

Charity Registration No. 1201351

**THE HOSPITALS OF ST JOHN THE BAPTIST AND ST  
NICHOLAS, CANTERBURY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2023**

# **THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY**

## **CONTENTS**

	<b>Page</b>
Legal and administrative information	1
Trustees' report	2
Independent auditor's report	5
Statement of financial activities	8
Balance sheet	9
Statement of cash flows	10
Notes to the financial statements	11

# **THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

### **Trustees**

Dr J M Potter, Retired Physician (Chairman)  
J Cotterill Esq, Registered Nurse, (Vice Chairman)  
A R Amlot, Retired  
Colonel J Carey-Harris TD FRGS  
The Very Reverend Dr M J Chandler  
J A Cooper Esq, Retired Hospice Chief Executive  
R Cullen Esq, University Lecturer  
Mrs P Shephard MBE, DL, Retired Company Director  
M J G Fletcher Esq (Appointed 30 April 2024)

*Unless otherwise stated, all Trustees listed above were appointed when the CIO was founded on 15 December 2022*

### **Prior**

The Very Reverend Dr M J Chandler

### **Clerk**

M J G Fletcher Esq

### **Senior management team**

Robyn Dye, General manager

### **Charity number**

1201351

### **Principal office**

The Gatehouse  
Northgate  
Canterbury  
Kent  
CT1 1BG

### **Independent auditors**

Azets Audit Services  
2<sup>nd</sup> Floor  
32 – 33 Watling Street  
Canterbury  
Kent  
CT1 2AN

### **Bankers**

National Westminster Bank plc  
11 The Parade,  
Canterbury  
Kent  
CT1 2DT

### **Solicitors**

Lee Bolton Monier-Williams LLP  
1 The Sanctuary  
Westminster  
London  
SW1P 3JT

# **THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY**

## **TRUSTEES' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023**

The Trustees present their report and financial statements for the period ended 31 December 2023.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

### **OBJECTIVES AND ACTIVITIES**

#### **a. Policies and objectives**

The object of the charity is to provide affordable residential accommodation for elderly people in need.

#### **b. Strategies for achieving objectives**

This object is promoted by the provision of independent flats or cottages occupied at low rents in a relatively secure environment.

#### **c. Main activities undertaken to further the charity's purposes for the public benefit**

The Trustees have reviewed the Charity Commission's guidance on the requirement to report on public benefit.

The Board is satisfied that the work of the charity, described below, accords with its stated objects and provides tangible public benefit to a wide section of those who reside within the charity's areas of benefit.

### **ACHIEVEMENTS AND PERFORMANCE**

#### **a. Review of activities**

The Trustees report that the charity has continued to fulfil the function previously carried on by St John's Hospital and St Nicholas' Hospital, which transferred their activities to the charity on 1 January 2023. Five new residents joined the community in the course of the period. Residents at St John's number 36 and at St Nicholas number 11 at the period end. There are two vacant flats with new residents due to move in, so taking the Hospitals up to 100% occupancy.

Three flats have been fully upgraded over the period with a further three flats being modernised with new kitchens/bathrooms.

Ms Robyn Dye joined the charity as the General Manager in February 2023. She has rapidly developed extremely good relations with residents, staff and Trustees alike. She has worked assiduously to consolidate the merger of the previous charities and finalise the requirements of incorporation of the new charity.

She has instigated a dynamic programme of work to review and overhaul the administration and management of the charity. The programme is already bearing fruit in terms of financial management, budgetary control, governance review and enhanced IT infrastructure.,

In line with the stipulations of the incorporated charity, the Trustees have initiated a process of Trustee succession planning.

As the effect of the Covid pandemic wanes, the commercial activity of the charity has returned to normal. The charity has invested significant sums in upgrading commercially rented properties eg The Chantry in Harbledown, securing, as a result, enhanced rental return.

The Trustees are evaluating the heritage associated with the charity. A sub-group of Trustees have reviewed the bibliography and catalogued the artefacts associated with the Hospitals. Steps are underway to ensure the historical buildings dating back to the 11<sup>th</sup> century are appropriately maintained.

# **THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY**

## **TRUSTEES' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023**

### **a. Review of activities (continued)**

As ever, the environment within the Hospitals is greatly enhanced by the committed work of Jeremy Foad ensuring the gardens are well stocked, maintained and presented.

The Trustees are extremely grateful to the various people who ensure the smooth running of the community including the Warden and Chaplain, as well as the retained input from the Clerk, Mr Michael Fletcher and the Chartered Surveyor, Mr Nigel Curtis.

### **FINANCIAL REVIEW**

Income for the period of £14,276,919 included the initial assets and liabilities transferred from St John's Hospital and St Nicholas' hospital of £13,559,568 and operating income for the period of £717,351. Total expenditure for the period was £710,132 which resulted in net income, before valuation adjustments of investments, of £7,219 on charitable activities for the period.

There were net gain on investments of £224,694 resulting in a net movement in funds of £13,791,481 for the period.

### **a. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

### **b. Reserves policy**

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees kept the reserves needs of the charity regularly under review and determined that the appropriate level of free reserves necessary for the efficient management of the charity should have been £700,000 i.e. approximately one year's normal budgeted expenditure.

Unrestricted funds at 31 December 2023 totalled £787,144.

Designated funds at 31 December 2023 totalled £13,004,337.

Total funds at 31 December 2023 totalled £13,791,481.

### **c. Future developments**

The General Manager's programme of administrative overhaul will continue with key outcomes being:

- Monitoring and fine tuning of the newly introduced system of budgetary control;
- Continued IT upgrade to enhance working between staff and between Trustees, to launch a web-site, and to enable an effective emergency business continuity plan.

The Trustees will evaluate the potential to manage a plot of land in Harbledown.

The Trustees will develop their plans for fostering the heritage of the charity.

#### Other future developments

The Trustees will continue to focus on upgrading residences as they become available to ensure all homes are suitable to modern standards.

The Trustees will continue the round of quinquennial reviews to make sure the hospital properties and the commercial properties are appropriately maintained.

# **THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY**

## **TRUSTEES' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **a. Constitution**

The Trust was formed under an injunction granted by the Archbishop of Canterbury in 2022 and follows the previous injunctions issued to the predecessor charities namely St John's Hospital and St Nicholas Hospital. The Trust became a registered charity on 15 December 2022. The charity registration number is 1201351. The charity began operations on 1 January 2023.

#### **b. Method of appointment or election of Trustees**

The charity is under the overall jurisdiction of the Archbishop of Canterbury who appoints the Trustees, the Prior, the Chaplain and the Indwellers.

#### **c. Policies adopted for the induction and training of Trustees**

New Trustees are given training by the Trustees and General Manager as necessary.

#### **d. Organisational structure and decision making**

The general direction of the charity is under the control of the Trustees, whose instructions are implemented by the Prior in conjunction with the General Manager, with the assistance of a Warden.

#### **e. Risk management**

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

#### **Trustees' responsibilities statement**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year

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 SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on 5 July 2024 and signed on their behalf by:

**Dr J M Potter, Retired Physician, Chairman**  
Trustee

# **THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY**

## **INDEPENDENT AUDITOR'S REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023**

### **Opinion**

We have audited the financial statements of The Hospitals of St John the Baptist and St Nicholas, Canterbury (the 'charity') for the period ended 31 December 2023 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast doubt on the charity'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 other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY**

## **INDEPENDENT AUDITOR'S REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023**

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's report.

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.



# **THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY**

## **INDEPENDENT AUDITOR'S REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023**

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

### **Other matters**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

### **Use of our report**

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

**Michelle Wilkes FCA (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

**Chartered Accountants**  
**Statutory Auditor**

2<sup>nd</sup> Floor  
32 – 33 Watling Street  
Canterbury  
Kent  
CT1 2AN

**Date:** 9 July 2024

# THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY

## Statement of Financial Activities (Including Income and Expenditure account) For the period ended 31 December 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b>Income from:</b>				
Transfer of funds from:				
St John's Hospital		8,690,209	-	8,690,209
St Nicholas' Hospital		4,861,643	7,716	4,869,359
Donations		821	-	821
Charitable activities	2	205,356	-	205,356
Investments	3	506,135	-	506,135
Other		5,039	-	5,039
<b>Total</b>		<b>14,269,203</b>	<b>7,716</b>	<b>14,276,919</b>
<b>Expenditure on:</b>				
Raising funds		160,436	-	160,436
Charitable activities		541,980	7,716	549,696
<b>Total</b>	4	<b>702,416</b>	<b>7,716</b>	<b>710,132</b>
<b>Net income</b>		<b>13,566,787</b>	<b>-</b>	<b>13,566,787</b>
Net gains / (losses) on revaluation of fixed assets	11, 12	224,694	-	224,694
<b>Net movement in funds</b>		<b>13,791,481</b>	<b>-</b>	<b>13,791,481</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		-	-	-
<b>Total funds carried forward</b>		<b>13,791,481</b>	<b>-</b>	<b>13,791,481</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY

## Balance Sheet

As at 31 December 2023

	Notes	2023 £	£
<b>Fixed assets:</b>			
Tangible assets	10		701,836
Investment properties	11		5,397,000
Investments	12		6,905,501
			<hr/>
			13,004,337
<b>Current assets:</b>			
Debtors	13	30,662	
Cash at bank and in hand		856,667	
		<hr/>	
		887,329	
<b>Creditors: amounts falling due within one year</b>	14	(100,185)	
		<hr/>	
Net current assets			787,144
			<hr/>
<b>Total assets less current liabilities</b>			13,791,481
			<hr/>
<b>The funds of the charity:</b>			
Restricted funds	17		-
Designated funds	18	13,004,337	
Unrestricted funds		787,144	
		<hr/>	
			13,791,481
			<hr/>
			13,791,481
			<hr/>

The financial statements were approved by the Trustees on 5 July 2024

Dr J M Potter, Retired Physician, Chairman  
**Trustee**

# **THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023**

### **1. Accounting policies**

#### **a. Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **b. Going concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient, with the level of reserves, for the charity to be able to continue as a going concern.

#### **c. Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

#### **d. Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

#### Legacies

These are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

#### Accommodation

Contribution towards maintenance of the flats is based on accommodation of the flats and is recognised when the accommodation is occupied.

#### Investment property Rental Income

Invoices are raised quarterly based on occupied properties in accordance with the assigned leases. Income is recognised for the periods in which the properties are let.

#### Investment Income

Investment income from the managed portfolio is recognised upon receipt.

# **THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023**

### **e. Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds are those costs incurred in attracting investment income;
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office and governance costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources..

### **f. Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- St Elisabeth House - 2% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Heritage assets are capitalised at their cost. These assets are preserved, and in view of their expected residual value and indeterminate useful life, any periodic depreciation charge would, in the opinion of the trustees, be immaterial.

### **g. Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

### **h. Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

### **i. Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

### **j. Debtors and creditors receivable and payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

### **k. Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### **l. Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

### **m. Financial instruments**

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Financial assets held at amortised cost comprise cash at bank, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Investments held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

### **n. Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The key sources of estimation uncertainty are described in the accounting policies and are summarised below:

#### Valuation of Investment Properties

These are stated at their estimated fair values based on both a professional valuation and Trustee's valuations as disclosed in note 12. Commercial Property valuations are prepared by applying an investment yield to the appropriate rental income stream, having regard to the individual asset fundamentals, including inter alia, location, lease length and tenant covenant strength. The relevant investment yield and rental values are determined principally through the use of comparative data.

#### Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the tangible fixed assets and note 1(f) for the useful economic lives.

# THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY

## Notes to the Financial Statements For the period ended 31 December 2023

<b>2. Charitable activities</b>				<b>2023</b>
				<b>£</b>
Maintenance contributions				195,173
Electricity contributions				10,183
				<hr/> 205,356
<b>3. Investments</b>				<b>2023</b>
				<b>£</b>
Rental income				297,290
Commercial property insurance recharges				2,485
Income from listed investments				178,707
Interest receivable				27,653
				<hr/> 506,135
<b>4. Expenditure</b>				
	<b>Staff costs</b>	<b>Other direct costs</b>	<b>Support costs</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost of raising funds	-	160,436	-	160,436
Charitable activity:				
Provision of affordable residential accommodation	125,087	355,335	69,274	549,696
	<hr/> 125,087	<hr/> 515,771	<hr/> 69,274	<hr/> 710,132
<b>5. Cost of raising funds</b>				<b>2023</b>
				<b>£</b>
Investment management fees				52,134
Property management fees				8,437
Repairs to commercial properties				53,296
Other costs related to commercial properties				46,569
				<hr/> 160,436
<b>6. Support costs</b>				<b>2023</b>
				<b>£</b>
Telephone				5,790
Printing, postage and stationery				2,256
Consultancy				3,995
St John's Day				3,474
Gifts and Honoararia				2,203
Miscellaneous expenses				4,877
<u>Governance costs:</u>				
Clerk's fees				36,000
Audit fees				10,679
				<hr/> 69,274

# THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY

## Notes to the Financial Statements

For the period ended 31 December 2023

### 7. Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. No Trustee received any amounts for re-imbursement of expenses.

### 8. Employees

Employment costs	2023 £
Wages and salaries	120,597
Social security costs	1,262
Other pension costs	3,228
	<hr/> 125,087 <hr/>
<b>Number of employees</b>	<b>2023 no.</b>
The average monthly number of employees during the year was:	
Direct costs	3
Support costs	2
	<hr/> 5 <hr/>

No employee received remuneration amounting to more than £60,000 in either year.

During the year key management personnel received remuneration (including employer's National Insurance and pension contributions) of £46,179 and received benefits of £nil.

### 9. Heritage assets

The charity holds a number of heritage assets, which are tangible fixed assets of historical importance and are displayed in the refectory of St John's Hospital and St Nicholas. These assets have been assessed and a grant for restoration has been applied for.

The assets are hundreds of years old and it would be difficult and costly to attribute a cost or value to them. As such these assets are excluded from the Balance Sheet as reliable cost information is not available and significant costs would be involved in the reconstruction or analysis of past accounting records or in valuation, which are onerous compared with the additional benefit derived by users of the accounts in assessing the trustees' stewardship of the assets.



# THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY

## Notes to the Financial Statements For the period ended 31 December 2023

### 10. Tangible fixed assets

Freehold  
property  
£

#### Cost

Transferred from St John's Hospital  
Transferred from St Nicholas' Hospital

681,445  
34,020

At 31 December 2023

715,465

#### Depreciation

Depreciation charge for the year

13,629

At 31 December 2023

13,629

#### Net book value

At 31 December 2023

701,836

### 11. Investment properties

£

#### Fair value

Transferred from St Johns Hospital  
Transferred from St Nicholas Hospital  
Surplus / (deficit) on revaluation

4,210,000  
1,387,000  
(200,000)

At 31 December 2022

5,397,000

Investment properties were valued by the Trustees at 31 December 2023 at market value.

### 12. Fixed asset investments

	Listed securities £	Cash and settlements pending £	Total £
<b>Market value</b>			
Transferred from St Johns Hospital	2,742,616	58,204	2,800,820
Transferred from St Nicholas Hospital	3,664,649	54,742	3,719,391
Additions	929,663	1,033,371	1,963,034
Disposals	(863,588)	(1,138,850)	(2,002,438)
Revaluations	424,694	-	424,694
<b>At 31 December 2023</b>	<b>6,898,034</b>	<b>7,467</b>	<b>6,905,501</b>

# THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY

## Notes to the Financial Statements For the period ended 31 December 2023

### 12. Fixed asset investments (continued)

	Listed securities £	Cash and settlements pending £	Total £
<b>Investments at market value comprise:</b>			
United Kingdom	3,442,715	7,467	3,450,182
Overseas	3,455,319	-	3,455,319
	<u>6,898,034</u>	<u>7,467</u>	<u>6,905,501</u>

#### Asset distribution:

	2023 £
Fixed Interest bonds	1,698,165
Equities and Funds	4,316,577
Alternatives	883,292
Cash	7,467
	<u>6,905,501</u>

### 13. Debtors

	2023 £
Other debtors	26,578
Prepayments	4,084
	<u>30,662</u>

### 14. Creditors: amounts falling due within one year

	2023 £
Accruals and deferred income	<u>100,185</u>

### 15. Deferred income

	2023 £
Deferred income is included within:	
Creditors due within one year	<u>44,986</u>
Income deferred in the year	<u>44,986</u>
Deferred income at 31 December 2023	<u>44,986</u>

### 16. Retirement benefit schemes: Defined contribution scheme

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to income and expenditure in respect of defined contribution schemes was £3,228.

# THE HOSPITALS OF ST JOHN THE BAPTIST AND ST NICHOLAS, CANTERBURY

## Notes to the Financial Statements For the period ended 31 December 2023

### 17. Restricted funds

	Balance at 1 Jan 23 £	Transferred from St Nicholas' Hospital £	Income £	Expenditure £	Balance at 31 Dec 23 £
<b>Current year</b>					
Chapel fund	-	7,716	-	(7,716)	-
	-	7,716	-	(7,716)	-

#### Chapel Fund

This fund relates to a bequest from an ex-matron which was to be used for the chapel.

### 18. Designated funds

	Balance at 1 Jan 23 £	New designations £	Designations released £	Gains / (losses) £	Balance at 31 Dec 23 £
<b>Current year</b>					
Investment Fund	-	12,302,501	-	-	12,302,501
Building Fund	-	701,836	-	-	701,836
	-	13,004,337	-	-	13,004,337

#### Investment Fund

This fund represented tangible fixed assets in the form of investment properties and an investment portfolio which were used by the charity for both the purposes of income generation and capital appreciation and thus did not form part of the charity's free reserves.

#### Building Fund

This fund represented land and buildings and related fixtures and fittings which were used for charitable use.

### 19. Analysis of net assets between funds

	Restricted funds	Designated funds	Unrestricted funds	Total funds
<b>Current year</b>				
Fixed assets	-	13,004,337	-	13,004,337
Current assets	-	-	887,329	887,329
Current liabilities	-	-	(100,185)	(100,185)
	-	13,004,337	787,144	13,791,481

### 20. Related party transactions

There were no related party transactions in the period to 31 December 2023.