

ST JOHN'S WINCHESTER
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021

Charity no 1174290
Registered Company no 10903970

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1. Reference and Administration Details of the Charity, its Trustees and Advisors

The Charity is registered with the Charity Commission under charity registration number 1174290 and is a company limited by guarantee (with registered company number 10903970) incorporated on 8 August 2017. In this report Charity or the Company means St John's Winchester. St John's Winchester is the sole corporate trustee of St John's Winchester Charity, a linked charity which still holds the beneficial ownership of the Charity's permanent endowment.

The Charity's activities are governed by a scheme of the Charity Commissioners dated 14th April 1991, as amended, and by articles of association adopted on 8 August 2017. The Charity's registered office and principal place of business are located at:-

32 St John's South
High Street
The Broadway
Winchester
SO23 9LN

The Board of Directors/Trustees comprises persons who are Appointed Directors (co-opted by the Board or members) and Nominated Directors who are appointed respectively by Winchester City Council and by The Bishop of Winchester. The Directors and Trustees of the Charity who have served during the financial year and up to the date of this report (including those who have retired during the year) are listed below: -

Mr R Bright - Chair
Mrs L Bonnin (appointed 14.12.2020)
Mr R Brand
Mr R Corden
Mr C Day
Mr P Gubb
Mrs E Harrison (retired 08.12.2020)
Mrs C Hayward (retired 08.12.2020)
Ms K Learney
Mr B Moore (appointed 14.12.2020)
Ms E McNicholas (appointed 23.03.2021)
Mr M Noakes (retired 08.11.2020)
Mrs J Rich
Mrs S Simmonds (appointed 14.12.2020)
Mr M Suffield
Mr M Willey

There are currently 13 trustees.

To better manage the affairs of the Charity, the Trustees operate the following four committees whose Chairs report regularly to the main meetings of the Trust Board which in turn take place approximately every quarter: -

AUDIT, RISK AND FINANCE

Mr C Day (Chair)
Mr R Bright
Mr P Gubb

CARE PROVISION

R Bright (Acting Chair)
Mr R Brand
Mrs E McNicholas
Mr Bruce Moore
Mr M Suffield

GOVERNANCE AND STAFF

Mr R Corden (Chair)
Mr C Day
Mrs J Rich

PROPERTY MANAGEMENT AND DEVELOPMENT

Mr P Gubb (Chair)
Mrs L Bonnin
Mr R Bright
Mr M Willey

The senior executive officers of the Charity are as follows: -

Chief Executive:	Mr C Cook
Head of Care Quality:	Mrs S Weekes
Finance Director:	Mrs E Redmond
Investment Property Manager:	Mrs S Duxbury
Facilities Manager:	Mr A Ross

The Chief Executive Officer of the Charity leads the day-to-day management of the Charity reporting to the Chair and Board of Trustees who are responsible for the overall strategic direction of the Charity and ensuring that the Executive implements the agreed strategy and that the Charity's operations are conducted in the most effective way complying with all laws and regulations in a manner consistent with best practice.

The Charity's main advisors are as follows: -

Bankers: National Westminster Bank plc
105 High Street, Winchester SO23 9AW

Auditors: Nexia Smith and Williamson
4th Floor Cumberland House
15-17 Cumberland Place
Southampton SO15 2BG

Solicitors: Stone King
13 Queen's Square
Bath
BA1 2HJ

Property Advisors: Carter Jonas
9a Jewry Street
Winchester SO23 8RZ

2. Structure, Governance and Management

The Charity is a company limited by guarantee which from a charity law perspective is governed by a Charitable Scheme approved and established by the Charity Commission in 1991 and subsequently amended. The articles of association of the Charity reflect the Scheme.

The Charity's strategy is determined by the Board of Trustees which meets quarterly. There are four sub-committees of trustees: Audit, Finance and Risk, Care Provision, Governance and Staff, and Property Management and Development. The Trustees of the Charity receive regular reports at these committee meetings from senior executive officers and from the CQC registered managers responsible respectively for the Almshouses and Moorside and from the Service Manager of the Charity's Hand in Hand service.

The Trustees

The process for appointment of new Trustees is dependent upon whether it is for a Nominated or an Appointed Trustee. One Trustee is currently nominated by Winchester City Council, one by the Bishop of Winchester, and the balance are co-opted by resolution of the Trustees. It is the practice of Winchester City Council to determine at its own cabinet meetings whom to nominate as its Nominated Trustee, and that this person should normally be a serving City Councillor (but not in all cases). It is the Bishop of Winchester's practice to consult the Charity when exercising his power of nomination of one Trustee.

The conduct and efficacy of the Board is underpinned by a Governance Policy that calls for the appraisal of individual trustees and the appraisal of the Board's performance as a whole. The Governance Code adopted by the Charity in 2016 reflects the 'Good Trustee Guide' and other sources of good governance practice. The Charity is undertaking a Governance Review to ensure, amongst other things, its compliance with the Charity Commission's Governance Code.

During the year, four new appointments were made to the Trustee Board. These were:

Linda Bonnin, a highly experienced housing professional who is the Head of Land and New Business Development at major regional housing provider, Vivid Homes.

Ellen McNicholas, who is Director of Quality and Board Nurse at West Hampshire Clinical Commissioning Group (CCG) she is also currently heading up the nursing contribution to the Hampshire Test and Trace Service.

Bruce Moore, CEO of National Housing Provider Housing 21. Bruce is dedicated to improving housing and care for older people. His previous roles include CEO of Hanover Housing Group and of Wolverhampton Homes and Deputy Chief Executive of Anchor Trust. He is also a recognised governance expert.

Suzie Simmons has deep expertise in fundraising and is the current Head of Corporate and Fundraising for Naomi House. Her previous roles include Fundraising Manager for Trinity Hospice and Head of Fundraising at Wessex Heartbeat.

The trustees consider that the current Board continues to reflect an appropriate skills mix including, a Chair who was the former Chief Executive of the Crown Estates, a retired head of planning and property investor, a retired property fund manager and investor, a former founder and Chief Executive of a highly successful charity, the Board Nurse for the West Hampshire CCG, CEO of a major social housing provider, Head of Business Development at a major regional housing association, the former CEO of a Hospital Trust, and a successful entrepreneur involved in social care.

Newly appointed Trustees receive a detailed induction pack, visit the almshouses, and our Hand in Hand office and are given a tour of many of the properties which make up our investment property portfolio. Comprehensive reporting occurs now on a quarterly basis, with the Trustees being provided with quarterly management accounts and a quarterly CEO report. Trustees of the Charity are invited to training programmes arranged by The Almshouse Association and receive safeguarding, GDPR, Equality and Diversity and other training from a reputable outside provider.

Operational decisions e.g., the hiring of new staff and the management of the Charity's property portfolio and care operations are delegated to the Senior Management of the Charity, although the Chief Executive will often draw upon the individual expertise and experience of the Chair and other Trustees. Major investments would be determined by the Trustee Board, following advice and recommendations from Senior Management and external advisors. It is the role of the Trustee Board to scrutinise management actions and determine the strategic direction of the Charity.

Key Management Personnel

Key management personnel are defined as the senior management team, comprising of the Chief Executive, Head of Care Quality and Service Development, Finance Director, Facilities Manager and Investment Property Manager. The members of the team are responsible for managing their respective departments.

The remuneration of the senior management team is reviewed by periodic benchmarking, carried out by the Staff and Governance Committee. Remuneration is benchmarked against equivalent positions in the charity and commercial sectors. The members of the senior management team are not directors of the charity.

Residents

Our Residents' Forum was established in February of 2014 and meets quarterly to provide St John's almshouse residents with the opportunity to express their views and concerns of both a day-to-day nature and more broadly. The Forum is chaired by a resident, chosen by the Forum. It also provides Senior Management with the opportunity to consult with residents on major initiatives. Usually, the meeting will be attended by at least one trustee. A full residents' meeting also takes place twice in each calendar year. The pattern of meetings has been impacted by Covid, but the charity is looking to re-institute face to face meetings in a Covid secure manner.

3. Objectives, Public Benefit, Strategy and Fundraising

Objectives

Our objective is to house older people and provide them with the support to live independently, to provide care to those living with dementia and support older people in Winchester. We relieve poverty by the provision of accommodation for those of limited means, but our remit has been broadened by changes to our Scheme in 2016 which allow us to serve older people regardless of their means, including through the provision of accommodation and services; provided adequate provision has been made to serve those without significant means.

Public Benefit

The almshouses, our Moorside care home and to a lesser extent, St John's Hand in Hand, benefit from significant subsidies which result in a very high standard of care and support. The numbers of residents benefitting vary from year to year but currently there are 81 flats which can accommodate 1 or 2 residents within the almshouses and 31 beds in our St John's Winchester Moorside care home which sadly is in the process of being closed. Our St John's Hand in Hand Scheme has received over 300 referrals, and we are currently supporting 36 Hand in Hand scheme members.

The aims and objectives of the Charity for the public benefit, as defined by the Charities Act 2011, are pursued. The guidance published by the Charity Commission in respect of the subject of public benefit has been followed. This annual report provides information as to the ways in which public benefit is achieved.

Strategy and future plans

In December 2019 the Board adopted an 8-year plan for the future St John's. At its heart is a mission to help the older people of Winchester to Live Well. This involves three core goals:

- Building a new vibrant and supportive community for older people in Winchester;
- Helping older people in Winchester to live well in the wider Winchester Community; and
- Helping older people living with dementia to Live Well.

These goals include ambitious plans to build new almshouses and bring meaningful support to those living with dementia in the wider community and their carers and families.

In February 2020 immediately before the start of the financial year, the charity found itself having to respond to the grave threat that Covid-19 presented to our residents and services. As a consequence, we have been highly focused during the reporting year on safeguarding our residents and doing all in our power to mitigate the impacts of the Pandemic by rigorous infection control in both Moorside and the almshouses and by seeking to ensure that our almshouse residents did not catch Covid or become isolated and were fully supported. This endeavour bore fruit, and we were largely successful in keeping Covid to a minimum although Moorside did suffer two Covid-related deaths during this year, with one resident dying in hospital.

In the light of the broad impact of Covid-19 on the Charity and society at large, a review of the Charity's strategy began in January of 2021 and one of the outcomes of that review has been a decision to close Moorside (that decision was made post year-end). This has been very painful for the residents, their families and staff and the Charity at large. Moorside has been a great success with a strong and consistent reputation for great care.

The review continues and is likely to conclude before the end of calendar year – see our Future Developments.

Fundraising

The Charity receives income from various sources principally, commercial rental income, weekly maintenance charges, care fees and NHS support for its Hand in Hand service. It is not engaged in significant scale pro-active funding raising in recent years, but this will change as the Charity seeks to implement its ambitious plans.

Following the year-end, the Charity has formed a Fundraising Committee whose purpose is to create a fundraising strategy for the Charity to support the expansion of its Hand in Hand services and potentially the development of more almshouses. We expect to conclude this by the end of the 2021/2022 financial year.

The Charity's fundraising activities are administered by employees of the Charity, no third party is acting on the Charity's behalf. The Charity is a member of the Institute of Fundraising. No complaints were received in the period regarding any fundraising activities. Any fundraising activities are kept under review by the Charity's management to ensure that vulnerable people are not unduly pressured, or activities are unreasonably persistent.

4. Achievements and Performance

The Charity's overall short-term objective during the year under review remained the provision of housing, accommodation, care and support for older people in Winchester of the highest possible standard whilst all the time mitigating the effects of the Pandemic.

Almshouses

To support our almshouse residents we employ a welfare team who provide a mix of registered care and welfare support 24 hours a day for 365 days a year which means our community members feel well supported, safe and secure. Our aim is to keep people living independently for as long as possible. In addition to welfare support we employ a therapist, who provides therapeutic massage, yoga and exercise classes. The community support officer provides support for individual residents by spending time with them by helping to ensure that they get the most out of the St John's community. The Registered Care we offer was ranked as 'Good' by the CQC in June of 2019.

Due to the Lockdowns and other Covid-19 restrictions much of the usual community-based activity (normally face to face) could not take place. So, efforts were stepped up to ensure that our residents remained connected with charity staff and each other and did not become socially isolated. These measures included holding church services on zoom and assisting in arranging access to them, increased telephone calls and time to talk, finding volunteers to assist residents with shopping and telephone befriending. More frequent written communication and puzzles and quizzes. Handouts with pictures (of our residents) of exercises that can be done at home or in a chair, yoga leaflets and outdoor and zoom yoga and dance, walking bingo, community together and singing on doorsteps.

Our almshouse community has held together despite Covid through a mix of individual resilience and the great support provided by our almshouse welfare team. With support from our welfare team the residents continue to resume the long-standing community groups wherever possible. The Good Neighbours group, chaired by Anne Manley brings together residents and they support each other when needed. Denis Barret has chaired the residents Forum for many years, and we thank all the residents for their ongoing support for their community. As we move into the future new residents are actively engaged thinking of new ways to shape our community and its future.

In 2016, the Charity adopted a development plan (Option A) to build new almshouses (31 in total on our Colebrook and Chesil sites) and reform 20 of its existing stock on the Southside. The new developments were to take place on our sites on Chesil Street and Colebrook Street. Delays relating to a joint venture impacting the Chesil Street land led to a significant increase in the construction costs making the development uneconomic. In November 2020, contracts were concluded to sell the plot with three separate purchasers for a total sale price of £860,000. One contract completed in the year, and two of the contracts remain to be completed (as contemplated) but are unconditional other than as to the passage of time.

In February 2021, work on the Colebrook development of 15 new almshouses began as projected in our 2019/2020 Annual Report. A delay of some four months to the original timetable occurred as a result of Covid-19. To date the construction works are proceeding to timetable and on budget although as a result in subsequent changes in legislation, we are in discussions with Hampshire Fire Officers which could lead to additional fire prevention/ mitigations costs. It is also now hoped that the Moorside site once vacant (see below St John's Moorside) can provide a further 18 almshouses and this is dealt with below in 'Future Plans' below.

During the year, one more almshouse was reformed to provide wet rooms, level access, and a wheelchair friendly environment. We have now completed reformations of 15 of 20 almshouses that can be reformed. These reformed almshouses have enabled residents to remain in our

community for longer with support avoiding the need to move to new accommodation or into care homes.

St John's Moorside

Moorside dementia home benefitted from a 'Good' Care Quality Commission (CQC) rating overall and an Outstanding rating in terms of being 'Responsive'.

During the Pandemic the management and staff were largely successful in keeping Covid-19 at bay although the Home and families did suffer two deaths which fell within the definition of a 'Covid-related death'. We are greatly sorry for the loss suffered by relatives of those who died. We are also grateful that no staff member has, to date, been taken seriously ill with Covid.

During the early stages of the Pandemic huge efforts were made to keep Covid out of the Home. This was done by working hard to capture reliable sources of effective PPE, avoiding the use of agency staff wherever possible because of their potential exposure to the virus in other care homes, and staff and management's dedication, skill and resilience.

One of the greatest challenges the Home faced was the issue of visiting which at time was not possible under Regulations and guidance, but we did our utmost to facilitate visits for loved ones as safely as possible through window visiting, garden visiting and allotting designated areas in the Home once that was permitted.

Our staff continued to care for residents (and indirectly) their families throughout the Pandemic at considerable personal risk. For this the charity and family members will be forever grateful. A small selection of comments from family members appear below:

'Whenever I come to Moorside I can feel the love. I also have no doubt in my mind that Dad is receiving the best care! I am so happy and grateful that he is in such a happy and loving home'

'We always knew that Mum was in safe loving hands, which was especially important during the lockdown and limited or no access at times over the last year. The sure knowledge of the standard of care she received when we could not see her was such a relief to us'

'May I say how much we appreciate the care and compassion you and your wonderful staff give every day to help my Mum and other residents to enjoy their time with you. It must have been stressful and enormously challenging during the last twelve months especially and I can only say a huge thank you to you (our Matron) and your wonderful team'

'As a family we cannot thank the staff enough for the hard work, dedication and loving care that they provided for my mother and other residents during this very difficult time and for keeping families informed of what was going on throughout the year'

Very sadly, post the fiscal year end, a decision was taken by the Board, subject to consultations, to recommend the closure of Moorside. Following consultations with residents, staff and other stakeholders a final decision was taken to close the Home in June, 2021.

This closure decision was taken largely for financial reasons. The Home has always been subsidised to ensure a level of staffing which would underpin the high level of care provided by St John's. This subsidy was derived largely from our property investment portfolio and during the year ended 31 March 2021 our net income from our property portfolio dropped by 25% from £1.38m to £1.03m compared to the prior fiscal year.

We consider that net income from our property investment portfolio will remain depressed for the foreseeable, resulting in significantly lower funding for Moorside. The Pandemic has increased operating costs and some of those costs are likely to be permanent or at least be incurred for the foreseeable future. On this basis the Home cannot be run on a sustainable financial basis and to continue to run at the current level of subsidy would significantly and materially impact the overall financial position of the Charity in the long term.

The charity now plans to convert the site to almshouses. Please refer to 'Future Plans' for more information about the charity's plans for the Moorside site.

St John's Hand in Hand

The aim of Hand in Hand is to support older people in the wider community to live independently for as long as possible and to relieve loneliness and social isolation. We have worked in conjunction with the three Doctors' Surgeries in Central Winchester, St Clements, Friarsgate and St Pauls throughout the year. Those surgeries refer older patients to us who may be experiencing social problems (e.g., loneliness and isolation) which may impact on their health and wellbeing. We employ a Team Manager, Volunteer Coordinator and two Wellbeing Co-ordinators. During the year, the team also provided a clinic-based service within the GP surgeries providing social prescribing and, if required, arranged a home visit under our Hand in Hand service. The surgeries took this service back in-house as part of an overall re-organisation in April 2021 and St John's working arrangement with them as to the social prescribing clinics came to an end. The primary service continues.

In many cases within the Hand in Hand service we may introduce a volunteer who will befriend the scheme member and help the individual to achieve what they want to achieve. These individuals have been supported by the team to access services and advice by sign posting or by providing volunteer support and befriending. We currently provide more than 20 volunteer hours of support a week.

Covid proved a huge challenge for the Team, who have had to adapt the service delivery as the service was no longer able to carry out home visits. We adapted our training for volunteers to include telephone befriending. Our aim was to ensure that continued support and connection was given to our most isolated scheme members. Some volunteers also supported scheme members by shopping and medication collection/delivery and when allowed, started doorstep visits. More recently the volunteers have been providing a walking support service post Covid to allow members to get out and about again whilst building confidence after long periods of self-isolation.

We also worked alongside GP surgeries in Winchester with contacting patients on their shielding lists. Our Team assessed patients' circumstances to determine if they had adequate support in place (i.e.) shopping delivery, medication delivery and prescription delivery and, if not, put them in touch with agencies and providers who could advise on emergency groups to assist with certain issues, and create family or friendship support networks. The staff also carried out check in calls to scheme members on a weekly basis. Simple, targeted interventions brought about positive benefits e.g., for a scheme member to stay connected with the community we sourced a Chromebook so she could access the internet. She joined an online Yoga class and various online courses throughout the pandemic. Thus helping to build her confidence and IT skills. Volunteers are a key part of our service.

Some quotes from our Scheme Members appear below:

"Though I was shielding I still felt part of the community"

"Couldn't be without my befriender"

“Do not know what I would do without my volunteer, we have developed a lovely friendship”

We now plan to expand our service to support those living with dementia and their carers, see our 'Future Plans' below.

Charitable Property

Special expenditure on Charitable

During the financial year reported on, a total of £156K was spent on 'special expenditure' (maintenance and repair costs not incurred in normal operations) and maintenance in our almshouses and Moorside. This work comprised of roof and wall repairs at Northside and Christes Hospital.

Reformation of Southside Almshouses

To date, a total of 15 almshouses have been substantially reformed to meet the needs of older people by creating level access, wet rooms and other features designed to support independent living for as long as possible. The Charity has expended the sum of £57.5K (1 property) on these reformation efforts in 2020/2021 which make a significant difference to the lives of our residents.

Colebrook Development of New Almshouses

As detailed in the previous Annual Report work began on the Colebrook site (15 new almshouses) in February 2021. Work is presently proceeding to timetable and in budget. Fire safety requirements under new legislation may push up costs beyond the levels of our current contingency sum. The site is directly contiguous to our existing Southside almshouse community, and this will mean that existing almshouse accommodation will now benefit from the lifts in one of the new blocks. We strive to keep our own almshouse residents and impacted residents fully informed in partnership with our contractor Feltham Construction. At present we expect the development to be completed on time in June of 2022.

Investment Property

The Charity benefits from income generated from a property portfolio, the majority of which is located within Winchester City Centre. Consisting of 29 properties (30 properties in the year to 31 March 2020) across all property sectors and providing 53 lettable units the portfolio currently generated a total income of £1.79m in the year (£1.03m net of related expenditure), which is reinvested for the benefit of the Charity.

As a result of the impacts of the Pandemic on our tenant base and on the market in general our gross rental income for the fiscal year dropped to £1.79m as compared to £1.98m for the year ended 31 March 2020, and from £1.38m to £1.03m on a net basis. This 25% reduction in net income has resulted from a mixture of property voids, rent holidays and alternative charging structures such as turnover rents. During this period, we have maintained regular contacts with our tenants to agree rent structures to support them to continue to operate where possible. Whilst we expect the Winchester High Street to prove resilient and the market to improve in due course, the Pandemic has hastened structural changes to the commercial property market, and we expect this reduction in income to prevail for a number of years.

During 2020/21 period we exchanged on the sale of a retail asset in The Square, Winchester, and anticipate completing the sale in late 2021 following the completion of some minor works, this will realise the Charity £610K in sales proceeds.

In 2017/2018 the Charity benefited from a legacy of a substantial residential property located in Barnes Close, Winchester. The Charity has now disposed (2021/2022 financial year) of the property on the open market, realising net proceeds of £1.37m.

5. Financial Review

The Charity incurred a net deficit (before realised and unrealised gains on investments) in the year ended 31 March 2021 of £(580)K, compared with a net surplus during 2019/2020 of £135K. The Charity had budgeted for a deficit of £(1,046)K in the fiscal year. The decreased final deficit figure was mainly due to higher investment income from properties than budget as agreements made with some retail tenants were more favourable than anticipated, and the net cost of running Moorside nursing home were lower as we received funding from the Government via the local authority to cover some increase in costs.

Total income decreased by 23% from £4,722K (including profit on disposal of £932K from the sale Devenish House) to £3,639K.

A major proportion of the Charity's income is derived from its investment in commercial property, consisting of primary and secondary retail units and office premises, mostly in the Winchester area. It is a central objective of the Trustees to optimise the rental income from these properties whilst keeping them in a good state of repair. During the year many of the businesses that occupied these premises could not operate due to the national lockdowns. This resulted in a decrease in income, as vacant premises were difficult to fill, and agreements were reached with some occupiers for reduced or rent-free periods reflecting the financial position of their businesses.

The Charity's other investments are in unitised funds and cash deposits with an overall strategy of obtaining a reasonable return without incurring high risk. These funds have performed well in the year in the year recovering the unrealised loss of £1,809K from the previous year (due largely to the significant impact of the Pandemic on global financial markets), and further growth. As the year-end there was an unrealised gain of £3,041K recorded on these investments. This is an increase in value of 28% against the previous year end value.

However, there was a fall in the property value due to a downward shift in the uncertain commercial property market during and at the end of the year, this totalled an unrealised loss of £(3,514)K (10.2% decrease in the year).

The Charity's expenditure decreased by 8% to £4,219K (2019/20: £4,587K), there were costs incurred in the previous year of a one off write off £181K for costs incurred on the Chesil Street project that is no longer going ahead. These were professional design and survey fees that were capitalised over several years. The Charity incurred increased costs in the current year in relation to the property portfolio as the bad debt provision was substantial. There were decreased costs for charitable activities as maintenance works on charitable properties were delayed as there was limited access to properties as a result of the pandemic.

The Charity's total net assets decreased by 2% from £52,659K to £51,606K. This decrease was largely accounted for by the net revaluation of the Charity's commercial property and listed investments, and the deficit incurred the year.

Reserves

As detailed below in plans for future periods, significant investment is expected in both our Charitable and Investment properties. During these periods, deficits and substantial capital expenditure are expected, but upon completion, the projects are expected to enable the Charity to

be more financially sustainable in the future. The Trustees draw on designated reserves for extraordinary property repairs, as necessary.

Existing designated reserves are as follows:

Major repairs and rebuilding reserve - *investment property*: This was established to provide funds for extraordinary property repairs and improvements on investment properties.

Extraordinary repairs reserve - *charitable property*: This was established to provide funds for extraordinary repairs on the almshouses and nursing homes.

Minibus replacement reserve: This was established to provide fund for a replacement minibus when required.

At the year end the Charity held £16,685K unrestricted reserves, of this £7,212K was designated as detailed above. The remaining unrestricted reserves consist of £6,235K charitable fixed assets and £3,238K accumulated income reserve.

The Charity also held £31K of restricted reserves where the donor of funds has stipulated the use, and £34,890K represent the permanent endowment made to St John's Winchester Charity (St John's Winchester is sole corporate trustee), it is included within these financial statements under a linking directive issued by the Charity Commission.

During 2021/2022 the Trustees will review the Charity's reserves position and set a reserve policy reflecting the funding position after the closure of Moorside and the utilisation of funds on the developments of the Colebrook Street site.

The Trustees monitor the balance between funding the work of the Charity and maintaining necessary reserves for extraordinary expenditure. They remain satisfied that the Charity's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

Investment powers, policy and performance

Monies of the Charity not immediately required for its charitable purposes, and funds held as part of the permanent endowment fund are invested into assets and for a term as the Trustees think fit and suitable in the context of all relevant circumstances of the charity.

The Charity's invested funds are currently invested in cash and marketable equities. Trustees have adopted an investment policy which is medium risk, investing in cash funds and equities, and to this end has also issued a statement of the Charity's investment policy, the terms of reference for the investment managers.

The Charity's investment policy is predicated on the Trustees' obligation to safeguard its assets.

Trustees consider that the performance of its investment portfolio was in line with its policies and overall global stock market conditions in 2020/21 and against a suitable benchmark for this policy.

In 2021/2022 the Trustees will start a review of the current investment portfolio focusing on the risk profile and asset class balance of investments held.

Principal risks and uncertainties

A risk management framework is used for the assessment and management of major risks to which the charity is exposed. This framework uses a detailed risk register as the main tool.

For each major risk that is identified a member of the senior management team is assigned responsibility for identifying the steps needed to manage or mitigate the risk. All identified risks are reviewed by the senior management team on a quarterly basis to ensure that any new risks are identified, and that appropriate actions proposed to mitigate or manage risks are being undertaken. The risks are also reviewed and assessed by the Trustees annually and more frequent updates where material changes are identified. Each sub-committee of the Charity reviews relevant sections of the Risk Register on a quarterly basis.

The major risks that the Trustees and senior management team have identified in the relevant financial year include the following:

- The threat of Covid-19 to the health and wellbeing of our residents and staff
- The financial impact of Covid-19 on the charity and in particular on our investment portfolio
- The impact of Covid-19 on our strategic plans

Going forward it is hoped that the impact of the pandemic will recede, and the major risks that the Trustees and senior management team have identified for the future include the following:

- Performance of the property investment market
- Recruitment of staff with appropriate skills
- Maintenance of historic housing
- Organisational capacity as the charity expands

Going concern

After reviewing relevant forecasts and projections, the current level of reserves and future plans, the Board has concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and that it remains appropriate to prepare the financial statements on the going concern basis.

6. Future Plans

Revisiting our Strategic Plan

The Charity agreed a new ambitious Strategic Plan in December 2019, but its implementation has been impacted by Covid-19, the fight against, which has been the Charity's main focus in the reporting year and beyond.

The reduction in our income has resulted in a decision to close our Moorside care home post the year-end. This very sad decision was taken after consultation with relatives of our Moorside residents, staff and other stakeholders and its implementation is ongoing.

The Board is reviewing all elements of our Strategic Plan but during the year ending 31 March 2021 the Board is looking to advance the following key initiatives:

- To secure a planning permission to convert the Moorside site into 18 almshouses through a sympathetic conversion of the existing building, retaining the garden space and providing some community space for residents and for members of our St John's Hand in Hand Scheme. This new almshouse community would be linked to our existing community and

would benefit from care and support provided by the charity. The aim would be to complete this project by end of 2023.

- The charity has secured an allocation of grant funding from Homes England subject to becoming a registered provider of social housing. The charity's Executive Team is working hard on securing registration which we aim to achieve during 2022. Becoming a registered provider will provide us a strong foundation from which to seek funding and partners for future housing developments. A subsidiary, St John's Winchester Community Housing Limited has been formed to register with Homes England.
- To launch a community-based dementia service as an adjunct to our Hand in Hand service. The core purpose of this service would be to help those living in the community with dementia to live independently and well, for as long as possible and to support their family members and carers to live with the disease. The service would be led by an Admiral Nurse supported by two dementia case workers at the outset. At the date of this report the charity is in advanced discussions with national charity Dementia UK to secure approval for recruitment of an Admiral Nurse. We aim to work in conjunction with various partners, but families will be able to self-refer into the service .
- Further progress our Colebrook Development of 15 'state of the art' new almshouses, involving the reformation of 108 Colebrook Street and the building of two new blocks with communal facilities, and this will also have the added benefit of providing an elevator that existing residents of our Southside almshouses can use. We aim to complete this development in the summer of 2022.

Statement of Trustees' Responsibilities

The trustees (who are also directors of St John's Winchester for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the charitable company, and the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to the auditor

In so far as the trustees/directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Roger Bright

Roger Bright (Nov 1, 2021 10:13 GMT)

ON BEHALF OF THE TRUSTEES

Roger Bright – Chair

Dated 01/11/2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST JOHN'S WINCHESTER

Opinion

We have audited the financial statements of St John's Winchester (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, 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 charitable company's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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 trustees' 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Opinions 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 Trustees' Annual Report, which incorporates the Strategic Report and the Directors' Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Annual Report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report contained within the Trustees' Annual 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13 the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company 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 charitable company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the entity's policies and procedures regarding compliance, and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the charitable company's industry and regulation.

We understand that the charitable company complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change.
- Regular reporting to and meetings of the Board of Trustees meaning that any litigation or claims would come to their attention directly.

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 charitable company's ability to conduct its business, and/or where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the charitable company:

- The Companies Act 2006, FRS 102 and Accounting and Reporting by Charities: Statement of Recommended Practice (the SORP) in respect of the preparation and presentation of the financial statements.
- Health and safety regulations, including building and fire safety.
- Compliance with the regulations of the Care Quality Commission ("CQC") as a health and social care provider within its care homes and Almshouses.

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

- Performed searches of the CQC website to identify any areas of concern as well as review the results of any inspections and/or reports where available.
- Held discussions with management, the Audit, Finance & Risk Committee and reviewed the meeting minutes of the Board of Trustees.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements, especially revenue, via fraudulent journal entries.
- Bad debt provision as these are estimates made by management.

These areas were communicated to the other members of the engagement team not present at the discussion.

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

- Substantive work on material areas affecting profits.
- Challenging management regarding the assumptions used in the estimates identified above, and comparison to post-year-end data as appropriate
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts.

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 charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson
Nexia Smith & Williamson (Nov 1, 2021 14:45 GMT)

Julie Mutton
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants
4th Floor Cumberland House
15-17 Cumberland Place
Southampton
SO15 2BG

Date 01/11/2021

ST JOHN'S WINCHESTER
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds <u>2021</u> <u>£'000</u>	Restricted funds <u>2021</u> <u>£'000</u>	Endowment funds <u>2021</u> <u>£'000</u>	Total Funds <u>2021</u> <u>£'000</u>	Total Funds <u>2020</u> <u>£'000</u>
Income and endowments from:						
Donations and legacies	4	4	-	-	4	5
Income from charitable activities - housing and care provision						
Contributions from charges due	2	1,734	-	-	1,734	1,739
Grants		-	33	-	33	29
Investments	3	1,821	-	-	1,821	2,017
Other income						
Profit on disposal of fixed assets		47	-	-	47	932
Total income and endowments		3,606	33	-	3,639	4,722
Expenditure						
Expenditure on raising funds						
Cost of managing investments	5	758	-	-	758	597
Expenditure on charitable activities						
Housing and care provision	6	3,428	33	-	3,461	3,799
Other costs						
Loss on disposal of fixed assets		-	-	-	-	191
		3,428	33	-	3,461	3,990
Total expenditure		4,186	33	-	4,219	4,587
Net (expenditure)/income before gains on investments	8	(580)	-	-	(580)	135
Net unrealised gains/(losses) on investments	10	1,799	-	(2,272)	(473)	(3,754)
Net income/(expenditure)		1,219	-	(2,272)	(1,053)	(3,619)
Net movement in funds		1,219	-	(2,272)	(1,053)	(3,619)
Reconciliation of funds						
Funds brought forward at 01 April	18	15,466	31	37,162	52,659	56,278
Transfers	18	-	-	-	-	-
Funds carried forward at 31 March	18	16,685	31	34,890	51,606	52,659

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

Accounting policies and other notes on pages 21-31 form part of these financial statements.

ST JOHN'S WINCHESTER
BALANCE SHEET AS AT 31 MARCH 2021

	Notes	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Endowment Funds 2021 £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Fixed assets						
Tangible fixed assets	9	5,502	-	872	6,374	6,109
Investments	10	10,673	-	34,018	44,691	45,048
Total fixed assets		16,175	-	34,890	51,065	51,157
Current assets						
Cash at bank and in hand		1,173	31	-	1,204	2,079
Debtors and prepayments	11	403	-	-	403	391
		1,576	31	-	1,607	2,470
Creditors amounts falling due in one year	12	(1,013)	-	-	(1,013)	(915)
Net current assets		563	31	-	594	1,555
Total assets less current liabilities		16,738	31	34,890	51,659	52,712
Creditors: amounts falling due after more than one year	13	(53)	-	-	(53)	(53)
Total net assets		16,685	31	34,890	51,606	52,659
Funds						
Permanent endowment and associated reserves						
Permanent endowment fund	18	-	-	31,043	31,043	34,137
Capital recoupment reserve	18	-	-	3,553	3,553	2,765
Investment revaluation reserve	18	-	-	294	294	260
		-	-	34,890	34,890	37,162
Restricted funds						
Moorside reserve	18	-	29	-	29	29
Hand in Hand reserve	18	-	2	-	2	2
		-	31	-	31	31
Unrestricted funds						
Charitable property reserve	18	6,235	-	-	6,235	5,938
Other designated reserves	18	7,212	-	-	7,212	5,775
Accumulated income reserve	18	3,238	-	-	3,238	3,753
		16,685	-	-	16,685	15,466
Total charity funds		16,685	31	34,890	51,606	52,659

The accounting policies and other notes on pages 21-31 form part of these financial statements

The financial statements were approved by the Trustees on 01/11/2021

Roger Bright
 Roger Bright (Nov 1, 2021 10:13 GMT)

.....
Roger Bright- Chair
ST JOHN'S WINCHESTER

Christopher Day
 Christopher Day (Nov 1, 2021 11:52 GMT)

.....
Christopher Day- Trustee

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
		<u>£'000</u>	<u>£'000</u>
Cash used in operating activities	1	(2,255)	(2,430)
Cash flows from investing activities			
Investment income		1,821	2,017
Purchase of tangible fixed assets		(460)	(329)
Purchase of investments		(116)	(116)
Receipts from the sale of investments		-	-
Receipts from the sale of fixed assets		135	1,853
Cash provided by investing activities		1,380	3,425
(Decrease)/increase in cash and cash equivalents in the year		(875)	995
Cash and cash equivalents at the beginning of the year		2,079	1,084
Total cash and cash equivalents at the end of the year		1,204	2,079

1. Reconciliation of net movement in funds to the net cash flow from operating activities

Net (expenditure)/income before gains/(losses) on investments	(580)	135
Investment income included in investing activities	(1,821)	(2,017)
Depreciation charge	107	110
Profit on disposal on the sale of fixed asset	(47)	(932)
Write off of fixed assets	-	191
(Increase)/Decrease in debtors	(12)	16
Increase/(Decrease) in short- term creditors	98	67
Net cash used in operating activities	(2,255)	(2,430)

2. Analysis in changes in net debt

	At 1 April 2020	Cash flows	At 31 March 2021
Cash and cash equivalents			
Cash	2,079	(875)	1,204
Borrowings			
Due in more than 1 year	(53)	-	(53)
	(53)	-	(53)
Total	2,026	(875)	1,151

ST. JOHN'S WINCHESTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. PRINCIPAL ACCOUNTING POLICIES

St John's Winchester ("the Charity") is a private company limited by guarantee and is incorporated in England and Wales; the registered office address is 32 St John's South, Winchester SO23 9LN and the registered number is 10903970. The company is also a registered charity number 1174290.

The accounts have been prepared in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS 102(effective 1 January 2019) (the SORP) and the Companies Act 2006.

(a) Basis of accounting

The accounts include the results of both St John's Winchester and the Permanent Endowment Fund of St John's Winchester Charity, which are combined for reporting purposes under the linking direction issued by the Charity Commission on 9 May 2019.

The Charity meets the definition of a public benefit entity under FRS102. Under this definition financial statements are prepared on the historical cost basis of accounting with the exception of the valuation of the freehold investment property and investments.

The accounts are prepared on a going concern basis. The Trustees have carefully reviewed the future prospects of the Charity and its future cash flows and have reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future being at least the next 12 months from the signing of these accounts.

(b) Income

Charitable income represents maintenance contributions receivable in the case of the almshouses, and carehome charges due at Moorside. Income is recognised in the period to which it relates. All income is included in The Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy, except for grants and donations where the donor:

- Imposes conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of the legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

.

(c) Fixed Assets

(i) Charitable Property

Properties acquired are included in the balance sheet at cost less depreciation. Historic assets i.e. properties constructed prior to 1900 are not included in the balance sheet as their costs, which have been fully written off, are not possible to ascertain. These freehold properties have not been included at a valuation due to the impracticality of such valuation. The Charity's policy is to maintain the properties to a good standard through a continuing programme of refurbishment and maintenance. Depreciation is charged on a straight-line basis over 50 years.

PRINCIPAL ACCOUNTING POLICIES (Continued)

(ii) Equipment

Equipment and fittings are included in the balance sheet at cost and depreciated at 10%- 20% straight line per annum.

(d) Investments

(i) Investments

Investments are included in the balance sheet at market value. Investment income is recognised in the period to which it relates (property) and when receivable (listed).

(ii) Investment properties

These are included in the balance sheet at the Trustees' valuation based upon professional advice. The surpluses or deficits on revaluation of individual properties are transferred to the permanent endowment fund. Depreciation is not provided in respect of freehold investment properties.

(e) Defined Contribution Pension Schemes

The pension costs charged to the Statement of Financial Activities represent the amount of contributions payable to the schemes in respect of the accounting period.

(f) Charitable property reserve

This capital reserve represents that proportion of the cost of properties, net of depreciation which was financed from the Charity's accumulated income reserve.

(g) Capital recoupment reserves

These reserves represent the recoupment from revenue over an extended period of that proportion of the costs of properties purchased or receiving major improvements in past years which was financed from permanent endowment funds.

(h) Repairs and rebuilding reserves

These reserves represent amounts set aside to carry out future major repairs and rebuilding of charitable and investment properties. The policy for investment in these reserves is the purchasing of units in NAACIF on a quarterly basis.

(i) Value added tax

The Charity was registered for value added tax in July 2005 for the purpose of acquiring the industrial unit in Totton. This is the only property that has been 'opted to tax'. In these financial statements, where applicable, all other expenditure is shown inclusive of VAT.

(j) Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Allocation of overhead and support costs

Overhead and support costs relating to charitable activities have been apportioned at 65% and the costs of managing investments at 35%, based on staff time and salaries.

(l) Financial instruments

The Charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans and mortgages which are subsequently measured at amortised cost using the effective interest method.

(m) Key sources of judgement and estimation uncertainty

In the application of the charity's accounting policies, described in the accounting policies above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The Trustees consider that the following are key estimates;

- For the year ended 31 March 2021, depreciation of fixed assets is charged over the useful economic life of the assets. Trustees and management review the useful economic life on an annual basis. At the year end the Charity held fixed assets of £6,374K (depreciation charge for the year £107K), the economic life of assets was estimated to be between 5 and 50 years.
- Bad debt provisions- Debtors are reviewed regularly to assess likelihood of recoverability. A provision of bad debt is estimated based on these reviews. At the year-end debtors in respect of investment properties totalled £650K with a provision of £391K against these balances (2020: £370K with a provision of £98K).
- Investment properties- Investment properties are carried at the market value of the assets. The Trustees and management, with the advice of professional valuers estimate these values based on market conditions at the date of valuation

(n) Exemption from preparing consolidated accounts

As permitted under Section 405 of the Companies Act, the charitable company has taken the exemption from the requirement to prepare consolidated financial statements as the exclusion of its subsidiary, St John's Community Housing Limited, is not material for the purposes of giving a true and fair view.

ST. JOHN'S WINCHESTER**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

2	<u>INCOME FROM CHARITABLE ACTIVITIES</u>	<u>2021</u> <u>£'000</u>	<u>2020</u> <u>£'000</u>
	Almshouse weekly maintenance charge	498	520
	Care home fees	1,236	1,219
	Grants community services	33	29
		<u>1,767</u> =====	<u>1,768</u> =====
3	<u>INVESTMENT INCOME</u>	<u>2021</u> <u>£'000</u>	<u>2020</u> <u>£'000</u>
	Investment property rental income	1,789	1,980
	Common investment funds	30	31
	Other income	2	6
		<u>1,821</u> =====	<u>2,017</u> =====
4	<u>INCOME FROM DONATIONS AND LEGACIES</u>	<u>2021</u> <u>£'000</u>	<u>2020</u> <u>£'000</u>
	Donations	4	5
	Legacies	-	-
		<u>4</u> =====	<u>5</u> =====
5	<u>COST OF MANAGING INVESTMENTS</u>	<u>2021</u> <u>£'000</u>	<u>2020</u> <u>£'000</u>
	Professional fees	62	76
	Property repairs and maintenance	216	297
	Irrecoverable rent arrears	274	20
	Support costs	206	204
		<u>758</u> =====	<u>597</u> =====
6	<u>EXPENDITURE ON CHARITABLE ACTIVITIES</u>	<u>2021</u> <u>£'000</u>	<u>2020</u> <u>£'000</u>
	Staff and agency costs	1,695	1,696
	Property and equipment costs	722	1,078
	Direct costs	658	644
	Support costs	383	378
	Charitable property mortgage	3	3
		<u>3,461</u> =====	<u>3,799</u> =====

ST. JOHN'S WINCHESTER**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****7 SUPPORT AND GOVERNANCE COSTS**

	Charitable Activities £'000	Investment Management £'000	2021 Total £'000
Staff costs	268	144	412
Office equipment and IT	28	15	43
Legal fees	12	6	18
Strategic, PR and HR consultancy	8	5	13
Repairs and renewals	17	9	26
Sundries	12	6	18
Governance	38	21	59
	383	206	589
	=====	=====	=====
	Charitable Activities £'000	Investment Management £'000	2020 Total £'000
Staff costs	277	149	426
Office equipment and IT	30	16	46
Legal fees	8	4	12
Strategic, PR and HR consultancy	12	8	20
Office repairs and utilities	17	9	26
Sundries	9	6	15
Governance	25	12	37
	378	204	582
	=====	=====	=====

8 NET INCOME/EXPENDITURE

	<u>2021</u> £'000	<u>2020</u> £'000
Surplus is stated after charging-		
Depreciation- tangible fixed assets	107	110
Auditor's remuneration (including VAT)		
-in their capacity as auditor	14	14
-other services	-	2
	=====	=====

ST. JOHN'S WINCHESTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9 TANGIBLE FIXED ASSETS	Charitable Property £'000	Equipment £'000	Total £'000
Cost or valuation			
At 1 April 2020	6,728	660	7,388
Additions	450	10	460
Disposals	(91)	-	(91)
At 31 March 2021	<u>7,087</u>	<u>670</u>	<u>7,757</u>
Depreciation			
At 1 April 2020	790	489	1,279
Charge for the year	65	42	107
Disposals	(3)	-	(3)
At 31 March 2021	<u>852</u>	<u>531</u>	<u>1,383</u>
Net book value at 31 March 2021	<u>6,235</u>	<u>139</u>	<u>6,374</u>
Net book value at 31 March 2020	5,938	171	6,109

All charitable properties are freehold.

10 INVESTMENTS	Investment properties £'000	Listed investments £'000	Cash or Cash Equivalents £'000	Total £'000
At 1 April 2020	34,151	10,872	25	45,048
Additions	-	116	-	116
Change in market value	(3,514)	3,041	-	(473)
Valuation at 31 March 2021	<u>30,637</u>	<u>14,029</u>	<u>25</u>	<u>44,691</u>
	Investment properties £'000	Listed investments £'000	Cash or Cash Equivalents £'000	Total £'000
At 1 April 2019	36,096	12,565	25	48,686
Additions	-	116	-	116
Change in market value	(1,945)	(1,809)	-	(3,754)
Valuation at 31 March 2020	<u>34,151</u>	<u>10,872</u>	<u>25</u>	<u>45,048</u>

The investment properties form part of the permanent endowment of the Charity and generate the principal revenues with which to finance its charitable activities. The properties have been revalued by the Trustees as at 31 March 2021 after consultation with Carter Jonas.

Subsidiary undertakings

St John's Community Housing Limited was incorporated on 14 January 2021 and has not traded since its incorporation. St John's Community Housing Limited was incorporated as a private company limited by guarantee without share capital, incorporated in England & Wales. Its registered office is 32 St. Johns South, The Broadway, Winchester, United Kingdom, SO23 9LN.

At 31 March 2021, St John's Winchester holds 100% of the voting rights and the power to appoint or remove a majority of the board of directors of St John's Community Housing Limited hence this constitutes significant control under FRS102 and St John's Community Housing Limited is therefore considered a 100% subsidiary of the company. The aggregate amount of St John's Community Housing Limited capital and reserves as at 31 March 2021 was £nil.

ST. JOHN'S WINCHESTER**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

11	<u>DEBTORS</u>	<u>2021</u> <u>£'000</u>	<u>2020</u> <u>£'000</u>
	Investment property rents	259	272
	Other debtors and prepayments	144	119
		<u>403</u>	<u>391</u>
		=====	=====

12	<u>CREDITORS: Amounts falling due within one year</u>	<u>2021</u> <u>£'000</u>	<u>2020</u> <u>£'000</u>
	Trade creditors	172	142
	Other creditors	48	53
	PAYE and other taxes	37	37
	Accruals and deferred income	756	683
		<u>1,013</u>	<u>915</u>
		=====	=====

12.b	<u>Deferred income (included in note 12)</u>	<u>2021</u> <u>£'000</u>	<u>2020</u> <u>£'000</u>
	Balance as at 1 April	515	423
	Amounts released to investment income	(398)	(378)
	Amounts released to income from charitable activities	(117)	(45)
	Amounts deferred in the year	475	515
		<u>475</u>	<u>515</u>
		=====	=====

13. CREDITORS: Amounts falling due after more than one year

The loan from The Housing Corporation is secured by charges on the Charity's housing properties and is repayable in annual instalments with interest rates and final repayment date as follows: -

	<u>Interest</u> <u>Rate</u>	<u>2021</u> <u>£'000</u>	<u>2020</u> <u>£'000</u>
Housing Corporation -			
Final repayment date 30.09.2044	10.250%	<u>53</u>	<u>53</u>
		-----	-----

14. TRUSTEES' REMUNERATION AND EXPENSES

The Trustees neither received nor waived any emoluments during the year (2020: Nil).
Trustees were reimbursed expenses of £ Nil (2020: £Nil).

ST. JOHN'S WINCHESTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

15. STAFF COSTS

	<u>2021</u>	<u>2020</u>
The average number of employees (both full and part time) employed by the Charity during the year was		
Charitable activities	78	76
Management and administration	12	11
	-----	-----
	90	87
	=====	=====
	<u>£'000</u>	<u>£'000</u>
Wages and salaries	1,863	1,807
Social Security costs	157	152
Pension costs	106	105
	-----	-----
	2,126	2,064
	=====	=====
	<u>2021</u>	<u>2020</u>
The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was: £60,000 - £70,000	2	1
	<u>£'000</u>	<u>£'000</u>
Pension contributions paid in respect of higher paid Employees	11	5

The Key management personnel of the Charity comprise the trustees, the Chief Executive Officer, Head of Care Quality, Finance Director, Facilities Manager and Investment Property Manager. The total employee benefits (including employers' national insurance) of the key management personnel of the Charity were £300,465 (short term benefits £280,332, long term benefits £20,133) (2020: £ 294,559 (short term £ 274,821, long term benefits £19,738)).

All pension costs are charged against unrestricted funds.

16. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments at the balance sheet date totalled £4,171,659, this is a contract with Feltham Construction Limited for the renovation and build of 15 new almshouses at 108 Colebrook Street, Winchester (2020: Nil).

17. TAXATION STATUS

St John's Winchester is a registered charity whose income is generally exempt from liability to corporation tax by virtue of its charitable objectives and activities. As explained in Note 1 (i), the charity is unable to recover the majority of VAT charged on purchases of goods and services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

18	STATEMENT OF FUNDS	At 1 April 2020 £'000	Income £'000	Expenditure £'000	Investment gains/(loss) £'000	Transfers £'000	At 31 March 2021 £'000
	Unrestricted funds						
	Charitable property reserve	5,938	-	-	-	297	6,235
	Minibus replacement reserve	31	-	-	-	-	31
	Major repairs and rebuilding reserve- Investment property	3,448	-	-	988	59	4,495
	Extraordinary repairs reserve- charitable property	2,296	-	-	660	(270)	2,686
	Accumulated income reserve	3,753	3,608	(4,186)	156	(91)	3,238
		<u>15,466</u>	<u>3,606</u>	<u>(4,186)</u>	<u>1,804</u>	<u>(5)</u>	<u>16,685</u>
		=====	=====	=====	=====	=====	=====
	Restricted funds						
	Donations Moorside	29	-	-	-	-	29
	Donations Hand in Hand	2	-	-	-	-	2
	Grant- Hand in Hand	-	33	(33)	-	-	-
	Total restricted funds	<u>31</u>	<u>33</u>	<u>(33)</u>	<u>-</u>	<u>-</u>	<u>31</u>
		=====	=====	=====	=====	=====	=====
	Endowment funds						
	Permanent endowment funds	34,137	-	-	(3,099)	5	31,043
	Investment revaluation reserve	260	-	-	34	-	294
	Capital recoupment reserves	2,765	-	-	788	-	3,553
	Total endowment funds	<u>37,162</u>	<u>-</u>	<u>-</u>	<u>(2,277)</u>	<u>5</u>	<u>34,890</u>
		=====	=====	=====	=====	=====	=====
	Total funds	<u>52,659</u>	<u>3,639</u>	<u>(4,219)</u>	<u>(473)</u>	<u>-</u>	<u>51,606</u>
		=====	=====	=====	=====	=====	=====

Funds

Unrestricted funds comprise of those funds with the Trustees are free to use in accordance with the charitable activities.

Charitable property fund represents the net book value of charitable property held as fixed assets.

Designated funds

Major repairs and rebuilding reserve- investment property: This was established to provide funds for extraordinary property repairs and improvements on investment properties.

Extraordinary repairs reserve- charitable property: This was established to provide funds for extraordinary repairs on the almshouses and nursing homes.

Minibus replacement reserve: This was established to provide fund for a replacement minibus when required.

Restricted funds are funds which have been given for particular purposes and projects.

- Donations Moorside- fund which are to be utilised at Moorside nursing home
- Donations Hand in Hand- funds which are to be utilised on the provision of the 'Hand in Hand' service
- Hand in Hand Grant- funds received to provide a social prescribing service via 2 Winchester GP surgeries

The **Endowment Fund** represents those assets which must be held permanently by the Charity, principally investment properties. Income arising on the endowment fund can be used in accordance with the objectives of the Charity and is included as unrestricted income. Any gains or losses arising on the investments form part of the fund.

ST. JOHN'S WINCHESTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

19. FINANCIAL INSTRUMENTS

Financial instruments measures at fair value

	<u>2021</u>	<u>2020</u>
	<u>£'000</u>	<u>£'000</u>
Investments measured at fair value	44,691 =====	45,048 =====

20. RELATED PARTY TRANSACTIONS

The charity has a working relationship with Winchester City Council ("WCC") and the Council has the right to nominate 2 of our trustees (see the Trustees' Annual Report). During the year there was 1 trustee nominated by the Council, Kelsie Learney.

During the year £90,271 (2020: £60,881) of payments were made to WCC for the payment of council tax and planning fees. All of these conducted on an arm's length basis based upon standard charges levied by way of a set calculation by WCC

Details of compensation payable to key management is disclosed in note 15.

21. POST BALANCE SHEET EVENTS

At a Board meeting on 27 April 2021 a proposal was made to close Moorside Nursing Home which is operated by the Charity. After consultation the Board approved this proposal on 14 June. It is anticipated that the home will close by 30 September 2021. Due to the uncertainty of the timing of the re housing current residents it is not possible to make a reliable estimate on the financial impact on the Charity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**22. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Endowment funds 2020 £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
Income and endowments from:						
Donations and legacies	4	1	4	-	5	114
Income from charitable activities - housing and care provision						
Contributions from charges due	2	1,739	-	-	1,739	1,593
Grants		-	29	-	29	-
Investments	3	2,017	-	-	2,017	1,950
Other income						
Profit on disposal of fixed assets		932	-	-	932	-
Total income and endowments		4,689	33	-	4,722	3,657
Expenditure						
Expenditure on raising funds						
Cost of managing investments	5	597	-	-	597	629
Expenditure on charitable activities						
Housing and care provision	6	3,770	29	-	3,799	3,382
Other costs	6					
Loss on disposal of fixed assets		191	-	-	191	-
		3,961	29	-	3,990	3,382
Total expenditure		4,558	29	-	4,587	4,011
Net income/ (expenditure) before gains on investments	8	131	4	-	135	(354)
Net unrealised (losses) on investments	10	(1,097)	-	(2,657)	(3,754)	(448)
Net (expenditure)/ income		(966)	4	(2,657)	(3,619)	(802)
Net movement in funds		(966)	4	(2,657)	(3,619)	(802)
Reconciliation of funds						
Funds brought forward at 01 April	18	16,432	27	39,819	56,278	57,080
Transfers	18	-	-	-	-	-
Funds carried forward at 31 March	18	15,466	31	37,162	52,659	56,278