

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 G Marshall J Osman R Hollis A Holdup A Davis J Ash A Chaudry	(Chair) (Treasurer) (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.

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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.

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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

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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.

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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.

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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.

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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.

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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
		<hr/> 13,973	<hr/> 12,686
Current assets			
Debtors	13	854	1,246
Cash at bank and in hand		2,028	812
		<hr/> 2,882	<hr/> 2,058
Creditors: amounts falling due within one year	14	1,838	1,728
		<hr/>	<hr/>
Net current assets		1,044	330
		<hr/>	<hr/>
Total assets less current liabilities		15,017	13,016
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	15	10,831	9,042
		<hr/>	<hr/>
Total net assets		4,186	3,974
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Retained earnings		4,186	3,974
		<hr/>	<hr/>
Total Capital and Reserves		4,186	3,974
		<hr/> <hr/>	<hr/> <hr/>

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
	<hr/>	<hr/>

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
	<hr/>	<hr/>
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
	<hr/>	<hr/>
Total expenditure on social housing activity	14,191	13,025
	<hr/>	<hr/>
Operating surplus from social housing activities	438	341
	<hr/>	<hr/>
Void losses	505	532
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	9,374	7,827
	<hr/>	<hr/>

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
							<hr/>
	At 31 March 2023						182
	<i>Net Book Value</i>						
	At 31 March 2023						239
							<hr/>
	At 31 March 2022						275
							<hr/>
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)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	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)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	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
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	At 31 March 2022	246	109	54	35	89	533
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	On a historical cost basis, the freehold property would have been included at:					2023 £000s	2022 £000s
	Cost					296	296
	Aggregate depreciation					(103)	(98)
						<hr/>	<hr/>
	Depreciated cost					193	198
						<hr/>	<hr/>

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
	<hr/>	<hr/>	<hr/>	<hr/>
Cost or Valuation at 31 March 2023	87	10	97	148
	<hr/>	<hr/>	<hr/>	<hr/>
Historic Cost at 1 April 2022	35	10	45	90
Disposal during the year	(13)	-	(13)	(45)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	22	10	32	45
	<hr/>	<hr/>	<hr/>	<hr/>

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
	<hr/>	<hr/>
	854	1,246
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	1,838	1,728
	<hr/>	<hr/>

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	-
	<hr/>	<hr/>
	10,831	9,042
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	2,809	2,913
	<hr/>	<hr/>

	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	-
	<hr/>	<hr/>
	4,432	3,074
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	7,241	5,987
	<hr/>	<hr/>

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)	-
		<hr/>	<hr/>
	At 31 March	3,888	3,471
		<hr/>	<hr/>
	Amounts to be released within one year	117	100
	Amounts to be released in more than one year	3,771	3,371
		<hr/>	<hr/>
		3,888	3,471
		<hr/>	<hr/>
17	Recycled Capital Grant Fund (RCGF)	2023 £000s	2022 £000s
	At 1 April	-	-
	Grants recycled	180	-
	Interest accrued	1	-
		<hr/>	<hr/>
	At 31 March	181	-
		<hr/>	<hr/>
	Amounts to be released within one year	-	-
	Amounts to be released in more than one year	181	-
		<hr/>	<hr/>
		181	-
		<hr/>	<hr/>
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
	<hr/>	<hr/>
	520	546
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	3,193	2,656
	<hr/>	<hr/>

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	2022
	£000s	£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	2022
	£000s	£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.

