

ST JOHN'S WINCHESTER
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022

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
Mr R Brand
Mr R Corden
Mr C Day
Mr P Gubb
Ms K Learney
Mr B Moore (retired 24 May 2022)
Ms E McNicholas
Mrs J Rich (retired 22 February 2022)
Mrs S Simmonds
Mr M Suffield
Mr M Willey

There are currently 11 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 M Suffield

GOVERNANCE AND STAFF

Mr R Corden (Chair)
Mr R Bright
Mr C Day

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: CLA Evelyn Partners Limited (formerly Nexia Smith and Williamson)
4th Floor Cumberland House
15-17 Cumberland Place
Southampton SO15 2BG

Solicitors:	Stone King	Blake Morgan
	Upper Borough Court	New Kings Court
	Upper Borough Walls	Chandlers Ford
	Bath	Eastleigh
	BA1 1RG	SO53 3LG

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, Risk and Finance, Care Provision, Staff and Governance, 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 manager responsible for the Almshouses 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.

During the year, the term of office of trustee Judith Rich expired and post the year-end Bruce Moore resigned from the main board so he could take up a post as chair of the Charity's wholly owned subsidiary, St John's Community Housing Ltd.

The Charity has adopted the Charities Governance Code for larger charities and during the current financial year will conduct an assessment of its compliance with the Code and in particular with the Code's requirements pertaining to Equality, Diversity and Inclusion.

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 regional Director for the Royal College of Nursing, a former Finance Director of a national publicly funded organisation, the Head of Land Development at a major regional housing association, the former CEO of a Hospital Trust, and a successful entrepreneur involved in social care and housing.

Newly appointed Trustees receive a detailed induction pack, visit the almshouses and key portfolio properties and meet personnel running our key services. Comprehensive reporting occurs on a quarterly basis, with the Trustees being provided with quarterly management accounts, a quarterly CEO report and data supporting Key Performance Indicators. 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 day-to-day management of the Charity's core services, the hiring of new staff, the management of the Charity's property portfolio 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 in support of key operational decisions. 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 Members of the Management Team

These comprise of the Chief Executive, Head of Care Quality and Service Development, Finance Director, Facilities Manager and Investment Property Manager. These Managers are responsible for managing their respective teams.

The remuneration of the senior management team is reviewed and benchmarked periodically, by the Staff and Governance Committee. Remuneration is benchmarked against equivalent positions in the charitable and not-for-profit sectors. The members of the senior management team are not directors of the Charity.

Residents

Our Residents' Forum 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.

3. Objectives, Public Benefit, Strategy and Fundraising

Objectives

Our objectives are to house older people in Winchester of limited means and enable them to live well and independently for as long as possible, and to provide services in the wider community to help older people live well and independently in their own homes for as long as possible.

In October 2022 the Charity aims to launch two new services. The first being a Dementia Support Service with the aim of supporting those living with dementia and their families to live as well as possible with dementia. The second being a Homeshare service matching an older (householder) and younger (sharer) who share a home with the sharer paying no rent but providing up to 14 volunteer hours per week to support the welfare of the householder.

Public Benefit

The almshouses and 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 from our almshouses vary from year to year but currently there are 81 flats which can accommodate 1 or 2 residents within the almshouses. Our St Johns Hand in Hand Scheme has received over 300 referrals, and we have introduced a self-referral process (in addition to referrals from GPs and Social Services) to increase accessibility to the service.

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 strategic plan

In light of the impacts of the Covid-19 pandemic on our operations and financial position, the Board began a review in June 2021 of the 8-year strategy it had adopted in December 2019.

The pandemic resulted in a significant drop in our income in the year ended 31 March 2021, and this drop continued to impact gross income from our property portfolio in the year to 31 March 2022 of £1,493K (2021: £1,789K). Overall, the gross income from our property portfolio for the year

ended 31 March 2022 is 16.5% down on the previous year end, and 22% down on pre pandemic levels. (31 March 2019 pre-pandemic (£1,918K).

In response to the Charity's changing financial circumstances both in the previous and reporting year, a decision was made in principle to close our Moorside nursing home. This was re-affirmed in the current year after consultations with staff and with residents and their families. This was a very difficult decision for the Charity, as our trustees and staff were acutely aware of the potential impact on residents and families. The closure was achieved in September of 2021 with a high level of support being offered to families and to staff. All our residents were re-homed through the collaborative efforts of families, Hampshire County Council and St John's and almost all our staff found new roles. A number of staff were redeployed within the Charity and more have returned to the Charity since to work in our expanding services.

The strategic review was completed by December 2021 with a revised 5 -year plan for St John's called 'Building on a Strong Foundation'. The Charity's core goals remain the same:

- Build new vibrant and supportive communities where older people can live well
- Help older people in the wider Winchester Community to live well
- Help older people living with dementia to live well.

The Charity is confident of delivering on these goals in the coming years. It is building 15 new state of-the-art almshouses on its Colebrook site in the centre of Winchester and expects to complete the development before the end of the current fiscal year.

St John's Community Housing

At the beginning of the financial year the Charity confirmed that subject to becoming registered as a provider of social housing, future development of new almshouses and potentially other accommodation would be carried out through a newly wholly-owned subsidiary (incorporated in the previous financial year), St John's Community Housing (SJCH), which is also a registered Charity. SJCH would bring benefits to the St John's Group which would include:

- Potential access to Homes England grants - a contingent allocation of funding has been secured in respect of the Colebrook development
- An additional driver of high standards of housing and tenant (occupant) management in the almshouses and future developments
- Enhancing the Charity's attractiveness and credibility as a potential development partner for housing associations and private developers

In mid-September, St John's Community Housing submitted a Preliminary Application to the Regulator for Social Housing. In January our Preliminary Application was approved and we have now submitted a Final Application at the beginning of the second quarter of the current fiscal year.

There is no guarantee that SJCH will be successful in its Final Application but we are confident that the Charity can navigate the increased compliance requirements that would follow from registration.

SJCH has an independent Chair, Bruce Moore, who is a recognised authority on affordable housing and care for older people and a governance expert.

Our existing almshouse stock will continue to be owned and operated by St John's Winchester.

Fundraising for Service Expansion

The Charity receives income from various sources principally; commercial rental income, weekly maintenance charges, and care fees. It is not engaged in significant scale pro-active fundraising in recent years, but this is now changing as the Charity seeks to implement its ambitious plans and expand its community outreach services.

The Charity has been working with a fundraising consultant who are undertaking consultations with stakeholders, trustees and residents around the messaging that will support future fundraising efforts. The Charity expects to have a strategy in place by December 2022 to raise funds for the expansion of its dementia service and to have launched a legacy campaign during 2023.

The Charity's fundraising activities are administered by employees of the Charity, no third party is currently acting on the Charity's behalf (apart from the work detailed above). 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 CQC registered care service was not inspected in the year but continues to maintain an overall Good rating with the Care Quality Commission.

At the end of 2021 it became apparent that the community was changing and with the needs of our elderly residents were requiring a higher level of care. The Welfare Team built good relationships with the local community nurses and GP surgeries and have worked with adult services to support these needs. Due to the changing needs of the residents and the new Almshouse development started in 2021 the long-term strategy is to develop a care service. This will enable the Welfare team to provide Local Authority funded care and will be developed into next year After the closure of Moorside Nursing Home in September 2021 we were pleased to welcome two members of Moorside staff to the Welfare team.

A survey took place for those receiving registered care and the outcome of this survey was that residents are happy with the standard of care being provided.

To support the changing needs in the Almshouses two new chargeable services, a Foot Specialist Service and Housekeeping Service have been implemented during this period.

During the year the Almshouse team also continued to support residents during a pandemic. The ever-changing restrictions and guidance was a complex process to manage with the need for a

team effort to closely monitor the implementation of the guidelines. The support of the Welfare team and delivery of care for our residents was the responsibility of the new registered manager Rebecca Hynard-Hicks who received the Mayor's Award for her work as a new manager during the pandemic.

As restrictions were lifted activities in the Almshouses were recommenced. The Welfare staff set up wellness clinics to support residents confidence as they started to get ready to go back in to the community. The easing of restrictions meant that the teams were able to cautiously open events in the Almshouses at the end of the year and at the beginning of 2022 the community started to open up again. New community groups were started by the team which were resident led. A fish and chips and quiz afternoon with the support of our very productive, resident good neighbours group who created a newsletter.

By working collaboratively with other St John's services the Welfare Team were able to link with one of the Community Connectors who generous donation 15 free meals a month which have been of great benefit to some of our residents. The introduction of our community lunches have involved residents in the planning and preparation of a lunch in the Almshouse Community Room.

At the beginning of 2022 a residents forum took place and a new resident chair was elected. This forum gives residents the opportunity to become involved with the Almshouse community and management of the Almshouses. The health and wellbeing and ongoing safety of resident is important. Residents expressed an interest in learning more about Lasting Power of Attorney and a member of the Welfare Team became a Scam alert champion.

The Almshouses and the Welfare Team have continued to support and collaborate with local charities and groups throughout the year. The Play to the Crowd group that works with the Theatre Royal have involved the Almshouse residents and worked with local schools and the Hat Fair artists in workshops. This is to share ideas and create flags, banners and carnival decorations. When this was completed, there was a grand finale in the Abbey gardens for a celebratory picnic. The residents picked the theme from choices provided which include 'not all superheroes wear capes', 'Celebrating LGBT', 'feast of cultures' and 'women who changed the world'

The main aim of the Almshouses for the coming year is to develop the registered care services to plan for the new Almshouse development and grow the staff team whilst working with internal and external services.

Almshouse development

In February 2021, work on the Colebrook development of 15 new almshouses began. However, completion of the development was delayed. Start of site work was held back because of Covid-19 and it is now expected that the development will be completed in the first quarter of 2023.

In late 2016, the Charity began a process of reforming 20 of our Southside almshouses for independent living for older people. The programme worked on the basis that an almshouse would be reformed as and when it became free. During 2021/2022 we started work on 1 almshouse and have now completed 15 of 20 (18 will be completed by the end of 2022/23). These reformed almshouses enable residents to remain in our community for longer with support and care avoiding the need to move to new accommodation or into care homes.

St John's Moorside

In March of 2021 a decision was taken in principle to close our Moorside Dementia Home subject to a consultation with staff, residents and the local community. The decision was affirmed in June and the Home closed in September of 2021.

This closure decision was taken largely for financial reasons and the building no longer being fit for use for dementia care. 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 2022 our net income from our property portfolio dropped by 22% (25% decrease in 2020/21). The closure of care homes (especially in the not-for-profit sector) is a problem across the country as the sector suffers from chronic underfunding and staff shortages.

The closure was concluded with the successful re-homing of all of our residents and with all of our staff being supported to find new work. A small contingent were redeployed in the Charity and a number of former staff have now re-joined the Charity as our services begin to expand.

Plans are now well advanced to convert Moorside into 18 new almshouses. The Charity received positive pre-app feedback from Winchester City Council Planning Department and has now submitted a full planning application. A concern is the escalating costs of development caused by inflation, supply chain issues and labour shortages. The Charity is hopeful that work can commence on the site spring/summer 2023, once it has produced detailed costings. 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 and thank them for their co-operation. 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.

In November 2021 the service celebrated its 3rd year anniversary since the launch. During this time, we have had over 79 volunteers in the last 2 years have supported over 300 scheme members in the last 3 years through befriending, sign posting, social prescribing clinics and by working with the adult health and social care teams.

The Volunteers during a year with the ongoing pandemic have managed to continue to support older people in our community. They have found ways to provide support in line with the guidance and restrictions through telephone befriending or virtual chats and garden visits. In June 2021 the St Johns Hand in Hand team celebrated Volunteer week and the volunteers shared their experience in an interview with Winchester Radio.

To raise the profile of the Hand in Hand service and recruit volunteers the team developed a PR and Marketing plan. The Marketing materials and Webpage were revamped to advertise for volunteers and to reflect the opening up of referrals which will include self-referrals to the befriending service and information about our community connectors.

Community Connectors

The team launched the community connectors initiative at the end of 2021 and developed a wider referrals action plan. St Johns community connectors, help to provide information about the Hand in Hand service and the valuable work it does in the local community with older people. By the end of March 2022 there were 11 community connector businesses signed up with 28 due to return their application. The team had made contact with 68 service providers and organisations within our Winchester community.

The Hand in Hand team successfully supported members to set up a 'Younger Older' person café group which with the support of a local café in Winchester was run by volunteers and the members.

A great source of volunteers has been the local University. By working with the University we have given students the opportunity to find out about volunteering. The students set up a 'Chatty café' which took place over 4 weeks. This was an ideal opportunity for residents to meet with a younger cohort of students who were studying how to support the welfare of older people to live well in later life. The Café gave residents the chance to share knowledge or something a resident would like to explore for example "How to use an iPad" or show a student how to knit.

Quote from volunteer

"I am so appreciative of all the support you and the Hand in Hand Team give to me. I know you are always at the end of the phone/email if ever I have something to flag which is really reassuring."

Improving knowledge and understanding for our volunteers

The standards within the Hand in Hand service are very important to maintain a safe and reliable service. The service aims to provide support for volunteers to learn new skills or refresh old ones. Working with other charities within our community is important. At the end of 2021 the team worked jointly to provide volunteer training session with the Parish visitors. The first session delivered by a local GP on safeguarding & lone working. We hope this will continue on a regular basis in the coming years.

By working with external providers, we were able to access additional training and two volunteers signed up for the 'Advice first aid' training delivered by Citizen Advice.

The service completes an annual review with scheme members regarding the support from our volunteers and the team which resulted in positive feedback.

Service delivery

The Hand in Hand service has had in the region 200 referrals during this year with up to 93 open cases. This equates to a delivery of between 73 and 93 hours of volunteer support time or sign posting time being provided by the team each month.

The service had a number of volunteers during this time between with 28 and 35 volunteers employed throughout the year. The number of volunteers fluctuates during the year with term time seeing an increase in volunteers and applications due to working with the university students.

The aim of the service in the coming year will be to increase the volunteer numbers and increase the resources available to do this by recruiting a volunteer administrator to support the ongoing recruitment process. The marketing and branding will be reviewed and different avenues to raise the profile of the Hand in Hand service will be outlined in a detailed implementation and marketing plan. The review of the volunteer strategy will support this process along with the ongoing networking by opening up and increasing the referral pathway with the community connectors initiative. The team will focus on businesses to join in the wider Winchester area.

Charitable Property

Special expenditure on Charitable

During the financial year reported on, a total of £12K(2021: £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 paving repairs at North Side. This type of expenditure was lower than previous years as we have now completed a programme of roofing and other works in the previous year.

Reformation of Southside Almshouses

To date, a total of 15 almshouses out of 20 have been substantially reformed to meet the needs of older people by creating level access, wet rooms and other features designed to support living independently and well for as long as possible. The Charity started works on a further unit in the year and expended the sum of £27K on these reformation efforts in 2021/2022 which make a significant difference to the lives of our residents. We will complete the unit started and undertake two further conversions during 2022/23 taking the total completed to 18.

Colebrook Development of New Almshouses

As detailed in the previous Annual Report work began on the Colebrook site (15 new almshouses) in February 2022. The start of work on site was delayed by Covid and there have been subsequent delays. These delays, and the liability for them, are subject matter of ongoing discussions and negotiations with our contractor Feltham Construction. At present we expect the development to be completed during the last quarter of the current fiscal year. 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.

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 2022) across all property sectors and providing 61 lettable units the portfolio currently generated a total income of £1.49m in the year (£0.81m 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 £1.49m as compared to £1.79 m for the year ended 31 March 2021, and from £1.03m to £0.81m on a net basis. This 22% reduction in net income has resulted from a mixture of property voids, rent holidays, renewals being made at lower rents, 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.

5. Financial Review

The Charity incurred a net deficit (before realised and unrealised gains on investments) in the year ended 31 March 2022 of £(611)K, compared with a net deficit during 2020/2021 of £(580)K. The Charity had budgeted for a deficit of £(851)K in the fiscal year. The decreased final deficit figure was mainly due to higher investment income from properties than budget as some units were occupied where we anticipated voids, and some extraordinary maintenance projects that were planned to be completed on almshouses were deferred.

Total income decreased by 28% from £3,639K to £2,633K (including £190K profit on disposal on sales of properties).

Income from charitable activities has decreased (as have some costs, see below) from £1,767K to £910K due to the closure of Moorside Nursing home in September 2021.

Also, 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 previous year and continuing into 2021/22 many of the businesses that occupied these premises could not operate due to the national lockdowns. This resulted in a continued decrease in investment income into 2021/22 with the continuation of agreements with some occupiers for reduced rents due to Covid impact, and that vacant premises which are continuing to be difficult to lease. There are also a number of lease renewals in negotiations in progress where the new rent is expected to be settled at a significantly lower level than the previous lease rate.

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 in line with the market during the year, at the year-end there was an unrealised gain of £1,475K (2021 £3,041K) recorded on these investments. This is an increase in value of 10.42% 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 £(3,502)K (12% decrease in the year).

The Charity's expenditure decreased by 23% to £3,244K (2020/21: £4,219K) There were decreased costs for charitable activities mainly attributable to the closure of Moorside in September 2021, and the deferral of some major works in relation to communication systems in the almshouses.

The Charity's total net assets decreased by 2.1% from £51,606K to £50,521K. 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 our Charitable properties. During these periods substantial capital expenditure is 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 funds for a replacement minibus when required.

At the year end the Charity held £16,868K unrestricted reserves, of this £7,522K was designated as detailed above. The remaining unrestricted reserves consist of £7,692K charitable fixed assets and £1,654K accumulated income reserve.

The Charity also held £5K of restricted reserves where the donor of funds has stipulated the use, and £33,648K 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.

Reserves policy

During the year the Trustees reviewed 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 policy was set at a Board meeting in March 2022.

The policy agreed was to aim to retain unrestricted free reserves on a continuous basis equivalent to 12 months ordinary running costs. At the year end the accumulated income reserve was the equivalent to 12.5 months budgeted ordinary running costs (excluding items to be funded from designated funds)

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 for a term as determined by the Trustees based on the 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 2021/22 and against a suitable benchmark for this policy.

In 2022/2023 the Trustees will complete 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 of risk management.

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 Risk Register is also subject to significant trustee input and scrutiny. Each Quarter the Risk Register is divided up into areas for scrutiny by the four trustee committees. After each Committee Meeting, the Register is revised to reflect any comments and then put to the Board as a whole for review.

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

- The financial impact of Covid-19 and the general economic climate on the Charity, in particular on our investment portfolio
- The impact of increasing inflation and supply chain interruptions, particularly in relation to capital projects
- Strain on management capacity and time with the challenges of managing multiple projects/service launches

Going forward it is hoped that the impact of the pandemic will continue to 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
- Increasing inflation and energy prices
- Recruitment of staff with appropriate skills/experience
- Organisational capacity as the Charity expands
- Succession planning

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

These are summarised in the section headed Strategy and Future Plans. In short, the Charity will be driving forward its three key strategic goals by:

- Building new vibrant and supportive communities where older people can live well
- Helping older people in the wider Winchester Community to live well
- Helping older people living with dementia and their families and carers to live well

The first goal the Charity is looking to realise by successfully developing is Colebrook and Moorside sites to create 33 new almshouses and complete the reformation of 20 existing almshouses by 2024.

The second by expanding the geography and scope of its Hand-in-Hand service over the next two years and launching a Homeshare service in Winchester and its surrounding areas in October 2022.

The third by launching its Admiral Nurse led Dementia support service in October 2022.

We also aim to become a registered provider of social housing for older people through our wholly owned subsidiary and Charity, St John's Community Housing Ltd.

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
- 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 (Oct 20, 2022 18:58 GMT+1)

ON BEHALF OF THE TRUSTEES

Roger Bright – Chair

Dated 20/10/2022

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 2022 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 2022 and of its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 the 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 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
- 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
- the financial statements are not in agreement with the accounting records and returns
- certain disclosures of trustees' remuneration specified by law are not made
- 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 14 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 income and expenditure
- 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.


CLA Evelyn Partners Limited (Oct 24, 2022 15:18 GMT+1)

Julie Mutton
Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants
4th Floor Cumberland House
15-17 Cumberland Place
Southampton
SO15 2BG

Date 24/10/2022

ST JOHN'S WINCHESTER
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	Note s	Unrestrict ed funds 2022 £'000	Restricted funds 2022 £'000	Endowment funds 2022 £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Income and endowments from:						
Donations and legacies	4	2	4	-	6	4
Income from charitable activities - housing and care provision						
Contributions from charges due	2	910	-	-	910	1,734
Grants		-	-	-	-	33
Investments	3	1,527	-	-	1,527	1,821
Other income						
Profit on disposal of fixed assets		190	-	-	190	47
Total income and endowments		2,629	4	-	2,633	3,639
Expenditure						
Expenditure on raising funds						
Cost of managing investments	5	683	-	-	683	758
Expenditure on charitable activities						
Housing and care provision	6	2,483	30	-	2,513	3,461
Other costs						
Loss on disposal of fixed assets		48	-	-	48	-
Total expenditure		3,214	30	-	3,244	4,219
Net expenditure before gains/(losses) on investments	8	(585)	(26)	-	(611)	(580)
Net unrealised gains/(losses) on investments		799	-	(2,826)	(2,027)	(473)
Net realised gains/ (losses) on investments		(31)		1,584	1,553	-
Net income/(expenditure)		183	(26)	(1,242)	(1,085)	(1,053)
Net movement in funds		183	(26)	(1,242)	(1,085)	(1,053)
Reconciliation of funds						
Funds brought forward at 01 April	18	16,685	31	34,890	51,606	52,659
Transfers	18	-	-	-	-	-
Funds carried forward at 31 March	18	16,868	5	33,648	50,521	51,606

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 2022

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u> <u>2022</u> <u>£'000</u>	<u>Restricted</u> <u>Funds</u> <u>2022</u> <u>£'000</u>	<u>Endowment</u> <u>Funds</u> <u>2022</u> <u>£'000</u>	<u>Total</u> <u>Funds</u> <u>2022</u> <u>£'000</u>	<u>Total</u> <u>Funds</u> <u>2021</u> <u>£'000</u>
Fixed assets						
Tangible fixed assets	9	6,895	-	872	7,767	6,374
Investments	10	10,163	-	30,263	40,426	44,691
Total fixed assets		17,058	-	31,135	48,193	51,065
Current assets						
Cash at bank and in hand		278	5	2,513	2,796	1,204
Debtors and prepayments	11	386	-	-	386	403
		664	5	2,513	3,182	1,607
Creditors amounts falling due in one year	12	(801)	-	-	(801)	(1,013)
Net current (liabilities)/assets		(137)	5	2,513	2,381	594
Total assets less current liabilities		17,095	5	33,648	50,748	51,659
Creditors: amounts falling due after more than one year	13	(53)	-	-	(53)	(53)
Total net assets		16,868	5	33,648	50,521	51,606
Funds						
Permanent endowment and associated reserves						
Permanent endowment fund	18	-	-	29,409	29,409	31,043
Capital recoupment reserve	18	-	-	3,943	3,943	3,553
Investment revaluation reserve	18	-	-	296	296	294
		-	-	33,648	33,648	34,890
Restricted funds						
Moorside reserve	18	-	-	-	-	29
Donation funds	18	-	5	-	5	2
		-	5	-	5	31
Unrestricted funds						
Charitable property reserve	18	7,692	-	-	7,692	6,235
Other designated reserves	18	7,522	-	-	7,522	7,212
Accumulated income reserve	18	1,654	-	-	1,654	3,238
		16,868	-	-	16,868	16,685
Total Charity funds		16,868	5	33,648	50,521	51,606

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..20/10/2022

Roger Bright
Roger Bright (Oct 20, 2022 18:58 GMT+1)
.....
Roger Bright- Chair

Chris Day
C M Day (Oct 20, 2022 20:17 GMT+1)
.....
Christopher Day- Trustee

ST JOHN'S WINCHESTER
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	<u>Notes</u>	<u>2022</u>		2021	
		<u>£'000</u>	<u>£'000</u>	£'000	£'000
Cash used in operating activities	1		(2,390)		(2,255)
Cash flows from investing activities			-----		-----
Investment income		1,527		1,821	
Purchase of tangible fixed assets		(1,861)		(460)	
Purchase of investments		(116)		(116)	
Receipts from the sale of investments		3,907		-	
Receipts from the sale of fixed assets		525		135	
Cash provided by investing activities			-----		-----
			3,982		1,380
Increase/(Decrease) in cash and cash equivalents in the year			-----		-----
			1,592		(875)
Cash and cash equivalents at the beginning of the year			-----		-----
			1,204		2,079
Total cash and cash equivalents at the end of the year			-----		-----
			2,796		1,204

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

Net (expenditure)/income before gains/(losses) on investments	(611)	(580)
Investment income included in investing activities	(1,527)	(1,821)
Depreciation charge	85	107
Profit on disposal on the sale of fixed asset	(190)	(47)
Write off of fixed assets	48	-
Decrease/(Increase) in debtors	17	(12)
(Decrease)/Increase in short- term creditors	(212)	98
Net cash used in operating activities	-----	-----
	(2,390)	(2,255)

2. Analysis in changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
Cash and cash equivalents			
Cash	1,204	1,592	2,796
Borrowings			
Due in more than 1 year	(53)	-	(53)
	(53)	-	(53)
Total	1,151	1,592	2,743

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 care home 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) Redundancy costs

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the Charity is demonstrably committed to terminate the employment of an employee or group of employees or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The Charity is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

(m) 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. The Charity also has listed investments which are financial assets measured at fair value

(n) 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 2022, 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 £7,767K (depreciation charge for the year £85K), 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 £676K with a provision of £429K against these balances (2021: £650K with a provision of £391K).
- 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

(o) 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 2022**

2	<u>INCOME FROM CHARITABLE ACTIVITIES</u>	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
	Almshouse weekly maintenance charge	519	498
	Care home fees	391	1,236
	Grants community services	-	33
		<u>910</u> =====	<u>1,767</u> =====
3	<u>INVESTMENT INCOME</u>	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
	Investment property rental income	1,493	1,789
	Common investment funds	31	30
	Other income	3	2
		<u>1,527</u> =====	<u>1,821</u> =====
4	<u>INCOME FROM DONATIONS AND LEGACIES</u>	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
	Donations	6	4
	Legacies	-	-
		<u>6</u> =====	<u>4</u> =====
5	<u>COST OF MANAGING INVESTMENTS</u>	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
	Professional fees	102	62
	Property repairs and maintenance	368	216
	Irrecoverable rent arrears	7	274
	Support costs	206	206
		<u>683</u> =====	<u>758</u> =====
6	<u>EXPENDITURE ON CHARITABLE ACTIVITIES</u>	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
	Staff and agency costs	1,007	1,695
	Property and equipment costs	792	722
	Direct costs	377	658
	Support costs	382	383
	Charitable property mortgage	3	3
		<u>2,561</u> =====	<u>3,461</u> =====

ST. JOHN'S WINCHESTER**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022****7 SUPPORT AND GOVERNANCE COSTS**

	Charitable Activities £'000	Investment Management £'000	2022 Total £'000
Staff costs	267	144	411
Office equipment and IT	26	16	42
Legal fees	17	9	26
Strategic, PR and HR consultancy	11	6	17
Repairs and renewals	19	10	29
Sundries	18	8	26
Governance	24	13	37
	<u>382</u>	<u>206</u>	<u>588</u>
	=====	=====	=====

	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
Office repairs and utilities	17	9	26
Sundries	12	6	18
Governance	38	21	59
	<u>383</u>	<u>206</u>	<u>589</u>
	=====	=====	=====

8 NET INCOME/EXPENDITURE

	2022 £'000	2021 £'000
Surplus is stated after charging-		
Depreciation- tangible fixed assets	85	107
Auditor's remuneration (including VAT)		
-in their capacity as auditor	16	14
-other services	-	-
	=====	=====

ST. JOHN'S WINCHESTER**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

9 TANGIBLE FIXED ASSETS	Charitable Property £'000	Equipment £'000	Total £'000
Cost or valuation			
At 1 April 2021	7,087	670	7,757
Additions	1,857	4	1,861
Disposals	(348)	(261)	(609)
At 31 March 2022	8,596	413	9,009
Depreciation			
At 1 April 2021	852	531	1,383
Charge for the year	65	20	85
Disposals	(13)	(213)	(226)
At 31 March 2022	904	338	1,242
Net book value at 31 March 2022	7,692	75	7,767
Net book value at 31 March 2021	6,235	139	6,374

All charitable properties are freehold.

10 INVESTMENTS	Investment properties £'000	Listed investments £'000	Cash or Cash Equivalents £'000	Total £'000
At 1 April 2021	30,637	14,029	25	44,691
Additions	-	116	-	116
Disposals	(2,354)	-	-	(2,354)
Change in market value	(3,502)	1,475	-	(2,027)
Valuation at 31 March 2022	24,781	15,620	25	40,426

	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	30,637	14,029	25	44,691

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 2022 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 2022, 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 2022 was £nil.

ST. JOHN'S WINCHESTER**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

11	<u>DEBTORS</u>	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
	Investment property rents	247	259
	Other debtors and prepayments	139	144
		<u>386</u>	<u>403</u>
		=====	=====

12	<u>CREDITORS: Amounts falling due within one year</u>	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
	Trade creditors	145	172
	Other creditors	51	48
	PAYE and other taxes	23	37
	Accruals and deferred income	582	756
		<u>801</u>	<u>1,013</u>
		=====	=====

12.a	<u>Deferred income (included in note 12)</u>	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
	Balance as at 1 April	475	515
	Amounts released to investment income	(300)	(398)
	Amounts released to income from charitable activities	(175)	(117)
	Amounts deferred in the year	417	475
		<u>417</u>	<u>475</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>2022</u> <u>£'000</u>	<u>2021</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 (2021: Nil).
Trustees were reimbursed expenses of £ Nil (2021: £Nil).

ST. JOHN'S WINCHESTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

15. STAFF COSTS

	<u>2022</u>	<u>2021</u>
The average number of employees (both full and part time) employed by the Charity during the year was		
Charitable activities	47	78
Management and administration	11	12
	-----	-----
	58	90
	=====	=====
	<u>£'000</u>	<u>£'000</u>
Wages and salaries	1,359	1,863
Social Security costs	118	157
Pension costs	84	106
Redundancy payments	285	-
	-----	-----
	1,846	2,126
	=====	=====

Redundancy payments were made in the year totalling £284,992 (2021: NIL). These payments were made on the termination of employment for employees of Moorside Nursing home which closed in September 2021.

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was:	<u>2022</u>	<u>2021</u>
£70,000- £80,000	1	0
£60,000 - £70,000	0	1
	<u>£'000</u>	<u>£'000</u>
Pension contributions paid in respect of higher paid Employees	6	6

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 £304,244 (short term benefits £283,860, long term benefits £20,384) (2021: £ 300,645 (short term £ 280,332 long term benefits £20,133)).

All pension costs are charged against unrestricted funds.

16. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments at the balance sheet date totalled £2,562,779, this the remainder of a contract with Feltham Construction Limited for the renovation and build of 15 new almshouses at 108 Colebrook Street, Winchester (2021: £4,171,659).

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 2022

18	STATEMENT OF FUNDS	At 1 April 2021 £'000	Income £'000	Expenditure £'000	Investment gains/(loss) £'000	Transfers £'000	At 31 March 2022 £'000
	Unrestricted funds						
	Charitable property reserve	6,235	-	-	-	1,457	7,692
	Minibus replacement reserve	31	-	-	-	-	31
	Major repairs and rebuilding reserve- Investment property	4,495	-	-	495	60	5,050
	Extraordinary repairs reserve- charitable property	2,686	-	-	297	(542)	2,441
	Accumulated income reserve	3,238	2,629	(3,214)	(24)	(975)	1,654
		<u>16,685</u>	<u>2,629</u>	<u>(3,214)</u>	<u>768</u>	<u>-</u>	<u>16,868</u>
		=====	=====	=====	=====	=====	=====
	Restricted funds						
	Donations Moorside	29	-	(29)	-	-	-
	Donations Hand in Hand	2	1	(1)	-	-	2
	Donations Defibrillator	-	3	-	-	-	3
	Total restricted funds	<u>31</u>	<u>4</u>	<u>(30)</u>	<u>-</u>	<u>-</u>	<u>5</u>
		=====	=====	=====	=====	=====	=====
	Endowment funds						
	Permanent endowment funds	31,043	-	-	(1,634)	-	29,409
	Investment revaluation reserve	294	-	-	2	-	296
	Capital recoupment reserves	3,553	-	-	390	-	3,943
	Total endowment funds	<u>34,890</u>	<u>-</u>	<u>-</u>	<u>(1,242)</u>	<u>-</u>	<u>33,648</u>
		=====	=====	=====	=====	=====	=====
	Total funds	<u>51,606</u>	<u>2,633</u>	<u>(3,244)</u>	<u>(474)</u>	<u>-</u>	<u>50,521</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 2022

19. FINANCIAL INSTRUMENTS

Financial instruments measures at fair value

	<u>2022</u>	<u>2021</u>
	<u>£'000</u>	<u>£'000</u>
Investments measured at fair value	15,620 =====	14,029 =====

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 £84,401 (2021: £90,271) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**22. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Endowment funds 2021 £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
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