2025 81% of borrowings were at interest rates that had been fixed for more than 3 years at the time they were drawn (2024 80%).

Cash and investments

With operating cash inflows of approximately £1.49m per month, SSJ manages its treasury resources actively, holding most of its cash in instant access accounts.

Under its Treasury Management Policy, SSJ is required to maintain ready access to sufficient sources of liquidity to meet the following month's cash operating costs plus the next three months' debt service costs. In addition, SSJ reviews annually the amount of liquidity which must be met from readily available cash. The minimum amount was increased from £735k to £914k in October 2024.

SSJ maintained its cash balances at in excess of the minimum required under its Treasury Management Policy throughout the year save for one period of 3 days where cash was slightly below the minimum due to a delay in receipt of Housing Benefit monies from a local authority. This cash management has assisted SSJ in funding future property acquisitions when the receipt of new loan finance was delayed.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2025

Value for Money

SSJ is committed to delivering effective and efficient services to service users and embraces the Value for Money (VFM) methodology as required by the Regulator of Social Housing (RSH). SSJ agreed the Value for Money Policy in July 2013, which includes the following Statement of Intent:

“The Society of St James seeks to ensure that all financial and other resources are used to achieve the greatest benefits for the Society, in working towards the furtherance of the aims of the organisation, as described in the governing documents.”

The requirements of the RSH require standard metrics to be shown in these accounts; the following shows these metrics for SSJ and is benchmarked against the most appropriate data (supported housing specialist providers (although these are all still large organisations with greater than 1,000 homes) from the RSH publication of value for money data for the sector for 2024. SSJ has also chosen to add two of its own benchmarks which appear below after the required metrics.

Required Metrics	Benchmark (2024 data)	Target (2025)	2025	2024
Metric 1 - Reinvestment %	6.2%	16.8%	7.7%	24.5%
Metric 2 - New supply delivered %	1.2%	6.7%	3.0%	5.5%
Metric 3 - Gearing %	11.8%	<50%	42.8%	42.3%
Metric 4 - EBITDA MRI Interest Cover %	221.6%	>200%	198%	196%
Metric 5 - Headline social housing cost per unit*	£12,029	£12,500	£13,001	£12,488
Metric 6A - Operating Margin % (social housing lettings only)	12.1%	2.0%	4.2%	4.9%
Metric 6B - Operating Margin % (overall)	6.9%	2.0%	3.4%	2.7%
Metric 7 - Return on capital employed (ROCE) %	2.2%	2.0%	3.2%	2.5%
SSJ additional metrics				
Occupancy %	n/a	>93%	92.7%	93.2%
Bad debts %	n/a	<0.9%	0.9%	1.1%

Metrics 1, 2 and 3

With a focus on increasing the accommodation offered to its service users, SSJ remains above the benchmark for these metrics. It is an active bidder for housing grant, supplemented by external borrowing. In the year 2024/25 SSJ fell below the normal rate of acquisition due to a shortage of suitable affordable housing stock and pending the introduction of a new tranche of government housing grant.

Metric 4

The target for EBITDA MRI Interest cover % was achieved with a result that is slightly below the benchmark. As SSJ invests more in new properties the interest charges will increase and so this metric is anticipated to drop in future years but will be managed effectively.

Metric 5

SSJ aims to reduce cost per unit over time as it builds in scale. SSJ's Social Housing cost per unit is always likely to be higher (and operating margin % lower) than the benchmark as a higher proportion of SSJ's housing stock is in supported housing. SSJ also bears the full costs of running support services (partly funded by grants), whereas most other providers fund fewer support services. SSJ has used an adjusted metric 5 to exclude support - only services. SSJ runs a number of support - only services where another entity undertakes the housing management and 'owns' the associated units; these support costs are included within the social housing costs in Note 3 but the housing units that are supported are not included in SSJ's housing stock. Under SSJ's revised metric the cost per unit is reduced significantly compared with the standard metric and is slightly above the target.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2025

Value for Money (continued)

Metric 5 (continued)

SSJ believes that using this adjusted metric provides a more comparable and meaningful result than including costs of services that do not have any housing units associated with them.

Metric 6

SSJ's Operating Margins are significantly below the benchmark as it is a strategic decision of SSJ to maximise deployment of annual income to provide services to vulnerable people; the Trustees consider an Operating Margin which leads to a retained surplus of 2% generally provides an adequate sustainable surplus and SSJ is managed with the objective of achieving recurring surpluses at that level.

Metric 7

SSJ's ROCE metric is comparable to the benchmark and this year has marginally exceeded it.

SSJ additional metrics

SSJ has chosen two specific metrics for its internal performance which are crucial to monitor the level of housing income and that the efficiency of the service provided.

The occupancy percentage is similar to the previous year's performance. Systems are improving to turn around voids more quickly but SSJ suffers from a number of factors outside its control, including delays in referrals which have a negative impact on percentage occupancy.

The target bad debt percentage has been achieved this year, good rent collection policies from the Housing Management team have kept this at a sustainable figure. SSJ continues to benefit from direct payments of benefits.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*continued*) for the year ended 31 March 2025

Statement of the Board of Trustees' responsibilities

The Board members are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation require the Board members to prepare financial statements for each financial year. Under that law the Board members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the society and of the surplus or deficit of the society for that period.

In preparing these financial statements, the Board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice for social housing providers (2018) 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 society will continue in business.

The Board members are responsible for keeping proper accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice for social housing providers (2018).

Financial statements are published on the society's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the society's website is the responsibility of the Board Members. The Board Members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

All of the current Trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

S & W Partners Audit Limited are deemed to be re-appointed as auditors.

This report was approved by the Board of Trustees on
and is signed on its behalf by:



[A Davis \(Aug 15, 2025 13:21:06 GMT+1\)](#)

A Davis, Trustee



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOCIETY OF ST JAMES

Opinion

We have audited the financial statements of Society of St James (the 'Society') for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Cash flow statement and the 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 FRS 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 Society's affairs as at 31 March 2025 and of 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 Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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 Society 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 directors' 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 Society'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report and Financial Statements. 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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board of Trustees incorporating a Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Trustees incorporating a Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees incorporating a Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Board's Responsibilities set on page 15, the members of the board are the directors of the Society for the purposes of company law. The directors 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 controls as the directors 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 directors are responsible for assessing the Society'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 directors either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the Society's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance. We also drew on our existing understanding of the Society's industry and regulation.

We understand that the Society complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A risk assessment framework and register that includes regular review and scrutiny by the Board and Audit and Finance Committee;
- An annual assessment of compliance with regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing; and
- The Board's close oversight through regular board meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Society's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Society:

- FRS 102, the requirements of the Companies Act 2006, the Charities Act 2011 the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022, in respect of the preparation and presentation of the financial statements;
- Health and safety regulations; and
- Regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Performed a review of board minutes to identify any indicators of known or suspected non-compliance with significant laws and regulations; and
- Reviewed any correspondence between the Regulator of Social Housing and the Society.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Society's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the Society's processes and controls surrounding manual journal entries

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



Use of our report

This report is made solely to the Society's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Society's members 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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

S&W Partners Audit Limited

S&W Partners Audit Limited (Aug 21, 2025 10:22:53 GMT+1)

Julie Mutton

Senior Statutory Auditor, for and on behalf of

S&W Partners Audit Limited

Statutory Auditor

Chartered Accountants

Date 21/08/2025

Cumberland House
15-17 Cumberland Place
Southampton
Hants
SO15 2BG

Society of St James

Statement of Comprehensive Income for the year ended 31 March 2025

	Notes	2025	2024
		£000s	£000s
Turnover		17,867	16,473
Operating costs		(17,254)	(16,036)
Operating surplus	2	613	437
Interest receivable and similar income	6	40	23
Interest payable and similar charges	7	(427)	(359)
Surplus for the year		226	101
Actuarial (loss)/gain in respect of pension scheme	22	(20)	26
Total Comprehensive Income for the year		206	127

All activities of the charitable company are classed as continuing.

The notes on pages 24 to 41 form part of these financial statements.

Society of St James

Statement of Changes in Reserves for the year ended 31 March 2025

	Retained Earnings £000s
Balance at 1 April 2023	4,186
Surplus for the year	101
Other Comprehensive Income	26
Balance at 31 March 2024	4,313
Balance at 1 April 2024	4,313
Surplus for the year	226
Other Comprehensive Income	(20)
Balance at 31 March 2025	4,519

Society of St James

Statement of Financial Position at 31 March 2025 Company Registration Number: 03009700

	Notes	2025 £000s	2024 £000s
Fixed assets			
Housing properties at cost less depreciation	9	17,660	16,338
Intangible assets	10	168	204
Other fixed assets	11	869	887
Investments	12	10	10
		18,707	17,439
Current assets			
Debtors	13	1,396	1,394
Cash at bank and in hand		1,349	811
		2,745	2,205
Creditors: amounts falling due within one year	14	2,100	2,312
Net current assets/(liabilities)		645	(107)
Total assets less current liabilities		19,352	17,332
Creditors: amounts falling due after more than one year	15	14,833	13,019
Total net assets		4,519	4,313
Capital and reserves			
Retained earnings		4,519	4,313
Total Capital and Reserves		4,519	4,313

The financial statements on pages 20 to 41 were approved and authorised for issue by the Board of Trustees on 30 September 2025 and are signed on its behalf by:-

gcw marshall
gcw marshall (Aug 15, 2025 12:40:16 GMT+1)

G Marshall
Trustee

A Davis
A Davis (Aug 15, 2025 13:21:06 GMT+1)

A Davis
Trustee

The notes on pages 24 to 41 form part of these financial statements.

Society of St James

Cash flow statement for the year ended 31 March 2025

	Notes	2025 £000s	2024 £000s
Net cash generated from operating activities	23	1,017	879
Cash flow from investing activities			
Acquisition, construction and works to tangible fixed assets		(2,094)	(4,246)
Proceeds from the sale of fixed asset investments		-	87
Grants received		839	1,789
Interest received		40	23
Net cash used in investing activities		(1,215)	(2,347)
Cash flow from financing activities			
New loans (net of fees)		1,421	819
Loans repaid		(236)	(209)
Interest paid		(449)	(359)
Net cash generated from financing activities		736	251
Increase/ (Decrease) in cash and cash equivalents		538	(1,217)
Cash and cash equivalents at beginning of year		811	2,028
Cash and cash equivalents at end of year		1,349	811

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025

1 Accounting policies

Society of St James ("the Society") is a private company limited by guarantee and incorporated in England and Wales. It is a registered provider of social housing with the Regulator of Social Housing and the address of the registered office is 125 Albert Road South, Southampton, SO14 3FR.

Basis of accounting

The financial statements have been prepared in accordance with UK Generally Accepted Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets at the date of transition under the 'deemed cost' option of FRS 102 and as modified by the revaluation of investments.

The Society meets the definition of a Public Benefit Entity under FRS 102

These financial statements are single entity statements and not consolidated group accounts. Consolidation is not required as the other group member, Jamie's Computers Limited, was dormant throughout the reporting period.

Going concern

After making enquiries, the Board has reviewed forecasts and further information that has reassured it that there is a reasonable expectation that the Society has, and will continue to receive, adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statement are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

The principal accounting policies of the Society are set out below.

1.1 *Significant judgements and estimates*

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Statement of Financial Position date and the reported amounts of revenues and expenses during the reporting period.

Significant management judgements

The following are the significant management judgements made in applying the accounting policies of the Society that have the most significant effect on the financial statements

1.1a *Identification of housing property components*

Housing property depreciation is calculated on a component-by-component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025

1 Accounting policies (continued)

1.1b Goodwill

Goodwill is written off over its useful economic life, being 10 or 20 years depending upon the nature of the asset and the applicable accounting standards at the time it arises.

1.1c Bad debt provision

Trade debtor balances are recorded in the Society's statement of financial position and comprise a relatively large number of small balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable. Additionally, a provision is made against 50% of resident's credit balances.

1.1d Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence with regard to IT equipment/software and any changes to decent homes standard requiring frequent replacement of components.

1.1e Dilapidations

A number of liabilities are recognised in the accounts to reflect the management's view of the potential liabilities that the Society has to pay for dilapidations to premises that it rents during and after its tenure in them. Experience of previous dilapidations claims, and settlements has informed these estimates.

1.1f Local Government Pension Scheme (LGPS) Valuations

The Society is an admitted body to the Hampshire LGPS following transfers of staff formerly working in the public sector. The scheme actuaries estimate the liabilities of the Hampshire LGPS using a number of key assumptions including rates of inflation; mortality; discount rate; and future salary increases. Variances in these assumptions may impact the pension liability and annual expense.

1.2 Turnover

Turnover includes rental and service charge income from residential properties in respect of the year and any other income such as legacies. Fees or grants receivable from local authorities in respect of revenue are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate. Grants received for housing properties are recognised in income on a systematic basis.

1.3 Interest Payable

Interest payable on loan finance during the development of new property assets is capitalised as a development cost of the new asset for which the loan was drawn. All other interest payable is charged to the Statement of Comprehensive Income in the year to which it relates.

1.4 Goodwill

Positive goodwill arising from the purchase of care homes (representing the excess of the purchase price of the business over the valuation of the assets acquired) has been capitalised and, subject to impairment reviews as required, is amortised by equal charges to the Statement of Comprehensive Income, over the period from which economic benefit is derived, as follows:

Radstock Residential Care Home: 20 years
Linden House Residential Care Home: 10 years

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025

1 Accounting policies (continued)

1.5 Housing properties

Freehold housing properties are stated at cost. Cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements. In accordance with the SORP, component accounting has been adopted. The components of a property have therefore been identified and when a component is replaced the cost is capitalised as a component of the property. Other repair work is charged to the Statement of Comprehensive Income.

Freehold land is not depreciated. Depreciation is charged so as to write down the cost of freehold properties other than freehold land to their estimated residual value on a straight line basis over their estimated useful economic lives at the following rates:

Component	Years	Component	Years	Component	Years
Structure	50	Boiler and Heating System	10	Bathrooms*	10 or 20
Roof	30	Windows and Doors [^]	5 or 20	Sub structure	10
Electrical Wiring	20	Solar Panels	12	Kitchens*	5 or 10

[^] UPVC windows and doors: 20 years; wooden windows: 5 years

* Bathrooms and Kitchens are depreciated at the shorter rate where there are shared facilities

1.6 Leasehold property and leasehold improvements

Leasehold housing property and leasehold improvements are accounted for in the same way as Freehold housing property other than depreciation which is charged over the life of the lease, or using the rates in the table above, whichever is the lower.

1.7 Other freehold property

Other freehold properties are stated at cost. Cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements. Depreciation is charged so as to write down the cost of other freehold properties other than freehold land to their estimated residual value on a straight line basis over their estimated useful economic lives of 50 years. Freehold land is not depreciated.

1.8 Other fixed assets

Expenditure on other tangible fixed assets is capitalised only when it has a life of more than one year and has a value of more than £1,000. The cost of other items is written off as incurred. Depreciation is provided on these tangible fixed assets at rates calculated to write off cost over their expected useful lives, using the straight line method at a rate of between 25% to 50% per annum.

The Society took the transitional relief to include certain other fixed assets at fair value at the date of transition to FRS 102, known as deemed cost.

1.9 Government Grants – Housing Property

Government grants include grants receivable from Homes England, local authorities and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the longest life components on a pro rata basis under the accrual model. The unamortised element of the government grant is recognised as deferred income in creditors.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025

1 Accounting policies (continued)

1.10 Government Grants – Other fixed assets

Capital grants received for other fixed assets are held as creditors and recognised on a straight line basis over the useful economic life of the asset for which they have been used to acquire.

1.11 Revenue Grants

Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate. Until the revenue grants are recognised as income they are recorded as liabilities.

1.12 Operating leases

Annual rentals under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the term of the lease. The aggregate benefits of any lease incentive are recognised as a reduction in expenses over the term of the lease.

1.13 Pension costs

The Society operates a number of pension arrangements for its employees.

Pensions Trust – Defined Contribution

The Society operates a defined contribution scheme through The Pensions Trust. The accounting charge for the period represents the employer contribution payable.

Pensions Trust Growth Plan – Defined Benefit

The Growth Plan is a multi-employer defined benefit scheme through The Pensions Trust.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the scheme, the accounting charge for the period under FRS102 represents the employer contribution payable.

The scheme currently has a shortfall of assets compared to liabilities and a deficit payment plan which has been agreed between the participating employers and Trustee of the scheme. In line with FRS102 requirements, this cash payment plan has been recognised as a liability in the Statement of Financial Position and is measured at the reporting date by discounting the future cash outflows at the rate of AA corporate bond. The unwinding of this discounting is recognised as a finance charge in the period to which it relates.

Hampshire County Council Pension Fund

The Society participates in a defined benefit pension scheme which provides benefits based on final pensionable salary. The assets of the scheme are held by the Hampshire County Council Superannuation Fund.

The pension costs relating to the scheme are accounted for in accordance with FRS102. Current service costs and interest costs relating to the net defined obligation are included in the income statement in the period to which they relate. When applicable, actuarial gains and losses as well as any other re measurements are recognised in other comprehensive income. Where a scheme is in surplus in accordance with FRS102 28.22 the asset can only be recognised to the extent that the entity is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025 (*Continued*)

1 Accounting policies (continued)

1.14 Taxation

The Society has charitable status and therefore is not subject to Corporation Tax on surpluses derived from charitable activities.

1.15 Value added tax

The Society is VAT registered and is able to recover all VAT incurred at Jamie's Computers and part of the VAT on Head Office costs. All other VAT incurred is included within the category of expenditure to which it relates.

1.16 Financial Instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Society becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and are measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Society may not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Society's cash management.

Interest - bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability or, where deemed appropriate, a shorter period to the net carrying amount on initial recognition.

1.17 Development staff costs

Where staff costs are directly attributable to the development of new property assets these costs will be capitalised as a development cost of the new asset.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025 (Continued)

2 Operating surplus

	2025 £000s	2024 £000s
<i>Operating surplus is stated after charging:</i>		
Depreciation		
- housing properties	562	475
- other fixed assets	222	215
Amortisation of goodwill	36	35
Auditors' remuneration	32	25
- as auditors (excluding VAT and expenses)	-	-
- other services	-	-
Rent losses from bad debts	38	41
- rent (net of service charges)	32	36
- service charges	633	670
Operating lease costs		
- land and buildings		

3 Income and Expenditure from Social Housing Activities

	2025 £000s	2024 £000s
Income		
Rent receivable net of identifiable service charges and voids	4,830	4,551
Service charges receivable	2,319	2,113
Revenue and capital grants relating to lettings	4,475	4,369
Revenue and capital grants from other social housing activities	5,600	4,923
Turnover from social housing activities	17,224	15,956
Social housing activity expenditure relating to lettings	11,136	10,494
Other social housing activity expenditure	5,479	4,899
Total expenditure on social housing activity	16,615	15,393
Operating surplus from social housing activities	609	563
Void losses	559	490

4 Staff costs

	2025 £000s	2024 £000s
Wages and salaries	9,811	8,889
Employer National Insurance Contributions	805	708
Employer pension contribution costs	670	612
	11,286	10,209

Company pension scheme contributions are made to pension schemes operated on the company's behalf by TPT retirement solutions (formerly the Pensions Trust) and Hampshire County Council.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025 (Continued)

4 Staff costs (continued)

The average number of staff directly employed by the company during the year (expressed in full time equivalents) was:

	2025 Number	2024 Number
Housing and support	196	200
Substance misuse	85	80
Social enterprise	12	13
Finance	9	9
Administration	17	16
	319	318

5 Senior Management Team's emoluments (including Key Management Personnel)

The aggregate emoluments of the Senior Management Team, including the Chief Executive, were:

	2025 £000s	2024 £000s
Wages and salaries	397	398
Employer National Insurance Contributions	46	46
Employer pension contribution costs	42	50
	485	494
Remuneration payable to the highest paid Director excluding pension	75	87

For the year ended 31 March 2025 the number of employees whose annual emoluments including pension contributions were £60,000 or more were:

	2025 Number	2024 Number
£60,000 to £70,000	2	4
£70,000 to £80,000	2	-
£80,000 to £90,000	1	1
£90,000 to £100,000	-	1

The now retired Chief Executive (retired 17 May 2024) was a member of the 'Flexible Retirement Plan' pension scheme that is administered by TPT Retirement Solutions (formerly the Pensions Trust) and is available to all staff. As with all staff in this scheme the Chief Executive sacrificed 5% of their salary during the financial year in order for the company to contribute 8% of salary (as listed above) to the scheme. There are no enhanced or special terms for the new Chief Executive's pension (appointed 24 June 2024) and they were an ordinary member of the scheme during the financial year. The Chief Executive has no other pension arrangements to which the company contributes. No member of the Board of Trustees received any remuneration in either the current or comparative years.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025 (*Continued*)

6 Interest receivable and similar income

	2025 £000s	2024 £000s
Interest receivable and investment income	40	23

7 Interest payable

	2025 £000s	2024 £000s
Mortgage interest	449	385
Unwinding of discount factor in respect of the pension growth plan	-	1
Less capitalised interest	(22)	(27)
	427	359

8 Tax on surplus on ordinary activities

Society of St James is a registered charity and, as such, is exempt from liability to taxation on income and capital gains derived from its charitable activities.

9 Housing property

	Property in development £000s	Leasehold land and property held for lettings £000s	Freehold land and property held for lettings £000s	Total £000s
<i>Cost</i>				
At 1 April 2024	1,132	5,010	12,808	18,950
Additions: new properties	-	464	1,155	1,619
works to existing properties	32	65	194	291
Transfers:	(1,164)	434	730	-
Disposals: components replaced	-	(11)	(32)	(43)
At 31 March 2025	-	5,962	14,855	20,817
<i>Depreciation</i>				
At 1 April 2024	-	442	2,170	2,612
Charge for the year	-	142	420	562
Disposals: components replaced	-	(2)	(15)	(17)
At 31 March 2025	-	582	2,575	3,157
<i>Net book value</i>				
At 31 March 2025	-	5,380	12,280	17,660
At 31 March 2024	1,132	4,568	10,638	16,338

As at the year end, the total cost of housing properties includes capitalised interest of £122k (2024: £100k).

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025 (*Continued*)

10	Intangible assets						Goodwill £000s
	Cost at 1 April 2024 and 31 March 2025						421
	<i>Amortisation</i>						
	At 1 April 2024						217
	Charge for the year						36
	At 31 March 2025						253
	<i>Net Book Value</i>						
	At 31 March 2025						168
	At 31 March 2024						204
11	Other fixed assets						
		Freehold Property £000s	Leasehold Improvements £000s	Motor vehicles £000s	Office Equipment £000s	Housing Equipment £000s	Total £000s
	<i>Cost</i>						
	At 1 April 2024	278	827	194	311	631	2,241
	Additions	1	99	42	12	52	206
	Disposals	-	-	(38)	-	(12)	(50)
	At 31 March 2025	279	926	198	323	671	2,397
	<i>Depreciation</i>						
	At 1 April 2024	47	456	151	232	468	1,354
	Charge for the year	6	94	26	45	51	222
	Disposals	-	-	(38)	-	(12)	(50)
	At 31 March 2025	53	550	139	277	507	1,526
	<i>Net book value</i>						
	At 31 March 2025	226	376	59	46	164	871
	At 31 March 2024	231	371	43	79	163	887
	On a historical cost basis, the freehold property would have been included at:					2025 £000s	2024 £000s
	Cost					296	296
	Aggregate depreciation					(109)	(106)
	Depreciated cost					187	190

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025 (*Continued*)

12 Investments	Unlisted £000s	2025 £000s	2024 £000s
<i>Cost or valuation</i>			
Valuation at 1 April 2024	10	10	10
Cost or Valuation at 31 March 2025	10	10	10

The unlisted investment is held at cost and represents 100% of the share capital of Jamie's Computers Limited. Jamie's Computers Limited has its registered office at 125 Albert Road South, Southampton, SO14 3FR. Jamie's Computers was dormant throughout the 9 periods from 1 April 2016 to 31 March 2025. Jamie's Computers Limited had £10,000 of unpaid share capital and £9,500 reserves at 31 March 2024 and 31 March 2025.

13 Debtors	2025 £000s	2024 £000s
Trade Rent and service charge	517	391
Debtors: Less Provision for doubtful debts	(418)	(319)
Rent and service charge (net of provision for doubtful debts)	99	72
Other trade debtors (net of provision)	970	1,109
Grants receivable	-	14
Other debtors	20	19
Prepayments and accrued income	307	180
	1,396	1,394

All amounts shown under debtors fall due for payment within one year.

14 Creditors: Amounts falling due within one year	2025 £000s	2024 £000s
Secured Mortgage	224	231
Trade creditors	603	695
Grants in advance	388	670
Taxation and social security	171	165
Intercompany creditor (Jamie's Computers Ltd)	10	10
Other creditors	372	294
Accruals and deferred income	109	55
Pension creditor (TPT)	5	6
Deferred capital grant (Note 16)	218	186
	2,100	2,312

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025 (Continued)

15 Creditors: Amounts falling due after more than one year	2025 £000s	2024 £000s
Deferred capital grant (note 16)	6,147	5,535
Secured mortgages (net of fees)	8,676	7,484
Pension creditor	10	-
	14,833	13,019

The mortgages are repaid on a monthly basis over terms ranging from 15 to 30 years. Rates are either variable with a margin over Bank of England base rate or SONIA, or fixed. The remaining terms on these loans are between 3 and 22 years.

A variable rate of interest was charged on £1,738k of mortgage balances (2024 £1,818k). The variables rates applied are:

	2025 £000s	2024 £000s
SONIA + 0.65% on the mortgage balance of	233	262
Bank of England (BoE) base rate + 2.55% on the mortgage balance of	1,505	1,556
	1,738	1,818

	2025 £000s	2024 £000s
A fixed rate of 3.2% was charged on mortgage balances of	556	604
A fixed rate of 2.9% was charged on mortgage balances of	2,139	2,223
A fixed rate of 3.707% was charged on mortgage balances of	1,480	1,480
A fixed rate of 6.445% was charged on mortgage balances of	823	823
A fixed rate of 5.75% was charged on mortgage balances of	882	907
A fixed rate of 5.798% was charged on mortgage balances of	1,428	-
	7,308	6,037

The mortgages are secured by fixed charges over 44 of the Society's properties.

The mortgages are repayable as follows:

	2025 £000s	2024 £000s
In less than one year	224	231
In more than one year but less than two years	256	242
In more than two years but less than five years	728	508
In more than five years	7,838	6,874
	9,046	7,855

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025 (*Continued*)

16	Deferred Capital Grant	2025 £000s	2024 £000s
	At 1 April	5,721	3,888
	Grants received in year	839	1,789
	Released to income in the year	(195)	(137)
	Transfer from /(to) RCGF	-	181
	At 31 March	6,365	5,721
	Amounts to be released within one year	218	186
	Amounts to be released in more than one year	6,147	5,535
		6,365	5,721
17	Recycled Capital Grant Fund (RCGF)	2025 £000s	2024 £000s
	At 1 April	-	181
	Grants recycled	-	-
	Interest accrued	-	-
	Recycling of grant new property	-	(181)
	At 31 March	-	-
18	Commitments	2025 £000s	2024 £000s
	<i>Capital commitments</i>		
	Expenditure authorised by the board, but not contracted	-	414

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025 (Continued)

19 Housing stock

The housing stock of the charitable company comprised the following types of property.

	2025 Number	2024 Number
Leased supported units	220	219
Owned supported units	321	306
	541	525

20 Legislative provisions

Society of St James is a company limited by guarantee and is registered with the Charity Commission and the Regulator of Social Housing.

21 Commitments under operating leases

The company had outstanding commitments for future minimum payments under non-cancellable operating leases as set out below:

	Land and buildings 2025 £000s	2024 £000s
Operating leases which expire:		
Within one year	643	621
In two to five years	1,626	2,272
After five years	260	518
	2,529	3,411

22 Pension Scheme

The Society of St James participates in a variety of pension schemes administrated by TPT retirement solutions, previously the Pensions Trust (the Trustee) and pays contributions at a variety of rates. For members who joined any of the schemes prior to 1 July 2012 the Society paid contributions at the rate of 9% of salary and members paid contributions at the rate of 5% of salary during the accounting period. For members who have transferred into the Society's employment due to TUPE regulations and have relevant employment rights, or who were employed before 1 July 2012, and opted to join one of the pension schemes prior to 30 November 2012, the Society paid contributions at the rate of 6% of salary and members paid contributions at the rate of 5% of salary during the accounting period. For members who joined the Society on or after 1 July 2012, or who opted to join the pension after 30 September 2012, or who were auto enrolled, the Society paid contributions of 3% whilst members paid contributions at the rate of 5% of salary during the accounting period.

All schemes, apart from the Growth Plan (the scheme), are defined contribution schemes. The Society participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers.

The scheme is a defined benefit scheme in the UK. It is not possible for the Society to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025 (*Continued*)

22 Pension Scheme (continued)

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the Society is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

Deficit contributions required from the Society of St James from 1 April 2025 to 31 March 2028 have been recalculated to be £5,012 per annum (payable monthly).

Where the scheme is in deficit and where the Society has agreed to a deficit funding arrangement the Society recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

<i>Present Values of Provision</i>		2025 £000s	2024 £000s
Present Value of Provision		14	6
<i>Reconciliation of Opening and Closing Provisions</i>		2025 £000s	2024 £000s
Provision at start of period		6	13
Unwinding of the discount factor (interest expense)		-	1
Deficit contributions paid		(6)	(8)
Remeasurements – amendments to the contribution schedule		14	-
Provision at end of period		<u>14</u>	<u>6</u>
<i>Income and Expenditure Impact</i>		2025 £000s	2024 £000s
Interest expense		-	1
Remeasurements – amendments to the contribution schedule		14	-
<i>Assumptions</i>	2025 %	2024 %	2023 %
Rate of discount	4.84	5.31	5.52

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025 (Continued)

22 Pension Scheme (continued)

The following schedule details the deficit contributions agreed between the Society and the scheme at each year end period:

	2025 £000s	2024 £000s	2022 £000s
Year 1	5	6	8
Year 2	5	-	6
Year 3	5	-	-

Hampshire County Council Pension Fund

The Society commenced participation in the Local Government Pension Scheme (LGPS) administered by Hampshire County Council on 1 November 2016.

The disclosures below relate to the funded liabilities within the Hampshire County Council Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS").

The funded nature of the LGPS requires participating employers and their employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. The last actuarial valuation was at 31 March 2022 and the contributions to be paid until 31 March 2025 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate.

The Fund Administering Authority, Hampshire County Council is responsible for the governance of the Fund.

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole is shown in the disclosures.

The Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

Reconciliation of funded status to Balance Sheet	31 March 2025 £000s	31 March 2024 £000s
Fair value of assets	1,447	1,371
Present value of funded defined benefit obligation	(734)	(828)
Funded status	713	543
Unrecognised asset	(713)	(543)
Liability recognised on balance sheet	-	-

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025 (Continued)

22 Pension Scheme (continued)

The key actuarial assumptions on which the Scheme Actuary's calculations are based are as follows:

	31 March 2025 % per annum	31 March 2024 % per annum
Discount Rate	5.80	4.85
CPI inflation	2.75	2.75
Pension increases	2.75	2.75
Pension accounts rate of revaluation	2.75	2.75
Salary increases	3.75	3.75

Mortality Assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at 65 resulting from these mortality assumptions are shown below.

Assumed Life expectancy at 65	2025	2024
Male		
Member aged 65 at accounting date	22.0	22.1
Member aged 45 at accounting date	22.5	22.6
Female		
Member aged 65 at accounting date	24.7	24.7
Member aged 45 at accounting date	25.6	25.7

Asset allocation in the scheme is as follows:

	2025 %	2024 %
Equities	52	55
Property	36	7
Bonds	10	37
Cash	2	1
Total	100	100

Amounts recognised in Income Statement

	2025 £000s	2024 £000s
Operating cost		
Current service cost	34	37
Interest on net defined benefit asset	(1)	1
Expense recognised in Income Statement	33	38

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025 (Continued)

22 Pension Scheme (continued)

	2025 £000s	2024 £000s
Amounts recognised in other Comprehensive Income		
Asset (losses)/gains arising during the period	(26)	54
Actuarial gains due to change in financial assumptions	164	20
Actuarial gains due to changes in demographic assumptions	1	8
Actuarial gains/(losses) due to liability experience	7	(26)
Adjustments in respect of paragraph 28.22 of FRS102	(166)	(30)
Total amount recognised in other Comprehensive Income	(20)	26
Changes to present value of the defined benefit obligation	2025 £000s	2024 £000s
Opening defined benefit obligation	828	752
Current service cost	34	37
Interest expense on defined benefit obligation	41	36
Contributions by participants	9	10
Actuarial gains due to change in financial assumptions	(164)	(20)
Actuarial gains due to changes in demographic assumptions	(1)	(8)
Actuarial (gains)/losses due to liability experience	(7)	26
Net benefits paid out	(6)	(5)
Closing defined benefit obligation	734	828
Changes to the fair value of assets	2025 £000s	2024 £000s
Opening fair value of assets	1,371	1,222
Interest income on assets	67	57
Remeasurement (losses)/ gains on assets	(26)	54
Contributions by employer	32	33
Contributions by participants	9	10
Net benefits paid out	(6)	(5)
Closing fair value of assets	1,447	1,371
Actual Return on Assets	2025 £000s	2024 £000s
Interest income on assets	67	57
(Loss) / gain on assets	(26)	54
Actual return on assets	41	111

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2025 (Continued)

23 Reconciliation of operating surpluses to net cash inflow from operating activities

	2025 £000s	2024 £000s
Operating surplus	613	437
Amortisation of intangible fixed asset	36	35
Amortisation of deferred capital grant	(195)	(137)
Depreciation of tangible fixed assets	784	659
Loss on disposal	26	-
Increase in debtors	(2)	(541)
(Decrease)/ Increase in creditors	(240)	400
Pension scheme adjustment	(5)	26
Net cash inflow from operating activities	1,017	879

24 Analysis of change in net debt

	At 1 April 2024 £000s	Cash Flow £000s	Other £000s	At 31 March 2025 £000s
Cash at bank and in hand	811	538	-	1,349
Debt due within one year	(231)	231	(224)	(224)
Debt due after one year	(7,484)	(1,416)	224	(8,676)
Total	(6,904)	(647)	-	(7,551)

25 Related party transactions

Related party transactions have been recorded between the Society and the brother-in-law of a senior member of staff, with the brother-in-law providing Handyman maintenance services to the Society. The total expenditure with the related party during the year was £1k (2024: £16k) with no balances outstanding at 31 March 2025 (2024: less than £1k). Related party transactions have been recorded between the Society and the daughter of a director who was employed at the Society's care home with the total during the year being £3.3k (2024: £5k). Additionally, SSJ paid £16.9k to the Big Difference, a local food redistribution charity that is managed by Above Bar Church of which Trevor Pickup, Chief Executive until 17 May 2024, is Trustee and an elder. The payment facilitated the weekly provision of food to SSJ's 'food banks' in Southampton and Portsmouth until January 2025. No other related party transactions have occurred with regards to the Trustees and Senior Staff as listed on page 1 of these accounts, other than remuneration paid to Key Management Personnel set out in note 5.

26 Post Balance Sheet Events

In June 2025 the Board authorised Capital Expenditure of £1.5M to purchase 49 units of housing accommodation from a Registered Provider of Social Housing. The transaction is expected to take place during the financial year ending 31 March 2026. This expenditure is expected to be funded by a combination of mortgage finance and cash. Any existing grant liabilities associated with the properties will be transferred as a part of the purchase.

27 Controlling party

At 31 March 2025 the ultimate controlling party was the Trustees and Directors of the Society of St James.

THE SOCIETY OF ST JAMES

England & Wales - Charity number 1043664

Accounts

Society of St James

Report and Financial Statements

Year Ended

31 March 2024

Company Number: 03009700

Charity Number: 1043664

Society of St James

Annual report and financial statements for the year ended 31 March 2024

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Society of St James

Reference and administrative information for the year ended 31 March 2024

Trustees and Directors:	S Butterfill P Hillary (Chair) G Marshall (Treasurer) J Osman R Hollis A Holdup A Davis J Ash A Chaudry A M Powell D Watson S Morgan	(appointed 15 October 2015) (appointed 27 October 2016) (appointed 12 October 2017) (appointed 12 October 2017, resigned 4 July 2023) (appointed 5 February 2019, resigned 31 December 2023) (appointed 1 September 2020) (appointed 5 October 2021) (appointed 5 April 2022) (appointed 6 September 2022) (appointed 2 April 2024) (appointed 2 April 2024) (appointed 2 April 2024)
Company Secretary:	T Pickup T Marsh	(until 2 July 2024) (from 2 July 2024)
Senior Staff	T Pickup T Marsh A R Powell M Taylor T Keall N Wilsenham G Nesbitt	(Chief Executive, retired 17 May 2024) (Chief Executive, appointed 24 June 2024) (Director of Finance and Central Services) (Operations Director) (Operations Director) (Operations Director) (Director of Asset Management)
Registered Office:	125 Albert Road South Southampton SO14 3FR	
Registered Company Number:	03009700	
Regulator of Social Housing Registration Number:	LH4337	
Registered Charity Number:	1043664	
Auditors:	CLA Evelyn Partners Limited Cumberland House 15 – 17 Cumberland Place Southampton SO15 2BG	
Solicitors:	Blake Morgan New Kings Court Tollgate Chandler's Ford Hampshire SO53 3LG	
Bankers:	NatWest 68 Above Bar Street Southampton SO14 7DS	

Society of St James

Report of the Board of Trustees incorporating a Strategic Report for the year ended 31 March 2024

Introduction

The Board of Trustees presents its report and financial statements for the year ended 31 March 2024, which should be read in conjunction with the information on page 1. All Trustees are directors of the Charitable Company for the purposes of company law.

Structure, Governance and Management

The Society of St James (SSJ/ the Society) is a charitable company limited by guarantee and is registered with the Regulator of Social Housing (RSH) (number LH4337). The liability of the members is limited to their guarantee. In the event of SSJ being wound up during the period of the membership (or within the year following), members undertake to contribute such amounts as may be required, but not exceeding £10.

SSJ is governed by the Board of Trustees, which meets at least quarterly. The Board has created four Committees to take specific interest in the areas of Personnel, Audit and Finance, Asset Management and Operations, who also meet at least quarterly. A Development Panel is also convened as required to provide a mechanism for Board supervision of new major projects as they arise. In line with good practice, SSJ also convenes a Directors' Remuneration Committee annually to appraise performance and set the Senior Management Team's salaries. SSJ's policy is for these salaries to be broadly in line with median rates of pay for comparable posts as informed by independent specialists. Meetings are held both in person and virtually.

During the year SSJ has helped to establish a Service User and Resident's Association (SURA) with the aim of ensuring Service Users have an independent body through which to influence SSJ's decision making.

As a Registered Provider (Housing Association) SSJ is required to meet the Standards set by the RSH, as its key regulator.

In June 2023 the Board reviewed its own performance and the performance of the committees of the Board. It also reviewed the effectiveness of the current committee structure and systems in place to ensure that they provided effective governance arrangements for SSJ. The Chair of the Board also undertook appraisals with each of the Board members. The Board also recently reviewed the key risks facing SSJ and mechanisms to ensure that they are addressed within Board meetings and reports to the Board. The Board confirms that they comply with the Regulator of Social Housing governance and financial viability standard.

SSJ seeks to recruit one or two new Board members each year. The recruitment and induction process includes a tour around some of SSJ's projects and an introduction to SSJ's work. Potential new Board members also attend a Board Meeting as observers before appointment to the Board. All Board members serve in a voluntary capacity; it is not the policy of SSJ to remunerate Board members.

The Chief Executive reports to the Board, the senior staff report to the Chief Executive and the rest of the staff in turn report to the senior staff.

SSJ has adopted the National Housing Federation Code of Governance and is working towards compliance with the 2020 edition. SSJ has made further progress this year towards achieving compliance with the Resident Engagement requirements; over the last 21 months our Service User Engagement Lead has organised numerous engagement and consultation events and we have set up a Service User & Residents Association (SURA). In order to work within the spirit of the code and to follow good practice, the model of co-production is being followed as this area of work advances.

The code requires a declaration of any areas of non-compliance. These are:

- 1) Resident engagement – SSJ continues work to develop effective systems and processes in this area to make them fully compliant with the requirements of the code.
- 2) Six-year maximum length of tenure on the Board – The code of governance provides flexibility to allow a Board member to stay on the board for up to 9 years if the organisation feels there is good reason to do so. SSJ's board has decided that, in line with Charity Commission guidance, a tenure of up to 9 years is preferable for the organisation.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2024

Structure, Governance and Management (continued)

The Trustees have given due consideration to Charity Commission guidance on public benefit when reviewing objects and activities. Trustees are also mindful of the duties of Trustees under charity law and have reviewed Charity Commission guidance and the Charities Governance Code checklist for larger charities in parallel with the RSH guidelines to ensure good governance practice.

Objectives and Activities

The Objectives of SSJ are:

"The relief of poverty, sickness, hardship and distress in particular but not exclusively of persons who are homeless, unemployed or who have drug, alcohol or other substance addictions by the provision of housing, rehabilitation, care, support, education, training and employment opportunities: in order to improve the individuals' opportunities and quality of life and to contribute to the wider community".

SSJ seeks to achieve this through a range of activities, which can be broken down between the following headings:

- Housing;
- Support;
- Care;
- Substance Misuse Services; and
- Social Enterprise.

SSJ agreed a 10-year strategy in the spring of 2019, to provide a long-term direction for its work which was reviewed in 2023-24. Further detail was provided in a 3-year Business Plan, agreed by the Board annually in October. The plan outlines how we will achieve our 5 overarching outcomes of:

- Outcome 1: Meet the needs of homeless and vulnerable adults across our region
- Outcome 2: Provide safe accommodation and services that meet the needs of current and futures residents and service users
- Outcome 3: Be the provider of choice for contracted services for vulnerable individuals across Hampshire
- Outcome 4: Building the capacity and infrastructure to support actual and planned growth each year
- Outcome 5: Work towards being a carbon neutral organisation.

Housing

SSJ provides a range of housing to homeless people in Southampton, Portsmouth and elsewhere in Hampshire, ranging from hostels, through to shared housing to one-bedroom flats and two registered residential care homes. SSJ also manages accommodation for homeless families in Southampton and Rushmoor. The numbers of bed spaces managed by SSJ are shown below:

Bed spaces/units	2022	2023	2024
Owned	264	280	306
Managed or leased	282	240	219
Total	546	520	525

The reduction in managed or leased units was due to two main factors. Firstly, the closure of the temporary accommodation unit, North Lane Lodge (9 units) in Aldershot, which was replaced by the newly purchased Airport Lodge property. Secondly, SSJ ended a lease of 14 units that were substandard as the landlord was unwilling to make the necessary investment to bring the property to an acceptable standard.

For its owned property SSJ fulfils a full range of property maintenance obligations, from day-to-day repairs to managing a long-term repairs and maintenance programme. As a Registered Provider SSJ offers tenancy or licence agreements, collects rents and generally fulfils the role of landlord.

For leased or managed projects, SSJ fulfils some of the functions listed above, depending upon the form of agreement with the property owner. These often include maintenance obligations, offering tenancy and licence agreements, and the collection of rent.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2024

Objectives and Activities (continued)

Support

SSJ seeks to provide support beyond the services normally provided by a landlord to those living in its accommodation. This activity is largely funded through contracts from Local Authorities, under which SSJ received £3.247 million (2023 £2.946 million) during the year, enabling the employment of support staff in most residential projects. This increased as SSJ was successful in winning a number of contracts from local authorities and other statutory funders over the year. The support provided enables people previously homeless, with mental health issues and with substance misuse problems to maintain their housing and to develop skills to live independently in the community. SSJ is also supporting nine residents in Aldershot in a homelessness hostel with Housing Related Support being funded by the Local Authority

The provision of Housing Related Support remains a major element of SSJ's work, delivering services under contractual arrangements and being subject to a wide range of inspection, regulation and monitoring. In addition, as existing contracts expire, services are put out to competitive tender, so that a range of organisations have the opportunity to competitively bid to provide the service. These contractual arrangements are a crucial factor in forming a picture of the environment in which SSJ operates.

Care

Through St James Care, SSJ operates two registered care homes to create a specialist care service for people with backgrounds of homelessness, substance misuse and mental health issues. This provides an appropriate environment for older residents who can no longer stay in their existing accommodation because of their increasing care needs.

Substance Misuse Services

SSJ provides a number of non-residential services for people with substance misuse issues. These services are provided in Portsmouth and elsewhere in Hampshire. Each area has a different structure for substance misuse services and SSJ provides a different service in each area.

These services work with over 1,000 people at any one time, providing a range of interventions to people with issues with alcohol and drugs. Each project is commissioned through competitive tendering and performance is carefully monitored by the commissioning body, the relevant local authority.

Employment and Training Opportunities

SSJ manages Jamie's Computers which operates as a Social Enterprise. The aim of Jamie's is to generate income for SSJ and to create training and learning opportunities as well as work placements for vulnerable adults in the city of Southampton.

The Café in the Park is also a Social Enterprise, providing employment and volunteering opportunities in Portsmouth, as well as good quality food.

Meaningful Activity

Our sports activity programmes continued through to October 2023 and January 2024 with funding from the National Lottery. These programmes offer all kinds of activities, for both men and women, all aimed at improving health and wellbeing, confidence and self-worth. After the lottery funding ceased SSJ was able to continue with the programmes working alongside the SSJ Academy, which continued to operate following the successful pilot in the previous year, thanks to philanthropic funding.

SSJ was then successful in being awarded new lottery funding which has enabled the development of the SSJ Academy which formally launched in April 2024, marking a more strategic approach to delivering a cross-SSJ timetable of activities that our residents and clients need, alongside the more therapeutic support we offer through our contracted work.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2024

Objectives and Activities (*continued*)

Meaningful Activity (continued)

The Academy consists of Meaningful Activities (Re-Fit), Education Pathways (Re-Set) and Volunteering (Re-Connect)

In addition, we deliver Pathways, a volunteering service to match stable service users with volunteering opportunities within SSJ and in the community (including our Café and Jamie's). This is funded by the Office of the Police and Crime Commissioner.

Strategic Report - *Achievements and performance*

SSJ had a successful year with an annual turnover of £16.473 million and an operating surplus of £437k. This represents 8% growth in turnover on the previous year. SSJ was successful in winning a number of new contracts and tenders, as well as retaining many of our previous contracts. The results were also improved by a number of factors, including additional funding received from local and central government as further work was commissioned by local authorities.

Housing development

SSJ is committed to reducing rough sleeping and homelessness for vulnerable adults by developing new housing. As a housing association, SSJ can access grants from Homes England and match these with borrowings to enable the purchase and refurbishment of property. During the year SSJ purchased 2 properties to provide move-on opportunities for 14 residents utilising these funding sources.

In addition to the above the Department for Levelling Up, Housing and Communities provided a grant to SSJ through the local authority to acquire and develop 15 properties for Afghan and Ukrainian refugee families. By 31 March 2024 SSJ had acquired 12 of these properties, with contracts exchanged to purchase the remaining 3 properties in April 2024.

Having increased its estate by 14 properties during the year, SSJ owned 57 residential properties at the year-end.

Working towards net zero carbon

During the year, following the completion of its EPC assessments on all the properties that are owned, SSJ was able to form a consortium with Silva Homes (part of the Abri Group) to bid to the Social Housing Decarbonisation Fund (SHDF) setup by the Department for Energy Security & Net Zero. In March 2024 SSJ was notified that the joint bid had been successful and SSJ has been awarded £181k to support the property improvements required to bring its properties up to EPC grade C or above.

SSJ will be working with contractors to complete the required programme of works within the next 2 years to comply with the terms of the SHDF wave 2.2.

SSJ Quality Assurance Framework

During 2023/24 SSJ reviewed the SSJ Quality Assurance Framework and made a number of improvements. The 16 internal audits undertaken in 2022/23 were re-assessed solely on their improvement plans from that year whilst 7 new projects were added to the framework and subjected to full audits during the year. The audit continues to cover 8 themes containing a total of 55 standards. This process resulted in both service level improvement plans that will be overseen at Operational Director level and a 'whole organisation' improvement plan that will address cross-cutting themes and be overseen by the Chief Executive reporting to the Operations Committee.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2024

Strategic Report - Achievements and performance (*continued*)

Fundraising

Fundraising is resourced by a small team whose efforts have mainly been directed towards mobilisation, business planning and wider communication improvements. With limited resources, we have nevertheless achieved a number of successes.

We have secured £850K from the National Lottery Community Fund (TNLCF) allowing us to deliver our SSJ Academy from 1st April 2024 with funding for 5 years. This marks a new strategic partnership with the Lottery moving forward. We continue to receive funding from other philanthropic bodies towards specific projects including the SSJ Academy.

Corporate support has been particularly vibrant this year with a total of 13 organisations approaching us to offer their support through volunteering, often bringing a budget with them.

The ongoing support of our community networks has secured a steady stream of income. We are now working with SMART Marketing who are a team working to improve supporter numbers through different channels. This is proving to be a fruitful partnership and a driver for the successful Christmas Campaign which realised a record income,

New Chief Executive

Trevor Pickup, SSJ's Chief Executive for the last 31 years, retired on 17 May 2024. Trevor has left a lasting legacy for SSJ and the many beneficiaries of its work.

SSJ's new Chief Executive, Tania Marsh, commenced on 24 June 2024. Tania was previously Director of Operations at Crisis.

Staff

SSJ is completely dependent on the commitment of our staff to meet the challenging and demanding needs of our environment and client base. The Trustees applaud our staff for all that they have achieved in these particularly difficult circumstances and would like to record their formal thanks and appreciation for their efforts.

We have a diverse workforce, with an average of 318 FTE staff (280 in 2023) being employed over the last 12 months. We seek to be an Excellent Employer. We are currently, and aim to continue to be, a "National Living Wage" employer and have been paying staff at least these rates for the last five years.

SSJ also relies on volunteers in our projects and services, and we are grateful for the contribution they have made.

Strategic Report - Plans for the Future

There are significant areas of unmet need within the areas of expertise in which SSJ operates. In order to meet the charitable objectives of SSJ, it will need to continue to fulfil its existing role and to develop new services.

SSJ will continue to deliver Housing, Support, Care, Treatment and Training to vulnerable adults in Hampshire and surrounding areas. SSJ may also develop its work into new geographic areas and into new types of services, in order to meet the needs of our existing and potential new service users and/or the requirements of new local authority tenders. This will include bidding for new work through the tendering process. SSJ will also continue to work on specific proposals with local commissioners and seeking philanthropic funding for projects or areas of work.

The Board have agreed a number of priorities for the coming year. These include:

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2024

Strategic Report - *Plans for the Future (continued)*

Property acquisition programme

SSJ will continue to prioritise the development of new property to help reduce homelessness and increase opportunities for our existing service users. By increasing our stock of move-on housing, SSJ can move more residents out of hostels, and therefore create spaces for more people to move from rough sleeping into accommodation.

Support

SSJ will continue to work with local authority partners to explore new opportunities within Southampton, Portsmouth and elsewhere in Hampshire, to meet the needs of homeless people, other vulnerable adults and specific priority groups within our target beneficiaries e.g., LGBTQ+, Veterans etc.

As part of our commitment to be a trauma - informed organisation, SSJ will continue to train new in-house Reflective Practitioners to ensure that all frontline staff and all managers have regular access to the benefits of Reflective Practice. SSJ will also continue to audit services against our Quality Framework, to improve standards and outcomes.

Working Towards net Zero Carbon

SSJ is committed to being a net carbon neutral organisation. Over the year SSJ will continue to develop our understanding of our carbon footprint, and update our Environmental Plan, including steps to reduce our emissions over next 3 years, as a step to becoming carbon neutral. SSJ will also engage further with staff and Service Users about steps that could be taken now to have impact.

SSJ now has funding in place to support the modernisation of our properties to achieve the EPC "C" standard across our portfolio which will take place over the next 2-years.

Strategic Report - *Principal Risks and Uncertainties*

SSJ faces a wide range of risks and uncertainties, many of which are collated annually in SSJ's Business Risk Management Plan. The principal risks identified are as follows:

Loss of contracts due to change of priorities or financial pressures within Local Authorities and the Government

There is a risk of commissioners ending contracts and not replacing the service with any other provision. This is a significant financial risk to SSJ, with potential redundancy costs to be managed, and possible ongoing commitments for leased buildings. The risk can be mitigated by having good liaison with the commissioners and by the ability to redeploy staff into other services, which may be possible on occasion.

Changes to the Housing Benefit regime make our rents unaffordable to residents

The Government is consulting with various stakeholders with regards to the impact any changes will have. SSJ is a member of the National Housing Federation (NHF) who are a very effective lobbying body and have made strong representations to the government. They have particularly stressed, and the government have said they have heard, that it is essential to ensure that there are no unintended consequences on the significant number of organisations that are relied upon to provide much needed accommodation utilising this source of funding.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2024

Strategic Report - *Principal Risks and Uncertainties (continued)*

Maintenance: Cost over-runs in day- to- day repairs

SSJ has a mixed tenure of occupancy across the property portfolio. Many of the owned and leased properties are subject to heavier use than general needs social housing, which creates a higher volume of repairs and maintenance issues. The budget for repairs and maintenance is based on previous annual trends but can end up being overspent if there is a particularly difficult year. To mitigate the financial risk a financial contingency has now been set to cover any unforeseen overspends.

Failure of compliance – non- owned properties

Approximately 42% of the property stock is leased from other landlords. Within the lease terms it is the landlord's responsibility to conduct cyclical servicing such as gas and electrical safety checks. As this function is outside SSJ's direct control, it has established procedures to send reminders to the landlords ahead of any servicing expiry under lease and to ensure that the work is carried out and certified.

Hacking, or other malicious activity (including by staff), due to failure to protect against cyber threats

There are a range of cyber threats facing SSJ, and ransomware attacks are considered to be the greatest risk, because attackers don't need to know much about our systems. The level of impact depends on how easy it would be to recover from a threat being carried out. All systems are password protected and contained within a firewall. If the Ransomware penetrates the firewall and the cloud servers, we would need to rely on our backups which include off-site backups. These are periodically tested and we have done partial restorations of files in the past. We also need to mitigate against the potential malicious actions by IT staff – this is continuously being monitored and improved.

Failure to upgrade & develop IT in line with organisational growth

SSJ is regularly required to update and upgrade its IT systems to meet increasing requirements from its services and customers, as well as enhanced security, data protection and regulatory changes. The risk is that procurement may not meet the needs of the organisation due to flaws in systems selection or deficiencies in implementation. We aim to mitigate this by creating plans that ensure that all projects are sufficiently resourced and supported by senior managers, an appropriately qualified IT team and external consultants as required.

Failure to comply with the Decent Homes Standard specifically regarding the occurrence of mould in our properties. Risk of claims against us, or people getting ill

The Decent Homes Standard outlines the minimum standards of property provided by Social Housing Landlords. Properties should be free from the 29 classified health and safety hazards including damp and mould, fire risks etc. To mitigate the risk of failure of meeting the standard, SSJ conduct property condition surveys which build not only informed annual planned works programmes but trigger responsive repairs where necessary to address any immediate risk to residents. This is also supplemented by working with the Housing and Supported Teams and providing clear lines of communication for residents to report property related issues.

The relative impact of the increased cost of living means self-contained accommodation becomes unaffordable to residents

The current increase in the cost of living (food, utilities etc) could result in service users having to choose between food and heat. With our clients already being vulnerable this could have significant implications on the health of our residents. All Service Users in shared houses have their heating included in service charges, but those in self-contained accommodation would be responsible for their own bills and therefore more at risk. SSJ will continue to make referrals to food banks and perform regular welfare checks if concerns are raised.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2024

Strategic Report - *Fundraising practices*

SSJ receives support from the local community and benefits from numerous donations from schools, churches, business groups, social clubs and individuals. We benefit from having been chosen as the "Charity of the Year" by various commercial companies and associations.

SSJ runs a number of fundraising campaigns over the year to appeal for funds for specific activities, such as the Christmas appeal, as well as seeking donations towards our general activities. These campaigns are conducted by sending newsletters by email and by running social media campaigns. Staff also give talks and presentations, when invited, to various groups, which often leads to donations. The majority of our donations are one-off donations, but a number of individuals have set up regular payments by standing order.

Donations of food, clothing, Christmas presents and time from individual volunteers and from teams of volunteers is also valuable. Jamie's receives about 20 tonnes of computing and other IT equipment each month, which it processes and sells or recycles to generate income.

SSJ seeks to ensure an ethical approach to our appeals and campaigns and does not use external consultants to undertake fundraising on our behalf. Our mailing and email list is made up of members of SSJ and those who have either donated in the past or have asked to be added to the mailing list. We have not undertaken any mass mailing campaigns in the last year. In line with GDPR requirements we have also contacted everyone on the mailing list and confirmed that supporters wish to continue to receive information. We aim to post or email 2-3 newsletters a year to our supporters, so do not feel we are putting people under significant pressure to donate.

SSJ is not a member of the institute of fundraisers and has not signed up to any voluntary regulatory framework. We deal carefully with any complaints received.

We are conscious of safeguarding issues and have previously not accepted large donations until some investigation concerning the donor has been undertaken (and in some cases, returned the money).

Strategic Report - *Financial Review*

Financial Position and Management Policies

The year ended 31 March 2024 has seen an operating surplus of £437k (2023 – £444k), net cash generated from operating activities of £879k (2023 £1,484k) and EBITDA of £0.99m (2023 - £0.98m). SSJ remains in a sound financial position at 31 March 2024 and finished the year with cash of £811k (2023 - £2,028k), following housing purchases towards the end of the year. During the year SSJ invested £3.8m (2023 £1.7m) in acquiring and developing new Housing Property.

The decrease in cash during the year of £1,217k (2023 £1,216k increase) came about partly because the drawdown of new loan finance was delayed slightly beyond the year end with a new loan of £1.43m being drawn from SSJ's facilities in April 2024. SSJ had undrawn facilities of £1.2 following this drawdown. Year – end debtors increased from £854k to £1,394k but the vast majority of these were paid shortly after the year end.

SSJ's formal financial procedures have been ratified by the Audit and Finance Committee. The Board considers the internal control systems in use to be sufficient for purpose. For items of major expenditure, competitive quotes are requested to ensure SSJ receives the best value for money.

Reserves

The reserves policy reflects the nature of SSJ's business and the sustainability of its sources of income from rent and contracts with local authorities. The Trustees seek to hold sufficient reserves to maintain financial stability while maximising the deployment of funds in pursuit of the charity's objectives and review the implementation of the Policy annually.

The Trustees believe that it is prudent for the charity to hold a level of free financial reserves (general unrestricted funds less those held as fixed assets net of long-term debt) for the following purposes:

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2024

Strategic Report - *Financial Review (continued)*

Reserves (continued)

- To provide adequate short-term liquidity, and cover temporary timing differences in grant claims;
- To absorb setbacks and manage change should a major income stream fail;
- To enable the organisation to respond quickly to new opportunities.

The Trustees have determined that the level of free reserves held by the charity should not normally fall below one months' total unrestricted operating costs which were £1,328k during the year (2023 £1,235k).

Free reserves, which are calculated by subtracting the value of fixed assets (excluding investments) from total reserves before adding back long-term liabilities and the next year's mortgage liability, were £134k at 31 March 2024 (2023 - £1,373k). The decrease in free reserves at 31 March 2024 was almost entirely the result of the timing of a drawdown of additional loan finance of £1.43m in April 2024. Due to the short-term nature of this reduction in reserves the Trustees do not consider that this has any impact on SSJ's financial performance.

SSJ had £4,313k of total reserves at 31 March 2024 (2023 - £4,186k).

Sources of Income

The largest source of income for SSJ this year has again been net rental and service charge income which has increased by 14.4% to £6,664k (2023 - £5,825k) and now represents 41% of SSJ's total income (2023 - 38%). The reasons for this increase in share of income are the general increase in rent charges and the increase in bedspaces during the year. Rental income is usually collected directly from the relevant Local Authority in the form of Housing Benefit payments although payments for care provision have increased in this area. The percentage of SSJ's income that it receives through housing support (previously Supporting People ("SP")) contracts has slightly increased during the year due to an increase in value of one of the existing contracts and is now around 20% (2023 - 19%) of total income.

Grant income from substance misuse services has increased by 9.4% to £4.772m (2023: £4.361m) and represents 29% of SSJ's income (2023: 29%). Donations and awards from philanthropic trusts and the general public remain an important source of funding, with SSJ benefitting from £153k in the year to 31 March 2024 (2023 - £274k).

Property

SSJ acquired fourteen properties during the year at a cost of £3.3m (2023 £1.5m). These costs, plus fees and development costs, are capitalised and depreciated over the useful life of the assets. Our properties are shown at their original cost in our accounts, less applicable depreciation. Properties used as security for borrowing are revalued regularly to comply with the terms of loan agreements. The 38 secured properties that are carried at £11.3m in our financial statements were most recently valued at £14.2m.

Funding

SSJ finances its property acquisition programme through a combination of grants and long-term debt. Government grants are amortised to income over the life of the asset they funded and remain associated with that asset until it is disposed of. If an asset is disposed of the grant must be placed into a Recycled Capital Grant Fund (RCGF) and held until it can be used to acquire or develop similar property to that for which it was originally awarded or is repayable if this hasn't been achieved within 3 years. Government grant awaiting amortisation is shown in the accounts as a short or long-term creditor; Government grant that has been recycled through the sale of a property during the year is shown in the RCGF in (see note 17). Other capital grants, such as lottery funding, are shown as income in the year that the purpose for which they were awarded was achieved. Such grants usually come with a requirement to repay if the asset which they helped acquire are disposed of within a certain period of time.

In arranging external funding, SSJ aims to borrow money from a spread of lenders, on a long-term basis and with a mix of fixed and variable interest rates appropriate to balance the risk of interest rate rises with the annual cost of borrowing.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2024

Strategic Report - *Financial Review (continued)*

Funding (continued)

SSJ maintained its borrowing relationships with five organisations during the year and drew down £823k of loan finance at a fixed rate of interest. At 31st March 2024 80% of borrowings were at interest rates that had been fixed for more than 3 years at the time they were drawn (2023 61%).

Cash and investments

With operating cash inflows of approximately £1.37m per month, SSJ manages its treasury resources actively, holding most of its cash in instant access accounts.

Under its Treasury Management Policy, SSJ is required to maintain ready access to sufficient sources of liquidity to meet the following month's cash operating costs plus the next three months' debt service costs. In addition, SSJ reviews annually the amount of liquidity which must be met from readily available cash. The minimum amount was increased from £735k to £808k October 2023.

SSJ maintained its cash balances at in excess of the minimum required under its Treasury Management Policy throughout the year save for two short periods where cash was slightly below the minimum due to delays in settlement of services invoiced to a local authority. This cash management has assisted SSJ in funding future property acquisitions when the receipt of new loan finance was delayed.

SSJ sold its investments during the year as the Trustees felt that these assets would be better served supporting the property acquisition programme.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2024

Value for Money

SSJ is committed to delivering effective and efficient services to service users and embraces the Value for Money (VFM) methodology as required by the Regulator of Social Housing (RSH). SSJ agreed the Value for Money Policy in July 2013, which includes the following Statement of Intent:

"The Society of St James seeks to ensure that all financial and other resources are used to achieve the greatest benefits for the Society, in working towards the furtherance of the aims of the organisation, as described in the governing documents."

The requirements of the RSH require standard metrics to be shown in these accounts; the following shows these metrics for SSJ and is benchmarked against the most appropriate data (supported housing specialist providers (although these are all still large organisations with greater than 1,000 homes) from the RSH publication of value for money data for the sector for 2023. SSJ has also chosen to add two of its own benchmarks which appear below after the required metrics.

Required Metrics	Benchmark (2023 data)	Target (2024)	2024	2023
Metric 1 - Reinvestment %	6.3%	17.9%	24.5%	14.7%
Metric 2 - New supply delivered %	0.7%	6.9%	5.5%	6.7%
Metric 3 - Gearing %	12.6%	50%	42.3%	39.7%
Metric 4 - EBITDA MRI Interest Cover %	187.5%	200%	196%	183%
Metric 5 - Headline social housing cost per unit*	£9,220	£12,500	£12,488	£12,376
Metric 6A - Operating Margin % (social housing lettings only)	8.4%	2.0%	4.9%	1.7%
Metric 6B - Operating Margin % (overall)	5.0%	2.0%	2.7%	2.9%
Metric 7 - Return on capital employed (ROCE) %	2.1%	2.0%	2.5%	3.0%
SSJ additional metrics				
Occupancy %	n/a	>93%	93.2%	92.0%
Bad debts %	n/a	<0.9%	1.1%	0.6%

Metrics 1, 2 and 3

SSJ is well above the benchmark for these metrics due to its focus on providing additional accommodation. SSJ has expanded, and plans to continue to expand, its property assets by bidding actively for housing grant and using borrowing to contribute to funding. The organisations in the sector included in the benchmark vary significantly in size and pursue a wide range of strategies. Some are not actively developing as much new supported housing and/ or have a different funding model for property investment.

Metric 4

SSJ has had a 'good year' but was impacted by the increase in interest rates and in the level of borrowing. This has meant that the target for EBITDA MRI Interest cover % was tight and narrowly achieved with a result that is better than the benchmark. As SSJ invests more in new properties the interest charges will increase and so this metric is anticipated to drop in future years but will be managed effectively.

Metric 5

SSJ has used an adjusted metric 5 to exclude support - only services. SSJ runs a number of support - only services where another entity undertakes the housing management and 'owns' the associated units; these support costs are included within the social housing costs in Note 3 but the housing units that are supported are not included in SSJ's housing stock. Under SSJ's revised metric the cost per unit is reduced significantly compared with the standard metric and is below the target. SSJ believes that using this adjusted metric provides a more comparable and meaningful result than including costs of services that do not have any housing units associated with them.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2024

Value for Money (continued)

SSJ aims to reduce cost per unit over time as it builds in scale. SSJ's Social Housing cost per unit is always likely to be higher (and operating margin % lower) than the benchmark as a higher proportion of SSJ's housing stock is in supported housing. SSJ also bears the full costs of running support services (partly funded by grants), whereas most other providers fund fewer support services.

Metric 6

SSJ's Operating Margins are significantly below the benchmark as it is a strategic decision of SSJ to maximise deployment of annual income to provide services to vulnerable people; the Trustees consider an Operating Margin which leads to a retained surplus of 2% generally provides an adequate sustainable surplus and SSJ is managed with the objective of achieving recurring surpluses at that level.

Metric 7

SSJ's ROCE metric is comparable to the benchmark and this year has marginally exceeded it.

SSJ additional metrics

SSJ has chosen two specific metrics for its internal performance which are crucial to monitor the level of housing income and that the efficiency of the service provided.

The occupancy percentage is better than the previous year's performance. Systems are improving to turn around voids more quickly but SSJ suffers from a number of factors outside its control, including delays in referrals which have a negative impact on percentage occupancy.

The target bad debt percentage has been narrowly missed this year but good rent collection policies from the Housing Management team have kept this at a sustainable figure. SSJ continues to benefit from direct payments of benefits.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*continued*) for the year ended 31 March 2024

Statement of the Board of Trustees' responsibilities

The Board members are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation require the Board members to prepare financial statements for each financial year. Under that law the Board members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the society and of the surplus or deficit of the society for that period.

In preparing these financial statements, the Board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice for social housing providers (2018) 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 society will continue in business.

The Board members are responsible for keeping proper accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice for social housing providers (2018).

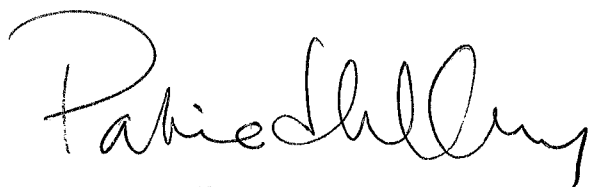
Financial statements are published on the society's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the society's website is the responsibility of the Board Members. The Board Members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

All of the current Trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

CLA Evelyn Partners Limited are deemed to be re-appointed as auditors.

This report was approved by the Board of Trustees on
and is signed on its behalf by:



P Hillary, Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOCIETY OF ST JAMES

Opinion

We have audited the financial statements of Society of St James (the 'Society') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Cash flow statement and the 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 FRS 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 Society's affairs as at 31 March 2024 and of 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 Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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 Society 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 directors' 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 Society'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report and Financial Statements. 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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board of Trustees incorporating a Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Trustees incorporating a Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees incorporating a Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Board's Responsibilities set on page 14, the members of the board are the directors of the Society for the purposes of company law. The directors 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 controls as the directors 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 directors are responsible for assessing the Society'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 directors either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the Society's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance. We also drew on our existing understanding of the Society's industry and regulation.

We understand that the Society complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A risk assessment framework and register that includes regular review and scrutiny by the Board and Audit and Finance Committee;
- An annual assessment of compliance with regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing; and
- The Board's close oversight through regular board meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Society's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Society:

- FRS 102, the requirements of the Companies Act 2006, the Charities Act 2011 the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022, in respect of the preparation and presentation of the financial statements;
- Health and safety regulations; and
- Regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Performed a review of board minutes to identify any indicators of known or suspected non-compliance with significant laws and regulations; and
- Reviewed any correspondence between the Regulator of Social Housing and the Society.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Society's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the Society's processes and controls surrounding manual journal entries

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

Use of our report

This report is made solely to the Society's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Society's members 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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited

Julie Mutton

Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

Date 26 September 2024

Cumberland House
15-17 Cumberland Place
Southampton
Hants
SO15 2BG

Society of St James

Statement of Comprehensive Income for the year ended 31 March 2024

	Notes	2024 £000s	2023 £000s
Turnover		16,473	15,268
Operating costs		(16,036)	(14,824)
Operating surplus	2	437	444
Interest receivable and similar income	6	23	8
Interest payable and similar charges	7	(359)	(259)
Surplus for the year		101	193
Actuarial gain in respect of pension scheme	22	26	19
Total Comprehensive Income for the year		127	212

All activities of the charitable company are classed as continuing.

The notes on pages 23 to 41 form part of these financial statements.

Society of St James

Statement of Changes in Reserves for the year ended 31 March 2024

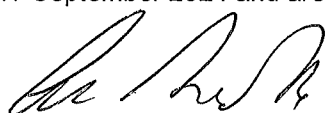
	Retained Earnings £000s
Balance at 1 April 2022	3,974
Surplus for the year	193
Other Comprehensive Income	19
Balance at 31 March 2023	4,186
Balance at 1 April 2023	4,186
Surplus for the year	101
Other Comprehensive Income	26
Balance at 31 March 2024	4,313

Society of St James

Statement of Financial Position at 31 March 2024 Company Registration Number: 03009700

	Notes	2024 £000s	2023 £000s
Fixed assets			
Housing properties at cost less depreciation	9	16,338	12,808
Intangible assets	10	204	239
Other fixed assets	11	887	829
Investments	12	10	97
		17,439	13,973
Current assets			
Debtors	13	1,394	854
Cash at bank and in hand		811	2,028
		2,205	2,882
Creditors: amounts falling due within one year	14	2,312	1,838
Net current (liabilities)/ assets		(107)	1,044
Total assets less current liabilities		17,332	15,017
Creditors: amounts falling due after more than one year	15	13,019	10,831
Total net assets		4,313	4,186
Capital and reserves			
Retained earnings		4,313	4,186
Total Capital and Reserves		4,313	4,186

The financial statements on pages 19 to 41 were approved and authorised for issue by the Board of Trustees on 17 September 2024 and are signed on its behalf by:-



G Marshall
Trustee



P Hillary
Trustee

The notes on pages 23 to 41 form part of these financial statements.

Society of St James

Cash flow statement for the year ended 31 March 2024

	Notes	£000s	2024 £000s	£000s	2023 £000s
Net cash generated from operating activities	23		879		1,484
Cash flow from investing activities					
Acquisition, construction and works to tangible fixed assets		(4,246)		(2,372)	
Proceeds from the sale of fixed asset investments		87		51	
Proceeds from the disposal of housing property		-		395	
Grants received		1,789		700	
Interest received		23		8	
		_____		_____	
Net cash used in investing activities			(2,347)		(1,218)
Cash flow from financing activities					
New loans (net of fees)		819		1,436	
Loans repaid		(209)		(227)	
Interest paid		(359)		(259)	
		_____		_____	
Net cash generated from financing activities			251		950
			_____		_____
(Decrease)/increase/ in cash and cash equivalents			(1,217)		1,216
Cash and cash equivalents at beginning of year			2,028		812
			_____		_____
Cash and cash equivalents at end of year			811		2,028
			=====		=====

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024

1 Accounting policies

Society of St James ("the Society") is a private company limited by guarantee and incorporated in England and Wales. It is a registered provider of social housing with the Regulator of Social Housing and the address of the registered office is 125 Albert Road South, Southampton, SO14 3FR.

Basis of accounting

The financial statements have been prepared in accordance with UK Generally Accepted Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets at the date of transition under the 'deemed cost' option of FRS 102 and as modified by the revaluation of investments.

The Society meets the definition of a Public Benefit Entity under FRS 102

These financial statements are single entity statements and not consolidated group accounts. Consolidation is not required as the other group member, Jamie's Computers Limited, was dormant throughout the reporting period.

Going concern

After making enquiries, the Board has reviewed forecasts and further information that has reassured it that there is a reasonable expectation that the Society has, and will continue to receive, adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statement are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

The principal accounting policies of the Society are set out below.

1.1 *Significant judgements and estimates*

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Statement of Financial Position date and the reported amounts of revenues and expenses during the reporting period.

Significant management judgements

The following are the significant management judgements made in applying the accounting policies of the Society that have the most significant effect on the financial statements

1.1a *Identification of housing property components*

Housing property depreciation is calculated on a component-by-component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024

1 Accounting policies (continued)

1.1b Goodwill

Goodwill is written off over its useful economic life, being 10 or 20 years depending upon the nature of the asset and the applicable accounting standards at the time it arises.

1.1c Bad debt provision

Trade debtor balances are recorded in the Society's statement of financial position and comprise a relatively large number of small balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable. Additionally, a provision is made against 50% of resident's credit balances.

1.1d Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence with regard to IT equipment/software and any changes to decent homes standard requiring frequent replacement of components.

1.1e Dilapidations

A number of liabilities are recognised in the accounts to reflect the management's view of the potential liabilities that the Society has to pay for dilapidations to premises that it rents during and after its tenure in them. Experience of previous dilapidations claims, and settlements has informed these estimates.

1.1f Multi-employer pension obligation

The Society participates in a variety of pension schemes administrated by the Pensions Trust; the Growth Plan scheme has certain guarantees associated with it that require participating employers to make additional contributions to it should the scheme be in deficit. The Society has a contractual obligation to make deficit contributions over a number of years and the present value of these future contributions is measured and reported in the Financial Statements. The rate used to calculate the present value is the equivalent single discount rate which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

1.1g Local Government Pension Scheme (LGPS) Valuations

The Society is an admitted body to the Hampshire LGPS following transfers of staff formerly working in the public sector. The scheme actuaries estimate the liabilities of the Hampshire LGPS using a number of key assumptions including rates of inflation; mortality; discount rate; and future salary increases. Variances in these assumptions may impact the pension liability and annual expense.

1.2 Turnover

Turnover includes rental and service charge income from residential properties in respect of the year and any other income such as legacies. Fees or grants receivable from local authorities in respect of revenue are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate. Grants received for housing properties are recognised in income on a systematic basis.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024

1 Accounting policies (continued)

1.3 Interest Payable

Interest payable on loan finance during the development of new property assets is capitalised as a development cost of the new asset for which the loan was drawn. All other interest payable is charged to the Statement of Comprehensive Income in the year to which it relates.

1.4 Goodwill

Positive goodwill arising from the purchase of care homes (representing the excess of the purchase price of the business over the valuation of the assets acquired) has been capitalised and, subject to impairment reviews as required, is amortised by equal charges to the Statement of Comprehensive Income, over the period from which economic benefit is derived, as follows:

Radstock Residential Care Home: 20 years
Linden House Residential Care Home: 10 years

1.5 Housing properties

Freehold housing properties are stated at cost. Cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements. In accordance with the SORP, component accounting has been adopted. The components of a property have therefore been identified and when a component is replaced the cost is capitalised as a component of the property. Other repair work is charged to the Statement of Comprehensive Income.

Freehold land is not depreciated. Depreciation is charged so as to write down the cost of freehold properties other than freehold land to their estimated residual value on a straight line basis over their estimated useful economic lives at the following rates:

Component	Years	Component	Years	Component	Years
Structure	50	Boiler and Heating System	10	Bathrooms*	10 or 20
Roof	30	Windows and Doors [^]	5 or 20	Sub structure	10
Electrical Wiring	20	Solar Panels	12	Kitchens*	5 or 10

[^] UPVC windows and doors: 20 years; wooden windows: 5 years

* Bathrooms and Kitchens are depreciated at the shorter rate where there are shared facilities

1.6 Leasehold property and leasehold improvements

Leasehold housing property and leasehold improvements are accounted for in the same way as Freehold housing property other than depreciation which is charged over the life of the lease, or using the rates in the table above, whichever is the lower.

1.7 Other freehold property

Other freehold properties are stated at cost. Cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements. Depreciation is charged so as to write down the cost of other freehold properties other than freehold land to their estimated residual value on a straight line basis over their estimated useful economic lives of 50 years. Freehold land is not depreciated.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024

1 Accounting policies (continued)

1.8 Other fixed assets

Expenditure on other tangible fixed assets is capitalised only when it has a life of more than one year and has a value of more than £1,000. The cost of other items is written off as incurred. Depreciation is provided on these tangible fixed assets at rates calculated to write off cost over their expected useful lives, using the straight line method at a rate of between 25% to 50% per annum.

The Society took the transitional relief to include certain other fixed assets at fair value at the date of transition to FRS 102, known as deemed cost.

1.9 Government Grants – Housing Property

Government grants include grants receivable from Homes England, local authorities and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the longest life components on a pro rata basis under the accrual model. The unamortised element of the government grant is recognised as deferred income in creditors.

Grants due from government organisations or received in advance are included as current assets or liabilities.

1.10 Government Grants – Other fixed assets

Capital grants received for other fixed assets are held as creditors and recognised on a straight line basis over the useful economic life of the asset for which they have been used to acquire.

1.11 Revenue Grants

Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate. Until the revenue grants are recognised as income they are recorded as liabilities.

1.12 Investments

Investments are valued at current market value with changes in value from year to year being recognised within the Statement of Comprehensive Income.

1.13 Operating leases

Annual rentals under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the term of the lease. The aggregate benefits of any lease incentive are recognised as a reduction in expenses over the term of the lease.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024 (*Continued*)

1 Accounting policies (continued)

1.14 Pension costs

The Society operates a number of pension arrangements for its employees.

Pensions Trust – Defined Contribution

The Society operates a defined contribution scheme through The Pensions Trust. The accounting charge for the period represents the employer contribution payable.

Pensions Trust Growth Plan – Defined Benefit

The Growth Plan is a multi-employer defined benefit scheme through The Pensions Trust.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the scheme, the accounting charge for the period under FRS102 represents the employer contribution payable.

The scheme currently has a shortfall of assets compared to liabilities and a deficit payment plan which has been agreed between the participating employers and Trustee of the scheme. In line with FRS102 requirements, this cash payment plan has been recognised as a liability in the Statement of Financial Position and is measured at the reporting date by discounting the future cash outflows at the rate of AA corporate bond. The unwinding of this discounting is recognised as a finance charge in the period to which it relates.

Hampshire County Council Pension Fund

The Society participates in a defined benefit pension scheme which provides benefits based on final pensionable salary. The assets of the scheme are held by the Hampshire County Council Superannuation Fund.

The pension costs relating to the scheme are accounted for in accordance with FRS102. Current service costs and interest costs relating to the net defined obligation are included in the income statement in the period to which they relate. When applicable, actuarial gains and losses as well as any other re measurements are recognised in other comprehensive income. Where a scheme is in surplus in accordance with FRS102 28.22 the asset can only be recognised to the extent that the entity is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

1.15 Taxation

The Society has charitable status and therefore is not subject to Corporation Tax on surpluses derived from charitable activities.

1.16 Value added tax

The Society is VAT registered and is able to recover all VAT incurred at Jamie's Computers and part of the VAT on Head Office costs. All other VAT incurred is included within the category of expenditure to which it relates.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024 (Continued)

1.17 Financial Instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Society becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and are measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Society may not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Society's cash management.

Interest - bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability or, where deemed appropriate, a shorter period to the net carrying amount on initial recognition.

1.18 Development staff costs

Where staff costs are directly attributable to the development of new property assets these costs will be capitalised as a development cost of the new asset.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024 (Continued)

2 Operating surplus

	2024 £000s	2023 £000s
<i>Operating surplus is stated after charging:</i>		
Depreciation		
- housing properties	475	408
- other fixed assets	215	186
Amortisation of goodwill	35	36
Auditors' remuneration		
- as auditors (excluding VAT and expenses)	25	20
- other services	-	1
Rent losses from bad debts		
- rent (net of service charges)	41	21
- service charges	36	19
Operating lease costs	670	683

3 Income and Expenditure from Social Housing Activities

	2024 £000s	2023 £000s
Income		
Rent receivable net of identifiable service charges and voids	4,551	3,937
Service charges receivable	2,113	1,888
Revenue and capital grants relating to lettings	4,369	4,252
Revenue and capital grants from other social housing activities	4,923	4,552
Turnover from social housing activities	15,956	14,629
Social housing activity expenditure relating to lettings	10,494	9,909
Other social housing activity expenditure	4,899	4,282
Total expenditure on social housing activity	15,393	14,191
Operating surplus from social housing activities	563	438
Void losses	490	505

4 Staff costs

	2024 £000s	2023 £000s
Wages and salaries	8,889	8,146
Employer National Insurance Contributions	708	656
Employer pension contribution costs	612	572
	10,209	9,374

Company pension scheme contributions are made to pension schemes operated on the company's behalf by TPT retirement solutions (formerly the Pensions Trust) and Hampshire County Council.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024 (Continued)

4 Staff costs (continued)

The average number of staff directly employed by the company during the year (expressed in full time equivalents) was:

	2024 Number	2023 Number
Housing and support	200	176
Substance misuse	80	69
Social enterprise	13	12
Finance	9	8
Administration	16	15
	318	280

5 Senior Management Team's emoluments (including Key Management Personnel)

The aggregate emoluments of the Senior Management Team, including the Chief Executive, were:

	2024 £000s	2023 £000s
Wages and salaries	398	378
Employer National Insurance Contributions	46	47
Employer pension contribution costs	50	48
	494	473
Remuneration payable to the highest paid Director excluding pension	87	83

For the year ended 31 March 2024 the number of employees whose annual emoluments including pension contributions were £60,000 or more were:

	2024 Number	2023 Number
£60,000 to £70,000	4	3
£70,000 to £80,000	-	1
£80,000 to £90,000	1	-
£90,000 to £100,000	1	1

The Chief Executive is a member of the 'Growth Plan' pension scheme that is administered by TPT retirement solutions (formerly the Pensions Trust) and was available to all staff until 1 July 2012. As with all staff in this scheme the Chief Executive sacrificed 5% of his salary during the financial year in order for the company to contribute 14% of salary (as listed above) to the scheme. There are no enhanced or special terms for the Chief Executive's pension and he was an ordinary member of the scheme during the financial year. The Chief Executive has no other pension arrangements to which the company contributes. The Chief Executive has retired since the end of the financial year.

No member of the Board of Trustees received any remuneration in either the current or comparative years.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024 (Continued)

6 Interest receivable and similar income

	2024 £000s	2023 £000s
Interest receivable and investment income	23	8

7 Interest payable

	2024 £000s	2023 £000s
Mortgage interest	385	269
Unwinding of discount factor in respect of the pension growth plan	1	-
Less capitalised interest	(27)	(10)
	359	259

8 Tax on surplus on ordinary activities

Society of St James is a registered charity and, as such, is exempt from liability to taxation on income and capital gains derived from its charitable activities.

9 Housing property

	Property in development £000s	Leasehold land and property held for lettings £000s	Freehold land and property held for lettings £000s	Total £000s
<i>Cost</i>				
At 1 April 2023	-	2,828	12,139	14,967
Additions: new properties	1,132	1,454	1,233	3,819
works to existing properties	-	9	177	186
Transfers:	-	719	(719)	-
Disposals: components replaced	-	-	(22)	(22)
At 31 March 2024	1,132	5,010	12,808	18,950
<i>Depreciation</i>				
At 1 April 2023	-	327	1,832	2,159
Charge for the year	-	108	367	475
Transfers:	-	7	(7)	-
Disposals: components replaced	-	-	(22)	(22)
At 31 March 2024	-	442	2,170	2,612
<i>Net book value</i>				
At 31 March 2024	1,132	4,568	10,638	16,338
At 31 March 2023	-	2,501	10,307	12,808

As at the year end, the total cost of housing properties includes capitalised interest of £100k (2023: £73k).

Society of St James

Notes forming part of the financial statements
for the year ended 31 March 2024 (*Continued*)

10 Intangible assets

	Goodwill £000s
Cost at 1 April 2023 and 31 March 2024	421
<i>Amortisation</i>	
At 1 April 2023	182
Charge for the year	35
At 31 March 2024	217
<i>Net Book Value</i>	
At 31 March 2024	204
At 31 March 2023	239

11 Other fixed assets

	Freehold Property £000s	Leasehold Improvements £000s	Motor vehicles £000s	Office Equipment £000s	Housing Equipment £000s	Total £000s
<i>Cost</i>						
At 1 April 2023	278	728	164	272	535	1,977
Additions	-	109	34	42	96	281
Disposals	-	(10)	(4)	(3)	-	(17)
At 31 March 2024	278	827	194	311	631	2,241
<i>Depreciation</i>						
At 1 April 2023	40	366	136	190	416	1,148
Charge for the year	7	94	19	43	52	215
Disposals	-	(4)	(4)	(1)	-	(9)
At 31 March 2024	47	456	151	232	468	1,354
<i>Net book value</i>						
At 31 March 2024	231	371	43	79	163	887
At 31 March 2023	238	362	28	82	119	829

On a historical cost basis, the freehold property would have been included at:

	2024 £000s	2023 £000s
Cost	296	296
Aggregate depreciation	(106)	(103)
Depreciated cost	190	193

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024 (Continued)

12 Investments	Listed £000s	Unlisted £000s	2024 £000s	2023 £000s
<i>Cost or valuation</i>				
Valuation at 1 April 2023	87	10	97	148
Disposal at cost	(85)	-	(85)	(51)
Realised loss on investment	(2)	-	(2)	-
Cost or Valuation at 31 March 2024	-	10	10	97
Historic Cost at 1 April 2023	22	10	32	45
Disposal during the year	(22)	-	(22)	(13)
At 31 March 2024	-	10	10	32

All listed fixed asset investments are stated at market value. The unlisted investment is held at cost and represents 100% of the share capital of Jamie's Computers Limited. Jamie's Computers Limited has its registered office at 125 Albert Road South, Southampton, SO14 3FR. Jamie's Computers was dormant throughout the 8 periods from 1 April 2016 to 31 March 2024. Jamie's Computers Limited had £10,000 of unpaid share capital and £9,500 reserves at 31 March 2023 and 31 March 2024.

13 Debtors	2024 £000s	2023 £000s
Trade Rent and service charge	391	525
Debtors: Less Provision for doubtful debts	(319)	(221)
Rent and service charge (net of provision for doubtful debts)	72	304
Other trade debtors (net of provision)	1,109	308
Grants receivable	14	-
Other debtors	19	24
Prepayments and accrued income	180	218
	1,394	854

All amounts shown under debtors fall due for payment within one year.

14 Creditors: Amounts falling due within one year	2024 £000s	2023 £000s
Secured mortgage	231	232
Trade creditors	695	580
Grants in advance	670	381
Taxation and social security	165	173
Intercompany creditor (Jamie's Computers Ltd)	10	10
Other creditors	294	287
Accruals and deferred income	55	51
Pension creditor (TPT)	6	7
Deferred capital grant (Note 16)	186	117
	2,312	1,838

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024 (Continued)

15 Creditors: Amounts falling due after more than one year	2024 £000s	2023 £000s
Deferred capital grant (note 16)	5,535	3,771
Secured mortgages (net of fees)	7,484	6,873
Pension creditor	-	6
Recycled Capital Grants	-	181
	13,019	10,831

The mortgages are repaid on a monthly basis over terms ranging from 15 to 30 years. Rates are either variable with a margin over Bank of England base rate or SONIA, or fixed. The remaining terms on these loans are between 4 and 23 years.

A variable rate of interest was charged on £1,818k of mortgage balances (2023 £2,809k). The variables rates applied are:

	2024 £000s	2023 £000s
SONIA + 0.65% on the mortgage balance of	262	289
Bank of England (BoE) base rate + 2% on the mortgage balance of	-	928
Bank of England (BoE) base rate + 2.55% on the mortgage balance of	1,556	1,592
	1,818	2,809

	2024 £000s	2023 £000s
A fixed rate of 3.2% was charged on mortgage balances of	604	646
A fixed rate of 2.9% was charged on mortgage balances of	2,223	2,306
A fixed rate of 3.707% was charged on mortgage balances of	1,480	1,480
A fixed rate of 6.445% was charged on mortgage balances of	823	-
A fixed rate of 5.75% was charged on mortgage balances of	907	-
	6,037	4,432

The mortgages are secured by fixed charges over 38 of the Society's properties.

The mortgages are repayable as follows:

	2024 £000s	2023 £000s
In less than one year	231	232
In more than one year but less than two years	242	256
In more than two years but less than five years	508	567
In more than five years	6,874	6,186
	7,855	7,241

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024 (Continued)

16	Deferred Capital Grant	2024	2023
		£000s	£000s
	At 1 April	3,888	3,471
	Grants received in year	1,789	700
	Released to income in the year	(137)	(103)
	Transfer from /(to) RCGF	181	(180)
	At 31 March	5,721	3,888
	Amounts to be released within one year	186	117
	Amounts to be released in more than one year	5,535	3,771
		5,721	3,888
17	Recycled Capital Grant Fund (RCGF)	2024	2023
		£000s	£000s
	At 1 April	181	-
	Grants recycled	-	180
	Interest accrued	-	1
	Recycling of grant new property	(181)	-
	At 31 March	-	181
	Amounts to be released within one year	-	-
	Amounts to be released in more than one year	-	181
		-	181
18	Commitments	2024	2023
	<i>Capital commitments</i>	£000s	£000s
	Expenditure authorised by the board, but not contracted	414	750

The expenditure was completed by 16/05/24 and funded through both borrowings and grant

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024 (Continued)

19 Housing stock

The housing stock of the charitable company comprised the following types of property.

	2024 Number	2023 Number
Leased supported units	219	240
Owned supported units	306	280
	525	520

20 Legislative provisions

Society of St James is a company limited by guarantee and is registered with the Charity Commission and the Regulator of Social Housing.

21 Commitments under operating leases

The company had outstanding commitments for future minimum payments under non-cancellable operating leases as set out below:

	Land and buildings 2024 £000s	2023 £000s
Operating leases which expire:		
Within one year	621	697
In two to five years	2,272	1,920
After five years	518	576
	3,411	3,193

22 Pension Scheme

The Society of St James participates in a variety of pension schemes administrated by TPT retirement solutions, previously the Pensions Trust (the Trustee) and pays contributions at a variety of rates. For members who joined any of the schemes prior to 1 July 2012 the Society paid contributions at the rate of 9% of salary and members paid contributions at the rate of 5% of salary during the accounting period. For members who have transferred into the Society's employment due to TUPE regulations and have relevant employment rights, or who were employed before 1 July 2012, and opted to join one of the pension schemes prior to 30 November 2012, the Society paid contributions at the rate of 6% of salary and members paid contributions at the rate of 5% of salary during the accounting period. For members who joined the Society on or after 1 July 2012, or who opted to join the pension after 30 September 2012, or who were auto enrolled, the Society paid contributions of 3% whilst members paid contributions at the rate of 5% of salary during the accounting period.

All schemes, apart from the Growth Plan (the scheme), are defined contribution schemes. The Society participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers.

The scheme is a defined benefit scheme in the UK. It is not possible for the Society to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024 (Continued)

22 Pension Scheme (continued)

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the Society is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

Deficit contributions required from the Society of St James from 1 April 2022 to 31 January 2025 were reduced and are now set at £7,656 per annum (payable monthly).

Where the scheme is in deficit and where the Society has agreed to a deficit funding arrangement the Society recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

<i>Present Values of Provision</i>	2024 £000s	2023 £000s
Present Value of Provision	6	13
 <i>Reconciliation of Opening and Closing Provisions</i>	 2024 £000s	 2023 £000s
Provision at start of period	13	21
Unwinding of the discount factor (interest expense)	1	-
Deficit contributions paid	(8)	(8)
Remeasurements – impact of any change in assumptions	-	-
Remeasurements – amendments to the contribution schedule	-	-
Provision at end of period	<u>6</u>	<u>13</u>
 <i>Income and Expenditure Impact</i>	 2024 £000s	 2023 £000s
Interest expense	1	-
Remeasurements – impact of any change in assumptions	-	-
Remeasurements – amendments to the contribution schedule	-	-
 <i>Assumptions</i>	 2024 %	 2023 %
Rate of discount	5.31	2.35

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024 (Continued)

22 Pension Scheme (continued)

The following schedule details the deficit contributions agreed between the Society and the scheme at each year end period:

	2024 £000s	2023 £000s	2022 £000s
Year 1	6	8	8
Year 2	-	6	8
Year 3	-	-	6

Hampshire County Council Pension Fund

The Society commenced participation in the Local Government Pension Scheme (LGPS) administered by Hampshire County Council on 1 November 2016.

The disclosures below relate to the funded liabilities within the Hampshire County Council Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS").

The funded nature of the LGPS requires participating employers and their employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. The last actuarial valuation was at 31 March 2019 and the contributions to be paid until 31 March 2024 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate.

The Fund Administering Authority, Hampshire County Council is responsible for the governance of the Fund.

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole is shown in the disclosures.

The Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

Reconciliation of funded status to Balance Sheet	31 March 2024 £000s	31 March 2023 £000s
Fair value of assets	1,371	1,222
Present value of funded defined benefit obligation	(828)	(752)
Funded status	543	470
Unrecognised asset	(543)	(470)
Liability recognised on balance sheet	0	0

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024 (Continued)

22 Pension Scheme (continued)

The key actuarial assumptions on which the Scheme Actuary's calculations are based are as follows:

	31 March 2024 % per annum	31 March 2023 % per annum
Discount Rate	4.85	4.6
CPI inflation	2.75	2.6
Pension increases	2.75	2.6
Pension accounts rate of revaluation	2.75	2.6
Salary increases	3.75	3.6

Mortality Assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at 65 resulting from these mortality assumptions are shown below.

Assumed Life expectancy at 65	2024	2023
Male		
Member aged 65 at accounting date	22.1	23.3
Member aged 45 at accounting date	22.6	23.8
Female		
Member aged 65 at accounting date	24.7	25.7
Member aged 45 at accounting date	25.7	26.7

Asset allocation in the scheme is as follows:

	2024 %	2023 %
Equities	55	58
Property	7	7
Bonds	37	16
Cash	1	1
Other	-	18
Total	100	100

Amounts recognised in Income Statement

	2024 £000s	2023 £000s
Operating cost		
Current service cost	37	86
Interest on net defined benefit asset	1	(1)
Expense recognised in Income Statement	38	85

Society of St James

Notes forming part of the financial statements
for the year ended 31 March 2024 (*Continued*)

22 Pension Scheme (continued)

	2024 £000s	2023 £000s
Amounts recognised in other Comprehensive Income		
Asset gains/ (losses) arising during the period	54	(112)
Actuarial gains due to change in financial assumptions	20	530
Actuarial gains due to changes in demographic assumptions	8	19
Actuarial (losses) due to liability experience	(26)	(99)
Adjustments in respect of paragraph 28.22 of FRS102	(30)	(318)
Total amount recognised in other Comprehensive Income	26	19
Changes to present value of the defined benefit obligation	2024 £000s	2023 £000s
Opening defined benefit obligation	752	1,083
Current service cost	37	86
Interest expense on defined benefit obligation	36	29
Contributions by participants	10	10
Actuarial (gains)/ losses due to change in financial assumptions	(20)	(530)
Actuarial (gains)/ losses due to changes in demographic assumptions	(8)	(18)
Actuarial losses/ (gains) due to liability experience	26	(99)
Net benefits paid out	(5)	(7)
Closing defined benefit obligation	828	752
Changes to the fair value of assets	2024 £000s	2023 £000s
Opening fair value of assets	1,222	1,231
Interest income on assets	57	34
Remeasurement (losses)/ gains on assets	54	(112)
Contributions by employer	33	66
Contributions by participants	10	10
Net benefits paid out	(5)	(7)
Closing fair value of assets	1,371	1,222
Actual Return on Assets	2024 £000s	2023 £000s
Interest income on assets	57	34
Gain/ (loss) on assets	54	(112)
Actual return on assets	111	(78)

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2024 (Continued)

23 Reconciliation of operating surpluses to net cash inflow from operating activities

	2024 £000s	2023 £000s
Operating surplus	437	444
Amortisation of intangible fixed asset	35	36
Amortisation of deferred capital grant	(137)	(103)
Depreciation of tangible fixed assets	659	594
Deficit on disposal of fixed assets	-	8
(Increase)/Decrease in debtors	(541)	392
Increase in creditors	400	94
Pension scheme adjustment	26	19
Net cash inflow from operating activities	879	1,484

24 Analysis of change in net debt

	At 1 April 2023 £000s	Cash Flow £000s	Other £000s	At 31 March 2024 £000s
Cash at bank and in hand	2,028	(1,217)	-	811
Debt due within one year	(232)	232	(231)	(231)
Debt due after one year	(6,873)	(842)	231	(7,484)
Total	(5,077)	(1,827)	-	(6,904)

25 Related party transactions

Related party transactions have been recorded between the Society and the brother-in-law of a senior member of staff, with the brother-in-law providing Handyman maintenance services to the Society. The total expenditure with the related party during the year was £16k (2023: £26k) with less than £1k outstanding at 31 March 2024 (2023: £1k). Related party transactions have been recorded between the Society and the daughters of a director and a senior member of staff. Both were employed at the Society's care home with the total emoluments to two members of staff during the year was £5k. Additionally, SSJ paid £20,000 to the Big Difference, a local food redistribution charity that is managed by Above Bar Church of which Trevor Pickup, Chief Executive, is Trustee and an elder. The payment facilitated the weekly provision of food to SSJ's 'food banks' in Southampton and Portsmouth. No other related party transactions have occurred with regards to the Trustees and Senior Staff as listed on page 1 of these accounts, other than remuneration paid to Key Management Personnel set out in note 5.

26 Post Balance Sheet Events

There were no post balance sheet events.

27 Controlling party

At 31 March 2024 the ultimate controlling party was the Trustees and Directors of the Society of St James.

Accounts

Society of St James

Report and Financial Statements

Year Ended

31 March 2023

Company Number: 03009700

Charity Number: 1043664

Society of St James

Annual report and financial statements for the year ended 31 March 2023

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Society of St James

Reference and administrative information for the year ended 31 March 2023

Trustees and Directors:	S Butterfill P Hillary (Chair) G Marshall (Treasurer) J Osman R Hollis A Holdup A Davis J Ash A Chaudry	(appointed 15 October 2015) (appointed 27 October 2016) (appointed 12 October 2017) (appointed 12 October 2017, resigned 4 July 2023) (appointed 5 February 2019) (appointed 1 September 2020) (appointed 5 October 2021) (appointed 5 April 2022) (appointed 6 September 2023)
Company Secretary:	T Pickup	
Senior Staff	T Pickup A Powell M Taylor T Keall N Wilsenham G Nesbitt	(Chief Executive) (Director of Finance and Central Services) (Operations Director) (Operations Director) (Operations Director) (Director of Asset Management)
Registered Office:	125 Albert Road South Southampton SO14 3FR	
Registered Company Number:	03009700	
Regulator of Social Housing Registration Number:	LH4337	
Registered Charity Number:	1043664	
Auditors:	CLA Evelyn Partners Limited Cumberland House 15 – 17 Cumberland Place Southampton SO15 2BG	
Solicitors:	Blake Morgan New Kings Court Tollgate Chandler's Ford Hampshire SO53 3LG	
Bankers:	NatWest 68 Above Bar Street Southampton SO14 7DS	

Society of St James

Report of the Board of Trustees incorporating a Strategic Report for the year ended 31 March 2023

Introduction

The Board of Trustees presents its report and financial statements for the year ended 31 March 2023, which should be read in conjunction with the information on page 1. All Trustees are directors of the Charitable Company for the purposes of company law.

Structure, Governance and Management

The Society of St James (SSJ/ the Society) is a charitable company limited by guarantee and is registered with the Regulator of Social Housing (RSH) (number LH4337). The liability of the members is limited to their guarantee. In the event of SSJ being wound up during the period of the membership (or within the year following), members undertake to contribute such amounts as may be required, but not exceeding £10.

SSJ is governed by the Board of Trustees, which meets at least quarterly. The Board has created four Committees to take specific interest in the areas of Personnel, Audit and Finance, Asset Management and Operations, who also meet at least quarterly. A Development Panel is also convened as required to provide a mechanism for Board supervision of new major projects as they arise. In line with good practice, SSJ also convenes a Directors' Remuneration Committee annually to appraise performance and set the Senior Management Team's salaries. SSJ's policy is for these salaries to be broadly in line with median rates of pay for comparable posts as informed by independent specialists. Meetings are held both in person and virtually.

During the year SSJ has helped to establish a Service User and Resident's Association (SURA) with the aim of ensuring Service Users have an independent body through which to influence SSJ's decision making.

As a Registered Provider (Housing Association) SSJ is required to meet the Standards set by the RSH, as its key regulator.

In June 2023 the Board reviewed its own performance and the performance of the committees of the Board. It also reviewed the effectiveness of the current committee structure and systems in place to ensure that they provided effective governance arrangements for SSJ. The Board also recently reviewed the key risks facing SSJ and mechanisms to ensure that they are addressed within Board meetings and reports to the Board. The Board is confident of its continued compliance with the Governance and Viability standard.

SSJ seeks to recruit one or two new Board members each year. The recruitment and induction process includes a tour around some of SSJ's projects and an introduction to SSJ's work. Potential new Board members also attend a Board Meeting as observers before they formally agree to join the Board. All Board members serve in a voluntary capacity; it is not the policy of SSJ to remunerate Board members.

The Chief Executive reports to the Board, the senior staff report to the Chief Executive and the rest of the staff in turn report to the senior staff.

SSJ has adopted the National Housing Federation Code of Governance and is working towards compliance with the 2020 edition. SSJ has made further progress this year towards achieving compliance with the Resident Engagement requirements; over the last 21 months our Service User Engagement Lead has organised numerous engagement and consultation events and we have set up a Service User & Residents Association (SURA). In order to work within the spirit of the code and to follow good practice, the model of co-production is being followed as this area of work advances.

The code requires a declaration of any areas of non-compliance. These are:

- 1) Resident engagement – SSJ continues work to develop effective systems and processes in this area to make them fully compliant with the requirements of the code.
- 2) Mechanism to remove Board members – In the case of a breach of the rules or other under performance by Board members, SSJ ought to have a mechanism to remove a Board member from the Board. During the year the Board has sought legal advice and agreed an updated Articles of Association will be brought to the next AGM. This will address this issue.

Society of St James

Report of the Board of Trustees Incorporating a Strategic Report (*Continued*) for the year ended 31 March 2023

Structure, Governance and Management (continued)

- 3) Six-year maximum length of tenure on the Board – It would not be possible to implement this immediately as this would result in losing too many Board members at one time. SSJ is seeking to increase the size of the Board to a size which would allow this to be implemented.

The Trustees have given due consideration to Charity Commission guidance on public benefit when reviewing objects and activities. Trustees are also mindful of the duties of Trustees under charity law and have reviewed Charity Commission guidance and the Charities Governance Code checklist for larger charities in parallel with the RSH guidelines to ensure good governance practice.

Objectives and Activities

The Objectives of SSJ are:

"The relief of poverty, sickness, hardship and distress in particular but not exclusively of persons who are homeless, unemployed or who have drug, alcohol or other substance addictions by the provision of housing, rehabilitation, care, support, education, training and employment opportunities: in order to improve the individuals' opportunities and quality of life and to contribute to the wider community".

SSJ seeks to achieve this through a range of activities, which can be broken down between the following headings:

- Housing;
- Support;
- Care;
- Substance Misuse Services; and
- Social Enterprise.

SSJ agreed a 10-year strategy in the spring of 2019, to provide a long-term direction for its work. Further detail was provided in a 3-year Business Plan, agreed by the Board annually in October. The plan outlines how we will achieve our 5 overarching outcomes of:

- Outcome 1: Meet the needs of homeless and vulnerable adults across our region
- Outcome 2: Provide safe accommodation and services that meet the needs of current and futures residents and service users
- Outcome 3: Be the provider of choice for contracted services for vulnerable individuals across Hampshire.
- Outcome 4: Building the capacity and infrastructure to support actual and planned growth each year
- Outcome 5: Work towards being a carbon neutral organisation.

Housing

SSJ provides a range of housing to homeless people in Southampton, Portsmouth and elsewhere in Hampshire, ranging from hostels, through to shared housing to one-bedroom flats and two registered residential care homes. SSJ also manages accommodation for homeless families in Southampton and Rushmoor. The numbers of bed spaces managed by SSJ are shown below:

Bed spaces/units	2021	2022	2023
Owned	248	264	280
Managed or leased	287	282	240
Total	535	546	520

The reduction in managed units was due to a number of factors, including the Registered Provider who owned the relevant properties requiring them back (26 beds) and another Registered Provider taking back the day-to-day management of the property but continuing to make it available for our Service Users (27 units).

For its owned property SSJ fulfils a full range of property maintenance obligations, from day-to-day repairs to managing a long-term repairs and maintenance programme. As a Registered Provider SSJ offers tenancy or licence agreements, collects rents and generally fulfils the role of landlord.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2023

Objectives and Activities (continued)

Housing (continued)

For leased or managed projects, SSJ fulfils some of the functions listed above, depending upon the form of agreement with the property owner. These often include maintenance obligations, offering tenancy and licence agreements, and the collection of rent.

Support

SSJ seeks to provide support beyond the services normally provided by a landlord to those living in its accommodation. This activity is largely funded through contracts from Local Authorities, under which SSJ received £2.946 million (2022 £1.773 million) during the year, enabling the employment of support staff in most residential projects. This increased as SSJ was successful in winning a number of contracts from local authorities and other statutory funders over the year. The support provided enables people previously homeless, with mental health issues and with substance misuse problems to maintain their housing and to develop skills to live independently in the community. SSJ is also supporting nine residents in Aldershot in a homelessness hostel with Housing Related Support being funded by Rushmoor Borough Council.

The provision of Housing Related Support remains a major element of SSJ's work, delivering services under contractual arrangements and being subject to a wide range of inspection, regulation and monitoring. In addition, as existing contracts expire, services are put out to competitive tender, so that a range of organisations have the opportunity to competitively bid to provide the service. These contractual arrangements are a crucial factor in forming a picture of the environment in which SSJ operates.

Care

Through St James Care, SSJ operates two registered care homes. SSJ purchased its first care home in November 2006 in order to create a specialist care service for people with backgrounds of homelessness, substance misuse and mental health issues. This therefore provides an appropriate environment for older residents who can no longer stay in their existing accommodation because of their increasing care needs. Its second care home was acquired in 2020.

Substance Misuse Services

SSJ provides a number of non-residential services for people with substance misuse issues. These services are provided in Portsmouth and Hampshire. Each area has a different structure for substance misuse services and SSJ provides a different service in each area.

These services work with over 1,000 people at any one time, providing a range of interventions to people with issues with alcohol and drugs. Each project is commissioned through competitive tendering and performance is carefully monitored by the commissioning body, the relevant local authority.

Employment and Training Opportunities

SSJ manages Jamie's Computers which operates as a Social Enterprise. The aim of Jamie's is to generate income for SSJ and to create training and learning opportunities as well as work placements for vulnerable adults in the city of Southampton.

The Café in the Park is also a Social Enterprise, providing employment and volunteering opportunities in Portsmouth, as well as good quality food.

Meaningful Activity

SSJ delivers a number of meaningful activities relating to sports activity, volunteering and education. Re-Fit, our sports therapy programmes have proven to have a hugely beneficial impact on people experiencing substance misuse problems. In the past five years over 1,000 individuals have engaged with the programmes and achieved

Society of St James

Report of the Board of Trustees Incorporating a Strategic Report (*Continued*) for the year ended 31 March 2023

Objectives and Activities (continued)

Meaningful Activity (continued)

their goal of living a positive and substance-free lifestyle. The programme also has pathways into education, training, volunteering and employment.

Our sports activity programmes, founded in partnership with the Saints Foundation and Pompey in the Community, are not just about football. We offer all kinds of activities, for both men and women, all aimed at improving health and wellbeing, confidence and self-worth. Although the partnership with the Saints Foundation was dissolved by mutual agreement in May 2022, SSJ continues to deliver the activities of the project.

The majority of the funding for these meaningful activity programmes comes from various National Lottery funds.

In addition, we deliver Pathways, a volunteering service to match stable service users with volunteering opportunities within SSJ and in the community (including our Café and Jamies). This is funded by the Office of the Police and Crime Commissioner.

Strategic Report - *Achievements and performance*

SSJ had a successful year with an annual turnover of £15.268 million and an operating surplus of £444k. This represents 11% growth in turnover on the previous year, due to success in winning a number of contracts and tenders, as well as retaining many of our previous contracts. It was also improved by a number of factors, including additional funding received from local and central government as additional work was commissioned by local authorities.

Mobilising the new contracts

As reported previously, SSJ won a number of contracts at the end of the last financial year, which began in June 2022 (Portsmouth) and July (Southampton). These contracts were:-

- Portsmouth Substances misuse and supported housing (retained existing contract)
- Southampton Homeless services – seven contracts providing a range of support including hostels, housing - related support and floating support (retained existing contract plus some new contracts)

The mobilisation of these contracts was a complex operation, involving moving in and out of various properties, moving staff between employers under TUPE regulations, setting up new office bases and establishing new ways of working for the new services. This was successfully completed, including the transfer of over 40 staff into our employment on a single day.

Response to cost of living crisis

During the year SSJ launched a number of initiatives to try to support Service Users with the increasing cost of living. In October the James' Pantry was launched in Southampton, which is run on a food bank model. Service users and staff are able to access the Pantry based in our Head Office, with over 60 Service Users having accessed the service since it was launched. Much of the food has come from the Big Difference, a food distribution project in the city. We have also been providing tenants with microwaves, as these are the most cost-effective way of cooking food.

We plan to roll out the Pantry to Portsmouth over the coming months.

Society of St James

Report of the Board of Trustees Incorporating a Strategic Report (*Continued*) for the year ended 31 March 2023

Strategic Report - Achievements and performance (*continued*)

Embedding Trauma Informed Care and the development of Psychologically Informed Environments

SSJ is working to embed a trauma informed approach across all our activities, in order to best create the opportunities for our service users to deal with difficult previous experiences. Over the last year the majority of staff completed the training. Reflective Practice is a key element of this approach and 16 Reflective Practitioners have now been trained and are operating in 10 frontline services.

Royal visit by HRH Princess Anne

SSJ hosted a visit by HRH Princess Anne to Linden House, one of our care homes. Previous visits had been cancelled due to Covid, so it was especially gratifying to be able to welcome our guest and introduce her to Board members, staff and residents.

Housing development

SSJ is committed to reducing rough sleeping and homelessness for vulnerable adults by developing new housing. As a housing association, SSJ can access grants from Homes England and match these with borrowings to enable the purchase and refurbishment of property. During the year SSJ purchased 3 properties to provide move-on opportunities for 20 residents and a further 2 properties for Homeless Families. SSJ also sold one property (6 bed spaces) in Aldershot and is in the process of re-investing these funds in another property in the area.

At the year-end SSJ owned 45 residential properties.

Developing Service User Participation

Work to develop service user participation has been successful over the year with the Service User Residents Association established and the first Service Users Satisfaction Survey completed. Out of 100 Service Users, there was an overall satisfaction rate of 65%. The Service User and Resident Association has now been fully established, giving service users a structured voice and input into how SSJ operates.

Working towards net zero carbon

During the year SSJ benefitted from a project undertaken by a student at University College London, who undertook a carbon footprint assessment on SSJ, completed as part of his Masters Degree; this report estimated the Society's carbon footprint at approximately 1350tCO₂e. We recognise that the methodology underlying this calculation requires further development and expect that the size of the SSJ footprint will need to be re-calculated a number of times over the coming months and years, as assessment tools are improved. We are engaging with Southampton University to enlist their support in developing this methodology.

SSJ has also completed its EPC assessments on all the properties we own and have identified a number which are below the required band "C". A program of works has been initiated to ensure that, where practicable, all these properties are upgraded to achieve the required level "C" by SSJ's internal target of 2025.

SSJ Quality Assurance Framework

During 2022/23 SSJ designed the SSJ Quality Assurance Framework and completed 16 internal audits across our services and projects. The audit is designed to cover 8 themes containing a total of 55 standards. This resulted in both service level improvement plans that will be overseen at Operational Director level and a 'whole organisation' improvement plan that will address cross-cutting themes and be overseen by the Chief Executive reporting into the Operations Committee.

Society of St James

Report of the Board of Trustees Incorporating a Strategic Report (Continued) for the year ended 31 March 2023

Strategic Report - Achievements and performance (continued)

Fundraising

This has been another successful year for fundraising with approximately £274k being raised to support the work of SSJ. Two large philanthropic donations significantly boosted this figure ahead of previous years, one being a legacy funding of £80K and another from an anonymous donor of £85K to seed fund the SSJ Academy. This is despite some resources being re-directed towards the mobilisation of the new contracts and the departure of the Social Media & Marketing officer in December.

The ongoing support of our community networks has secured a steady stream of donations arriving through different channels. In the latter part of the year we boosted our marketing through social media, resulting in another successful Christmas campaign raising over £8,500 and a growing supporter base who have given their consent to receive marketing information.

We continue to receive funding from philanthropic bodies, including the National Lottery Community Fund (TNLCF), towards specific projects including Re-fit & Saints4Sports (now referred to as Re-Fit Southampton & Re-Fit Portsmouth), agreeing to fund Re-Fit Portsmouth for a further year. As suggested by the TNLCF, this will bring the funding periods in line for both Re-Fit projects, allowing SSJ to consolidate the work we are doing around 'meaningful activity' and to prepare a more strategic bid to the TNLCF during 2023/24.

We were successful in receiving a grant from the Royal Navy and Royal Marines Charity (RNRMC) to continue the FLAGS project for serving personnel in Portsmouth (£142.5K) and a further £5k from B&Q to support the installation of solar panels at one of the new properties. Grant funding applications were kept to a minimum during 2022/23 to protect resources needed for the mobilisation of the new contracts won during 2021/22 and into 22/23.

The Office of the Police and Crime Commissioner (Café in the Park and Pathways Project) have continued to fund our projects. After corporate support all but disappeared during Covid-19 pandemic, corporate supporters are now starting to get back in touch to see how they can help. These included NHS Property Services and Balfour Beatty, who have both given staff time to property maintenance, which has reduced our maintenance costs.

Staff

SSJ is completely dependent on the commitment of our staff to meet the challenging and demanding needs of our environment and client base. The Trustees applaud our staff for all that they have achieved in these particularly difficult circumstances and would like to record their formal thanks and appreciation for their efforts.

We have a diverse workforce, with an average of 280 FTE staff (249 in 2022) being employed over the last 12 months. We seek to be an excellent employer. We are currently, and aim to continue to be, a "National Living Wage" employer and have been paying staff at least these rates for the last four years.

SSJ also relies on volunteers in our projects and services, and we are grateful for the contribution they have made.

Strategic Report - Plans for the Future

There are significant areas of unmet need within the areas of expertise in which SSJ operates. In order to meet the charitable objectives of SSJ, it will need to continue to fulfil its existing role and to develop new services.

SSJ will therefore seek to continue to deliver Housing, Support, Care, Treatment and Training to vulnerable adults in Hampshire and surrounding areas. SSJ may also develop its work into new geographic areas and into new types of services, in order to meet the needs of our existing and potential new service users and/or the requirements of new local authority tenders.

This will include bidding for new work through the tendering process. SSJ will also continue to work on specific proposals with local commissioners and seeking philanthropic funding for projects or areas of work.

Society of St James

Report of the Board of Trustees Incorporating a Strategic Report (*Continued*) for the year ended 31 March 2023

Strategic Report - Plans for the Future (*continued*)

The Board have agreed a number of priorities for the coming year. These include:

Property acquisition programme

SSJ will continue to prioritise the development of new property to help reduce homelessness and increase opportunities for our existing service users. By increasing our stock of move-on housing, SSJ can move more residents out of hostels, and therefore create spaces for more people to move from rough sleeping into accommodation. SSJ will also be aiming to acquire at least 15 properties in Southampton for Refugee families from Ukraine and Afghanistan using Local Authority Housing Fund as well as a property for women with complex needs who are fleeing domestic violence/abuse.

Support

SSJ will be expanding its offer to the criminal justice system during 2023/24. We have won a tender to deliver RESET, a new service for Young Adult Offenders (18-24) across Hampshire and the IOW. We will be mobilising this new service during the early part of 2023/24. Our aim is also to open a 4th Integrated Offender Management house in the North of Hampshire to expand our offer to those identified by criminal justice partners as those causing most harm to their communities.

Over the next year SSJ will be consolidating our work around meaningful activity with the aim of securing funding to launch the SSJ Academy in January 2024. The SSJ Academy will provide a full timetable of meaningful activities that is accessible to all SSJ service users and residents. It will include opportunities relating to sport, hobbies, education, training, employment and volunteering. Being able to provide this level of regular activity is aimed at improving outcomes for service users and residents across all SSJ projects and services.

SSJ will continue to work with local authority partners to explore new opportunities within Southampton, Portsmouth and Hampshire, to meet the needs of homeless people, other vulnerable adults and specific priority groups within our target beneficiaries e.g. LGBTQ+, Veterans etc.

As part of our commitment to be a trauma informed organisation, SSJ will continue to train new in-house Reflective Practitioners to ensure that all frontline staff and all managers have regular access to the benefits of Reflective Practice. SSJ will also continue to audit services against our Quality Framework, to improve standards and outcomes.

Communication Strategy

SSJ will develop a more robust communication strategy and plan over the next year to ensure that SSJ's purpose and impact is well understood across all stakeholders relating to our work as a charity and social housing provider.

Response to Cost of Living Crisis

SSJ will continue to monitor the impact of the cost of living crisis on Service Users, residents and staff and identify ways to reduce the impact. We will also be rolling out mental health first aiders across the organisation.

Working Towards net Zero Carbon

SSJ is committed to being a net carbon neutral organisation. Over the year SSJ will work to develop our understanding of our carbon footprint, and update our Environmental Plan, including steps to reduce our emissions over next 3 years, as a step to becoming carbon neutral. SSJ will also engage further with staff and Service Users about steps that could be taken now to have impact.

In order to modernise our properties and strive to achieve the EPC "C" standard across our properties, SSJ will commence a 2-year programme to modernise the required properties.

Society of St James

Report of the Board of Trustees Incorporating a Strategic Report (*Continued*) for the year ended 31 March 2023

Strategic Report - *Principal Risks and Uncertainties*

SSJ faces a wide range of risks and uncertainties, many of which are collated annually in SSJ's Business Risk Management Plan. The principal risks identified are as follows:

Increase in the cost of contract renewals (i.e. gas and electricity)

Currently our gas and electricity contracts are fixed until September 2024. Any new connections require a fresh contract to be agreed. The market is extremely volatile at present, meaning it has become increasingly hard to sign up new sites. We have good relationships with our Broker and access to a wide pool of industry knowledge, meaning we can act swiftly when the market allows. To mitigate this risk further we will take careful consideration over the length of contract to renew for when the existing term ends. Further, we may look to increase service charges to cover this cost.

Loss of contracts due to change of priorities or financial pressures within Local Authorities and the Government

There is a risk of commissioners ending contracts and not replacing the service with any other provision. This is a significant financial risk to the Society, with potential redundancy costs to be managed, and possible ongoing commitments for leased buildings. The risk can be mitigated by having good liaison with the commissioners and by the ability to redeploy staff into other services, which may be possible on occasion.

Changes to the Housing Benefit regime make our rents unaffordable to residents

The Government is consulting with various stakeholders with regards to the impact any changes will have. SSJ is a member of the National Housing Federation (NHF) who are a very effective lobbying body and have made strong representations to the government. They have particularly stressed, and the government have said they have heard, that it is essential to ensure that there are no unintended consequences on the significant number of organisations that are relied upon to provide much needed accommodation utilising this source of funding.

High inflation puts pressure on salary costs

An increase in inflation will mean higher living costs for employees. If wages are unable to keep up with the rate of inflation then there will be considerable pressure on staff, especially those with lower salaries. This could lead to staff suffering with financial difficulties which would likely impact their mental health and general wellbeing. SSJ has a salary advance and loan policy which may be utilised in some circumstances. An Employee Assistance Programme is also offered to provide 24/7 free and confidential advice and support for all employees. SSJ will also continue to look at practical ways to support staff.

Hacking, or other malicious activity, due to failure to protect against cyber threats

There are a range of cyber threats facing SSJ, and ransomware attacks are considered to be the greatest risk, because attackers don't need to know much about our systems. The level of impact depends on how easy it would be to recover from a threat being carried out. All systems are password protected and contained within a firewall. If the Ransomware got through the fire wall and into the cloud servers, we would need to rely on our backups which include off-site backups. These are periodically tested, and we have done partial restorations of files in the past.

Failure to upgrade & develop IT in line with organisational growth

SSJ is regularly required to update and upgrade its IT systems to meet increasing requirements from its services and customers, as well as enhanced security, data protection and regulatory changes. The risk is that procurement may not meet the needs of the organisation due to flaws in systems selection or deficiencies in implementation. We aim to mitigate this by creating plans that ensure that all projects are sufficiently resourced and supported by senior managers, an appropriately qualified IT team and external consultants as required.

Society of St James

Report of the Board of Trustees Incorporating a Strategic Report (*Continued*) for the year ended 31 March 2023

Strategic Report - *Principal Risks and Uncertainties (continued)*

Failure to comply with the Building Safety Act 2022, specifically regarding fire safety

This Act has been brought about following the tragedy of the Grenfell Tower fire to ensure the safety and standards of all high-risk buildings. Whilst the Act doesn't directly impact SSJ property, it is important to acknowledge and deliver on the principles of the Act due to the broad spectrum of tenure of occupancy within SSJ property. The Property Department mitigate building safety risks by conducting annual condition surveys and working closely with the Housing Team who visit the properties at monthly intervals and the support services based at other accommodation types.

Failure to complete annual gas safety checks

Ensuring the completion of annual gas safety checks is a statutory requirement and getting the cooperation of tenants in self-contained units is a persistent issue. This is mitigated by starting the annual process earlier, to give more time to ensure access can be obtained.

Failure to comply with the Decent Homes Standard specifically regarding the occurrence of mould in our properties. Risk of claims against us, or people getting ill

The Decent Homes Standard outlines the minimum standards of property provided by Social Housing Landlords. Properties should be free from the 29 classified health and safety hazards including damp and mould, fire risks etc. To mitigate the risk of failure of meeting the standard, SSJ conduct property condition surveys which build not only informed annual planned works programmes but trigger responsive repairs where necessary to address any immediate risk to residents. This is also supplemented by working with the Housing and Supported Teams and providing clear lines of communication for residents to report property related issues.

Failure to undertake regular property inspections which results in deterioration of our assets

As per the above, property standards fall within the scope of The Decent Homes Standard, and to mitigate risk of failing to comply with this standard, property condition surveys are conducted at suitable scheduled intervals according to property risk priority. This is supplemented by working with the Housing and Supported Teams, and by providing clear lines of communication for residents to report property related issues.

Failure of client safeguarding, resulting in criticism by a Serious Case Review

SSJ has previously been involved in two Serious Case Reviews which has highlighted the levels of risk which surround SSJ's work with vulnerable clients. Due to the high numbers of people being supported by SSJ, there continues to be a high probability that SSJ will be involved in further reviews, investigating tragic events, which may or may not relate to a failure of a safeguarding nature. SSJ will continue to monitor and act upon safeguarding concerns in a pro-active manner, ensure staff are trained to identify and respond to safeguarding issues and ensure that SSJ's Safeguarding Officer is able to continue to oversee and monitor this area of the SSJ's work.

The relative impact of the increased cost of living means self-contained accommodation becomes unaffordable to residents

The current increase in the cost of living (food, utilities etc) could result in service users having to choose between food and heat. With our clients already being vulnerable this could have significant implications on the health of our residents. All Service Users in shared houses have their heating included in service charges, but those in self-contained accommodation would be responsible for their own bills and therefore more at risk. SSJ will continue to make referrals to food banks and perform regular welfare checks if concerns are raised.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2023

Strategic Report - *Fundraising practices*

SSJ is well supported by the local community and benefits from numerous donations from schools, churches, business groups, social clubs and individuals. We benefit from having been chosen as the "Charity of the Year" by various commercial companies and associations.

SSJ runs a number of fundraising campaigns over the year to appeal for funds for specific activities, such as the Christmas appeal, as well as seeking donations towards our general activities. These campaigns are conducted by sending newsletters by email and by running social media campaigns. Staff also give talks and presentations, when invited, to various groups, which often leads to donations. The majority of our donations are one-off donations, but a number of individuals have set up regular payments by standing order.

Donations of food, clothing, Christmas presents and time from individual volunteers and from teams of volunteers is also valuable. Jamie's receives about 20 tonnes of computing and other IT equipment each month, which it processes and sells or recycles to generate income.

SSJ does not use external consultants to undertake fundraising on our behalf, and we seek to ensure an ethical approach to our appeals and campaigns. We have however in 2023/24 commissioned a local social marketing company to support our social media campaigning.

Our mailing and email list is made up of members of SSJ and those who have either donated in the past or have asked to be added to the mailing list. We have not undertaken any mass mailing campaigns in the last year. In line with GDPR requirements we have also contacted everyone on the mailing list and confirmed that supporters wish to continue to receive information.

SSJ is not a member of the institute of fundraisers and has not signed up to any voluntary regulatory framework. We deal carefully with any complaints received.

We are conscious of safeguarding issues and have previously not accepted large donations until some investigation concerning the donor has been undertaken (and in some cases, returned the money). We aim to post or email 2-3 newsletters a year to our supporters, so do not feel we are putting people under significant pressure to donate.

Strategic Report - *Financial Review*

Financial Position and Management Policies

The year ended 31 March 2023 has seen net cash generated from operating activities of £1,235k (2022 £707k), and an operating surplus of £444k (2022 – £365k). SSJ remains in a sound financial position at 31 March 2023 and finished the year with cash of £2,028k (2022 - £812k). During the year SSJ invested £1.7m (2022 £0.3m) in acquiring and developing new Housing Property.

The increase in cash during the year of £1,216k (2022 £424k decrease) closely matched the cash generated from operating activities as loan finance and grants covered the costs of the acquisition and works to tangible fixed assets. A new loan of £1.48m was drawn from SSJ's facilities during the year.

SSJ has formal financial procedures in place that have been ratified by the Audit and Finance Committee and are followed by staff. The Board considers the internal control systems in use to be sufficient for purpose. For items of major expenditure, competitive quotes are requested to ensure SSJ receives the best value for money.

Reserves

The reserves policy reflects the nature of SSJ's business and the sustainability of its sources of income from rent and contracts with local authorities. The Trustees seek to hold sufficient reserves to maintain financial stability while maximising the deployment of funds in pursuit of the charity's objectives and review the implementation of the Policy annually.

Society of St James

Report of the Board of Trustees Incorporating a Strategic Report (*Continued*) for the year ended 31 March 2023

Strategic Report - *Financial Review (continued)*

Reserves (continued)

The Trustees believe that it is prudent for the charity to hold a level of free financial reserves (general unrestricted funds less those held as fixed assets net of long-term debt) for the following purposes:

- To provide adequate short-term liquidity, and cover temporary timing differences in grant claims;
- To absorb setbacks and manage change should a major income stream fail;
- To enable the organisation to respond quickly to new opportunities.

The Trustees have determined that the level of free reserves held by the charity should not normally fall below one month's total unrestricted operating costs which were £1,235k during the year (2022 £1,117k).

Free reserves were £1,373k at 31 March 2023 (2022 - £718k). Free reserves are calculated by subtracting the value of fixed assets (excluding investments) from total reserves before adding back long-term liabilities and the next year's mortgage liability. The level of free reserves at 31 March 2023 has increased by £655k during the year partly in line with financial performance and due to new loan funding being drawn.

SSJ had £4,186k of total reserves at 31 March 2023 (2022 - £3,974k).

Sources of Income

The largest source of income for SSJ this year has again been net rental and service charge income which has increased by 4.8% to £5,825k (2022 - £5,559k) and now represents 38% of SSJ's total income (2022 - 40%). The reason for this decrease in share of income has been the loss of some bed spaces that were leased, partially offset by a lower number of bed spaces being acquired. Rental income is usually collected directly from the relevant Local Authority in the form of Housing Benefit payments although payments for care provision have increased in this area. The percentage of SSJ's income that it receives through housing support (previously Supporting People ("SP")) contracts has increased during the year due to additional contracts being won and is now around 19% (2022 - 13%) of total income.

Grant income from substance misuse services has increased by 3.3% to £4.361m (2022: £4.221m) and represents 29% of SSJ's income (2022: 31%). Donations and awards from philanthropic trusts and the general public remain an important source of funding, with SSJ benefitting from £274k in the year to 31 March 2023 (2022 - £175k).

Property

SSJ acquired three properties during the year at a cost of £1.5m (2022 £0.3m). These costs, plus fees and development costs, are capitalised and depreciated over the useful life of the assets. Our properties are shown at their original cost in our accounts, less applicable depreciation. Properties used as security for borrowing are revalued regularly to comply with the terms of loan agreements. The 34 secured properties that are carried at £10.2m in our financial statements were most recently valued at £12m.

Funding

SSJ finances its property acquisition programme through a combination of grants and long-term debt. Government grants are amortised to income over the life of the asset they funded and remain associated with that asset until it is disposed of. If an asset is disposed of the grant must be placed into a Recycled Capital Grant Fund (RCGF) and held until it can be used to acquire or develop similar property to that for which it was originally awarded or is repayable if this hasn't been achieved within 3 years. Government grant awaiting amortisation is shown in the accounts as a short or long-term creditor; Government grant that has been generated through the sale of a property during the year is shown in the RCGF in (see note 17). Other capital grants, such as lottery funding, are shown as income in the year that the purpose for which they were awarded was achieved. Such grants usually come with a requirement to repay if the asset which they helped acquire are disposed of within a certain period of time.

Society of St James

Report of the Board of Trustees Incorporating a Strategic Report (*Continued*) for the year ended 31 March 2023

Strategic Report - *Financial Review (continued)*

Funding (continued)

In arranging external funding, SSJ aims to borrow money from a spread of lenders, on a long-term basis and with a mix of fixed and variable interest rates appropriate to balance the risk of interest rate rises with the annual cost of borrowing.

SSJ increased its borrowing relationships from four to five during the year and drew down £1.48m of loan finance from a new lender at a fixed rate of interest. At 31st March 2023 61% of borrowings were at interest rates fixed for more than 3 years (2022 51%).

Cash and investments

With operating cash inflows of approximately £1.25m per month, SSJ manages its treasury resources actively, holding most of its cash in instant access accounts. The majority of cash is kept in higher interest accounts with instant access facilities.

Under its Treasury Management Policy, SSJ is required to maintain ready access to sufficient sources of liquidity to meet the following month's cash operating costs plus the next three months' debt service costs. In addition, SSJ reviews annually the amount of liquidity which must be met from readily available cash. For the majority of the year ended 31 March 2023, the minimum amount was £735k having been increased from £630k in July 2022.

SSJ maintained its cash balances at in excess of the minimum required under its Treasury Management Policy throughout the year save for a two - day period where cash was slightly below the minimum due to a delay in receiving invoice payments. This occurred directly after a payroll run and so was of minimal risk to the organisation. This cash management has assisted SSJ in funding future property acquisitions when the receipt of new loan finance was delayed.

SSJ's investments are held in funds specifically designed for charities with the aim of spreading risk and investing in a largely ethical manner. SSJ sold its investment in the Charities Property Fund on 31 March 2022 as well as selling £51k of its holdings in Charifund on 5 May 2022 to help finance the acquisition of two properties. The unit price of the remaining funds decreased by 0.7% in value during the year.

Society of St James

Report of the Board of Trustees Incorporating a Strategic Report (*Continued*) for the year ended 31 March 2023

Value for Money

The Society is committed to delivering effective and efficient services to service users and embraces the Value for Money (VFM) methodology as required by the Regulator of Social Housing (RSH). The Society agreed the Value for Money Policy in July 2013, which includes the following Statement of Intent:

"The Society of St James seeks to ensure that all financial and other resources are used to achieve the greatest benefits for the Society, in working towards the furtherance of the aims of the organisation, as described in the governing documents."

The requirements of the RSH require standard metrics to be shown in these accounts; the following shows these metrics for the Society and is benchmarked against the most appropriate data (supported housing specialist providers (although these are all still large organisations with greater than 1,000 homes)) from the RSH publication of value for money data for the sector for 2023. The Society has also chosen to add three of its own benchmarks which appear below after the standard metrics that are required.

Required Metrics	Benchmark (2022 data)	Target (2023)	2023	2022
Metric 1 - Reinvestment %	6.1%	18.0%	14.7%	8.1%
Metric 2 - New supply delivered %	1.2%	7.0%	6.7%	4.9%
Metric 3 - Gearing %	12.5%	50.0%	39.7%	43.4%
Metric 4 - EBITDA MRI Interest Cover %	203%	200%	183%	346%
Metric 5 - Headline social housing cost per unit	£8,400	£12,500	£19,055	£15,947
Metric 6A - Operating Margin % (social housing lettings only)	10%	2.0%	1.7%	0.1%
Metric 6B - Operating Margin % (overall)	5.2%	2.0%	2.9%	2.7%
Metric 7 - Return on capital employed (ROCE) %	2.9%	2.0%	3.0%	2.8%
SSJ additional metrics				
Occupancy %	n/a	>94.4%	92.0%	91.3%
Bad debts %	n/a	<1.0%	0.6%	0.9%
Adjusted metric 5 - excluding support only service	£8,400	£12,500	£12,376	-

Metrics 1, 2 and 3

Although falling slightly below target in a difficult year for acquiring property, SSJ's is well above the benchmark. The Society has expanded, and plans to continue to expand, its property assets by bidding actively for housing grant and using borrowing to contribute to funding. The organisations in the sector included in the benchmark vary significantly in size and pursue a wide range of strategies. Some are not actively developing as much new supported housing and/ or have a different funding model for property investment.

Metric 4

The Society has had a 'good year' but was impacted by the increase in interest rates and in the level of borrowing. This has meant that the target for EBITDA MRI Interest cover % was narrowly missed with a result that is similar to the benchmark. As the Society invests more in new properties the interest charges will increase and so this metric is anticipated to drop in future years but will be managed effectively.

Metric 5

SSJ's Social Housing cost per unit is always likely to be higher (and operating margin % lower) than the sector as a higher proportion of SSJ's housing stock is in supported housing. SSJ also bears the full costs of running support services (partly funded by grants), whereas most other providers fund fewer support services. Additionally, SSJ runs a number of support-only services where another entity does the housing management; these support costs are included within social housing costs but the housing units that are supported are not included. We have added

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2023

Value for Money (continued)

an adjusted metric 5 to exclude support - only services. Under this metric the cost per unit is reduced significantly and is in line with the target. SSJ aims to reduce cost per unit over time as it builds in scale.

Metric 6

The Society's Operating Margins are significantly below the benchmark as it is a strategic decision of the Society to maximise deployment of annual income to provide services to vulnerable people; the Trustees consider an Operating Margin of 2% generally provides an adequate sustainable surplus and the Society is managed with the objective of achieving recurring surpluses at that level.

Metric 7

The Society's ROCE metric is comparable to the benchmark and this year has marginally exceeded it.

SSJ additional metrics

The Society has chosen two specific metrics for its internal performance which are crucial to monitor the level of housing income and that the efficiency of the service provided.

The occupancy percentage is below the target set in the budget but better than the previous year's performance. Systems are improving to turn around voids more quickly but SSJ suffers from a number of factors outside its control, including delays in referrals which have a negative impact on percentage occupancy.

The target bad debt percentage has been achieved again this year due to good rent collection policies from the Housing Management team. SSJ continues to benefit from direct payments of benefits.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*continued*) for the year ended 31 March 2023

Statement of the Board of Trustees' responsibilities

The Board members are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation require the Board members to prepare financial statements for each financial year. Under that law the Board members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the society and of the surplus or deficit of the society for that period.

In preparing these financial statements, the Board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice for social housing providers (2018) 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 society will continue in business.

The Board members are responsible for keeping proper accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice for social housing providers (2018).

Financial statements are published on the society's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the society's website is the responsibility of the Board Members. The Board Members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

All of the current Trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

CLA Evelyn Partners Limited are deemed to be re-appointed as auditors.

This report was approved by the Board of Trustees on
and is signed on its behalf by:



P Hillary, Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOCIETY OF ST JAMES

Opinion

We have audited the financial statements of Society of St James (the 'Society') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Cash flow statement and the 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 FRS 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 Society's affairs as at 31 March 2023 and of 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 Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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 Society 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 directors' 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 Society'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 directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report and Financial Statements. 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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board of Trustees incorporating a Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Trustees incorporating a Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees incorporating a Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Board's Responsibilities set on page 16, the members of the board are the directors of the Society for the purposes of company law. The directors 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 controls as the directors 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 directors are responsible for assessing the Society'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 directors either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the Society's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance. We also drew on our existing understanding of the Society's industry and regulation.

We understand that the Society complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A risk assessment framework and register that includes regular review and scrutiny by the Board and Audit and Finance Committee;
- An annual assessment of compliance with regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing; and
- The Board's close oversight through regular board meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Society's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Society:

- FRS 102, the requirements of the Companies Act 2006, the Charities Act 2011 the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022, in respect of the preparation and presentation of the financial statements;
- Care Quality Commission rating
- Health and safety regulations; and
- Regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Performed a review of board minutes to identify any indicators of known or suspected non-compliance with significant laws and regulations; and
- Reviewed the CQC ratings on their website; and
- Reviewed any correspondence between the Regulator of Social Housing and the Society.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Society's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the Society's processes and controls surrounding manual journal entries; and
- reviewing and challenging estimates made by management.

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

Use of our report

This report is made solely to the Society's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Society's members 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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited

Julie Mutton

Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

Date 13/9/23

Cumberland House
15-17 Cumberland Place
Southampton
Hants
SO15 2BG

Society of St James

Statement of Comprehensive Income for the year ended 31 March 2023

	Notes	2023 £000s	2022 £000s
Turnover		15,268	13,773
Operating costs		(14,824)	(13,408)
Operating surplus	2	444	365
Unrealised surplus on investments		-	15
Surplus on ordinary activities before interest		444	380
Interest receivable and similar income	6	8	2
Interest payable and similar charges	7	(259)	(152)
Surplus for the year		193	230
Actuarial gain in respect of pension scheme	22	19	16
Total Comprehensive Income for the year		212	246

All activities of the charitable company are classed as continuing.

The notes on pages 25 to 43 form part of these financial statements.

Society of St James

Statement of Changes in Reserves for the year ended 31 March 2023

	Retained Earnings £000s
Balance at 1 April 2021	3,728
Surplus for the year	230
Other Comprehensive Income	16
Balance at 31 March 2022	3,974
Balance at 1 April 2022	3,974
Surplus for the year	193
Other Comprehensive Income	19
Balance at 31 March 2023	4,186

Society of St James

Statement of Financial Position at 31 March 2023 Company Registration Number: 03009700

	Notes	2023 £000s	2022 £000s
Fixed assets			
Housing properties at cost less depreciation	9	12,808	11,730
Intangible assets	10	239	275
Other fixed assets	11	829	533
Investments	12	97	148
		13,973	12,686
Current assets			
Debtors	13	854	1,246
Cash at bank and in hand		2,028	812
		2,882	2,058
Creditors: amounts falling due within one year	14	1,838	1,728
Net current assets		1,044	330
Total assets less current liabilities		15,017	13,016
Creditors: amounts falling due after more than one year	15	10,831	9,042
Total net assets		4,186	3,974
Capital and reserves			
Retained earnings		4,186	3,974
Total Capital and Reserves		4,186	3,974

The financial statements on pages 21 to 43 were approved and authorised for issue by the Board of Trustees on 5 September 2023 and are signed on its behalf by:-



G Marshall
Trustee



P Hillary
Trustee

The notes on pages 25 to 43 form part of these financial statements.

Society of St James

Cash flow statement for the year ended 31 March 2023

	Notes	2023 £000s	2022 £000s
Net cash generated from operating activities	23	1,484	707
Cash flow from investing activities			
Acquisition, construction and works to tangible fixed assets		(2,372)	(1,117)
Proceeds from the sale of fixed asset investments		51	-
Proceeds from the disposal of housing property		395	-
Grants received		700	385
Net cash used in investing activities		(1,226)	(732)
Cash flow from financing activities			
New loans (net of fees)		1,436	-
Loans repaid		(227)	(248)
Interest paid		(259)	(153)
Interest received		8	2
Net cash generated from/(used in) financing activities		958	(399)
Increase/(decrease)/ in cash and cash equivalents		1,216	(424)
Cash and cash equivalents at beginning of year		812	1,236
Cash and cash equivalents at end of year		2,028	812

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2023

1 Accounting policies

Society of St James ("the Society") is a private company limited by guarantee and incorporated in England and Wales. It is a registered provider of social housing with the Regulator of Social Housing and the address of the registered office is 125 Albert Road South, Southampton, SO14 3FR.

Basis of accounting

The financial statements have been prepared in accordance with UK Generally Accepted Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets at the date of transition under the 'deemed cost' option of FRS 102 and as modified by the revaluation of Investments.

The Society meets the definition of a Public Benefit Entity under FRS 102

These financial statements are single entity statements and not consolidated group accounts. Consolidation is not required as the other group member, Jamie's Computers Limited, was dormant throughout the reporting period.

Going concern

After making enquiries, the Board has observed that financial performance during the financial year to 31 March 2023 and first 5 months the new year has exceeded targets. Furthermore, the Board has reviewed forecasts and further information that has reassured it that there is a reasonable expectation that the Society has, and will continue to receive, adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statement are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

The principal accounting policies of the Society are set out below.

1.1 *Significant judgements and estimates*

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Statement of Financial Position date and the reported amounts of revenues and expenses during the reporting period.

Significant management judgements

The following are the significant management judgements made in applying the accounting policies of the Society that have the most significant effect on the financial statements

1.1a *Identification of housing property components*

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2023

1 Accounting policies (continued)

1.1b Goodwill

Goodwill is written off over its useful economic life, being 10 or 20 years depending upon the nature of the asset and the applicable accounting standards at the time it arises.

1.1c Bad debt provision

Trade debtor balances are recorded in the Society's statement of financial position and comprise a relatively large number of small balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable. Additionally, a provision is made against 50% of resident's credit balances.

1.1d Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence with regard to IT equipment/software and any changes to decent homes standard requiring frequent replacement of components.

1.1e Dilapidations

A number of liabilities are recognised in the accounts to reflect the management's view of the potential liabilities that the Society has to pay for dilapidations to premises that it rents during and after its tenure in them. Experience of previous dilapidations claims, and settlements has informed these estimates.

1.1f Multi-employer pension obligation

The Society participates in a variety of pension schemes administered by the Pensions Trust; the Growth Plan scheme has certain guarantees associated with it that require participating employers to make additional contributions to it should the scheme be in deficit. The Society has a contractual obligation to make deficit contributions over a number of years and the present value of these future contributions is measured and reported in the Financial Statements. The rate used to calculate the present value is the equivalent single discount rate which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

1.1g Local Government Pension Scheme (LGPS) Valuations

The Society is an admitted body to the Hampshire LGPS following transfers of staff formerly working in the public sector. The scheme actuaries estimate the liabilities of the Hampshire LGPS using a number of key assumptions including rates of inflation; mortality; discount rate; and future salary increases. Variances in these assumptions may impact the pension liability and annual expense.

1.2 Turnover

Turnover includes rental and service charge income from residential properties in respect of the year and any other income such as legacies. Fees or grants receivable from local authorities in respect of revenue are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate. Grants received for housing properties are recognised in income on a systematic basis.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2023

1 Accounting policies (continued)

1.3 Interest Payable

Interest payable on loan finance during the development of new property assets is capitalised as a development cost of the new asset for which the loan was drawn. All other interest payable is charged to the Statement of Comprehensive Income in the year to which it relates.

1.4 Goodwill

Positive goodwill arising from the purchase in November 2006 of Avondale Residential Care Home (representing the excess of the purchase price of the business over the valuation of the assets acquired) has been capitalised and, subject to impairment reviews as required, will be amortised by equal charges to the Statement of Comprehensive Income, over the period from which economic benefit is derived, which is considered to be 20 years.

Positive goodwill arising from the purchase in July 2020 of Linden House Residential Care Home (representing the excess of the purchase price of the business over the valuation of the assets acquired) has been capitalised and, subject to impairment reviews as required, will be amortised by equal charges to the Statement of Comprehensive Income, over the period from which economic benefit is derived, which is considered to be 10 years.

1.5 Housing properties

Freehold housing properties are stated at cost. Cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements. In accordance with the SORP, component accounting has been adopted. The components of a property have therefore been identified and when a component is replaced the cost is capitalised as a component of the property. Other repair work is charged to the Statement of Comprehensive Income.

Freehold land is not depreciated. Depreciation is charged so as to write down the cost of freehold properties other than freehold land to their estimated residual value on a straight line basis over their estimated useful economic lives at the following rates:

Component	Years	Component	Years	Component	Years
Structure	50	Boiler and Heating System	10	Bathrooms*	10 or 20
Roof	30	Windows and Doors [^]	5 or 20	Sub structure	10
Electrical Wiring	20	Solar Panels	12	Kitchens*	5 or 10

[^] UPVC windows and doors: 20 years; wooden windows: 5 years

* Bathrooms and Kitchens are depreciated at the shorter rate where there are shared facilities

1.6 Leasehold property and leasehold improvements

Leasehold housing property and leasehold improvements are accounted for in the same way as Freehold housing property other than depreciation which is charged over the life of the lease, or using the rates in the table above, whichever is the lower.

1.7 Other freehold property

Other freehold properties are stated at cost. Cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements. Freehold land is not depreciated. Depreciation is charged so as to write down the cost of other freehold properties other than freehold land to their estimated residual value on a straight line basis over their estimated useful economic lives of 50 years.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2023

1 Accounting policies (continued)

1.8 Other fixed assets

Expenditure on other tangible fixed assets is capitalised only when it has a life of more than one year and has a value of more than £1,000. The cost of other items is written off as incurred. Depreciation is provided on these tangible fixed assets at rates calculated to write off cost over their expected useful lives, using the straight line method at a rate of between 25% to 50% per annum.

The Society took the transitional relief to include certain other fixed assets at fair value at the date of transition to FRS 102, known as deemed cost.

1.9 Government Grants – Housing Property

Government grants include grants receivable from Homes England, local authorities and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the longest life components on a pro rata basis under the accrual model. The unamortised element of the government grant is recognised as deferred income in creditors.

Grants due from government organisations or received in advance are included as current assets or liabilities.

1.10 Government Grants – Other fixed assets

Capital grants received for other fixed assets are held as creditors and recognised on a straight line basis over the useful economic life of the asset for which they have been used to acquire.

1.11 Revenue Grants

Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate. Until the revenue grants are recognised as income they are recorded as liabilities.

1.12 Investments

Investments are valued at current market value with changes in value from year to year being recognised within the Statement of Comprehensive Income.

1.13 Operating leases

Annual rentals under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the term of the lease. The aggregate benefits of any lease incentive are recognised as a reduction in expenses over the term of the lease.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2023 (*Continued*)

1 Accounting policies (continued)

1.14 Pension costs

The Society operates a number of pension arrangements for its employees.

Pensions Trust – Defined Contribution

The Society operates a defined contribution scheme through The Pensions Trust. The accounting charge for the period represents the employer contribution payable.

Pensions Trust Growth Plan – Defined Benefit

The Growth Plan is a multi-employer defined benefit scheme through The Pensions Trust.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the scheme, the accounting charge for the period under FRS102 represents the employer contribution payable.

The scheme currently has a shortfall of assets compared to liabilities and a deficit payment plan which has been agreed between the participating employers and Trustee of the scheme. In line with FRS102 requirements, this cash payment plan has been recognised as a liability in the Statement of Financial Position and is measured at the reporting date by discounting the future cash outflows at the rate of AA corporate bond. The unwinding of this discounting is recognised as a finance charge in the period to which it relates.

Hampshire County Council Pension Fund

The Society participates in a defined benefit pension scheme which provides benefits based on final pensionable salary. The assets of the scheme are held by the Hampshire County Council Superannuation Fund.

The pension costs relating to the scheme are accounted for in accordance with FRS102. Current service costs and interest costs relating to the net defined obligation are included in the Income statement in the period to which they relate. When applicable, actuarial gains and losses as well as any other re measurements are recognised in other comprehensive income. Where a scheme is in surplus in accordance with FRS102 28.22 the asset can only be recognised to the extent that the entity is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

1.15 Taxation

The Society has charitable status and therefore is not subject to Corporation Tax on surpluses derived from charitable activities.

1.16 Value added tax

The Society is VAT registered and is able to recover all VAT incurred at Jamie's Computers and part of the VAT on Head Office costs. All other VAT incurred is included within the category of expenditure to which it relates.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2023 (*Continued*)

1.17 *Financial Instruments*

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Society becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and are measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Society may not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Society's cash management.

Interest - bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability or, where deemed appropriate, a shorter period to the net carrying amount on initial recognition.

1.18 *Development staff costs*

Where staff costs are directly attributable to the development of new property assets these costs will be capitalised as a development cost of the new asset.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2023 (*Continued*)

2 Operating surplus

	2023 £000s	2022 £000s
<i>Operating surplus is stated after charging:</i>		
Depreciation		
- housing properties	408	325
- other fixed assets	186	192
Amortisation of goodwill	36	36
Auditors' remuneration		
- as auditors (excluding VAT and expenses)	20	14
- other services	1	3
Rent losses from bad debts		
- rent (net of service charges)	21	32
- service charges	19	27
Operating lease costs	683	753

3 Income and Expenditure from Social Housing Activities

	2023 £000s	2022 £000s
Income		
Rent receivable net of identifiable service charges and voids	3,937	3,752
Service charges receivable	1,888	1,807
Revenue and capital grants relating to lettings	4,252	3,153
Revenue and capital grants from other social housing activities	4,552	4,654
Turnover from social housing activities	14,629	13,366
Social housing activity expenditure relating to lettings	9,909	8,707
Other social housing activity expenditure	4,282	4,318
Total expenditure on social housing activity	14,191	13,025
Operating surplus from social housing activities	438	341
Void losses	505	532

4 Staff costs

	2023 £000s	2022 £000s
Wages and salaries	8,146	6,795
Employer National Insurance Contributions	656	530
Employer pension contribution costs	572	502
	9,374	7,827

Company pension scheme contributions are made to pension schemes operated on the company's behalf by TPT retirement solutions (formerly the Pensions Trust) and Hampshire County Council.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2023 (Continued)

4 Staff costs (continued)

The average number of staff directly employed by the company during the year (expressed in full time equivalents) was:

	2023 Number	2022 Number
Housing and support	176	152
Substance misuse	69	63
Social enterprise	12	12
Finance	8	7
Administration	15	15
	280	249

5 Senior Management Team's emoluments (Including Key Management Personnel)

The aggregate emoluments of the Senior Management Team, including the Chief Executive, were:

	2023 £000s	2022 £000s
Wages and salaries	378	351
Employer National Insurance Contributions	47	41
Employer pension contribution costs	48	45
	473	437

Remuneration payable to the highest paid Director excluding pension	83	79
---	----	----

For the year ended 31 March 2023 the number of employees whose annual emoluments including pension contributions were £60,000 or more were:

	2023 Number	2022 Number
£60,000 to £70,000	3	3
£70,000 to £80,000	1	1
£80,000 to £90,000	-	-
£90,000 to £100,000	1	1

The Chief Executive is a member of the 'Growth Plan' pension scheme that is administered by TPT retirement solutions (formerly the Pensions Trust) and was available to all staff until 1 July 2012. As with all staff in this scheme the Chief Executive sacrifices 5% of his salary in order for the company to contribute 14% of salary (as listed above) to the scheme. There are no enhanced or special terms for the Chief Executive's pension and he is an ordinary member of the scheme. The Chief Executive has no other pension arrangements to which the company contributes.

No member of the Board of Trustees received any remuneration in either the current or comparative years.

Society of St James

Notes forming part of the financial statements
for the year ended 31 March 2023 (*Continued*)

6 Interest receivable and similar income

	2023 £000s	2022 £000s
Interest receivable and investment income	8	2

7 Interest payable

	2023 £000s	2022 £000s
Mortgage interest	269	163
Unwinding of discount factor in respect of the pension growth plan	-	1
Less capitalised interest	(10)	(11)
	259	153

8 Tax on surplus on ordinary activities

Society of St James is a registered charity and, as such, is exempt from liability to taxation on income and capital gains derived from its charitable activities.

9 Housing property

	Property in development £000s	Leasehold land and property held for lettings £000s	Freehold land and property held for lettings £000s	Total £000s
<i>Cost</i>				
At 1 April 2022	333	2,119	11,141	13,593
Additions: new properties	13	506	1,194	1,713
works to existing properties	-	15	157	172
Transfers:	(346)	204	142	-
Disposals: sale of property	-	-	(395)	(395)
Disposals: components replaced	-	(16)	(100)	(116)
At 31 March 2023	-	2,828	12,139	14,967
<i>Depreciation</i>				
At 1 April 2022	-	278	1,585	1,863
Charge for the year	-	65	343	408
Disposals: sale of property	-	-	(27)	(27)
Disposals: components replaced	-	(16)	(69)	(85)
At 31 March 2023	-	327	1,832	2,159
<i>Net book value</i>				
At 31 March 2023	-	2,501	10,307	12,808
At 31 March 2022	333	1,841	9,556	11,730

As at the year end, the total cost of housing properties includes capitalised interest of £73k (2022: £63k).

Society of St James

Notes forming part of the financial statements
for the year ended 31 March 2023 (*Continued*)

10	Intangible assets						Goodwill £000s
	Cost at 1 April 2022 and 31 March 2023						421
	<i>Amortisation</i>						
	At 1 April 2022						146
	Charge for the year						36
	At 31 March 2023						182
	<i>Net Book Value</i>						
	At 31 March 2023						239
	At 31 March 2022						275
11	Other fixed assets						
		Freehold Property £000s	Leasehold Improvements £000s	Motor vehicles £000s	Office Equipment £000s	Housing Equipment £000s	Total £000s
	<i>Cost</i>						
	At 1 April 2022	278	470	184	192	467	1591
	Additions	-	311	7	83	86	487
	Disposals	-	(53)	(27)	(3)	(18)	(101)
	At 31 March 2023	278	728	164	272	535	1,977
	<i>Depreciation</i>						
	At 1 April 2022	32	361	130	157	378	1,058
	Charge for the year	8	58	28	36	56	186
	Disposals	-	(53)	(22)	(3)	(18)	(96)
	At 31 March 2023	40	366	136	190	416	1,148
	<i>Net book value</i>						
	At 31 March 2023	238	362	28	82	119	829
	At 31 March 2022	246	109	54	35	89	533
	On a historical cost basis, the freehold property would have been included at:					2023 £000s	2022 £000s
	Cost					296	296
	Aggregate depreciation					(103)	(98)
	Depreciated cost					193	198

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2023 (Continued)

12 Investments	Listed £000s	Unlisted £000s	2023 £000s	2022 £000s
<i>Cost or valuation</i>				
Valuation at 1 April 2022	138	10	148	192
Disposal at cost	(51)	-	(51)	(45)
Realised gains on investment	-	-	-	(14)
Unrealised gain in year	-	-	-	15
Cost or Valuation at 31 March 2023	87	10	97	148
Historic Cost at 1 April 2022	35	10	45	90
Disposal during the year	(13)	-	(13)	(45)
At 31 March 2023	22	10	32	45

All listed fixed asset investments are stated at market value. The unlisted investment is held at cost and represents 100% of the share capital of Jamie's Computers Limited. Jamie's Computers Limited has its registered office at 125 Albert Road South, Southampton, SO14 3FR. Jamie's Computers was dormant throughout the 7 periods from 1 April 2016 to 31 March 2023. Jamie's Computers Limited had £10,000 of unpaid share capital and £9,500 reserves at 31 March 2022 and 31 March 2023.

13 Debtors	2023 £000s	2022 £000s
Trade Rent and service charge	525	490
Debtors: Less Provision for doubtful debts	(221)	(203)
Rent and service charge (net of provision for doubtful debts)	304	287
Other trade debtors (net of provision)	308	667
Grants receivable	-	45
Other debtors	24	80
Prepayments and accrued income	218	167
	854	1,246

All amounts shown under debtors fall due for payment within one year.

14 Creditors: Amounts falling due within one year	2023 £000s	2022 £000s
Secured mortgage	232	240
Trade creditors	580	633
Grants in advance	381	134
Taxation and social security	173	144
Intercompany creditor (Jamies Computers Ltd)	10	10
Other creditors	287	352
Accruals and deferred income	51	108
Pension creditor (TPT)	7	7
Deferred capital grant (Note 16)	117	100
	1,838	1,728

Included within Grants in advance is £12k (2022: £14k) from the Big Lottery Grant relating to their support of the Society's Saints4Sport project and £17k (2022: £15k) relating to the Re:Fit project.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2023 (Continued)

15 Creditors: Amounts falling due after more than one year	2023 £000s	2022 £000s
Deferred capital grant (note 16)	3,771	3,371
Secured mortgages (net of fees)	6,873	5,657
Pension creditor	6	14
Recycled Capital Grants	181	-
	10,831	9,042

The mortgages are repaid on a monthly basis over terms ranging from 15 to 30 years. Rates are either variable with a margin over Bank of England base rate or SONIA, or fixed. The remaining terms on these loans are between 5 and 24 years.

A variable rate of interest was charged on £2,809k of mortgage balances (2022 £2,913k). The variables rates applied are:

	2023 £000s	2022 £000s
SONIA + 0.65% on the mortgage balance of	289	317
Bank of England (BoE) base rate + 2% on the mortgage balance of	928	957
Bank of England (BoE) base rate + 2.55% on the mortgage balance of	1,592	1,639
	2,809	2,913

	2023 £000s	2023 £000s
A fixed rate of 3.2% was charged on mortgage balances of	646	688
A fixed rate of 2.9% was charged on mortgage balances of	2,306	2,386
A fixed rate of 3.707% was charged on mortgage balances of	1,480	-
	4,432	3,074

The mortgages are secured by fixed charges over 34 of the Society's properties.

The mortgages are repayable as follows:

	2023 £000s	2022 £000s
In less than one year	232	240
In more than one year but less than two years	256	247
In more than two years but less than five years	567	673
In more than five years	6,186	4,827
	7,241	5,987

Society of St James

Notes forming part of the financial statements
for the year ended 31 March 2023 (*Continued*)

16 Deferred Capital Grant	2023 £000s	2022 £000s
At 1 April	3,471	3,159
Grant received in year	700	395
Released to income in the year	(103)	(83)
Transfer to RCGF	(180)	-
At 31 March	3,888	3,471
Amounts to be released within one year	117	100
Amounts to be released in more than one year	3,771	3,371
	3,888	3,471
 17 Recycled Capital Grant Fund (RCGF)	 2023 £000s	 2022 £000s
At 1 April	-	-
Grants recycled	180	-
Interest accrued	1	-
At 31 March	181	-
Amounts to be released within one year	-	-
Amounts to be released in more than one year	181	-
	181	-
18 Commitments		

Capital commitments

The Board approved the purchase of 1 property costing £750k prior to 31/3/23 which completed on 30 May 2023

19 Housing stock

The housing stock of the charitable company comprised the following types of property.

	2023 Number	2022 Number
Leased supported units	240	282
Owned supported units	280	264
	520	546

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2023 (Continued)

20 Legislative provisions

Society of St James is a company limited by guarantee and is registered with the Charity Commission and the Regulator of Social Housing.

21 Commitments under operating leases

The company had outstanding commitments for future minimum payments under non-cancellable operating leases as set out below:

	Land and buildings 2023 £000s	2022 £000s
Operating leases which expire:		
Within one year	697	596
In two to five years	1,920	1,581
After five years	576	479
	3,193	2,656

22 Pension Scheme

The Society of St James participates in a variety of pension schemes administered by TPT retirement solutions, previously the Pensions Trust (the Trustee) and pays contributions at a variety of rates. For members who joined any of the schemes prior to 1 July 2012 the Society paid contributions at the rate of 9% of salary and members paid contributions at the rate of 5% of salary during the accounting period. For members who have transferred into the Society's employment due to TUPE regulations and have relevant employment rights, or who were employed before 1 July 2012, and opted to join one of the pension schemes prior to 30 November 2012, the Society paid contributions at the rate of 6% of salary and members paid contributions at the rate of 5% of salary during the accounting period. For members who joined the Society on or after 1 July 2012, or who opted to join the pension after 30 September 2012, or who were auto enrolled, the Society paid contributions of 3% whilst members paid contributions at the rate of 5% of salary during the accounting period.

All schemes, apart from the Growth Plan (the scheme), are defined contribution schemes. The Society participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers.

The scheme is a defined benefit scheme in the UK. It is not possible for the Society to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Society is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

Deficit contributions required from the Society of St James from 1 April 2023 to 31 January 2025 have been reduced and are now set at £7,656 per annum (payable monthly).

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2023 (Continued)

22 Pension Scheme (continued)

Where the scheme is in deficit and where the Society has agreed to a deficit funding arrangement the Society recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

<i>Present Values of Provision</i>		2023 £000s	2022 £000s
Present Value of Provision		13	21
<i>Reconciliation of Opening and Closing Provisions</i>		2023 £000s	2022 £000s
Provision at start of period		21	94
Unwinding of the discount factor (Interest expense)		-	1
Deficit contributions paid		(8)	(24)
Remeasurements – impact of any change in assumptions		-	(1)
Remeasurements – amendments to the contribution schedule		-	(49)
Provision at end of period		13	21
<i>Income and Expenditure Impact</i>		2023 £000s	2022 £000s
Interest expense		-	1
Remeasurements – impact of any change in assumptions		-	(1)
Remeasurements – amendments to the contribution schedule		-	(49)
<i>Assumptions</i>	2023 %	2022 %	2021 %
Rate of discount	5.52	2.35	0.66

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the Society and the scheme at each year end period:

	2023 £000s	2022 £000s	2021 £000s
Year 1	8	8	24
Year 2	6	8	25
Year 3	-	6	25
Year 4	-	-	22

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2023 (Continued)

22 Pension Scheme (continued)

Hampshire County Council Pension Fund

The Society commenced participation in the Local Government Pension Scheme (LGPS) administered by Hampshire County Council on 1 November 2016.

The disclosures below relate to the funded liabilities within the Hampshire County Council Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS").

The funded nature of the LGPS requires participating employers and their employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. The last actuarial valuation was at 31 March 2019 and the contributions to be paid until 31 March 2023 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate.

The Fund Administering Authority, Hampshire County Council is responsible for the governance of the Fund.

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole is shown in the disclosures.

The Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

Reconciliation of funded status to Balance Sheet	31 March 2023 £000s	31 March 2022 £000s
Fair value of assets	1,222	1,231
Present value of funded defined benefit obligation	(752)	(1,083)
Funded status	<u>470</u>	<u>148</u>
Unrecognised asset	(470)	(148)
Liability recognised on balance sheet	<u>0</u>	<u>0</u>

The key actuarial assumptions on which the Scheme Actuary's calculations are based are as follows:

	31 March 2023 % per annum	31 March 2022 % per annum
Discount Rate	4.6	2.7
CPI inflation	2.6	2.9
Pension Increases	2.6	2.9
Pension accounts rate of revaluation	2.6	2.9
Salary increases	3.6	3.9

Society of St James

Notes forming part of the financial statements
for the year ended 31 March 2023 (Continued)

22 Pension Scheme (continued)

Mortality Assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at 65 resulting from these mortality assumptions are shown below.

Assumed Life expectancy at 65	2023	2022
Male		
Member aged 65 at accounting date	23.3	22.9
Member aged 45 at accounting date	23.8	24.7
Female		
Member aged 65 at accounting date	25.7	25.4
Member aged 45 at accounting date	26.7	27.1

Asset allocation in the scheme is as follows:	2023 %	2022 %
Equities	57.6	56.9
Property	6.8	6.9
Government bonds	16.5	17.2
Corporate bonds	-	-
Multi Asset Credit	-	9.0
Cash	1.1	0.9
Other	18.0	9.1
Total	100.0	100.0

Amounts recognised in Income Statement	2023 £000s	2022 £000s
Operating cost		
Current service cost	86	98
Interest on net defined benefit asset	(1)	(1)
Expense recognised in Income Statement	85	97

Amounts recognised in other Comprehensive Income	2023 £000s	2022 £000s
Asset (losses)/ gains arising during the period	(112)	57
Actuarial gains/ (losses) due to change in financial assumptions	530	-
Actuarial gains/ (losses) due to changes in demographic assumptions	18	-
Actuarial (losses)/ gains due to liability experience	(99)	99
Adjustments in respect of paragraph 28.22 of FRS102	(318)	(140)
Total amount recognised in other Comprehensive Income	19	16

Society of St James

Notes forming part of the financial statements
for the year ended 31 March 2023 (Continued)

22 Pension Scheme (continued)

Changes to present value of the defined benefit obligation	2023 £000s	2022 £000s
Opening defined benefit obligation	1,083	1,050
Current service cost	86	98
Interest expense on defined benefit obligation	29	22
Contributions by participants	10	13
Actuarial (gains)/ losses due to change in financial assumptions	(530)	-
Actuarial (gains)/ losses due to changes in demographic assumptions	(18)	-
Actuarial losses/ (gains) due to liability experience	99	(99)
Net benefits paid out	(7)	(1)
Closing defined benefit obligation	752	1,083
Changes to the fair value of assets	2023 £000s	2022 £000s
Opening fair value of assets	1,231	1,058
Interest income on assets	34	23
Remeasurement (losses)/ gains on assets	(112)	57
Contributions by employer	66	81
Contributions by participants	10	13
Net benefits paid out	(7)	(1)
Closing fair value of assets	1,222	1,231
Actual Return on Assets	2023 £000s	2022 £000s
Interest income on assets	34	23
(Loss)/ gain on assets	(112)	57
Actual return on assets	(78)	80

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2023 (Continued)

23 Reconciliation of operating surpluses to net cash inflow from operating activities

	2023 £000s	2022 £000s
Operating surplus	444	365
Amortisation of intangible fixed asset	36	36
Amortisation of deferred capital grant	(103)	(73)
Depreciation of tangible fixed assets	594	517
Deficit on disposal of fixed assets	8	114
Decrease/(Increase) in debtors	392	(239)
Increase/(Decrease) in creditors	94	(29)
Pension scheme adjustment	19	16
Net cash inflow from operating activities	1,484	707

24 Analysis of change in net debt

	At 1 April 2022 £000s	Cash Flow £000s	Other £000s	At 31 March 2023 £000s
Cash at bank and in hand	812	1,216	-	2,028
Debt due within one year	(240)	240	(232)	(232)
Debt due after one year	(5,657)	(1,436)	220	(6,873)
Total	(5,085)	20	(12)	(5,077)

25 Related party transactions

Related party transactions have been recorded between the Society and the brother-in-law of a senior member of staff, with the brother-in-law providing Handyman maintenance services to the Society. The total expenditure with the related party during the year was £26k (2022: £29k) with £1k outstanding at 31 March 2023 (2022: £1k). Additionally, the Society received a donation of £5k from Above Bar Church of which Trevor Pickup, Chief Executive, is an elder. No other related party transactions have occurred with regards to the Trustees and Senior Staff as listed on page 1 of these accounts, other than remuneration paid to Key Management Personnel set out in note 5.

26 Post Balance Sheet Events

There were no post balance sheet events.

27 Controlling party

At 31 March 2023 the ultimate controlling party was the Trustees and Directors of the Society of St James.

THE SOCIETY OF ST JAMES

England & Wales - Charity number 1043664

Accounts

Society of St James

Report and Financial Statements

Year Ended

31 March 2022

Company Number: 03009700

Charity Number: 1043664

Society of St James

Annual report and financial statements for the year ended 31 March 2022

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Society of St James

Reference and administrative information for the year ended 31 March 2022

Trustees and Directors:	S Butterfill D Craggs (resigned 1 March 2022) P Hillary (Chair) A Holland (resigned 5 October 2021) G Marshall (Treasurer) J Osman R Hollis G Tunney (resigned 17 January 2022) A Holdup A Davis (appointed 5 October 2021) J Ash (appointed 5 April 2022)
Company Secretary:	T Pickup
Senior Staff	T Pickup (Chief Executive) A Powell (Director of Finance and Central Services) M Taylor (Operations Director) T Keall (Operations Director) N Wilsenham (Operations Director) G Nesbitt (Director of Asset Management, appointed 14 June 2021)
Registered Office:	125 Albert Road South Southampton SO14 3FR
Registered Company Number:	03009700
Regulator of Social Housing Registration Number:	LH4337
Registered Charity Number:	1043664
Auditors:	CLA Evelyn Partners Limited Cumberland House 15 – 17 Cumberland Place Southampton SO15 2BG
Solicitors:	Blake Morgan New Kings Court Tollgate Chandler's Ford Hampshire SO53 3LG
Bankers:	NatWest 68 Above Bar Street Southampton SO14 7DS

Society of St James

Report of the Board of Trustees incorporating a Strategic Report for the year ended 31 March 2022

Introduction

The Board of Trustees presents its report and financial statements for the year ended 31 March 2022, which should be read in conjunction with the information on page 1. All Trustees are directors of the Charitable Company for the purposes of company law.

Structure, Governance and Management

The Society of St James (SSJ) is a company limited by guarantee and is registered with the Regulator of Social Housing (RSH) (number LH4337). The liability of the members is limited to their guarantee. In the event of SSJ being wound up during the period of the membership (or within the year following), members undertake to contribute such amounts as may be required, but not exceeding £10.

SSJ is governed by the Board of Trustees, which meets at least quarterly. The Board has created four Committees to take specific interest in the areas of Personnel, Audit and Finance, Asset Management and Operations, who also meet at least quarterly. A Development Panel is also convened as required to provide a mechanism for Board supervision of new major projects as they arise. In line with good practice, SSJ also convenes a Directors' Remuneration Committee annually to appraise performance and set the Senior Management Team's salaries. Meetings have been held both in person and virtually throughout and since the pandemic.

As a Registered Provider (Housing Association) SSJ is required to meet the Standards set by the RSH, as its key regulator.

In June 2022 the Board reviewed its own performance and the performance of the sub-committees of the Board. It also reviewed the effectiveness of the current committee structure and systems in place to ensure that they provided effective governance arrangements for SSJ. The Board also recently reviewed the key risks facing SSJ and mechanisms to ensure that they are addressed within Board meetings and reports to the Board. The Board is confident of its continued compliance with the Governance and Viability standard.

SSJ seeks to recruit one or two new Board members each year. The recruitment and induction process includes a tour around some of SSJ's projects and an introduction to SSJ's work. Potential new Board members also attend a Board Meeting as observers before they formally agree to join the Board. All Board members serve in a voluntary capacity; it is not the policy of SSJ to remunerate Board members.

The Chief Executive reports to the Board, the senior staff report to the Chief Executive and the rest of the staff in turn report to the senior staff.

SSJ has adopted the National Housing Federation Code of Governance and is working towards compliance with the 2020 edition. SSJ has made real steps forward this year in moving towards compliance with the Resident Engagement requirements, through the employment of a Service User Engagement Lead, who over the last 9 months has been working to organise engagement and consultation events. In order to work within the spirit of the code and to follow good practice, the model of co-production is being followed as this area of work advances.

The code requires a declaration of any areas of non-compliance. These are:

- 1) Resident engagement – SSJ continues work to develop its systems and processes in this area to make them fully effective.
- 2) Mechanism to remove Board members – In the case of a breach of the rules or other under performance by Board members, SSJ ought to have a mechanism to remove a Board member from the Board. This requires legal advice to change to the Memorandum and Articles of Association and consent of Companies House, Charity Commission and Regulator of Social Housing. In view of the expense of this change, the Board has agreed to delay this until other constitutional changes are required
- 3) Diversity on the Board – SSJ has good diversity of gender and skill but continues to strive to improve diversity across other dimensions including ethnicity and lived experience. This will be considered as new Board members are recruited.
- 4) Six-year maximum length of tenure on the Board – It would not be possible to implement this immediately as this would result in losing too many Board members at one time. SSJ will recruit new Board members over the coming year to build up capacity to allow this to be implemented.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2022

Structure, Governance and Management (continued)

The Trustees have given due consideration to Charity Commission guidance on public benefit when reviewing objects and activities.

Objectives and Activities

The Objectives of SSJ are:

"The relief of poverty, sickness, hardship and distress in particular but not exclusively of persons who are homeless, unemployed or who have drug, alcohol or other substance addictions by the provision of housing, rehabilitation, care, support, education, training and employment opportunities: in order to improve the individuals' opportunities and quality of life and to contribute to the wider community".

SSJ seeks to achieve this through a range of activities, which can be broken down between the following headings:

- Housing;
- Support;
- Care;
- Substance Misuse Services; and
- Social Enterprise.

SSJ agreed a 10-year strategy in the spring of 2019, to provide a long-term direction for its work. Further detail was provided in a 3-year Business Plan, agreed by the Board annually in October.

Housing

SSJ provides a range of housing to homeless people in Southampton, Portsmouth and elsewhere in Hampshire, ranging from hostels, through to shared housing to one-bedroom flats and two registered residential care homes. SSJ also manages accommodation for homeless families in Rushmoor. The numbers of bed spaces managed by SSJ are shown below:

Bed spaces/units	2020	2021	2022
Owned	226	248	264
Managed or leased	279	287	282
Total	505	535	546

For its owned property SSJ fulfils a full range of property maintenance obligations, from day-to-day repairs to managing a long-term repairs and maintenance programme. As a Registered Provider SSJ offers tenancy or licence agreements, collects rents and generally fulfils the role of landlord.

For leased or managed projects, SSJ fulfils some of the elements listed above, depending upon the form of agreement with the property owner. These often include maintenance obligations, offering tenancy and licence agreements, and the collection of rent.

SSJ has also leased two properties to another Registered Provider in order for it to provide services similar to SSJ but for younger people.

Support

SSJ seeks to provide support beyond the services normally provided by a landlord to those living in its accommodation. This activity is largely funded through contracts from Local Authorities, under which SSJ received £1.773 million (2021 £1.248 million) during the year, enabling the employment of support staff in most residential projects. The support provided enables people previously homeless, with mental health issues and with substance misuse problems to maintain their housing and to develop skills to live independently in the community. SSJ is also supporting nine residents in Aldershot in a homelessness hostel with Housing Related Support being funded by the Rushmoor Borough Council.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2022

Objectives and Activities (continued)

Support (continued)

Southampton City Council also funds the Handyperson Service, supporting owner occupiers to stay in their own homes through property maintenance services.

The provision of Housing Related Support remains a major element of SSJ's work, delivering services under contractual arrangements and being subject to a wide range of inspection, regulation and monitoring. In addition, as existing contracts expire, services are put out to competitive tender, so that a range of organisations have the opportunity to competitively bid to provide the service. These contractual arrangements are a crucial factor in forming a picture of the environment in which SSJ operates.

Care

Through St James Care, SSJ operates two registered care homes. SSJ purchased its first care home nearly fifteen years ago in order to create a specialist care service for people with backgrounds of homelessness, substance misuse and mental health issues. This therefore provides an appropriate environment for older residents who can no longer stay in their existing accommodation because of their increasing care needs. Its second care home was acquired last year; further details follow in this report.

Substance Misuse Services

SSJ provides a number of non-residential services for people with substance misuse issues. These services are provided in Portsmouth and Hampshire. Each area has a different structure for substance misuse services and SSJ provides a different service in each area.

These services work with over 1,000 people at any one time, providing a range of interventions to people with issues with alcohol and drugs. Each project is commissioned through competitive tendering and performance is carefully monitored by the commissioning body, the relevant local authority.

Employment and Training Opportunities

SSJ manages Jamie's Computers which operates as a Social Enterprise. The aim of Jamie's is to generate income for SSJ and to create training and learning opportunities as well as work placements for vulnerable adults in the city of Southampton.

The Café in the Park is also a Social Enterprise, providing employment and volunteering opportunities in Portsmouth, as well as good quality food.

Sports Therapy

SSJ runs Sports Therapy programmes that have proven to have a hugely beneficial impact on people experiencing substance misuse problems. In the past five years over 1000 individuals have engaged with the programmes and achieved their goal of living a positive and substance-free lifestyle.

Our programmes were founded in partnership with the Saints Foundation and Pompey in the Community but are not just about football. We offer all kinds of activities, for both men and women, all aimed at improving health and wellbeing, confidence and self-worth. The partnership with the Saints Foundation was dissolved by mutual agreement in May 2022, but SSJ continues to deliver the activities of the project.

The majority of the funding for these programmes comes from various National Lottery funds.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2022

Strategic Report - Achievements and performance

SSJ had a successful year with an annual turnover of £13.773 million and an operating surplus of £365k for the year. This represents growth in turnover on the previous year, due to higher rental income on increased accommodation units offered, revenue from our second care home and other new services developed. It was also improved by a number of factors including additional funding received from local government, central government and philanthropic sources to cope with the pandemic, additional work commissioned by local authorities and savings made on maintenance and staff travel due to the lockdowns and other restrictions.

Embedding Trauma Informed Care and the development of Psychologically Informed Environments

SSJ is working to embed a trauma informed approach across all our activities, in order to best create the opportunities for our service users to deal with difficult previous experiences. Following the Board's adoption of a Psychologically Informed Environment Strategy in May 2021, progress has been made, including the training of a large number of staff in this area and an action plan implementing the five elements: relationships; staff support and training; the physical environment and social spaces; a psychological framework; and evidence - generating practice.

Creating a Service User Participation Lead (SUPL)

In order to better engage with our residents, SSJ has funded a new post to focus specifically on this task. The post is responsible for building capacity, developing process and providing practical and emotional support to enable service users to participate meaningfully in arenas where there is a power imbalance, such as in team meetings or the Operations Committee. This includes attending meetings and providing whatever support is needed to increase engagement. The role also includes organising and facilitating service user group meetings, as well as feeding back to services.

The role of the SUPL is not just be about representing service users but also about assisting SSJ to meet some of their strategic and statutory goals which include:

- Feeding into continuous service improvement
- Providing service user input into service specifications and tender applications
- Increased requirements on housing providers to collaborate with and listen to their tenants
- Ensuring service user voice in policies and procedures
- Sharing good practice between services
- Facilitating good communications between services and service users.

Creation of a new post of Director of Asset Management

In order to provide greater capacity for SSJ to manage its existing and growing property portfolio and to also accelerate future development, SSJ has created this new post within the Senior Management team. This has ensured that the strategic priorities for maintenance, property development, and health and safety are achieved.

Tendering and contracts

During the year a number of contracts were offered by local authorities and other statutory partners for the provision of services, such as housing with support, substance misuse provision and a variety of contracts in the criminal justice field. Some of these tenders were for services already being run by SSJ, while others represented new work.

Over the year SSJ has won the following contracts:

- Portsmouth rough sleepers support service (new provision)
- Portsmouth Substances misuse and supported housing (retained existing contract)
- Southampton Homeless services – seven contracts providing a range of support including hostels, housing - related support and floating support (retained existing contract plus some new contracts)

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2022

Strategic Report - Achievements and performance (*continued*)

Housing development

SSJ is committed to reducing rough sleeping and homelessness for vulnerable adults by developing new housing. As a housing association, SSJ can access grants from Homes England and match these with borrowings to enable the purchase and refurbishment of property. During the year we added sixteen units to our portfolio for a total cost of £534k, with the assistance of £400k of grants from Homes England and others.

During the year SSJ also took on the management of three properties, leased from other partners, further increasing the number of people receiving services from SSJ.

Working towards net zero carbon

In the last year we have made progress in laying the foundations for a concrete plan to meet or exceed the government's targets for carbon emissions, with the aim of achieving compliance before the current deadlines.

We have mapped the EPC profile of our property portfolio; 68% of the properties from which SSJ operates are already rated with EPC "C" or better. We have put plans in place to improve all of the properties for which SSJ is responsible to EPC "C" over the next 3 years.

We have also commissioned PhD students to measure SSJ's carbon outputs throughout its operations. We have put plans in place to then work with subsequent student placements to research and recommend solutions to specific issues that are identified from the carbon measurement activities in order to help SSJ plan its route to net zero carbon.

Fundraising

This has been a reasonably successful year for fundraising with over £171k being raised to support the work of SSJ. This is despite our resources being directed mainly at tender-writing in what has been a phenomenal year for securing existing and new contracts with local statutory bodies.

We continued to receive funding from philanthropic bodies, including the National Lottery Community Fund, towards specific projects including Re-fit, Saints4Sports and our partnership with the Southampton and Winchester Visitors Group to fund a house and support staff to provide accommodation to asylum seekers and refugees. The ongoing support of our community networks has secured a steady stream of donations arriving through different channels including donations of well over £37k arriving through Just Giving and Stripe with a total gift aid claim of over £8K claimed relating to the previous tax year. We benefitted again from another successful Christmas campaign, certainly a peak time for receiving donations from individual givers. We continue to receive a steady flow of regular donations from standing orders.

We received our final substantial donation of £39k from Southern Co-op during this financial year as well as a number of smaller capital grant pots to further our Psychologically Informed Environments workstream. We have received significant in-kind support from Balfour Beatty thought to have saved the organisation around £8.5k by supporting our maintenance teams. Reconnecting with local businesses has otherwise proven to be slow since the pandemic which has also reduced our capacity to offer volunteering opportunities for teams.

We are especially grateful to have received a further £19.5k from Zurich Community Trust to support the refurbishment of our Havant Road property with additional funding received from the Oliver Crosthwaite-Eyre Fund (managed by the Hampshire & IOW Community Fund). The Office of the Police and Crime Commissioner (Café in the Park and Pathways Project) have continued to fund our projects after successful funding applications were submitted. We also received support from Skipton Building Society.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2022

Strategic Report - *Achievements and performance (continued)*

Impact of Covid – 19

SSJ has continued to provide a wide range of our projects and services in spite of the pandemic. Staff have worked hard in difficult and changing circumstances to carry on and to meet the needs of our service users. We have also continued to work closely with our Local Authority partners to continue to house as many people as possible. This has included participating in contingency planning and ensuring additional provision was established, to be used if required.

Staff

SSJ is completely dependent on the commitment of our staff to meet the challenging and demanding needs of our environment and client base. Our staff has also been confronted with the additional demands arising from the Covid-19 crisis, including pressures on their own health. The Trustees applaud our staff for all that they have achieved in these particularly difficult circumstances and would like to record their formal thanks and appreciation for their efforts.

We have a diverse workforce, with an average of 249 FTE staff being employed over the last 12 months. We seek to be an excellent employer. We have been working towards becoming a "National Living Wage" employer and have been paying staff at least these rates for the last three years.

SSJ also relies on volunteers in many projects and services, and we are grateful for the contribution they have made.

Strategic Report - *Plans for the Future*

There are significant areas of unmet need within the areas of expertise in which SSJ operates. In order to meet the charitable objectives of SSJ, it will need to continue to fulfil its existing role and to develop new services.

SSJ will therefore seek to continue to deliver Housing, Support, Care, Treatment and Training to vulnerable adults in Hampshire and surrounding areas. SSJ may also develop its work into new geographic areas and into new types of services, in order to meet the needs of our existing and potential new service users and/or the requirements of new local authority tenders.

This will involve bidding for new work through the tendering process, working on specific proposals with local commissioners and seeking philanthropic funding for projects or areas of work.

The Board have agreed a number of priorities for the coming year. These include:

Mobilisation of new services

With a number of new services due to begin in June and July, with Service Users, staff and some buildings transferring to SSJ, there is a great deal of work to get the new services up and running.

Property acquisition programme

During the year SSJ was not able to acquire as many properties as planned due to a slight delay in arranging new loan finance and, to a lesser extent, the introduction of a new Homes England funding 'round'. However, we have widened our banking relationships and agreed a new £5m facility with Triodos Bank, with the first drawdown of £1.5m taking place in April 2022. This has facilitated the acquisition of three new properties early in the new financial year and secures the finance required to move forward with plans to acquire and develop more properties during the new financial year and beyond.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2022

Strategic Report - *Plans for the Future (continued)*

Continued development of central services

The growth of the organisation has meant more pressure on the central services and plans are in place to both recruit additional staff and implement new systems to better, and more efficiently, support the organisation moving forward.

Working towards net zero carbon

We will continue to work towards implementing the plan reported above to meet or exceed the government's targets for carbon emissions with the aim of achieving compliance before the current deadlines.

Strategic Report - *Principal Risks and Uncertainties*

SSJ faces a wide range of risks and uncertainties, many of which are collated annually in SSJ's Business Risk Management Plan. The principal risks identified are as follows:

Cost over-runs on housing developments

SSJ is developing new housing provision, each scheme can involve significant levels of capital funding. Overruns on properties requiring expensive refurbishment could have a serious impact on SSJ's future. For larger schemes involving considerable construction, SSJ would seek to work in partnership with another Registered Provider, probably within our housing association group. Schemes based on refurbishment of existing property will be managed in-house, and development appraisals will include contingency funds to cover potential overspends. The Risk appraisal of new development schemes will include a review of where this would be appropriate.

Increase in the cost of our gas and electricity contract renewals

Currently our gas and electricity contracts are fixed until September 2024. Any new connections require a fresh contract to be agreed. The market is extremely volatile at present meaning it has become increasingly hard to sign up new sites. We have good relationships with our broker and access to a wide pool of industry knowledge, meaning we can act swiftly when the market allows. To mitigate this risk further we will take careful consideration over the length of contract to renew for when the existing term ends.

Loss of contracts due to change of priorities or financial pressures within Local Authorities and the Government, possibly due to Covid-19

There is a risk of commissioners ending contracts and not replacing the service with any other provision. This is a significant financial risk to the Society, with potential redundancy costs to be managed, and possible ongoing commitments for leased buildings. The risk can be mitigated by having good liaison with the commissioners and by the ability to redeploy staff or buildings into other services, which may be possible on occasion.

High inflation putting pressure on salary costs

The increased rates of inflation are meaning higher living costs for employees. If wages are unable to keep up with the rate of inflation then there will be considerable pressure on staff, especially those with lower salaries. This could lead to staff suffering with financial difficulties which would likely impact their mental health and general wellbeing. SSJ has a salary advance and loan policy which may be utilised in some circumstances. An Employee Assistance Program is also offered to provide 24/7 free and confidential advice and support for all employees. SSJ will also continue to look at practical ways to support staff.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2022

Strategic Report - *Principal Risks and Uncertainties (continued)*

High interest rates making borrowing unaffordable

The increased purchasing of property through a mix of grant and borrowing potentially increases the exposure to increases in interest rates and the resulting risk of not being able to make repayments. This risk is being mitigated by borrowing funds on a mixture of fixed and variable rate arrangements, with at least 50% of borrowing on fixed rates. Interest rates usually rise due to inflationary pressures and the current rent settlement allows rents to be increased in line with movement in inflation, there is therefore some inbuilt mitigation to interest rate increases through rent, and therefore income, increases. The risk of interest rate rises has been modelled using different rates and costs per 1% rise in rates, thus providing thresholds for review and specific actions. The proportion of our borrowings at fixed interest rates is subject to regular review. As a last resort, if our ability to meet repayments became a serious problem, some properties could be sold to reduce debt.

Failure to upgrade & develop IT in line with organisational growth

SSJ is regularly required to update and upgrade its IT systems to meet increasing requirements from its services and customers, as well as enhanced security, data protection and regulatory changes. The risk is that procurement may not meet the needs of the organisation due to flaws in systems selection or deficiencies in implementation. We aim to mitigate this by creating robust plans that ensure that all projects are sufficiently resourced and supported by senior managers, an appropriately qualified IT team and external consultants as required.

Failure to complete annual gas safety checks, increased issues about getting access due to virus

Ensuring the completion of annual gas safety checks is a statutory requirement and getting the cooperation of tenants in self-contained units is a persistent issue. This has become worse with concerns about Covid-19 and tenants having greater anxiety about letting contractors into their accommodation. This is mitigated by starting the annual process earlier, to give more time to ensure access can be obtained.

Failure of client safeguarding

SSJ has previously been involved in two Serious Case Reviews which has highlighted the levels of risk which surround SSJ's work with vulnerable clients. Due to the high numbers of people being supported by SSJ, there continues to be a high probability that SSJ will be involved in further reviews, investigating tragic events, which may or may not relate to a failure of a safeguarding nature. SSJ will continue to monitor and act upon safeguarding concerns in a pro-active manner, ensure staff are trained to identify and respond to safeguarding issues and ensure that SSJ's Safeguarding Officer is able to continue to oversee and monitor this area of the SSJ's work.

Financial: Increase in the cost of living but not in benefits results in Service Users unable to maintain a basic standard of living

The current increase in the cost of living (food, utilities etc) could result in service users having to choose between food and heat. With our clients already being vulnerable, this could have significant implications on the health of our residents. All Service Users in shared houses have their heating included in service charges, but those in self-contained accommodation would be responsible for their own bills and therefore more at risk. SSJ will continue to perform regular welfare checks and make referrals to food banks.

Strategic Report - *Fundraising practices*

SSJ is well supported by the local community and benefits from numerous donations from schools, churches, business groups, social clubs and individuals. We benefit from having been chosen as the "Charity of the Year" by various commercial companies and associations.

SSJ runs a number of fundraising campaigns over the year to appeal for funds for specific activities, such as the Christmas appeal, as well as seeking donations towards our general activities. These campaigns are conducted by sending newsletters by post and email and by running social media campaigns. Staff also give talks and presentations, when invited, to various groups, which often leads to donations. The majority of our donations are one-off donations, but a number of individuals have set up regular payments by standing order.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2022

Strategic Report - *Fundraising practices (continued)*

Donations of food, clothing, Christmas presents and time from individual volunteers and from teams of volunteers is also valuable. Jamie's receives about 20 tonnes of computing and other IT equipment each month, which it processes and sells to generate income.

SSJ does not use external consultants to undertake fundraising on our behalf, and we seek to ensure an ethical approach to our appeals and campaigns.

Our mailing and email list is made up of members of SSJ and those who have either donated in the past or have asked to be added to the mailing list. We have not undertaken any mass mailing campaigns in the last year. In line with GDPR requirements we have also contacted everyone on the mailing list and confirmed that supporters wish to continue to receive information.

SSJ is not a member of the institute of fundraisers and has not signed up to any voluntary regulatory framework. We deal carefully with any complaints received. The most common complaints we get are either a lack of a thank you letter following a donation or that we are sending too much publicity and should not be wasting money in this way.

We are conscious of safeguarding issues and have previously not accepted large donations until some investigation concerning the donor has been undertaken (and in some cases, returned the money). We aim to post or email 2-3 mailing/newsletters a year to our supporters, so do not feel we are putting people under significant pressure to donate.

Strategic Report - *Financial Review*

Financial Position and Management Policies

The year ended 31 March 2022 has again seen net cash generated from operating activities of £540k (2021 £1,043k), and an operating surplus of £365k (2021 – £473k). SSJ remains in a sound financial position at 31 March 2022 and finished the year with cash of £812k (2021 - £1,236k). During the year SSJ invested almost £1m (2021 £2.4m) in acquiring and developing new Housing Property.

The decrease in cash during the year of £424k (2021 £201k increase) was largely due to acquiring two properties with cash, totalling £333k, prior to new loan financing being available to draw down and expenditure of development grants received in advance. SSJ has not drawn down any additional loan finance during the year.

SSJ has formal financial procedures in place that have been ratified by the Audit and Finance Committee and are followed by staff. The Board considers the internal control systems in use to be sufficient for purpose. For items of major expenditure, competitive quotes are requested to ensure SSJ receives the best value for money.

Reserves

The reserves policy reflects the nature of SSJ's business and the sustainability of its sources of income from rent and contracts with local authorities. The Trustees seek to hold sufficient reserves to maintain financial stability while maximising the deployment of funds in pursuit of the charity's objectives and review the Policy annually.

The Trustees believe that it is prudent for the charity to hold a level of free financial reserves (general unrestricted funds less those held as fixed assets net of long-term debt) for the following purposes:

- To enable the organisation to respond quickly to new opportunities;
- To provide adequate short-term liquidity, and cover temporary timing differences in grant claims;
- To absorb setbacks and manage change should a major income stream fail.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2022

Strategic Report - *Financial Review (continued)*

Reserves (continued)

The Trustees have determined that the level of free reserves held by the charity should not normally fall below one months' total unrestricted operating costs which were £1,117k during the year (2021 £968k).

Free reserves were £718k at 31 March 2022 (2021 - £1,039k). Free reserves are calculated by subtracting the value of fixed assets (excluding investments) from total reserves before adding back long-term liabilities and the next year's mortgage liability. The level of free reserves at 31 March 2022 has decreased by £321k during the year largely due to the Society's purchase of £333k of property assets using its own cash. Loan finance was subsequently drawn down and the Trustees are content that reserves are sufficient for SSJ's requirements.

SSJ had £3,974k of total reserves at 31 March 2022 (2021 - £3,728k).

Sources of Income

The largest source of income for SSJ this year has again been net rental and service charge income which has increased by 10.5% to £5,559k (2021 - £5,028k), which now represents 40% of SSJ's total income (2021 - 42%). The reason for this increase has been the full year impact of the care home purchase plus an increase in bed spaces provided by SSJ through previously acquired properties coming 'online' and some leasing of property. Rental income is usually collected directly from the relevant Local Authority in the form of Housing Benefit payments although payments for care provision have increased in this area. The percentage of SSJ's income that it receives through housing support (previously Supporting People ("SP")) contracts has increased during the year due to an additional contract being won in Portsmouth and is now around 13% (2021 - 10%) of total income.

Grant income from substance misuse services has increased by 14.9% to £4.221m (2021: £3.673m) and remains at 31% of SSJ's income. Donations and awards from philanthropic trusts and the general public remain an important source of funding, with SSJ benefitting from £175k in the year to 31 March 2022 (2021 - £394k).

Property

SSJ acquired two properties during the year at a cost of £0.3m (2021 £2.3m). These costs, plus fees and development costs, are capitalised and depreciated over the useful life of the assets. Our properties are shown at their original cost in our accounts, less applicable depreciation. Properties used as security for borrowing are revalued regularly to comply with the terms of loan agreements. The 29 secured properties that are carried at £7.8m in our financial statements were most recently valued at £10.0m.

Funding

SSJ finances its property acquisition programme through a combination of grants and long-term debt. Government grants are amortised to income over the life of the asset they funded and remain associated with that asset until it is disposed of. If an asset is disposed of the grant can be used to acquire or develop similar property to that for which it was originally awarded, but is otherwise repayable. Government grant awaiting amortisation is shown in the accounts as a short or long-term creditor. Other capital grants, such as lottery funding, are shown as income in the year that the purpose for which they were awarded was achieved. Such grants usually come with a requirement to repay if the asset which they helped acquire are disposed of within a certain period of time.

In arranging external funding, SSJ aims to borrow money from a spread of lenders, on a long-term basis and with a mix of fixed and variable interest rates appropriate to balance the risk of interest rate rises with the annual cost of borrowing.

SSJ increased its borrowing relationships from three to four during the year and entered into new arrangements to fix long-term interest rates. At 31st March 2022 51% of borrowings were at rates fixed for more than 3 years (2021 51%).

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2022

Strategic Report - *Financial Review (continued)*

Funding (continued)

An additional loan facility of up to £5m was arranged with Triodos bank but only available to draw down after the year end. Of this facility £1.48m was drawn at a fixed rate in April 2022 and this was secured against 5 properties valued at £1.85m

Cash and investments

With operating cash flows of approximately £1m per month, SSJ manages its treasury resources actively, holding most of its cash in accounts where instant access can be achieved. The majority of cash is kept in higher interest accounts with instant access facilities.

Under its Treasury Management Policy, SSJ is required to maintain ready access to sufficient sources of liquidity to meet the following month's cash operating costs plus the next three months' debt service costs. In addition, SSJ reviews annually the amount of liquidity which must be met from readily available cash. For the majority of the year ended 31 March 2022, the minimum amount was £630k having been increased from £540k in July 2021.

SSJ maintained its cash balances at in excess of the minimum required under its Treasury Management Policy throughout the year save for a two - day period where cash was slightly below the minimum due to a delay in receiving invoice payments. This occurred directly after a payroll run and so was of minimal risk to the organisation. This cash management has assisted SSJ in funding future property acquisitions when the receipt of new loan finance was delayed.

SSJ's investments are held in funds specifically designed for charities with the aim of spreading risk and investing in a largely ethical manner. The funds increased by 13.6% in value during the year as the stock market rebounded somewhat after the shock of last year. SSJ sold its investment in the Charities Property Fund on 31 March 2022 to help finance the acquisition of two properties. As the sale proceeds were not received until after the year -end, the contracted sale proceeds are included in debtors.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2022

Value for Money

The Society is committed to delivering effective and efficient services to service users and embraces the Value for Money (VFM) methodology as required by the Regulator of Social Housing (RSH). The Society agreed the Value for Money Policy in July 2013, which includes the following Statement of Intent:

"The Society of St James seeks to ensure that all financial and other resources are used to achieve the greatest benefits for the Society, in working towards the furtherance of the aims of the organisation, as described in the governing documents."

The requirements of the RSH require standard metrics to be shown in these accounts; the following shows these metrics for the Society and is benchmarked against the most appropriate data (supported housing specialist providers (although these are all still large organisations with greater than 1,000 homes)) from the RSH publication of value for money data for the sector for 2021. The Society has also chosen to add 2 of its own benchmarks which appear below after the standard metrics that are required

Required Metrics	Benchmark (2021 data)	Target (2022)	2022	2021
Metric 1 - Reinvestment %	4.1%	28.9%	8.1%	22.1%
Metric 2 - New supply delivered %	1.5%	8.3%	4.9%	5.6%
Metric 3 - Gearing %	11.6%	50%	43.4%	44.7%
Metric 4 - EBITDA MRI Interest Cover %	309%	200%	346%	523%
Metric 5 - Headline social housing cost per unit	£9,680	£12,500	£15,947	£14,113
Metric 6A - Operating Margin % (social housing lettings only)	13.4%	4.6%	0.1%	4.9%
Metric 6B - Operating Margin % (overall)	7.4%	2.0%	2.7%	4.0%
Metric 7 - Return on capital employed (ROCE) %	3.3%	2.0%	2.8%	3.7%
SSJ additional metrics				
Occupancy %	n/a	>95.1%	91.3%	91.7%
Bad debts %	n/a	<1.0%	0.9%	1.1%

Although falling slightly below target in an exceptionally difficult year for acquiring property, SSJ's performance on metrics 1, 2 and 3 is well above the benchmark. The Society has expanded, and plans to continue to expand, its property assets by bidding actively for housing grant and using borrowing to contribute to funding. The organisations in the sector included in the benchmark vary significantly in size and pursue a wide range of strategies. Some are not actively developing as much new supported housing and/ or have undertaken their investment over a longer period of time and therefore have lower gearing.

The Society has had a 'good year' and exceeded its target for EBITDA MRI Interest cover % with a result that is significantly better than the benchmark.

SSJ's Social Housing cost per unit is always likely to be higher (and operating margin % lower) than the sector as more of SSJ's stock is supported housing than most and it also bears the full costs of running support services (partly funded by grants), whereas most other providers fund fewer support services. Additionally, SSJ runs a number of support - only services where another entity does the housing management; these support costs are included within social housing costs but the housing units that are supported are not included. The aim is to reduce this cost over time as the impact of development reduces in comparison with the overall costs in this area.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2022

Value for Money (continued)

The Society's Operating Margins are significantly below the benchmark as it is a strategic decision of the Society to spend as much of its income in providing services to vulnerable people as possible and therefore actively pursues a strategy of achieving low but sustainable surpluses.

The Society's ROCE metric is more comparable to the benchmark but again is lower due to the aforementioned difference in approach.

The Society has chosen 2 specific metrics for its internal performance which are crucial to monitor the level of housing income and that the efficiency of the service provided.

The occupancy percentage is well below the target set in the budget and lower than the previous year's performance. As with most providers the Society has struggled with voids during the Coronavirus pandemic both with regards to turning around any maintenance issues and also moving people around during this time.

The target bad debt percentage has been achieved during the year due to good rent collection policies from the Housing Management team and SSJ continuing to benefit from direct payments of benefits.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*continued*) for the year ended 31 March 2022

Statement of the Board of Trustees' responsibilities

The Board members are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation require the Board members to prepare financial statements for each financial year. Under that law the Board members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the society and of the surplus or deficit of the society for that period.

In preparing these financial statements, the Board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice for social housing providers (2018) 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 society will continue in business.

The Board members are responsible for keeping proper accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice for social housing providers (2018).

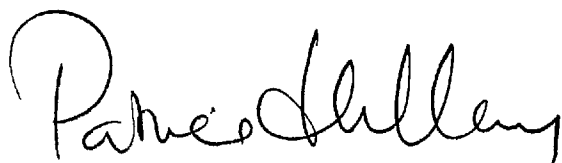
Financial statements are published on the society's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the society's website is the responsibility of the Board Members. The Board Members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

All of the current Trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

CLA Evelyn Partners Limited are deemed to be re-appointed as auditors.

This report was approved by the Board of Trustees on
and is signed on its behalf by:



P Hillary, Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOCIETY OF ST JAMES

Opinion

We have audited the financial statements of Society of St James (the 'Society') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Cash flow statement and the 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 FRS 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 Society's affairs as at 31 March 2022 and of 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 Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 Society 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 directors' 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 Society'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report and Financial Statements. 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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board of Trustees incorporating a Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Trustees incorporating a Strategic Report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees incorporating a Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Board's Responsibilities set on page 15, the members of the board are the directors of the Society for the purposes of company law. The directors 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 controls as the directors 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 directors are responsible for assessing the Society'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 directors either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the Society's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance. We also drew on our existing understanding of the Society's industry and regulation.

We understand that the Society complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A risk assessment framework and register that includes regular review and scrutiny by the Board and Audit and Finance Committee;
- An annual assessment of compliance with regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing; and
- The Board's close oversight through regular board meetings and compliance reporting

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Society's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Society:

- FRS 102, the requirements of the Companies Act 2006, the Charities Act 2011 the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019, in respect of the preparation and presentation of the financial statements;
- Care Quality Commission rating
- Health and safety regulations; and
- Regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Performed a review of board minutes to identify any indicators of known or suspected non-compliance with significant laws and regulations; and
- Reviewed the CQC ratings on their website; and
- Reviewed any correspondence between the Regulator of Social Housing and the Society.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Society's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the Society's processes and controls surrounding manual journal entries; and
- reviewing and challenging estimates made by management.

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

Use of our report

This report is made solely to the Society's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Society's members 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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited

Julie Mutton

Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

Date *12/9/22*

Cumberland House
15-17 Cumberland Place
Southampton
Hants
SO15 2BG

Society of St James

Statement of Comprehensive Income for the year ended 31 March 2022

	Notes	2022 £000s	2021 £000s
Turnover		13,773	11,909
Other Operating Income (CJRS)		-	110
Operating costs		(13,408)	(11,546)
Operating surplus	2	365	473
Unrealised surplus on investments		15	27
Surplus on ordinary activities before interest		380	500
Interest receivable and similar income	6	2	3
Interest payable and similar charges	7	(152)	(134)
Surplus for the year		230	369
Actuarial gain in respect of pension scheme	21	16	52
Total Comprehensive Income for the year		246	421

All activities of the charitable company are classed as continuing.

The notes on pages 24 to 42 form part of these financial statements.

Society of St James

Statement of Changes in Reserves for the year ended 31 March 2022

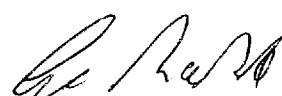
	Retained Earnings £000s
Balance at 1 April 2020	3,307
Surplus for the year	369
Other Comprehensive Income	52
Balance at 31 March 2021	3,728
Balance at 1 April 2021	3,728
Surplus for the year	230
Other Comprehensive Income	16
Balance at 31 March 2022	3,974

Society of St James

Statement of Financial Position at 31 March 2022 Company Registration Number: 03009700

	Notes	2022 £000s	2021 £000s
Fixed assets			
Housing properties at cost less depreciation	9	11,730	11,208
Intangible assets	10	275	311
Other fixed assets	11	533	568
Investments	12	148	192
		12,686	12,279
Current assets			
Debtors	13	1,246	947
Cash at bank and in hand		812	1,236
		2,058	2,183
Creditors: amounts falling due within one year	14	1,728	1,585
Net current assets		330	598
Total assets less current liabilities		13,016	12,877
Creditors: amounts falling due after more than one year	15	9,042	9,149
Provisions for liabilities			
Pension scheme provision	21	-	-
Total net assets		3,974	3,728
Capital and reserves			
Retained Earnings		3,974	3,728
Total Capital and Reserves		3,974	3,728

The financial statements on pages 20 to 42 were approved and authorised for issue by the Board of Trustees on 6 September 2022 and are signed on its behalf by:-



G Marshall
Trustee



P Hillary
Trustee

The notes on pages 24 to 42 form part of these financial statements.

Society of St James

Cash flow statement for the year ended 31 March 2022

	Notes	2022 £000s	2021 £000s
Net cash generated from operating activities	22	707	1,043
Cash flow from investing activities			
Acquisition, construction and works to tangible fixed assets		(1,117)	(2,907)
Grants received		385	472
Net cash used in investing activities		(732)	(2,435)
Cash flow from financing activities			
New loans		-	2,626
Loans repaid		(248)	(905)
Interest paid		(153)	(131)
Interest received		2	3
Net cash (used in)/generated in financing activities		(399)	1,593
(Decrease)/Increase in cash and cash equivalents		(424)	201
Cash and cash equivalents at beginning of year		1,236	1,035
Cash and cash equivalents at end of year		812	1,236

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022

1 Accounting policies

Society of St James ("the Society") is a private company limited by guarantee and incorporated in England and Wales. It is a registered provider of social housing with the Regulator of Social Housing and the address of the registered office is 125 Albert Road South, Southampton, SO14 3FR.

Basis of accounting

The financial statements have been prepared in accordance with UK Generally Accepted Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets at the date of transition under the 'deemed cost' option of FRS 102 and as modified by the revaluation of investments.

The Society meets the definition of a Public Benefit Entity under FRS 102

These financial statements are single entity statements and not consolidated group accounts. Consolidation is not required as the other group member, Jamie's Computers Limited, was dormant throughout the reporting period.

Going concern

After making enquiries, the Board has observed that financial performance during the financial year to 31 March 2022 and first 5 months the new year has exceeded targets. Furthermore, the Board has reviewed forecasts and further information that has reassured it that there is a reasonable expectation that the Society has, and will continue to receive, adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statement are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

The principal accounting policies of the Society are set out below.

1.1 Significant judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Statement of Financial Position date and the reported amounts of revenues and expenses during the reporting period.

Significant management judgements

The following are the significant management judgements made in applying the accounting policies of the Society that have the most significant effect on the financial statements

1.1a Identification of housing property components

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022

1 Accounting policies (continued)

1.1b Goodwill

Goodwill is written off over its useful economic life, being 10 or 20 years depending upon the nature of the asset and the applicable accounting standards at the time it arises.

1.1c Bad debt provision

Trade debtor balances are recorded in the Society's statement of financial position and comprise a relatively large number of small balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable. Additionally, a provision is made against 50% of resident's credit balances.

1.1d Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence with regard to IT equipment/software and any changes to decent homes standard requiring frequent replacement of components.

1.1e Dilapidations

A number of provisions are held in the accounts to reflect the management's view of the potential liabilities that the Society has to pay for dilapidations to premises that it rents during and after its tenure in them. Experience of previous dilapidations claims, and settlements has informed these estimates.

1.1f Multi-employer pension obligation

The Society of St James participates in a variety of pension schemes administered by the Pensions Trust; the Growth Plan scheme has certain guarantees associated with it that require participating employers to make additional contributions to it should the scheme be in deficit. The Society has a contractual obligation to make deficit contributions over a number of years and the present value of these future contributions is measured and reported in the Financial Statements. The rate used to calculate the present value is the equivalent single discount rate which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

1.1g Local Government Pension Scheme (LGPS) Valuations

The Society of St James is an admitted body to the Hampshire LGPS following transfers of staff formerly working in the public sector. The scheme actuaries estimate the liabilities of the Hampshire LGPS using a number of key assumptions including rates of inflation; mortality; discount rate; and future salary increases. Variances in these assumptions may impact the pension liability and annual expense.

1.2 Turnover

Turnover includes rental and service charge income from residential properties in respect of the year and any other income such as legacies. Fees or grants receivable from local authorities in respect of revenue are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate. Grants received for housing properties are recognised in income on a systematic basis. Income received for Furlough claims is recorded as Other Operating Income.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022

1 Accounting policies (continued)

1.3 Interest Payable

Interest payable on loan finance during the development of new property assets is capitalised as a development cost of the new asset for which the loan was drawn. All other Interest Payable is charged to the Statement of Comprehensive Income in the year to which it relates.

1.4 Goodwill

Positive goodwill arising from the purchase in November 2006 of Avondale Residential Care Home (representing the excess of the purchase price of the business over the valuation of the assets acquired) has been capitalised and, subject to impairment reviews as required, will be amortised by equal charges to the Statement of Comprehensive Income, over the period from which economic benefit is derived, which is considered to be 20 years.

Positive goodwill arising from the purchase in July 2020 of Linden House Residential Care Home (representing the excess of the purchase price of the business over the valuation of the assets acquired) has been capitalised and, subject to impairment reviews as required, will be amortised by equal charges to the Statement of Comprehensive Income, over the period from which economic benefit is derived, which is considered to be 10 years.

1.5 Housing properties

Freehold housing properties are stated at cost. Cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements. In accordance with the SORP, component accounting has been adopted. The components of a property have therefore been identified and when a component is replaced the cost is capitalised as a component of the property. Other repair work is charged to the Statement of Comprehensive Income.

Freehold land is not depreciated. Depreciation is charged so as to write down the cost of freehold properties other than freehold land to their estimated residual value on a straight line basis over their estimated useful economic lives at the following rates:

Component	Years	Component	Years	Component	Years
Structure	50	Boiler and Heating System	10	Bathrooms*	10 or 20
Roof	30	Windows and Doors [^]	5 or 20	Sub structure	10
Electrical Wiring	20	Solar Panels	12	Kitchens*	5 or 10

[^] UPVC windows and doors: 20 years; wooden windows: 5 years

* Bathrooms and Kitchens are depreciated at the shorter rate where there are shared facilities

1.6 Leasehold property and leasehold improvements

Leasehold housing property and leasehold improvements are accounted for in the same way as Freehold housing property other than depreciation which is charged over the life of the lease, or using the rates in the table above, whichever is the lower.

1.7 Other freehold property

Other freehold properties are stated at cost. Cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements. Freehold land is not depreciated. Depreciation is charged so as to write down the cost of other freehold properties other than freehold land to their estimated residual value on a straight line basis over their estimated useful economic lives of 50 years.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022

1 Accounting policies (continued)

1.8 Other fixed assets

Expenditure on other tangible fixed assets is capitalised only when it has a life of more than one year and has a value of more than £1,000. The cost of other items is written off as incurred. Depreciation is provided on these tangible fixed assets at rates calculated to write off cost over their expected useful lives, using the straight line method at a rate of between 25% to 50% per annum.

The Society took the transitional relief to include certain other fixed assets at fair value at the date of transition to FRS 102, known as deemed cost.

1.9 Capital Grants – Housing Property

Government grants include grants receivable from Homes England, local authorities and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure on a pro rata basis under the accrual model. The unamortised element of the government grant is recognised as deferred income in creditors.

Grants due from government organisations or received in advance are included as current assets or liabilities.

1.10 Capital Grants – Other fixed assets

Capital grants received for other fixed assets are held as creditors and recognised on a straight line basis over the useful economic life of the asset for which they have been used to acquire.

1.11 Revenue Grants

Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate. Until the revenue grants are recognised as income they are recorded as liabilities.

1.12 Investments

Investments are valued at current market value with changes in value from year to year being recognised within the Statement of Comprehensive Income.

1.13 Operating leases

Annual rentals under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the term of the lease. The aggregate benefits of any lease incentive are recognised as a reduction in expenses over the term of the lease.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022 (*Continued*)

1 Accounting policies (continued)

1.14 Pension costs

The Society operates a number of pension arrangements for its employees.

Pensions Trust – Defined Contribution

The Society operates a defined contribution scheme through The Pensions Trust. The accounting charge for the period represents the employer contribution payable.

Pensions Trust Growth Plan – Defined Benefit

The Growth Plan is a multi-employer defined benefit scheme through The Pensions Trust.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the scheme, the accounting charge for the period under FRS102 represents the employer contribution payable.

The scheme currently has a shortfall of assets compared to liabilities and a deficit payment plan which has been agreed between the participating employers and Trustee of the scheme. In line with FRS102 requirements, this cash payment plan has been recognised as a liability in the Statement of Financial Position and is measured at the reporting date by discounting the future cash outflows at the rate of AA corporate bond. The unwinding of this discounting is recognised as a finance charge in the period to which it relates.

Hampshire County Council Pension Fund

The Society participates in a defined benefit pension scheme which provides benefits based on final pensionable salary. The assets of the scheme are held by the Hampshire County Council Superannuation Fund.

The pension costs relating to the scheme are accounted for in accordance with FRS102. Current service costs and interest costs relating to the net defined obligation are included in the income statement in the period to which they relate. When applicable, actuarial gains and losses as well as any other re measurements are recognised in other comprehensive income. Where a scheme is in surplus in accordance with FRS102 28.22 the asset can only be recognised to the extent that the entity is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

1.15 Taxation

The Society has charitable status and therefore is not subject to Corporation Tax on surpluses derived from charitable activities.

1.16 Value added tax

The Society is VAT registered and is able to recover all VAT incurred at Jamie's Computers and part of the VAT on Head Office costs. All other VAT incurred is included within the category of expenditure to which it relates.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022 (*Continued*)

1.17 *Financial Instruments*

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Society becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and are measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Society will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Society's cash management.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability or, where deemed appropriate, a shorter period to the net carrying amount on initial recognition.

1.18 *Development staff costs*

Where staff costs are directly attributable to the development of new property assets these costs will be capitalised as a development cost of the new asset.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022 (*Continued*)

2 Operating surplus

	2022 £000s	2021 £000s
<i>Operating surplus is stated after charging:</i>		
Depreciation		
- housing properties	325	283
- other fixed assets	192	179
Amortisation of goodwill	36	26
Auditors' remuneration		
- as auditors (excluding VAT and expenses)	14	16
- other services	3	-
Rent losses from bad debts		
- rent (net of service charges)	32	29
- service charges	27	24
Operating lease costs		
- land and buildings	753	716

3 Income and Expenditure from Social Housing Activities

	2022 £000s	2021 £000s
Income		
Rent receivable net of identifiable service charges and voids	3,752	3,283
Service charges receivable	1,807	1,745
Revenue and capital grants relating to lettings	3,153	2,915
Revenue and capital grants from other social housing activities	4,654	3,675
Turnover from social housing activities	13,366	11,618
Social housing activity expenditure relating to lettings	8,707	7,551
Other social housing activity expenditure	4,318	3,618
Total expenditure on social housing activity	13,025	11,169
Operating surplus from social housing activities	341	449
Void losses	532	453

4 Staff costs

	2022 £000s	2021 £000s
Wages and salaries	6,795	5,915
Employer National Insurance Contributions	530	453
Employer pension contribution costs	502	377
	7,827	6,745

Company pension scheme contributions are made to pension schemes operated on the company's behalf by TPT retirement solutions (formerly the Pensions Trust) and Hampshire County Council.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022 (*Continued*)

4 Staff costs (continued)

The average number of staff directly employed by the company during the year (expressed in full time equivalents) was:

	2022 Number	2021 Number
Housing and support	152	139
Substance misuse	63	59
Social enterprise	12	10
Finance	7	7
Administration	15	14
	249	229

5 Senior Management Team's emoluments (including Key Management Personnel)

The aggregate emoluments of the Senior Management Team, including the Chief Executive, were:

	2022 £000s	2021 £000s
Wages and salaries	351	316
Employer National Insurance Contributions	41	36
Employer pension contribution costs	45	41
	437	393

Remuneration payable to the highest paid Director excluding pension	83	82

For the year ended 31 March 2022 the number of employees whose annual emoluments including pension contributions were £60,000 or more were:

	2022 Number	2021 Number
£60,000 to £70,000	3	3
£70,000 to £80,000	1	1
£80,000 to £90,000	-	-
£90,000 to £100,000	1	1

The Chief Executive is a member of the 'Growth Plan' pension scheme that is administered by TPT retirement solutions (formerly the Pensions Trust) and was available to all staff until 1 July 2012. As with all staff in this scheme the Chief Executive sacrifices 5% of his salary in order for the company to contribute 14% of salary (as listed above) to the scheme. There are no enhanced or special terms for the Chief Executive's pension and he is an ordinary member of the scheme. The Chief Executive has no other pension arrangements to which the company contributes.

No member of the Board of Trustees received any remuneration in either the current or comparative years.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022 (Continued)

6 Interest receivable and similar income

	2022 £000s	2021 £000s
Interest receivable and investment income	2	3

7 Interest payable

	2022 £000s	2021 £000s
Mortgage interest	163	144
Unwinding of discount factor in respect of the pension growth plan	1	3
Less capitalised interest	(11)	(13)
	153	134

8 Tax on surplus on ordinary activities

Society of St James is a registered charity and, as such, is exempt from liability to taxation on income and capital gains derived from its charitable activities.

9 Housing property

	Property in development £000s	Leasehold land and property held for lettings £000s	Freehold land and property held for lettings £000s	Total £000s
<i>Cost</i>				
At 1 April 2021	1,563	2,008	9,253	12,824
Transfers:	(1,563)	-	1,563	-
Additions: new properties	333	-	-	333
works to existing properties	-	139	481	620
Disposals: components replaced	-	(28)	(156)	(184)
At 31 March 2022	333	2,119	11,141	13,593
<i>Depreciation</i>				
At 1 April 2021	-	241	1,375	1,616
Charge for the year	-	49	276	325
Disposals	-	(12)	(66)	(78)
At 31 March 2022	-	278	1,585	1,863
<i>Net book value</i>				
At 31 March 2022	333	1,841	9,556	11,730
At 31 March 2021	1,563	1,767	7,878	11,208

As at the year end, the total cost of housing properties includes capitalised interest of £54k (2021: £45k).

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022 (*Continued*)

10	Intangible assets						Goodwill £000s
	Cost at 1 April 2021 and 31 March 2022						421
	<i>Amortisation</i>						
	At 1 April 2021						110
	Charge for the year						36
	At 31 March 2022						146
	<i>Net Book Value</i>						
	At 31 March 2022						275
	At 31 March 2021						311
11	Other fixed assets						
		Freehold Property £000s	Leasehold Improvements £000s	Motor vehicles £000s	Office Equipment £000s	Housing Equipment £000s	Total £000s
	<i>Cost</i>						
	At 1 April 2021	237	445	174	215	431	1502
	Transfers	-	(4)	-	(39)	43	-
	Additions	41	68	10	21	24	164
	Disposals	-	(39)	-	(5)	(31)	(75)
	At 31 March 2022	278	470	184	192	467	1591
	<i>Depreciation</i>						
	At 1 April 2021	27	365	92	166	284	934
	Transfers	-	(14)	-	(32)	46	-
	Charge for the year	5	50	38	28	71	192
	Disposals	-	(40)	-	(5)	(23)	(68)
	At 31 March 2022	32	361	130	157	378	1,058
	<i>Net book value</i>						
	At 31 March 2022	246	109	54	35	89	533
	At 31 March 2021	210	80	82	49	147	568
	On a historical cost basis, the freehold property would have been included at:					2022 £000s	2021 £000s
	Cost					296	296
	Aggregate depreciation					(98)	(95)
	Depreciated cost					198	201

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022 (Continued)

12 Investments	Listed £000s	Unlisted £000s	2022 £000s	2021 £000s
<i>Cost or valuation</i>				
Valuation at 1 April 2021	182	10	192	165
Disposal at cost	(45)	-	(45)	-
Realised gains on investment	(14)	-	(14)	-
Unrealised gain in year	15	-	15	27
Cost or Valuation at 31 March 2022	138	10	148	192
Historic Cost at 1 April 2021	80	10	90	90
Disposal during the year	(45)	-	(45)	-
At 31 March 2022	35	10	45	90

All listed fixed asset investments are stated at market value. The unlisted investment is held at cost and represents 100% of the share capital of Jamie's Computers Limited. Jamie's Computers Limited has its registered office at 125 Albert Road South, Southampton, SO14 3FR. Jamie's Computers was dormant throughout the 6 periods from 1 April 2016 to 31 March 2022. Jamie's Computers Limited had £10,000 of unpaid share capital and £9,500 reserves at 31 March 2021 and 31 March 2022.

13 Debtors	2022 £000s	2021 £000s
Trade Rent and service charge	490	466
Debtors: Less Provision for doubtful debts	(203)	(211)
Rent and service charge (net of provision for doubtful debts)	287	255
Other trade debtors (net of provision)	667	378
Grants receivable	45	26
Other debtors	80	7
Prepayments and accrued income	167	281
	1,246	947

All amounts shown under debtors fall due for payment within one year.

14 Creditors: Amounts falling due within one year	2022 £000s	2021 £000s
Secured mortgage	240	248
Trade creditors	633	393
Grants in advance	134	302
Taxation and social security	144	134
Intercompany creditor (Jamies Computers Ltd)	10	10
Other creditors	352	266
Accruals and deferred income	108	140
Pension creditor (TPT)	7	24
Deferred capital grant (Note 16)	100	68
	1,728	1,585

Included within Grants in advance is £14k (2021: £14k) from the Big Lottery Grant relating to their support of the Society's Saints4Sport project and £15k (2021: £18k) relating to the Re:Fit project.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022 (Continued)

15 Creditors: Amounts falling due after more than one year	2022 £000s	2021 £000s
Deferred capital grant (note 16)	3,371	3,091
Secured mortgages (net of fees)	5,657	5,987
Pension creditor	14	71
	9,042	9,149

The mortgages are repaid on a monthly basis over terms ranging from 20 to 30 years. Rates are either variable with a margin over Bank of England base rate or SONIA, or fixed. The remaining terms on these loans are between 6 and 22 years.

A variable rate of interest was charged on £2,913k of mortgage balances (2021 £3,046k). The variables rates applied are:

	2022 £000s	2021 £000s
SONIA + 0.65% on the mortgage balance of	317	349
Bank of England (BoE) base rate + 2% on the mortgage balance of	957	991
Bank of England (BoE) base rate + 2.55% on the mortgage balance of	1,639	1,706
	2,913	3,046

	2022 £000s	2021 £000s
A fixed rate of 3.2% was charged on mortgage balances of	688	729
A fixed rate of 2.9% was charged on mortgage balances of	2,386	2,460
	3,074	3,189

The mortgages are secured by fixed charges over 29 of the Society's properties.

The mortgages are repayable as follows:

	2022 £000s	2021 £000s
In less than one year	240	248
In more than one year but less than two years	247	257
In more than two years but less than five years	673	528
In more than five years	4,827	5,202
	5,987	6,235

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022 (*Continued*)

16 Deferred Capital Grant	2022 £000s	2021 £000s
At 1 April	3,159	2,754
Grant received in year	395	472
Released to income in the year	(83)	(67)
At 31 March	3,471	3,159
Amounts to be released within one year	100	68
Amounts to be released in more than one year	3,371	3,091
	3,471	3,159

17 Commitments

Capital commitments

The Board had approved the purchase of 3 properties costing £1.52m prior to 31/3/22 which were completed on 1 April 2022, 23 June 2022 and 4 July 2022. These purchases were funded by way of a new loan facility from Triodos Bank of which £1.48m was drawn down on 1 April 2022 with the balance being paid from cash reserves.

18 Housing stock

The housing stock of the charitable company comprised the following types of property.

	2022 Number	2021 Number
Leased supported units	282	287
Owned supported units	264	248
	546	535

19 Legislative provisions

Society of St James is a company limited by guarantee and is registered with the Charity Commission and the Regulator of Social Housing.

20 Commitments under operating leases

The company had outstanding commitments for future minimum payments under non-cancellable operating leases as set out below:

	Land and buildings 2022 £000s	2021 £000s
Operating leases which expire:		
Within one year	596	691
In two to five years	1,581	945
After five years	479	243
	2,656	1,879

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022 (*Continued*)

21 Pension Scheme

The Society of St James participates in a variety of pension schemes administered by TPT retirement solutions, previously the Pensions Trust (the Trustee) and pays contributions at a variety of rates. For members who joined any of the schemes prior to 1 July 2012 the Society paid contributions at the rate of 9% of salary and members paid contributions at the rate of 5% of salary during the accounting period. For members who have transferred into the Society's employment due to TUPE regulations and have relevant employment rights, or who were employed before 1 July 2012, and opted to join one of the pension schemes prior to 30 November 2012, the Society paid contributions at the rate of 6% of salary and members paid contributions at the rate of 5% of salary during the accounting period. For members who joined the Society on or after 1 July 2012, or who opted to join the pension after 30 September 2012, or who were auto enrolled, the Society paid contributions of 3% whilst members paid contributions at the rate of 5% of salary during the accounting period.

All schemes, apart from the Growth Plan (the scheme), are defined contribution schemes. The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers.

The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows

Deficit contributions required from the Society of St James from 1 April 2022 to 31 January 2025 have been reduced and are now set at £7,565 per annum (payable monthly).

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022 (Continued)

21 Pension Scheme (continued)

<i>Present Values of Provision</i>	2022	2021	
	£000s	£000s	
Present Value of Provision	21	94	
<i>Reconciliation of Opening and Closing Provisions</i>	2022	2021	
	£000s	£000s	
Provision at start of period	94	111	
Unwinding of the discount factor (interest expense)	1	3	
Deficit contributions paid	(24)	(23)	
Remeasurements – impact of any change in assumptions	(1)	3	
Remeasurements – amendments to the contribution schedule	(49)	-	
Provision at end of period	21	94	
<i>Income and Expenditure Impact</i>	2022	2021	
	£000s	£000s	
Interest expense	1	3	
Remeasurements – impact of any change in assumptions	(1)	3	
Remeasurements – amendments to the contribution schedule	(49)	-	
<i>Assumptions</i>	2022	2021	2020
	%	%	%
Rate of discount	2.35	0.66	2.53

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

	2022	2021	2020
	£000s	£000s	£000s
Year 1	8	24	23
Year 2	7	25	24
Year 3	6	25	25
Year 4	-	22	25
Year 5	-	-	22

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022 (Continued)

21 Pension Scheme (continued)

Hampshire County Council Pension Fund

The Society commenced participation in the Local Government Pension Scheme (LGPS) administered by Hampshire County Council on 1 November 2016.

The disclosures below relate to the funded liabilities within the Hampshire County Council Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS").

The funded nature of the LGPS requires participating employers and their employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. The last actuarial valuation was at 31 March 2019 and the contributions to be paid until 31 March 2023 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate.

The Fund Administering Authority, Hampshire County Council is responsible for the governance of the Fund.

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole is shown in the disclosures.

The Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

Reconciliation of funded status to Balance Sheet	31 March 2022 £000s	31 March 2021 £000s
Fair value of assets	1,231	1,058
Present value of funded defined benefit obligation	(1,083)	(1,050)
Funded status	<u>148</u>	<u>8</u>
Unrecognised asset	(148)	(8)
(Liability) recognised on balance sheet	<u>0</u>	<u>0</u>

The key actuarial assumptions on which the Scheme Actuary's calculations are based are as follows:

	31 March 2022 % per annum	31 March 2021 % per annum
Discount Rate	2.7	2.1
CPI inflation	2.9	2.6
Pension increases	2.9	2.6
Pension accounts rate of revaluation	2.9	2.6
Salary increases	3.9	3.6

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2022 (Continued)

21 Pension Scheme (continued)

Mortality Assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at 65 resulting from these mortality assumptions are shown below.

Assumed Life expectancy at 65	2022	2021
Male		
Member aged 65 at accounting date	22.9	23.1
Member aged 45 at accounting date	24.7	24.8
Female		
Member aged 65 at accounting date	25.4	25.5
Member aged 45 at accounting date	27.1	27.3

Asset allocation in the scheme is as follows:	2022 %	2021 %
Equities	56.9	57.0
Property	6.9	6.1
Government bonds	17.2	17.3
Corporate bonds	-	-
Multi Asset Credit	9.0	-
Cash	0.9	1.4
Other	9.1	18.2
Total	100.0	100.0

Amounts recognised in Income Statement	2022 £000s	2021 £000s
Operating cost		
Current service cost	98	67
Interest on net defined benefit asset	(1)	-
Expense recognised in Income Statement	97	67

Amounts recognised in other Comprehensive Income	2022 £000s	2021 £000s
Asset gains/ (losses) arising during the period	57	193
Liability gains/ (losses) arising during the period	99	(237)
Adjustments in respect of paragraph 28.22	(140)	96
Total amount recognised in other Comprehensive Income	16	52

Society of St James

Notes forming part of the financial statements
for the year ended 31 March 2022 (*Continued*)

21 Pension Scheme (continued)

Changes to present value of the defined benefit obligation	2022 £000s	2021 £000s
Opening defined benefit obligation	1,050	719
Current service cost	98	67
Interest expense on defined benefit obligation	22	17
Contributions by participants	13	11
Actuarial (gains)/ losses on liabilities	(99)	237
Net benefits paid out	(1)	(1)
Closing defined benefit obligation	1,083	1,050
Changes to the fair value of assets	2022 £000s	2021 £000s
Opening fair value of assets	1,058	823
Interest income on assets	23	19
Remeasurement gains/ (losses) on assets	57	191
Contributions by employer	81	15
Contributions by participants	13	11
Net benefits paid out	(1)	(1)
Closing fair value of assets	1,231	1,058
Actual Return on Assets	2022 £000s	2021 £000s
Interest income on assets	23	19
Gain/ (loss) on assets	57	191
Actual return on assets	80	210

Society of St James

Notes forming part of the financial statements
for the year ended 31 March 2022 (Continued)

22 Reconciliation of operating surpluses to net cash inflow from operating activities

	2022 £000s	2021 £000s
Operating surplus	365	473
Amortisation of intangible fixed asset	36	26
Amortisation of deferred capital grant	(73)	(67)
Depreciation of tangible fixed assets	517	446
Deficit on disposal of fixed assets	114	-
(Increase) in debtors	(239)	(82)
Increase/(Decrease) in creditors	(29)	195
Pension scheme adjustment	16	52
Net cash inflow from operating activities	707	1,043

23 Analysis of change in net debt

	At 1 April 2021 £000s	Cash Flow £000s	Other £000s	At 31 March 2022 £000s
Cash at bank and in hand	1,236	(424)	-	812
Debt due within one year	(248)	248	(240)	(240)
Debt due after one year	(5,987)		330	(5,657)
Total	(4,999)	(176)	90	(5,085)

24 Related party transactions

Related party transactions have been recorded during the year between a member of Senior Staff and his brother-in-law, with the brother-in-law providing Handyman maintenance services to the Society. The total expenditure with the related party during the year was £29k (2021: £79k) with £1k outstanding at 31 March 2022 (2021: £3k). No other related party transactions have occurred with regards to the Trustees and Senior Staff as listed on page 1 of these accounts, other than remuneration paid to Key Management Personnel set out in note 5.

25 Post Balance Sheet Events

Eight contracts with Local Authorities were retained or won during the year with start dates on 1 June 2022 or 1 July 2022; the increased turnover for the year 2022/23 due to these contracts will be approximately equal to £1.034m.

26 Controlling party

At 31 March 2022 the ultimate controlling party was the Trustees and Directors of the Society of St James.

THE SOCIETY OF ST JAMES

England & Wales - Charity number 1043664

Accounts

Society of St James

Report and Financial Statements

Year Ended

31 March 2021

Company Number: 03009700

Charity Number: 1043664

Society of St James

Annual report and financial statements for the year ended 31 March 2021

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Society of St James

Reference and administrative information for the year ended 31 March 2021

Trustees and Directors:	S Butterfill D Craggs P Hillary (Chair) A Holland G Marshall (Treasurer) J Osman R Hollis G Tunney A Holdup (appointed 1 September 2020)
Company Secretary:	T Pickup
Senior Staff	T Pickup (Chief Executive) A Powell (Director of Finance and Central Services) M Taylor (Operations Director) T Keall (Operations Director) N Wilsenham (Operations Director)
Registered Office:	125 Albert Road South Southampton SO14 3FR
Registered Company Number:	03009700
Regulator of Social Housing Registration Number:	LH4337
Registered Charity Number:	1043664
Auditors:	Nexia Smith & Williamson Cumberland House 15 – 17 Cumberland Place Southampton SO15 2BG
Solicitors:	Blake Morgan New Kings Court Tollgate Chandler's Ford Hampshire SO53 3LG
Bankers:	NatWest 68 Above Bar Street Southampton SO14 7DS

Society of St James

Report of the Board of Trustees incorporating a Strategic Report for the year ended 31 March 2021

Introduction

The Board of Trustees presents its report and financial statements for the year ended 31 March 2021, which should be read in conjunction with the information on page 1. All Trustees are directors of the Charitable Company for the purposes of company law.

Structure, Governance and Management

The Society of St James (SSJ) is a company limited by guarantee and is registered with the Regulator of Social Housing (RSH) (number LH4337). The liability of the members is limited to their guarantee. In the event of SSJ being wound up during the period of the membership (or within the year following), members undertake to contribute such amounts as may be required, but not exceeding £10.

SSJ is governed by the Board of Trustees, which meets at least quarterly. The Board has created three Committees to take specific interest in the areas of Personnel, Audit and Finance, and Operations, who also meet quarterly. A Development Panel is also convened as required to provide a mechanism for Board supervision of new major projects as they arise. In line with good practice, SSJ also convenes a Directors' Remuneration Committee annually to appraise performance and set the Senior Management Team's salaries. Meetings have been held virtually throughout the pandemic.

As a Registered Provider (Housing Association) SSJ is required to meet the Standards set by the RSH, as its key regulator. SSJ is able to confirm as required that it is compliant with the Governance and Viability standard.

In June 2021 the Board reviewed its own performance and the performance of the sub-committees of the Board. It also reviewed the effectiveness of the current committee structure and systems in place to ensure that they provided effective governance arrangements for SSJ. The Board also recently reviewed the key risks facing SSJ and mechanisms to ensure that they are addressed within Board meetings and reports to the Board. The Board is confident of its continued compliance with the Governance and Viability standard.

SSJ seeks to recruit one or two new Board members each year. The recruitment and induction process includes a tour around some of SSJ's projects and an introduction to SSJ's work. Potential new Board members also attend a Board Meeting as observers before they formally agree to join the Board. All Board members serve in a voluntary capacity; it is not the policy of SSJ to remunerate Board members.

The Chief Executive reports to the Board, the senior staff report to the Chief Executive and the rest of the staff in turn report to the senior staff.

SSJ has adopted the National Housing Federation Code of Governance and has recently reviewed its performance against the 2020 edition. This new edition has a number of additional requirements and work has been done to meet some of these. Other requirements, which cannot be achieved immediately are required to be declared. These are:

- 1) Resident engagement – SSJ alongside many similar providers has worked at this over a number of years with varying degrees of success. In order to genuinely involve our residents and service users in our processes, SSJ intends to appoint a Service User Engagement Officer to help organise engagement and consultation events. We acknowledge the financial support of the Southern Co-op in funding much of this post
- 2) Mechanism to remove Board members – In the case of a breach of the rules or other under performance by Board members, SSJ ought to have a mechanism to remove a Board member from the Board. This requires legal advice to change to the Memorandum and Articles of Association and consent of Companies House, Charity Commission and Regulator of Social Housing. In view of the expense of this change, the Board has agreed to delay this until other constitutional changes are required
- 3) Diversity on the Board – SSJ has good diversity of gender and skill but continues to strive to improve diversity across other dimensions including ethnicity and lived experience. This will be considered as new Board members are recruited.
- 4) Six-year maximum length of tenure on the Board – It would not be possible to implement this immediately as this would result in losing too many Board members at one time. SSJ will recruit new Board members over the coming year to build up capacity to allow this to be implemented.

Society of St James

Report of the Board of Trustees Incorporating a Strategic Report (*Continued*) for the year ended 31 March 2021

Structure, Governance and Management (continued)

The Trustees have given due consideration to Charity Commission guidance on public benefit when reviewing objects and activities.

Objectives and Activities

The Objectives of SSJ are:

“The relief of poverty, sickness, hardship and distress in particular but not exclusively of persons who are homeless, unemployed or who have drug, alcohol or other substance addictions by the provision of housing, rehabilitation, care, support, education, training and employment opportunities: in order to improve the individuals’ opportunities and quality of life and to contribute to the wider community”.

SSJ seeks to achieve this through a range of activities, which can be broken down between the following headings:

- Housing;
- Support;
- Care;
- Substance Misuse Services; and
- Social Enterprise.

SSJ agreed a 10-year strategy in the spring of 2019, to provide a long-term direction for its work. Further detail was provided in a 3-year Business Plan, agreed by the Board in October 2020.

Housing

SSJ provides a range of housing to homeless people in Southampton, Portsmouth and elsewhere in Hampshire, ranging from hostels, through to shared housing to one-bedroom flats and two registered residential care homes. SSJ also manages accommodation for homeless families in Rushmoor. The numbers of bed spaces managed by SSJ are shown below-

Bed spaces/units	2019	2020	2021
Owned	164	226	248
Managed or leased	295	279	279
Total	459	505	535

For its owned property SSJ fulfils a full range of property maintenance obligations, from day-to-day repairs to managing a long-term repairs and maintenance programme. As a Registered Provider SSJ offers tenancy or licence agreements, collects rents and generally fulfils the role of landlord.

For leased or managed projects, SSJ fulfils some of the elements listed above, depending upon the form of agreement with the property owner. These often include maintenance obligations, offering tenancy and licence agreements, and the collection of rent.

SSJ has also leased two properties to another Registered Provider in order for it to provide services similar to SSJ but for younger people.

Support

SSJ seeks to provide support beyond the services normally provided by a landlord to those living in its accommodation. This activity is largely funded through contracts from Local Authorities, under which SSJ received £1.248 million (2020 £1.209 million) during the year, enabling the employment of support staff in most residential projects. The support provided enables people previously homeless, with mental health issues and with substance misuse problems to maintain their housing and to develop skills to live independently in the community. SSJ is also supporting nine residents in Aldershot in a homelessness hostel with Housing Related Support being funded by the Rushmoor Borough Council.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2021

Objectives and Activities (continued)

Support (continued)

Southampton City Council also funds the Handyperson Service, supporting owner occupiers to stay in their own homes through property maintenance services.

The provision of Housing Related Support remains a major element of SSJ's work, delivering services under contractual arrangements and being subject to a wide range of inspection, regulation and monitoring. In addition, as existing contracts expire, services are put out to competitive tender, so that a range of organisations have the opportunity to competitively bid to provide the service. These contractual arrangements are a crucial factor in forming a picture of the environment in which SSJ operates.

Care

Through St James Care, SSJ operates two registered care homes. SSJ purchased its first care home nearly fifteen years ago in order to create a specialist care service for people with backgrounds of homelessness, substance misuse and mental health issues. This therefore provides an appropriate environment for older residents who can no longer stay in their existing accommodation because of their increasing care needs. Its second care home was acquired during the year; further details follow in this report.

Substance Misuse Services

SSJ provides a number of non-residential services for people with substance misuse issues. These services are provided in Portsmouth and Hampshire. Each area has a different structure for substance misuse services and SSJ provides a different service in each area.

These services work with over 1,000 people at any one time, providing a range of interventions to people with issues with alcohol and drugs. Each project is commissioned through competitive tendering and performance is carefully monitored by the commissioning body, the relevant local authority.

Employment and Training Opportunities

SSJ manages Jamie's Computers which operates as a Social Enterprise. The aim of Jamie's is to generate income for SSJ and to create training and learning opportunities as well as work placements for vulnerable adults in the city of Southampton.

The Café in the Park is also a Social Enterprise, providing employment and volunteering opportunities in Portsmouth, as well as good quality food.

Sports Therapy

SSJ runs Sports Therapy programmes that have proven to have a hugely beneficial impact on people experiencing substance misuse problems. In the past five years over 1000 individuals have engaged with the programmes and achieved their goal of living a positive and substance-free lifestyle.

Our programmes are run in partnership with the Saints Foundation and Pompey in the Community but are not just about football. We offer all kinds of activities, for both men and women, all aimed at improving health and wellbeing, confidence and self-worth.

The majority of the funding for these programmes comes from various National Lottery funds.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2021

Strategic Report - *Achievements and performance*

SSJ had a successful year with an annual turnover of almost £12 million and an operating surplus of £473k for the year. This represents growth in turnover on the previous year, due to higher rental income on increased accommodation units offered, revenue from our second care home and other new services developed. It was also improved by a number of factors including additional funding received from local government, central government and philanthropic sources to cope with the pandemic, additional work commissioned by local authorities and savings made on maintenance and staff travel due to the lockdowns and other restrictions.

Purchase of a second care home

SSJ had been planning to acquire a second care home for several years and achieved this in July 2020. The home was purchased as a going concern and had been providing care for older people. The plan is to move through a period of transition, to gradually change the client group from older people to those with longer term alcohol issues. The aim is to integrate the management of the two homes, so they benefit from consistent best practices and shared learning. The client groups will be similar across the homes with new client's assessed with regards to which environment would be most suitable for them.

In spite of the impact of Covid, much progress has been made in remodelling the service, and this will continue.

Housing development

SSJ is committed to reducing rough sleeping and homelessness for vulnerable adults by developing new housing. As a housing association, SSJ can access grants from Homes England and match these with borrowings to enable the purchase and refurbishment of property. Over the last three years SSJ has acquired 17 properties and created an additional 105 units of accommodation.

Over the last 12 months SSJ has continued with the refurbishment of a number of properties purchased in the previous year. This included a house with support staff to provide accommodation to asylum seekers and refugees, which is run in partnership with Southampton and Winchester Visitors Group and funded by the National Lottery.

SSJ has also acquired two further properties in addition to Linden House. One in Southampton has been developed specifically for a joint project with mental health services and the other will provide further move-on housing in Portsmouth.

During the year SSJ also took on the management of a number of units, leased from other partners, further increasing the number of people receiving services from SSJ.

Fundraising

This has been a successful year for fundraising for SSJ, with over £393k (2020: 251k) being raised to support the work of SSJ.

An element of this (£154k) has come from a mixture of grants from philanthropic bodies, including the National Lottery Community Fund towards specific projects including Re-fit, Saints4Sports and a partnership with the Southampton and Winchester Visitors group to fund a house and support staff to provide accommodation to asylum seekers and refugees. We are especially grateful to have received £10,000 each from the Morrisons Foundation and the National Emergencies Trust to support us during Lockdown 1 and a further £10,000 from Zurich Community Trust to support the Café through the pandemic. Zurich Community Trust followed-up with a further £9,500 to support refurbishment of Havant Road. Further grant funding has been received from Portsmouth and SE Hampshire Partnership (Personal Budgets), West Quay Giving Back Fund (via the Hampshire and IOW Community Foundation), Office of the Police and Crime Commissioner (Café in the Park and Pathways Project), Southern Co-op Safer Neighbourhood fund (IOM DIY Project), Screwfix Foundation (Southampton Street) and Cycling UK (via SCC for the Big Bike Revival).

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2021

Strategic Report - *Achievements and performance (continued)*

Fundraising (continued)

We also received about £231k (2020: £174k) in financial support from corporate partners, schools, individual giving and community groups. We had an extremely successful Christmas Campaign with our individual giving supporters continuing to support us through the pandemic with The Pointer Trust providing total donations of £30,000. The Senior Managers of One Savings Bank chose SSJ as one of the recipients of their bonus pay-outs totalling £25,000. Organisations including Draper Tools, Womble Bond Dickinson and Vuzion have provided a combination of in-kind and financial support to us during the year. We have benefitted from a further 2 years of corporate support from Southern Co-op with their fundraising during 2020-21 raising significant sums.

Impact of Covid – 19

With the outbreak of the virus in the spring of last year, SSJ had to rapidly adapt to a number of challenges. The impact and response required varied greatly across the organisation, depending on the type of service or project being delivered. The initial responses included:

- Adapting to safer working processes, with socially distanced teams and greater use of PPE.
- Having to change the style of service delivery, with some support and counselling services moved to online and telephone support.
- Implementing a complete visitors ban for many months at the care home.
- Having to close some services such as the Café in the Park and Jamie's computers and furloughing staff.
- Relocating some services such as the night service in Portsmouth, (emergency accommodation with its shared rooms) to the hotels leased by Portsmouth Council.
- Creating new accommodation or redesignating units to meet specific needs and taking on new work to support additional clients, often as quickly as possible.
- Effectively closing head office, with all office-based staff working from home.

Over the last twelve months, as the situation has evolved, SSJ has continued to be flexible and to work with local authority partners.

Staff

SSJ is completely dependent on the commitment of our staff to the challenging and demanding work that we are achieving. The Trustees acknowledge that over the last year, staff have achieved a great deal in difficult circumstances and in spite of the Covid crisis and would like to record their formal thanks and appreciation.

We have a diverse workforce, with an average of 300 staff being employed over the last 12 months. We seek to be an excellent employer. We have been working towards becoming a "National Living Wage" employer and have been paying staff at least these rates for the last two years.

The Board agreed a three-year HR strategy last year to ensure the continued development of staff and HR systems, as part of our ambition to be the employer of choice in our field in this region.

SSJ also relies on volunteers in many projects and services, and we are grateful for the contribution they have made.

Strategic Report - *Plans for the Future*

There are significant areas of unmet need within the areas of expertise in which SSJ operates. In order to meet the charitable objectives of SSJ, it will need to continue to fulfil its existing role and to develop new services.

SSJ will therefore seek to continue to deliver Housing, Support, Care, Treatment and Training to vulnerable adults in Hampshire and surrounding areas. SSJ may also develop its work into new geographic areas and into new types of services, in order to meet the needs of our existing and potential new service users and/or the requirements of new local authority tenders.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2021

Strategic Report - Plans for the Future (*continued*)

This will involve bidding for new work through the tendering process, working on specific proposals with local commissioners and seeking philanthropic funding for projects or areas of work.

The Board have agreed a number of priorities for the coming year. These include:

Embedding Trauma Informed Care and the development of Psychologically Informed Environments

SSJ is working to embed a trauma informed approach across all our activities, in order to best create the opportunities for our service users to deal with difficult previous experiences. The Board adopted a Psychologically Informed Environment Strategy in May 2021 which included an action plan to implement the 5 elements, being relationships, staff support and training, the physical environment and social spaces, a psychological framework and evidence generating practice.

Create a Service User Participation Lead (SUPL)

In order to better engage with our residents, SSJ has funded a new post to focus specifically on this task. The post will be responsible for building capacity, developing process and providing practical and emotional support to enable service users to participate meaningfully in arenas where there is a power imbalance, such as in team meetings or the Operations Committee. This will include attending meetings and providing whatever support is needed to increase engagement. The role will also include organising and facilitating service user group meetings, as well as feeding back to services.

The role of the SUPL will not just be about representing service users but also about assisting SSJ to meet some of their strategic and statutory goals which will include:

- Feeding into continuous service improvement.
- Providing service user input into service specifications and tender applications.
- Increased requirements on housing providers to collaborate with and listen to their tenants.
- Ensure service user voice in policies and procedures.
- Share good practice between services.
- Facilitate good communications between services and service users.

Create a new post of Director of Asset Management

In order to provide greater capacity for SSJ to manage its existing and growing property portfolio and to also accelerate future development, SSJ has created a new senior post to lead in this area. This will ensure the strategic priorities for maintenance, property development, and health and safety will be achieved.

Property acquisition programme

SSJ will continue to acquire property to create additional accommodation for our current and potential customers. There are significant opportunities available over the next three years which SSJ will be able to seize.

Homes England has launched a new 5-year development programme (The Affordable Homes Programme 2021-26) which includes a priority to make funding available for single and vulnerable adults. The government has also continued to prioritise the housing needs of rough sleepers and homeless people. SSJ accesses this source of funding as a member of the Wayfarer development consortium. It is also in the process of negotiating further bank finance to provide the additional capacity to fund the development programme for the next 3 years.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2021

Strategic Report - *Plans for the Future (continued)*

Residents Wi-Fi

In order to improve the service offered to residents, SSJ will be installing Wi-Fi for residents across our housing stock. Access to the internet is increasing part of normal life and many vulnerable adults are disadvantaged by the digital divide. We shall therefore install wi-fi systems in all the properties we own and as many of the properties that we lease or manage as possible. The majority of this cost can be included rent, and this can be covered by Housing Benefit for those who are eligible.

The installation will begin in the summer of 2021 and should be completed within three to four months.

Strategic Report - *Principal Risks and Uncertainties*

SSJ faces a wide range of risks and uncertainties, many of which are collated annually in SSJ's Business Risk Management Plan. The principal risks identified are as follows:

Cost over-runs on housing developments

These incidents could have a serious impact on SSJ's cash balances. All developments are therefore carefully budgeted in advance and include a contingency, with costs kept under control and scrutiny throughout.

Contracting: Loss of contracts through tendering process

SSJ currently manages a number of services under contract from local authorities which are retendered every 4-6 years thus creating a risk services could be lost. The impact of loss of contracts is mitigated by direct cost reductions through transfers to a new provider, although savings may be required to the budget for central services. There is also a risk that services may not be re-tendered which would require more careful management of cost reductions. The risk can be mitigated by having good liaison with the commissioners and by the ability to redeploy staff into other services.

High interest rates making repayments unaffordable

This risk is being mitigated by borrowing funds on a mixture of fixed and variable rate arrangements, with at least 50% of borrowing on fixed rates. Interest rates usually rise due to inflationary pressures and the current rent settlement allows rents to be increased in line with movement in inflation, there is therefore some inbuilt mitigation to interest rate increases through rent, and therefore income, increases. The risk of interest rate rises has been modelled using different rates and costs per 1% rise in rates, thus providing thresholds for review and specific actions. Further consideration can be given to fixing more of the borrowing rates if concern about risk increases. As a last resort, if repayments became a serious problem, some properties could be sold to reduce debt and therefore interest payments.

Sudden catastrophe in a large project causes sudden closure

An outbreak of Covid-19 or a similar event could cause the lockdown or closure of a whole service for many weeks, impacting on residents, staff, reputation, management time and finances. This can be mitigated by careful adherence to social distancing, hygiene guidance and promoting vaccine uptake. Good crisis management principles, working with other partners and learning from the experience of others can all help minimise the impact of such an event.

Failure to upgrade & develop IT in line with organisational growth

SSJ is regularly required to update and upgrade its IT systems to meet increasing requirements from its services and customers, as well as enhanced security, data protection and regulatory changes. The risk is that procurement may not meet the needs of the organisation due to flaws in systems selection or deficiencies in implementation. We aim to mitigate this by creating plans that ensure that all projects are sufficiently resourced and supported by senior managers, an appropriately qualified IT team and external consultants as required.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2021

Strategic Report - *Principal Risks and Uncertainties (continued)*

Failure of client safeguarding, resulting in criticism by a Serious Case Review

Serious Case Reviews highlight the levels of risk which surround SSJ's work with vulnerable clients. Due to the high numbers of people being supported by SSJ, there continues to be a high probability that SSJ will be involved in further reviews, investigating tragic events, which may or may not relate to a failure of a safeguarding nature. SSJ will continue to monitor and act upon safeguarding concerns in a pro-active manner, ensure staff are trained to identify and respond to safeguarding issues and ensure that SSJ's Safeguarding Officer is able to continue to oversee and monitor this area of the SSJ's work.

Strategic Report - *Fundraising practices*

SSJ is well supported by the local community and benefits from numerous donations from schools, churches, business groups, social clubs and individuals. We benefit from having been chosen as the "Charity of the Year" by various commercial companies and associations.

SSJ runs a number of fundraising campaigns over the year to appeal for funds for specific activities, such as the Christmas appeal, as well as seeking donations towards our general activities. These campaigns are conducted by sending newsletters by post and email and by running social media campaigns. Staff also give talks and presentations, when invited, to various groups, which often leads to donations. The majority of our donations are one-off donations, but a number of individuals have set up regular payments by standing order.

Donations of food, clothing, Christmas presents and time from individual volunteers and from teams of volunteers is also valuable. Jamie's receives about 20 tonnes of computing and other IT equipment each month, which it processes and sells to generate income, and the Recycle bike project receives numerous bikes over the year. SSJ does not use external consultants to undertake fundraising on our behalf, and we seek to ensure an ethical approach to our appeals and campaigns.

Our mailing and email list is made up of members of SSJ and those who have either donated in the past or have asked to be added to the mailing list. We have not undertaken any mass mailing campaigns in the last year. In line with GDPR requirements we have also contacted everyone on the mailing list and confirmed that supporters wish to continue to receive information.

SSJ is not a member of the institute of fundraisers and has not signed up to any voluntary regulatory framework. We deal carefully with any complaints received. The most common complaints we get are either a lack of a thank you letter following a donation or that we are sending too much publicity and should not be wasting money in this way.

We are conscious of safeguarding issues and have previously not accepted large donations until some investigation concerning the donor has been undertaken (and in some cases, returned the money). We aim to send 2-3 mailing/newsletters a year to our supporters, so do not feel we are putting people under significant pressure to donate.

Strategic Report - *Financial Review*

Financial Position and Management Policies

The year ended 31 March 2021 has again seen net cash generated from operating activities of £1043k (2020 £735k), and an operating surplus of £473k (2020 – £194k). SSJ remains in a sound financial position at 31 March 2021 and finished the year with cash of £1,236k (2020 - £1,035k). During the year SSJ invested £2.4m (2020 £2m) in acquiring and developing new Housing Property.

The increase in cash during the year of £201k (2020 – £593k) was mainly due to a significant improvement in cash generated from operating activities through an improvement in operating surplus. SSJ has borrowed or drawn down an additional £1.87million of loan finance during the year.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2021

Strategic Report - *Financial Review (continued)*

Financial Position and Management Policies (continued)

SSJ has formal financial procedures in place that have been ratified by the Audit and Finance Committee and are followed by staff. The Board considers the internal control systems in use to be sufficient for purpose. For items of major expenditure, competitive quotes are requested to ensure SSJ receives the best value for money.

Reserves

The reserves policy reflects the nature of SSJ's business and the sustainability of its sources of income from rent and contracts with local authorities. The Trustees seek to hold sufficient reserves to maintain financial stability while maximising the deployment of funds in pursuit of the charity's objectives and review the Policy annually.

The Trustees believe that it is prudent for the charity to hold a level of free financial reserves (general unrestricted funds less those held as fixed assets net of long-term debt) for the following purposes:

- To enable the organisation to respond quickly to new opportunities;
- To provide adequate short-term liquidity, and cover temporary timing differences in grant claims;
- To absorb setbacks and manage change should a major income stream fail.

The Trustees have determined that the level of free reserves held by the charity should not normally fall below one months' total unrestricted operating costs which were £968k during the year (2020 £863k).

Free reserves were £1,039k at 31 March 2021 (2020 - £948k). Free reserves are calculated by subtracting the value of fixed assets (excluding investments) from total reserves before adding back long-term liabilities and the next year's mortgage liability. The level of free reserves at 31 March 2021 has increased by £91k during the year due to the Society's positive operational performance. This level of free reserves represents slightly more than 1 month's operating costs; considering the above the Trustees are content that this is sufficient for SSJ's requirements.

SSJ had £3,728k of total reserves at 31 March 2021 (2020 - £3,307k).

Sources of Income

The largest source of income for SSJ this year has again been net rental and service charge income which has increased to £5,028k (2020 - £4,132k) and now represents 42% of SSJ's total income (2020 - 39%). The reason for this increase has been the increase in bed spaces provided by SSJ through acquisitions, particularly of the care home, and some leasing of property. It is usually collected directly from the relevant Local Authority in the form of Housing Benefit payments although payments for care provision have increased in this area. The percentage of SSJ's income that it receives through housing support (previously Supporting People ("SP")) contracts has remained fairly static during the year but, due to income growth is now around 10% (2020 - 11%) of total income.

Grant income from substance misuse services is still extremely important to SSJ and has remained fairly similar to the previous year at £3.673m (31% of SSJ's income) (2020: £3.810m; 36%). Donations and awards from philanthropic trusts and the general public remain a key source of funding with SSJ benefitting from £394k in the year to 31 March 2021 (2020 - £251k).

Property

SSJ has again acquired many properties during the year spending £2.4m (2020 £2m) on 3 properties including the new care home. These costs, plus fees and development costs, are capitalised and depreciated over the useful life of the assets meaning that our properties are shown at their original cost in our accounts, less applicable depreciation. Properties used as security for borrowing are revalued regularly to comply with the terms of loan agreements. The 30 secured properties that are carried at £8.4m in our financial statements were most recently valued at £10.1m.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2021

Strategic Report - *Financial Review (continued)*

Funding

SSJ finances its property acquisition programme through a combination of grants and long-term debt. Government grants are amortised to income over the life of the asset they funded and remain associated with that asset until it is disposed of. If an asset is disposed of the grant usually becomes repayable but can be used to acquire or develop similar property to that for which it was originally awarded. Government grant awaiting amortisation is shown in the accounts as a short or long-term creditor. Other capital grants, such as lottery funding, are shown as income in the year that the purpose for which they were awarded was achieved. Such grants usually come with a requirement to repay if the asset which they helped acquire are disposed of within a certain period of time.

In arranging external funding, SSJ aims to borrow money from a spread of lenders, on a long-term basis and with a mix of fixed and variable interest rates appropriate for managing interest rate risk, while minimising the annual cost of borrowing.

SSJ increased its borrowing relationships from three to four during the year and entered into new arrangements to fix long-term interest rates. At 31st March 2021 51% of borrowings were at rates fixed for more than 4 years (2020 2.7%).

Cash and investments

With operating cash flows of approximately £1m per month, SSJ manages its treasury resources actively, holding most of its cash in accounts where instant access can be achieved. The majority of cash is kept in higher interest accounts with instant access facilities.

Under its Treasury Management Policy, SSJ is required to maintain ready access to sufficient sources of liquidity to meet the following month's cash operating costs plus the next three months' debt service costs. In addition, SSJ reviews annually the amount of liquidity which must be met from readily available cash. For the majority of the year ended 31 March 2021, the minimum amount was £400k; it has been increased to £540k for the current financial year.

SSJ is currently maintaining cash balances at well in excess of the minimum required under its Treasury Management Policy. This is considered prudent against the uncertain background caused by the pandemic. Additionally, it will assist SSJ in funding future property acquisitions should the receipt of committed grants be delayed.

SSJ's investments are held in funds specifically designed for charities with the aim of spreading risk and investing in a largely ethical manner. The funds increased by 17.5% in value during the year as the stock market rebounded somewhat after the shock of last year.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2021

Value for Money

The Society is committed to delivering effective and efficient services to service users and embraces the Value for Money (VFM) methodology as required by the Regulator of Social Housing (RSH). The Society agreed the Value for Money Policy in July 2013, which includes the following Statement of Intent:

"The Society of St James seeks to ensure that all financial and other resources are used to achieve the greatest benefits for the Society, in working towards the furtherance of the aims of the organisation, as described in the governing documents."

The requirements of the RSH require standard metrics to be shown in these accounts; the following shows these metrics for the Society and is benchmarked against the most appropriate data (supported housing specialist providers (although these are all still large organisations with greater than 1,000 homes)) from the RSH publication of value for money data for the sector for 2020. The Society has also chosen to add 2 of its own benchmarks which appear below after the standard metrics that are required

Required Metrics	Benchmark (2020 data)	Target (2021)	2021	2020
Metric 1 - Reinvestment %	4.4%	31.2%	22.1%	21.9%
Metric 2 - New supply delivered %	0.4%	9.2%	5.6%	12.9%
Metric 3 - Gearing %	14.2%	50%	44.7%	38.7%
Metric 4 - EBITDA MRI Interest Cover %	259%	200%	523%	227%
Metric 5 - Headline social housing cost per unit	£9,900	£12,000	£14,113	£12,170
Metric 6A - Operating Margin % (social housing lettings only)	10.4%	4.6%	4.9%	5.0%
Metric 6B - Operating Margin % (overall)	6.5%	2.0%	4.0%	1.8%
Metric 7 - Return on capital employed (ROCE) %	3.1%	2.0%	3.7%	1.8%
SSJ additional metrics				
Occupancy %	n/a	>95.5%	91.7%	94.0%
Bad debts %	n/a	<1.4%	1.1%	0.5%

Although falling slightly below target in an exceptionally difficult year for acquiring property, SSJ's performance on metrics 1, 2 and 3 is well above the benchmark. In 2018 the Society decided to expand its property assets by bidding actively for housing grant and using borrowing to contribute to funding. The organisations in the sector included in the benchmark vary significantly in size and pursue a wide range of strategies. Some are not actively developing as much new supported housing and/ or have undertaken their investment over a longer period of time and therefore have lower gearing.

The Society has had a 'good year' and exceeded its target for EBITDA MRI Interest cover % with a result that is significantly better than the benchmark.

SSJ's Social Housing cost per unit is always likely to be higher (and operating margin % lower) than the sector as more of SSJ's stock is supported housing than most and it also bears the full costs of running support services (partly funded by grants), whereas most other providers fund fewer support services. Additionally, SSJ runs a number of support - only services where another entity does the housing management; these support costs are included within social housing costs but the housing units that are supported are not included. During the year SSJ started to provide support at 2 large buildings that are managed by others thus further increasing social housing costs without increasing the numbers of units owned or managed. The aim is to reduce this cost over time as the impact of development reduces in comparison with the overall costs in this area.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*Continued*) for the year ended 31 March 2021

Value for Money (continued)

The Society's Operating Margins are significantly below the benchmark as it is a strategic decision of the Society to spend as much of its income in providing services to vulnerable people as possible and therefore actively pursues a strategy of achieving low but sustainable surpluses.

The Society's ROCE metric is more comparable to the benchmark but again is lower due to the aforementioned difference in approach.

The Society has chosen 2 specific metrics for its internal performance which are crucial to monitor the level of housing income and that the efficiency of the service provided.

The occupancy percentage is well below the target set in the budget and lower than the previous year's performance. As with most providers the Society has struggled with voids during the Coronavirus pandemic both with regards to turning around any maintenance issues and also moving people around during this time.

The target bad debt percentage has been achieved during the year due to good rent collection policies from the Housing Management team and SSJ continuing to benefit from direct payments of benefits.

Society of St James

Report of the Board of Trustees incorporating a Strategic Report (*continued*) for the year ended 31 March 2021

Statement of the Board of Trustees' responsibilities

The Board members are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation require the Board members to prepare financial statements for each financial year. Under that law the Board members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the society and of the surplus or deficit of the society for that period.

In preparing these financial statements, the Board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice for social housing providers (2018) 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 society will continue in business.

The Board members are responsible for keeping proper accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice for social housing providers (2018).

Financial statements are published on the society's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the society's website is the responsibility of the Board Members. The Board Members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

All of the current Trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

Nexia Smith & Williamson are deemed to be re-appointed as auditors.

This report was approved by the Board of Trustees on 31/8/21
and is signed on its behalf by:



P Hillary, Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOCIETY OF ST JAMES**Opinion**

We have audited the financial statements of Society of St James (the 'Society') for the year ended 31 March 2021 which comprise the statement of comprehensive income, statement of changes in reserves, statement of financial position, cashflow statement and the 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 FRS 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 Society's affairs as at 31 March 2021 and of 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 properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 Society 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 Board'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 Society'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 Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in Society of St James Financial Statements, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the Financial Statements. Our opinion on the financial statements does not cover the other information and 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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board of Trustees incorporating a Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Trustees incorporating a Strategic Report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees incorporating a Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Statement of the Board's Responsibilities set out on page 14, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls as the Board determines 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 Board is responsible for assessing the Society'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 Board either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the Society's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance. We also drew on our existing understanding of the Society's industry and regulation.

We understand that the Society complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A risk assessment framework and register that includes regular review and scrutiny by the Board and Audit and Finance Committee;
- An annual assessment of compliance with regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing; and
- The Board's close oversight through regular board meetings and compliance reporting

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Society's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Society:

- FRS 102, the requirements of the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019, in respect of the preparation and presentation of the financial statements;
- Care Quality Commission rating
- Health and safety regulations; and
- Regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Performed a review of Board minutes to identify any indicators of known or suspected non-compliance with significant laws and regulations; and
- Reviewed the CQC ratings on their website; and
- Reviewed any correspondence between the Regulator of Social Housing and the Society.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Society's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the Society's processes and controls surrounding manual journal entries; and
- reviewing and challenging estimates made by management;

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

Use of our report

This report is made solely to the Society's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Society's members 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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

Julie Mutton

Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Date 16/9/21

Cumberland House
15-17 Cumberland Place
Southampton
Hants
SO15 2BG

Society of St James

Statement of Comprehensive Income for the year ended 31 March 2021

	Notes	2021 £000s	2020 £000s
Turnover		11,909	10,550
Other Operating Income (CJRS)		110	-
Operating costs		(11,546)	(10,356)
Operating surplus	2	473	194
Unrealised surplus/(deficit) on investments		27	(23)
Surplus on ordinary activities before interest		500	171
Interest receivable and similar income	6	3	6
Interest payable and similar charges	7	(134)	(78)
Surplus for the year		369	99
Actuarial gain in respect of pension scheme		52	12
Total Comprehensive Income for the year		421	111

All activities of the charitable company are classed as continuing.

The notes on pages 23 to 41 form part of these financial statements.

Society of St James

Statement of Changes in Reserves for the year ended 31 March 2021

	Retained Earnings £000s
Balance at 1 April 2019	3,196
Surplus for the year	99
Other Comprehensive Income	12
Balance at 31 March 2020	3,307
Balance at 1 April 2020	3,307
Surplus for the year	369
Other Comprehensive Income	52
Balance at 31 March 2021	3,728

Society of St James

Statement of Financial Position at 31 March 2021 Company Registration Number: 03009700

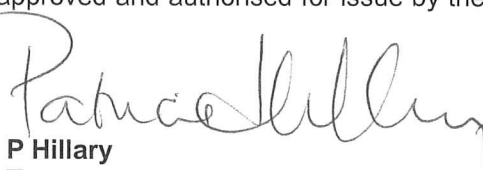
	Notes	2021 £000s	2020 £000s
Fixed assets			
Housing properties at cost less depreciation	9	11,208	9,013
Intangible assets	10	311	46
Other fixed assets	11	568	594
Investments	12	192	165
		12,279	9,818
Current assets			
Debtors	13	947	865
Cash at bank and in hand		1,236	1,035
		2,183	1,900
Creditors: amounts falling due within one year	14	1,585	1,223
Net current assets		598	677
Total assets less current liabilities		12,877	10,495
Creditors: amounts falling due after more than one year	15	9,149	7,188
Provisions for liabilities			
Pension scheme provision	21	-	-
Total net assets		3,728	3,307
Capital and reserves			
Retained Earnings		3,728	3,307
Total Capital and Reserves		3,728	3,307

The financial statements on pages 19 to 41 were approved and authorised for issue by the Board of Trustees on 31 August 2021 and are signed on its behalf by:-

G Marshall
Trustee



P Hillary
Trustee



The notes on pages 23 to 41 form part of these financial statements.

Society of St James

Cash flow statement for the year ended 31 March 2021

	Notes	£000s	2021 £000s	£000s	2020 £000s
Net cash generated from operating activities	22		1,043		735
Cash flow from investing activities					
Acquisition, construction and works to tangible fixed assets		(2,907)		(2,219)	
Grants received		472		984	
Net cash used in investing activities			(2,435)		(1,235)
Cash flow from financing activities					
New loans		2,626		1,229	
Loans repaid		(905)		(65)	
Interest paid		(131)		(77)	
Interest received		3		6	
Net cash generated in financing activities			1,593		1,093
Increase in cash and cash equivalents			201		593
Cash and cash equivalents at beginning of year			1,035		442
Cash and cash equivalents at end of year			1,236		1,035

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2021

1 Accounting policies

Society of St James ("the Society") is a private company limited by guarantee and incorporated in England and Wales. It is a registered provider of social housing with the Regulator of Social Housing and the address of the registered office is 125 Albert Road South, Southampton, SO14 3FR.

Basis of accounting

The financial statements have been prepared in accordance with UK Generally Accepted Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets at the date of transition under the 'deemed cost' option of FRS 102 and as modified by the revaluation of investments.

The Society meets the definition of a Public Benefit Entity under FRS 102

These financial statements are single entity statements and not consolidated group accounts. Consolidation is not required as the other group member, Jamie's Computers Limited, was dormant throughout the reporting period.

Going concern

The UK wide coronavirus lockdown began on 23 March 2020. The Board have considered the financial impact of coronavirus on any estimations included within these financial statements. As the impact of the coronavirus pandemic evolves the Board will continue to review the potential risks to the Society and implement any actions needed to minimise them. After making enquiries, the Board has observed that financial performance during the financial year to 31 March 2021 and first 2 months the new year has exceeded targets and cash holdings have increased. Furthermore, the Board has reviewed forecasts and further information that has reassured it that there is a reasonable expectation that the Society has, and will continue to receive, adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statement are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

The principal accounting policies of the Society are set out below

1.1 *Significant judgements and estimates*

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Statement of Financial Position date and the reported amounts of revenues and expenses during the reporting period.

Significant management judgements

The following are the significant management judgements made in applying the accounting policies of the Society that have the most significant effect on the financial statements

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2021

1 Accounting policies (continued)

1.1a Identification of housing property components

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

1.1b Goodwill

Goodwill is written off over its useful economic life, being 10 or 20 years depending upon the nature of the asset and the applicable accounting standards at the time it arises

1.1c Bad debt provision

Trade debtor balances are recorded in the Society's statement of financial position and comprise a relatively large number of small balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable. Additionally, a provision is made against 50% of resident's credit balances.

1.1d Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence with regard to IT equipment/software and any changes to decent homes standard requiring frequent replacement of components.

1.1e Dilapidations

A number of provisions are held in the accounts to reflect the management's view of the potential liabilities that the Society has to pay for dilapidations to premises that it rents during and after its tenure in them. Experience of previous dilapidations claims, and settlements has informed these estimates.

1.1f Multi-employer pension obligation

The Society of St James participates in a variety of pension schemes administrated by the Pensions Trust; the Growth Plan scheme has certain guarantees associated with it that require participating employers to make additional contributions to it should the scheme be in deficit. The Society has a contractual obligation to make deficit contributions over a number of years and the present value of these future contributions is measured and reported in the Financial Statements. The rate used to calculate the present value is the equivalent single discount rate which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

1.1g Local Government Pension Scheme (LGPS) Valuations

The Society of St James is an admitted body to the Hampshire LGPS following transfers of staff formerly working in the public sector. The scheme actuaries estimate the liabilities of the Hampshire LGPS using a number of key assumptions including rates of inflation; mortality; discount rate; and future salary increases. Variances in these assumptions may impact the pension liability and annual expense.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2021

1 Accounting policies (continued)

1.2 Turnover

Turnover includes rental and service charge income from residential properties in respect of the year and any other income such as legacies. Fees or grants receivable from local authorities in respect of revenue are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate. Grants received for housing properties are recognised in income on a systematic basis. Income received for Furlough claims is recorded as Other Operating Income.

1.3 Interest Payable

Interest payable on loan finance during the development of new property assets is capitalised as a development cost of the new asset for which the loan was drawn. All other Interest Payable is charged to the Statement of Comprehensive Income in the year to which it relates.

1.4 Goodwill

Positive goodwill arising from the purchase in November 2006 of Avondale Residential Care Home (representing the excess of the purchase price of the business over the valuation of the assets acquired) has been capitalised and, subject to impairment reviews as required, will be amortised by equal charges to the Statement of Comprehensive Income, over the period from which economic benefit is derived, which is considered to be 20 years.

Positive goodwill arising from the purchase in July 2020 of Linden House Residential Care Home (representing the excess of the purchase price of the business over the valuation of the assets acquired) has been capitalised and, subject to impairment reviews as required, will be amortised by equal charges to the Statement of Comprehensive Income, over the period from which economic benefit is derived, which is considered to be 10 years.

1.5 Housing properties

Freehold housing properties are stated at cost. Cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements. In accordance with the SORP, component accounting has been adopted. The components of a property have therefore been identified and when a component is replaced the cost is capitalised as a component of the property. Other repair work is charged to the Statement of Comprehensive Income.

Freehold land is not depreciated. Depreciation is charged so as to write down the cost of freehold properties other than freehold land to their estimated residual value on a straight line basis over their estimated useful economic lives at the following rates:

Component	Years	Component	Years	Component	Years
Structure	50	Boiler and Heating System	10	Bathrooms*	10 or 20
Roof	30	Windows and Doors [^]	5 or 20	Sub structure	10
Electrical Wiring	20	Solar Panels	12	Kitchens*	5 or 10

[^] UPVC windows and doors: 20 years; wooden windows: 5 years

* Bathrooms and Kitchens are depreciated at the shorter rate where there are shared facilities

1.6 Leasehold property and leasehold improvements

Leasehold housing property and leasehold improvements are accounted for in the same way as Freehold housing property other than depreciation which is charged over the life of the lease, or using the rates in the table above, whichever is the lower.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2021

1 Accounting policies (continued)

1.7 Other freehold property

Other freehold properties are stated at cost. Cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements. Freehold land is not depreciated. Depreciation is charged so as to write down the cost of other freehold properties other than freehold land to their estimated residual value on a straight line basis over their estimated useful economic lives of 50 years.

1.8 Other fixed assets

Expenditure on other tangible fixed assets is capitalised only when it has a life of more than one year and has a value of more than £1,000, or where the expenditure forms part of the overall setup costs of a new project (including professional fees). The cost of other items is written off as incurred. Depreciation is provided on these tangible fixed assets at rates calculated to write off cost over their expected useful lives, using the straight line method at a rate of between 25% to 50% per annum.

The Society took the transitional relief to include certain other fixed assets at fair value at the date of transition to FRS 102, known as deemed cost.

1.9 Capital Grants – Housing Property

Government grants include grants receivable from Homes England, local authorities and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure on a pro rata basis under the accrual model. The unamortised element of the government grant is recognised as deferred income in creditors.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Government grants released on sale of the property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund, included in creditors. If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in the Statement of Comprehensive Income.

1.10 Capital Grants – Other fixed assets

Capital grants received for other fixed assets are held as creditors and recognised on a straight line basis over the useful economic life of the asset for which they have been used to acquire.

1.11 Revenue Grants

Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate. Until the revenue grants are recognised as income they are recorded as liabilities.

1.12 Investments

Investments are valued at current market value with changes in value from year to year being recognised within the Statement of Comprehensive Income.

1.13 Operating leases

Annual rentals under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the term of the lease. The aggregate benefits of any lease incentive are recognised as a reduction in expenses over the term of the lease.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2021 (*Continued*)

1 Accounting policies (continued)

1.14 Pension costs

The Society operates a number of pension arrangements for its employees.

Pensions Trust – Defined Contribution

The Society operates a defined contribution scheme through The Pensions Trust. The accounting charge for the period represents the employer contribution payable.

Pensions Trust Growth Plan – Defined Benefit

The Growth Plan is a multi-employer defined benefit scheme through The Pensions Trust.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the scheme, the accounting charge for the period under FRS102 represents the employer contribution payable.

The scheme currently has a shortfall of assets compared to liabilities and a deficit payment plan which has been agreed between the participating employers and Trustee of the scheme. In line with FRS102 requirements, this cash payment plan has been recognised as a liability in the Statement of Financial Position and is measured at the reporting date by discounting the future cash outflows at the rate of AA corporate bond. The unwinding of this discounting is recognised as a finance charge in the period to which it relates.

Hampshire County Council Pension Fund

The Society participates in a defined benefit pension scheme which provides benefits based on final pensionable salary. The assets of the scheme are held by the Hampshire County Council Superannuation Fund.

The pension costs relating to the scheme are accounted for in accordance with FRS102. Current service costs and interest costs relating to the net defined obligation are included in the income statement in the period to which they relate. When applicable, actuarial gains and losses as well as any other re measurements are recognised in other comprehensive income. Where a scheme is in surplus in accordance with FRS102 28.22 the asset can only be recognised to the extent that the entity is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

1.15 Taxation

The Society has charitable status and therefore is not subject to Corporation Tax on surpluses derived from charitable activities.

1.16 Value added tax

The Society is VAT registered and is able to recover all VAT incurred at Jamie's Computers and part of the VAT on Head Office costs. All other VAT incurred is included within the category of expenditure to which it relates.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2021 (*Continued*)

1.17 *Financial Instruments*

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Society becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and are measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Society will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Society's cash management.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability or, where deemed appropriate, a shorter period to the net carrying amount on initial recognition.

1.18 *Cash and Cash Equivalents*

Cash and cash equivalents includes cash in hand and bank deposits with maturities of up to three months.

1.19 *Development staff costs*

Where staff costs are directly attributable to the development of new property assets these costs will be capitalised as a development cost of the new asset.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

2 Operating surplus

	2021 £000s	2020 £000s
<i>Operating surplus is stated after charging:</i>		
Depreciation		
- housing properties	283	186
- other fixed assets	179	156
Amortisation of goodwill	26	6
Auditors' remuneration		
- as auditors (including VAT and expenses)	16	15
- other services	-	-
Rent losses from bad debts		
- rent (net of service charges)	29	12
- service charges	24	10
Operating lease costs		
- land and buildings	716	688

3 Income and Expenditure from Social Housing Activities

	2021 £000s	2020 £000s
Income		
Rent receivable net of identifiable service charges and voids	3,283	2,535
Service charges receivable	1,745	1,597
Revenue and capital grants relating to lettings	2,915	1,809
Revenue and capital grants from other social housing activities	3,675	4,331
Turnover from social housing activities	11,618	10,272
Social housing activity expenditure relating to lettings	7,551	6,146
Other social housing activity expenditure	3,618	3,864
Total expenditure on social housing activity	11,169	10,010
Operating surplus from social housing activities	449	262
Void losses	453	264

Within revenue and capital grants relating to lettings was a receipt of £100k from the RC London and South East Region of the National Lottery Community Fund. This was used to help acquire a property that is held within the total for Housing Properties in note 9 below.

4 Staff costs

	2021 £000s	2020 £000s
Wages and salaries	5,915	5,177
Employer National Insurance Contributions	453	399
Employer pension contribution costs	377	406
	6,745	5,982

Company pension scheme contributions are made to pension schemes operated on the company's behalf by TPT retirement solutions (formerly the Pensions Trust) and Hampshire County Council.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2021 (*Continued*)

4 Staff costs (continued)

The average number of staff directly employed by the company during the year (expressed in full time equivalents) was:

	2021 Number	2020 Number
Housing and support	139	119
Substance misuse	59	59
Social enterprise	10	9
Finance	7	7
Administration	14	12
	<u>229</u>	<u>206</u>

5 Senior Management Team's emoluments (including key Management Personnel)

The aggregate emoluments of the Senior Management Team, including the Chief Executive, were:

	2021 £000s	2020 £000s
Wages and salaries	316	293
Employer National Insurance Contributions	36	34
Employer pension contribution costs	41	39
	<u>393</u>	<u>366</u>
Remuneration payable to the highest paid Director excluding pension	<u>78</u>	<u>76</u>

For the year ended 31 March 2021 the number of employees whose annual emoluments including pension contributions were £60,000 or more were:

	2021 Number	2020 Number
£60,000 to £70,000	3	2
£70,000 to £80,000	1	1
£80,000 to £90,000	-	1
£90,000 to £100,000	1	-

The Chief Executive is a member of the 'Growth Plan' pension scheme that is administered by TPT retirement solutions (formerly the Pensions Trust) and was available to all staff until 1 July 2012. As with all staff in this scheme the Chief Executive sacrifices 5% of his salary in order for the company to contribute 14% of salary (as listed above) to the scheme. There are no enhanced or special terms for the Chief Executive's pension and he is an ordinary member of the scheme. The Chief Executive has no other pension arrangements to which the company contributes.

No member of the Board of Trustees received any remuneration in either the current or comparative years.

Society of St James

Notes forming part of the financial statements
for the year ended 31 March 2021 (*Continued*)

6 Interest receivable and similar income

	2021 £000s	2020 £000s
Interest receivable and investment income	3	6

7 Interest payable

	2021 £000s	2020 £000s
Mortgage interest	144	111
Unwinding of discount factor in respect of the pension growth plan	3	1
Less capitalised interest	(13)	(34)
	134	78

8 Tax on surplus on ordinary activities

Society of St James is a registered charity and, as such, is exempt from liability to taxation on income and capital gains derived from its charitable activities.

9 Housing property

	Property in development £000s	Leasehold land and property held for lettings £000s	Freehold land and property held for lettings £000s	Total £000s
<i>Cost</i>				
At 1 April 2020	1,299	1,711	7,337	10,347
Transfers:	(502)	246	256	-
Additions: new properties	766	-	1,578	2,344
works to existing properties	-	51	83	134
Disposals: components replaced	-	-	(1)	(1)
At 31 March 2021	1,563	2,008	9,253	12,824
<i>Depreciation</i>				
At 1 April 2020	-	195	1,139	1,334
Charge for the year	-	46	237	283
Disposals	-	-	(1)	(1)
At 31 March 2021	-	241	1,375	1,616
<i>Net book value</i>				
At 31 March 2021	1,563	1,767	7,878	11,208
At 31 March 2020	1,299	1,516	6,198	9,013

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2021 (*Continued*)

10 Intangible assets						Goodwill £000s
Cost at 1 April 2020						130
Additions – purchase of Linden House care home						291
At 31 March 2021						421
<i>Amortisation</i>						
At 1 April 2020						84
Charge for the year						26
At 31 March 2021						110
<i>Net Book Value</i>						
At 31 March 2021						311
At 31 March 2020						46
11 Other fixed assets						
	Freehold Property £000s	Leasehold Improvements £000s	Motor vehicles £000s	Office Equipment £000s	Housing Equipment £000s	Total £000s
<i>Cost</i>						
At 1 April 2020	237	415	130	208	373	1,363
Additions	-	30	62	7	58	157
Disposals	-	-	(18)	-	-	(18)
At 31 March 2021	237	445	174	215	431	1502
<i>Depreciation</i>						
At 1 April 2020	24	317	69	134	225	769
Charge for the year	3	48	37	32	59	179
Disposals	-	-	(14)	-	-	(14)
At 31 March 2021	27	365	92	166	284	934
<i>Net book value</i>						
At 31 March 2021	210	80	82	49	147	568
At 31 March 2020	213	98	61	74	148	594
On a historical cost basis, the freehold property would have been included at:						
						2021 £000s
Cost						296
Aggregate depreciation						(95)
Depreciated cost						201
						2020 £000s
						296
						(92)
						204

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

12 Investments	Listed £000s	Unlisted £000s	2021 £000s	2020 £000s
<i>Cost or valuation</i>				
Valuation at 1 April 2020	155	10	165	188
Unrealised (deficit)/ gain in year	27	-	27	(23)
Cost or Valuation at 31 March 2021	182	10	192	165
Historic Cost at 1 April 2020 and 31 March 2021	80	10	90	90

All listed fixed asset investments are stated at market value. The unlisted investment is held at cost and represents 100% of the share capital of Jamie's Computers Limited. Jamie's Computers Limited has its registered office at 125 Albert Road South, Southampton, SO14 3FR. Jamie's Computers was dormant throughout the 4 periods from 1 April 2016 to 31 March 2021. Jamie's Computers Limited had £10,000 of unpaid share capital and £9,500 reserves at 31 March 2020 and 31 March 2021.

13 Debtors	2021 £000s	2020 £000s
Trade Rent and service charge	466	379
Debtors: Less Provision for doubtful debts	(211)	(109)
Rent and service charge (net of provision for doubtful debts)	255	270
Other trade debtors (net of provision)	378	284
Grants receivable	26	166
Other debtors	7	-
Prepayments and accrued income	281	145
	947	865

All amounts shown under debtors fall due for payment within one year.

14 Creditors: Amounts falling due within one year	2021 £000s	2020 £000s
Secured mortgage	248	105
Trade creditors	393	392
Grants in advance	302	126
Taxation and social security	134	111
Intercompany creditor (Jamies Computers Ltd)	10	10
Other creditors	266	241
Accruals and deferred income	140	151
Pension creditor (TPT)	24	23
Deferred capital grant (Note 16)	68	64
	1,585	1,223

Included within Grants in advance is £14k (2020: £13k) from the Big Lottery Grant fund relating to their support of the Society's Saints4Sport project and £18k (2020: £22k) relating to the Re:Fit project.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2021 (*Continued*)

15 Creditors: Amounts falling due after more than one year	2021 £000s	2020 £000s
Deferred capital grant (note 16)	3,091	2,690
Secured mortgages	5,987	4,410
Pension creditor	71	88
	9,149	7,188

The mortgages are repaid on a monthly basis over terms ranging from 20 to 30 years. Rates are either variable with a margin over Bank of England base rate or LIBOR, or fixed. The remaining terms on these loans are between 7 and 23 years.

A variable rate of interest was charged on £3,046k of mortgage balances (2020 £4,392k). The variables rates applied are:

	2021 £000s	2020 £000s
LIBOR + 0.65% on the mortgage balance of	349	380
Bank of England (BoE) base rate + 3% on the mortgage balance of	-	271
Bank of England (BoE) base rate + 2.53% on the mortgage balance of	-	374
Bank of England (BoE) base rate + 2% on the mortgage balance of	991	3,367
Bank of England (BoE) base rate + 2.55% on the mortgage balance of	1,706	-
	3,046	4,392

A fixed rate of 3.73% was charged on £zero of mortgage balances (2020 £123k)

A fixed rate of 3.2% was charged on £729k of mortgage balances (2020 £nil).

A fixed rate of 2.9% was charged on £2,460k of mortgage balances (2020 £nil).

The mortgages are secured by fixed charges over 30 of the Society's properties.

The mortgages are repayable as follows:

	2021 £000s	2020 £000s
In less than one year	248	105
In more than one year but less than two years	257	180
In more than two years but less than five years	528	529
In more than five years	5,202	3,701
	6,235	4,515

Society of St James

Notes forming part of the financial statements
for the year ended 31 March 2021 (*Continued*)

16 Deferred Capital Grant	2021 £000s	2020 £000s
At 1 April	2,754	1,688
Grant received in year	472	1,108
Released to income in the year	(67)	(42)
At 31 March	3,159	2,754
Amounts to be released within one year	68	64
Amounts to be released in more than one year	3,091	2,690
	3,159	2,754

17 Commitments

Capital commitments – None

18 Housing stock

The housing stock of the charitable company comprised the following types of property.

	2021 Number	2020 Number
Leased supported units	287	279
Owned supported units	248	226
	535	505

19 Legislative provisions

Society of St James is a company limited by guarantee and is registered with the Charity Commission and the Regulator of Social Housing.

20 Commitments under operating leases

The company had outstanding commitments for future minimum payments under non-cancellable operating leases as set out below:

	Land and buildings 2021 £000s	2020 £000s
Operating leases which expire:		
Within one year	691	708
In two to five years	945	1,270
After five years	243	159
	1,879	2,137

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2021 (*Continued*)

21 Pension Scheme

The Society of St James participates in a variety of pension schemes administrated by TPT retirement solutions, previously the Pensions Trust (the Trustee) and pays contributions at a variety of rates. For members who joined any of the schemes prior to 1 July 2012 the Society paid contributions at the rate of 9% of salary and members paid contributions at the rate of 5% of salary during the accounting period. For members who have transferred into the Society's employment due to TUPE regulations and have relevant employment rights, or who were employed before 1 July 2012, and opted to join one of the pension schemes prior to 30 November 2012, the Society paid contributions at the rate of 6% of salary and members paid contributions at the rate of 5% of salary during the accounting period. For members who joined the Society on or after 1 July 2012, or who opted to join the pension after 30 September 2012, or who were auto enrolled, the Society paid contributions of 3% whilst members paid contributions at the rate of 5% of salary during the accounting period.

All schemes, apart from the Growth Plan (the scheme), are defined contribution schemes. The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers.

The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows

Deficit contributions required from the Society of St James from 1 April 2020 to 31 January 2025 were set at £23,131 per annum (payable monthly and increasing by 3% each on 1st April). From 1 April 2021 the deficit contributions required from the Society of St James increased to £23,825 per annum.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2021 (*Continued*)

21 Pension Scheme (continued)

<i>Present Values of Provision</i>	2021	2020
	£000s	£000s
Present Value of Provision	94	111
 <i>Reconciliation of Opening and Closing Provisions</i>	 2021	 2020
	£000s	£000s
Provision at start of period	111	135
Unwinding of the discount factor (interest expense)	3	2
Deficit contributions paid	(23)	(23)
Remeasurements – impact of any change in assumptions	3	(3)
Remeasurements – amendments to the contribution schedule		
Provision at end of period	94	111
 <i>Income and Expenditure Impact</i>	 2021	 2020
	£000s	£000s
Interest expense	3	2
Remeasurements – impact of any change in assumptions	3	(3)
Remeasurements – amendments to the contribution schedule	-	-
 <i>Assumptions</i>	 2021	 2020
	%	%
Rate of discount	0.66	1.39

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

	2021	2020	2019
	£000s	£000s	£000s
Year 1	24	23	22
Year 2	25	24	23
Year 3	25	25	24
Year 4	22	25	25
Year 5	-	22	25
Year 6	-	-	22
Year 7	-	-	-
Year 8	-	-	-

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

21 Pension Scheme (continued)

Hampshire County Council Pension Fund

The Society commenced participation in the Local Government Pension Scheme (LGPS) administered by Hampshire County Council on 1 November 2016.

The disclosures below relate to the funded liabilities within the Hampshire County Council Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS").

The funded nature of the LGPS requires participating employers and their employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. The last actuarial valuation was at 31 March 2020 and the contributions to be paid until 31 March 2023 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate.

The Fund Administering Authority, Hampshire County Council is responsible for the governance of the Fund.

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole is shown in the disclosures.

The Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

Reconciliation of funded status to Balance Sheet	31 March 2021 £000s	31 March 2020 £000s
Fair value of assets	1,058	823
Present value of funded defined benefit obligation	(1,050)	(719)
Funded status	<u>8</u>	<u>104</u>
Unrecognised asset	(8)	(104)
(Liability) recognised on balance sheet	<u>0</u>	<u>0</u>

The key actuarial assumptions on which the Scheme Actuary's calculations are based are as follows:

	31 March 2021 % per annum	31 March 2020 % per annum
Discount Rate	2.1	2.3
RPI inflation	2.6	1.8
CPI inflation	2.6	1.8
Pension increases	2.6	1.8
General Pay inflation	3.6	2.8
Pension accounts rate of revaluation		1.8

Society of St James

Notes forming part of the financial statements
for the year ended 31 March 2021 *(Continued)*

21 Pension Scheme (continued)

Mortality Assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at 65 resulting from these mortality assumptions are shown below.

Assumed Life expectancy at 65	2021	2020
Male		
Member aged 65 at accounting date	23.1	23.0
Member aged 45 at accounting date	24.8	24.7
Female		
Member aged 65 at accounting date	25.5	25.5
Member aged 45 at accounting date	27.3	27.2

Asset allocation in the scheme is as follows:	2021	2020
	%	%
Equities	57.0	52.7
Property	6.1	7.3
Government bonds	17.3	21.8
Corporate bonds	0	0
Cash	1.4	2
Other	18.2	16.2
Total	100.0	100.0

Amounts recognised in Income Statement	2021	2020
	£000s	£000s
Operating cost		
Current service cost	67	89
Interest on net defined benefit asset	-	(1)
Expense recognised in Income Statement	67	88

Amounts recognised in other Comprehensive Income	2021	2020
	£000s	£000s
Asset gains/ (losses) arising during the period	193	65
Liability gains/ (losses) arising during the period	(237)	51
Adjustments in respect of paragraph 28.22	96	(104)
Total amount recognised in other Comprehensive Income	52	12

Society of St James

Notes forming part of the financial statements
for the year ended 31 March 2021 (*Continued*)

21 Pension Scheme (continued)

Changes to present value of the defined benefit obligation	2021 £000s	2020 £000s
Opening defined benefit obligation	719	651
Current service cost	67	89
Interest expense on defined benefit obligation	17	16
Contributions by participants	11	15
Actuarial (gains)/ losses on liabilities	237	(51)
Net benefits paid out	(1)	(1)
Closing defined benefit obligation	1,050	719
Changes to the fair value of assets	2021 £000s	2020 £000s
Opening fair value of assets	823	650
Interest income on assets	19	17
Remeasurement gains/ (losses) on assets	191	65
Contributions by employer	15	77
Contributions by participants	11	15
Net benefits paid out	(1)	(1)
Closing fair value of assets	1,058	823
Actual Return on Assets	2021 £000s	2020 £000s
Interest income on assets	19	17
Gain/ (loss) on assets	191	65
Actual return on assets	210	82

Society of St James

Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

22 Reconciliation of operating surpluses to net cash inflow from operating activities

	2021 £000s	2020 £000s
Operating surplus	473	194
Amortisation of intangible fixed asset	26	6
Amortisation of deferred capital grant	(67)	(42)
Depreciation of tangible fixed assets	446	342
(Increase)/Decrease in debtors	(82)	394
Increase/(Decrease) in creditors	195	(170)
Pension scheme adjustment	52	11
Net cash inflow from operating activities	1043	735

23 Analysis of change in net debt

	At 1 April 2020 £000s	Cash Flow £000s	Other £000s	At 31 March 2021 £000s
Cash at bank and in hand	1,035	201	-	1,236
Debt due within one year	(105)	105	(248)	(248)
Debt due after one year	(4,410)	(1,826)	248	(5,987)
Total	(3,480)	(1,520)	-	(4,999)

24 Related party transactions

Related party transactions have been recorded during the year between a member of Senior Staff and his brother-in-law, with the brother-in-law providing Handyman maintenance services to the Society. The total expenditure with the related party during the year was £79k (2020: £61k) with £3k outstanding at 31 March 2021 (2020: £6k). Additionally, a member of Senior Staff's daughter was employed during the year. The total remuneration for the member of staff was £1k (2020: less than £1k). No other related party transactions have occurred with regards to the Trustees and Senior Staff as listed on page 1 of these accounts, other than remuneration paid to Key Management Personnel set out in note 5.

25 Post Balance Sheet Events

There were no Post Balance Sheet Events

26 Controlling party

At 31 March 2021 the ultimate controlling party was the Trustees and Directors of the Society of St James.

