MORDEN COLLEGE

England & Wales · Charity number 215551

Details

Status	Registered
Legal form	Other
Registered	1986-11-11
Register	View on the Charity Commission register

Contact

Address	Morden College 19 St. Germans Place London SE3 0PW
Phone	02084638330
Email	amanda.gray@mordencollege.org.uk
Website	www.mordencollege.org.uk

Activities

Objects: SEE CONSTITUENT CHARITIES DETAILS.

Activities: Sir John Morden's Charity: Provides living accommodation, including a Care Home and Sheltered accommodation, and financial assistance for older people. Ancillary services to support beneficiaries living in the charity's properties is also provided. Dame Susan Morden's Charity: Provides grants to further the work of the Church of England provided that parishes are within its area of benefit.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** Accommodation/housing, Religious Activities, Other Charitable Purposes
- **Who:** Elderly/old People, Other Defined Groups

Geography

- Bromley
- Greenwich

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Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£16,096,000	£15,051,000	£334,949,000	164
2024-03-31	£16,703,000	£15,715,000	£331,346,000	186
2023-03-31	£15,661,676	£15,194,945	£315,001,009	172
2022-03-31	£15,066,000	£14,861,000	£316,455,000	144
2021-03-31	£14,945,000	£15,121,000	£287,888,000	186

Trustees

Name	Role	Appointed
Sir David Hugh Wootton	Chair	2010-10-13
Alastair King		2018-09-05
Alderman Alastair King		2018-09-05
Alderman Alison Gowman		2018-09-05
Alderman Alison Gowman CBE		2018-09-05
Alderman Christopher Makin		2024-03-11
Alderman Gregory Jones KC		2024-06-11
Alderman Professor Michael Mainelli		2015-11-03
Alderman Robert Hughes-Penney		2023-03-20
Alderman Timothy Hailes		2024-03-11
Fredrik Widlund		2018-09-05
Professor Gillian Manthorpe		2024-03-11
Professor Sube Banerjee MBE		2024-06-11

Linked charities

- SIR JOHN MORDEN (215551-1)
- DAME SUSAN MORDEN (215551-2)
- VANSITTART ENDOWMENT (215551-3)

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MORDEN COLLEGE

England & Wales - Charity number 215551

Accounts

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025

Registered Charity No 215551

MORDEN COLLEGE

ANNUAL REPORT

Photography by **Nick David**

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Morden College Annual Report 2025
Annual Report and Accounts for the year ended 31 March 2025
Registered Charity No 215551

FOREWORD FROM THE CHAIR OF TRUSTEES AND CHIEF EXECUTIVE

This has been a year of thinking about the future. In a place like Morden College, with its long history, that involves looking back to our beginnings as a charity and then looking ahead to the years to come. After significant consideration by the Trustees and executive team, we ended the year with plans for our 330 year old Quadrangle and a clear strategic framework for the coming years.

MORDEN COLLEGE IS AN INSPIRATIONAL AND BEAUTIFUL PLACE AND A THRIVING COMMUNITY OF RESIDENTS, TEAM MEMBERS, FAMILIES, FRIENDS AND PARTNERS.

The difficult decision to close our Quad temporarily meant that the year in question saw residents moving from the Quadrangle into flats across Morden College. This brought to an end a long period of internal moves for residents. Trustees have considered the future of the Quad with a range of advisors and are optimistic that our plans to refurbish it as refreshed almshouses will come to fruition.

Increasing our impact through the provision of more almshouse accommodation is at the heart of our new strategic framework which was developed between October 2024 and March 2025. Trustees set about refreshing the strategic framework by bringing together a clear understanding of the current landscape for older people in London and beyond especially with regard to housing. We consulted peers, partners, and other expert organisations and individuals and worked with strategy consultants and are delighted to have agreed our strategy for the next decade. The plan reinforces our commitment to the original purpose of Morden College – to provide homes to people who find themselves in financial hardship and struggling to find a home after a lifetime of work. Our strategic vision is for older people to live well at home and in a community and our purpose is to provide our older people with housing so they can live well as long as possible, and to work with partners to improve the lives of older people living on our sites. We have committed to three strategic goals of providing excellent homes, delivering high quality services and creating thriving communities. As we move into a year of implementation and adoption of this strategy, our work will be guided by our values of integrity, fairness and equity, and excellence. Read more about our new Strategic Framework on pages 8 and 9.

Morden College is an inspirational and beautiful place and a thriving community of residents, team members, families, friends and partners and we are delighted to present our latest Annual Report.

Sir David Wootton
Chair of Trustees

Meryl Davies
Chief Executive

HISTORY AND CONSTITUTION

Morden College is the general title used for the administration of Sir John Morden's Charity and Dame Susan Morden's Charity. Both charities were established under separate Trust Deeds, but they share the same Registered Charity Number 215551.

The Trustees of the Charity are drawn, in the main, from the Court of Aldermen of the City of London. Trustees who retire from the Court of Aldermen of the City of London remain eligible to continue to serve as Trustees of the Charity. Trustees are appointed on the basis that they possess the appropriate range of skills and experience that will assist with the future growth and development of the Charity. Where it is recognised that certain particular skills and experience needed are not met from the Alderman group, the Charity has gone outside to look for sector experts, and three such Trustees are currently in post.

PEOPLE AND CHARITY INFORMATION

TRUSTEES

Chairman and Honorary Treasurer:
Sir David Wootton

Trustees:
Alderman Professor Michael Mainelli FCCA FCSI FBCS

Alderman Alison Gowman CBE

Alderman Alastair King

Alderman Robert Hughes-Penney

Fredrik Widlund

Professor Jill Manthorpe

Alderman Christopher Makin

Alderman Tim Hailes

Professor Sube Banerjee *(elected 11 June 2024)*

Alderman Greg Jones *(elected 11 June 2024)*

ADVISORS TO THE TRUSTEES

Honorary Surveyor
George Gillon MBE FRICS *(resigned 17 March 2025)*

Advisor on Care
Dr Caroline Shuldham OBE *(resigned 14 May 2024)*

Advisor on Finance
Ashley Wain *(appointed 1 August 2025)*

OFFICERS AND SENIOR MANAGERS

Clerk to the Trustees & Chief Executive
Meryl Davies

Chaplain
The Rev'd Alex Russell *(appointed 3 June 2024)*

Director of Finance & Resources
Helen Downie ACA *(appointed 21 August 2024)*

Kate Morris ACMA *(resigned 30 August 2024)*

Director of Property
Ed Mileham MRICS BSc

Director of Residents' Services
Robert Frier *(appointed 9 September 2025)*

Catronia Toms *(appointed 1 July 2024, resigned 20 March 2025)*

Director of People & Culture
Sharon Jager *(appointed 25 November 2024, resigned 7 March 2025)*

Michael Lowe *(resigned 1 November 2024)*

Director of Operations
Richard McAllister *(resigned 6 June 2025)*

PRINCIPAL OFFICE

19 St Germans Place
Blackheath
London SE3 0PW

PRINCIPAL BANKERS

National Westminster Bank plc
13 Stratheden Road
Old Dover Road, Blackheath
London SE3 7SY

CHARTERED SURVEYORS

Newmark
7 Vere Street
London W1G 0JB

INVESTMENT ADVISORS

Stanhope Consulting
35 Portman Square
London W1H 6LR

AUDITOR

Haysmac LLP
10 Queen Street Place
London EC4R 1AG

SOLICITORS

Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Attwaters Jameson Hill
St. Clement's House
27 Clement's Lane
London EC4N 7AE

INVESTMENT MANAGERS

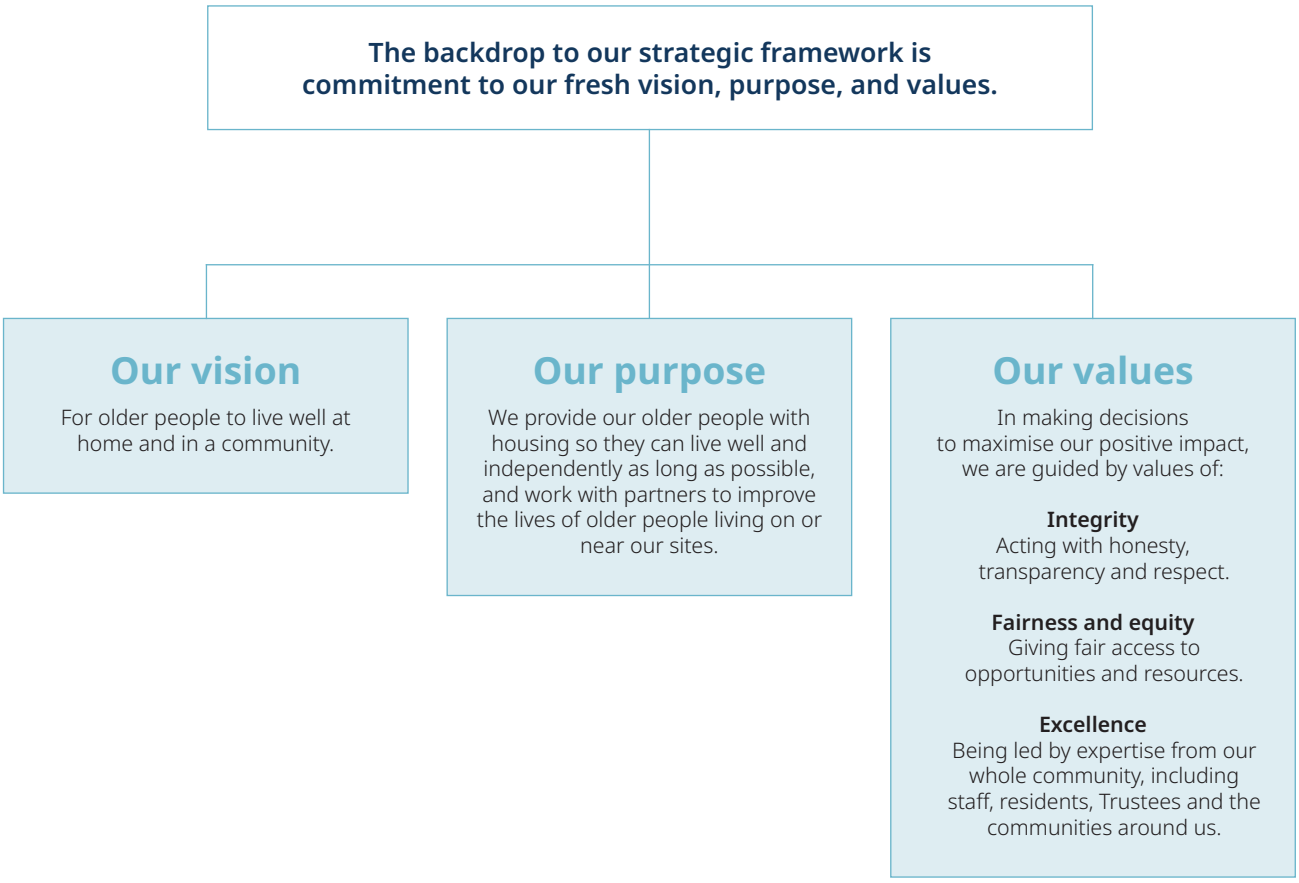
Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

CCLA Investment Management
1 Angel Lane
London EC4R 3AB

OUR NEW STRATEGIC FRAMEWORK

In 2024/25 the Trustees of Morden College developed a new strategic framework for the Charity. Over a period of six months, Trustees and senior leadership team considered expertise and insight from partners, peers, and other stakeholders and organisations. The aim was to produce a long-term strategic framework which would honour the origins of the Charity whilst ensuring that its purpose remains relevant in 21st-century London.

After six months of working together on developing the strategic framework we have now agreed a way forward which we consider to be dynamic and sustainable, delivering impact in the short, medium and long terms.



We have three strategic goals which will form the basis for all work we undertake.

STRATEGIC GOAL 1

Excellent Homes

We will grow our provision of high-quality housing for older people, offered at fair rents, at our existing sites and beyond.

STRATEGIC GOAL 2

High Quality Services

We will provide support that helps residents to live well, at home, for as long as possible.

STRATEGIC GOAL 3

Thriving Communities

We will create opportunities for strengthened relationships between our residents and with our local communities.

Our commitment to delivering this strategy over the coming years is reinforced by our identification of strategic enablers, the factors and facets of our work which will be core to our delivery planning. The enablers identified by Trustees as part of the strategic planning process were:

1. Expertise

We will sustain an expert team and ensure a pipeline of the skills and passion we need to deliver our vision and will make Morden College a great place to work.

2. Resources and Technology

We will make disciplined investments with a long-term view to ensure our long-term financial sustainability.

We will integrate technology to help us to deliver our strategy, including through generating cost savings and efficiencies in how we deliver work, and improving positive impacts on the people we serve.

3. Communications

We will communicate clearly with our whole community to establish a culture in line with our values.

4. Decision-making and planning

We will establish clear processes for energetic and expert decision-making and planning.

5. Impact

We will develop an impact approach that allows us to understand if we are doing the right things, and if we are doing things right.

6. Delivery models

We will establish quality and consistent service delivery models and hold ourselves accountable against these models.

STRATEGIC GOAL 1

Excellent Homes

As we reported last year, the decision to close our 1695 Quadrangle of almshouses was made in June 2023 and has been the catalyst for a significant amount of research and investigation to ensure we understand the right approach to our heritage buildings. We have sought expert advice and undertaken work which has enabled us to improve our understanding of the significance of the Quad and the potential to restore it in a way that respects our history, our purpose, and our future impact.

The residents who lived in the Quad began to move into our other almshouse accommodation in 2023 and gradually settled into their new flats across the site. At the time of the decision to temporarily close the Quad, the decision was also made to convert the first floor of our care home building, Cullum Welch Court, into 16 small almshouse flats. This work was completed in early 2025 and the final Quad residents moved in this new area, now known as Edwardstone Court, in March 2025.

As part of our work to develop a Masterplan for our sites, we have undertaken a condition survey of all our almshouse buildings. This has provided us with a ten-year maintenance and upkeep plan to support planning and budgeting. We are also seeking to increase the number of almshouse flats on our sites by re-evaluating our buildings to maximise occupancy.

We're extremely lucky to live here, it's a beautiful flat, I've got a patio and a garden out here. I'm extremely lucky.

— BLACKHEATH RESIDENT

The whole place is kept to a high standard, if we break a window, they'll come in and do it... The facilities in the flats are very good.

— BECKENHAM RESIDENT

I was so grateful for the security of housing, the fact I could afford it but also it's the social life.

— BLACKHEATH RESIDENT

STRATEGIC GOAL 2

High Quality Services

Our almshouse accommodation on both sites is located within a community where we provide services to support independent living for older people. At the heart of this is our new Resident Services team which was established in spring 2024. Our Director of Resident Services oversees two aspects of resident life: care and quality and resident services.

The Care and Quality team oversees our care home, Cullum Welch Court, and our *Care at Home* domiciliary care work.

Cullum Welch Court is a 28- bed care home with nursing care and provides 24-hour care for people living with a wide range of conditions. The home offers residential, nursing, dementia, and end of life care whilst supporting individuals with physical disabilities and sensory impairments. Accommodation is in single bedrooms with ensuite facilities and views of the award-winning College gardens. We aim to meet people's need for autonomy, personal choice, control, privacy, fulfilment, safety, citizenship, and social interaction in a respectful and dignified manner. We believe that ensuring these needs are met will promote an overall sense of wellbeing and demonstrate clearly to the people who use our services that care and kindness are at the heart of the support we provide.

Care at Home is our domiciliary care service which is available to all residents assessed for care needs at our Blackheath site. The staff provide support to individuals living in their own home and operate between 8.00am to 8.00pm daily. The service helps individuals maintain their independence whilst ensuring help is always at hand if needed. The care and support provided to each person are responsive to a resident's individual need and choices. Our Care and Quality team also oversees our relationships with health and care providers who visit our site to provide services to our residents.

Resident Services support our residents with all requests regarding life at Morden College, including maintenance requests. This team is also responsible for providing activities and services for residents such as our minibus service, our small shop, activities such as choir and exercise classes, and trips to local attractions. The day-to-day life of our residents is also supported through our maintenance and security contracts, both of which have been reviewed during the year.

The Resident Services team is also responsible for admissions to our almshouses. The final moves out of the Quad flats ended a period of housing consolidation which had seen multiple internal moves. With our new strategy, we are committed to increasing the number of almshouse flats we provide, and we are anticipating a period of growth and of multiple new arrivals into our community.

Living here takes the anxiety out of living on your own. You haven't got to worry about a lot of things, especially if you don't have family to back you up.

— **BLACKHEATH RESIDENT**

I think at this stage in my life I'm in the right place, I feel secure, I feel I've got help if I need it. Sometimes even if I don't need it. Yes, I can't think of any other place I'd rather be, than here in my situation.

— **BECKENHAM RESIDENT**

It's a marvellous place to live, we're incredibly well cared for at not a vast cost, if something doesn't work you can pick up the phone and someone will come and see to it. It will happen; you're not going to be without for weeks on end.

— **BLACKHEATH RESIDENT**

STRATEGIC GOAL 3

Thriving Communities

Our almshouse flats are all located within settings which provide multiple opportunities for community life. The work we have carried out on developing the 2025 Masterplan has enabled us to consider not only our buildings but also our open spaces.

Our two sites include communal seating areas and bars which are used by residents regularly. Each site has a resident-led Sports and Social Committee which organises events and activities such as musical entertainment and activities like darts, putting, bingo, and happy hours. There is also healthy rivalry with putting matches between the sites and between residents and staff.

Both sites also have beautiful communal gardens with seating, shade, and water features. As part of our ESG commitments, we are addressing our approach to gardening and committing to more sustainable methods.

The facilities at our Blackheath site were significantly enhanced with the completion of the John Morden Centre which won the Stirling Prize in 2023. This building contains a health and wellbeing centre, a café and a community hall. In 2024, we commissioned a review of our catering services and kitchen facilities on both sites. The review found that we have significant underutilised potential.

The key recommendations related to four areas:

1. Revitalise communal spaces by redesigning the café and creating a communal kitchen at the Beckenham site.
2. Enhance catering services by improving food quality, tailored to resident needs and ensuring best practice in food handling and labelling
3. Improve financial oversight and efficiency by centralising operations and reducing costs. Develop a business model for external catering opportunities to generate additional revenue.
4. Expand and optimise services adjusting opening hours to include evenings and Sundays to better serve residents. Improve retail offerings in the shop and promote themed events and social experiences to increase engagement.

There is a family feeling here.

— **BLACKHEATH RESIDENT**

All sorts of things are provided here, the exercises, the choir, there are a lot of things if you choose to join in, but you don't have to join in anything.

— **BLACKHEATH RESIDENT**

We look around and think wow, we have a diary absolutely packed.

— **BECKENHAM RESIDENT**

I had a big family, and my wife had a big family, but all my in-laws have died, and all my family have died. That's why living communally is a godsend. It's part of something greater.

— **BECKENHAM RESIDENT**

ENABLERS

Achieving our goals

Technology

Improving our use of technology will be seen in our commitment to excellent homes and high-quality services, but this year the greatest technological change was in our development of our finance system and our shift to improved financial management.
We started work on a significant project to transform how we use technology and data to streamline how we work, improve our residents' experience of living at Morden College and ensure we can measure the impact of our work on residents' lives.
This involved replacing our ageing finance system with a new system, Business Central, and taking the first steps towards implementation of the Dynamics Customer Relationship Management database (CRM).
The next stage of the project will focus on the development of the Dynamics CRM. This will involve reviewing every aspect of how we work; from our admissions process for new residents, through to our processes for organising events and activities.

Impact

In 2024/25, we took important steps towards becoming a more sustainable and socially responsible almshouse charity. We are proud to continue to provide older people with housing so they can live well and independently as long as possible, while also deepening our commitment to strong Environmental, Social and Governance (ESG) principles.

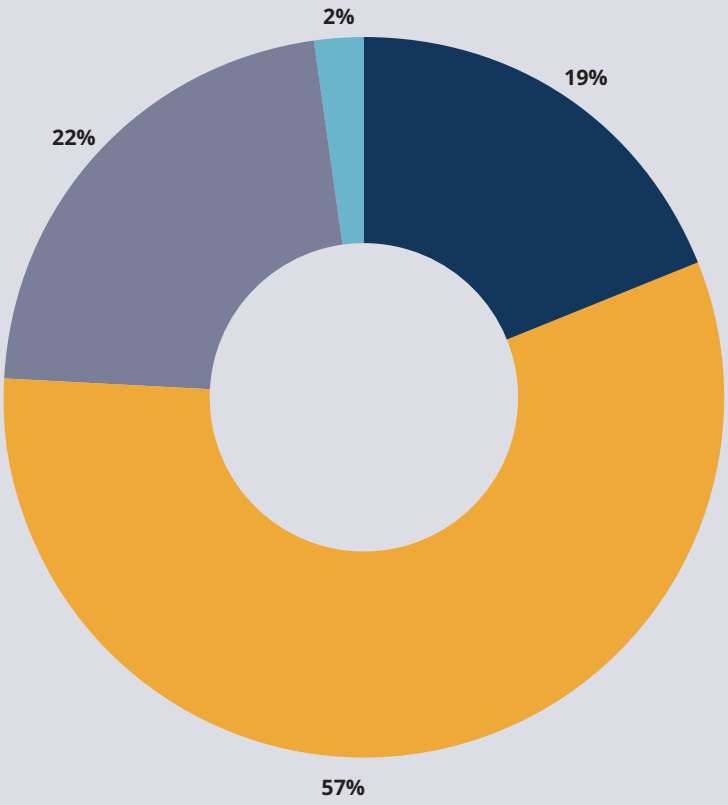
INCOME 2025

Total income for the year was

£16.096m

- 4% decrease

2025	£16.096 million
2024	£16.703 million



FINANCIAL REVIEW

Over 75% of Morden College's income comes from its endowment portfolio, which is invested in property and financial assets. Contributions from residents in our care home and independent living accommodation make up a further 19% of annual income, with the remainder coming from one-off donations and other sundry income. Resident contributions are set at a level that is both affordable for residents and sustainable for the Charity over the long term. Meanwhile, the endowment portfolio funds the Charity's running costs, including maintenance of our heritage buildings. The portfolio also provides capital for future almshouse developments, enabling us to increase our impact for people in need of safe, secure and affordable housing in later life.

The net surplus for the year (before transfers between funds and investment gains) was £1.0m (2024: £0.988m). Both income and expenditure were lower than the previous year, for the reasons set out below.

(1) Income from charitable activities
Income from residents in our living accommodation (including the care home) was £3.027 million, a reduction of 8% compared to the previous year. (2024: £3.306 million). The reduction in income was due to lower occupancy in our care home and in our Quad accommodation, which was gradually vacated during the year, pending redevelopment. All former Quad residents have moved into vacant accommodation on our sites in Blackheath and Beckenham and we are now able to start welcoming new residents from outside Morden College as flats become available.

(2) Investment income from property
Property income this year was £9.133 million, a reduction of 10% compared with the previous year (2024: £10.171 million). This reduction was due to the sale of the Morden Wharf Southern Site in October 2023 and two vacant commercial sites that have now been re-let. Total income from property includes income from our Property Funds held with Savills and Swiss Life Asset Managers.

(3) Investment income from other investments
Income from the Charity's financial investments was £3.525 million, an increase of 30% compared with the previous year (2024: £2.708 million). This increase was due to interest on significant cash balances from the sale of the Morden Wharf Southern Site. This cash will be used to fund the Quad redevelopment, with the balance invested to generate future income and capital for the Charity.

(4) Other income including donations
Other income includes donations and sales in our Café 19 restaurant and shop, together with income from events and other resident activities. Other income was £411k (2024: £518k).

(5) Fundraising
The Charity does not undertake fundraising activities during its normal course of operations.

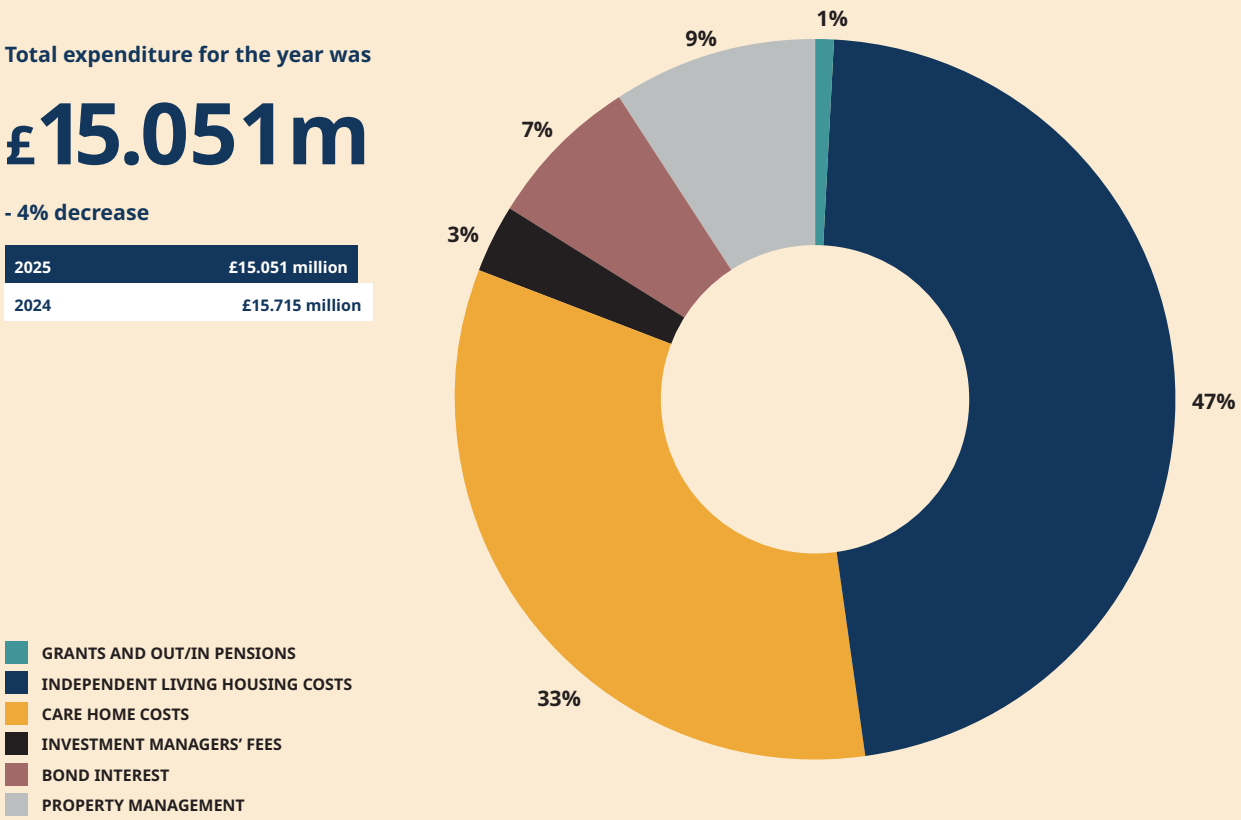
EXPENDITURE 2025

Total expenditure for the year was

£15.051m

- 4% decrease

2025	£15.051 million
2024	£15.715 million



(1) Grants and out/in pensions
The total paid in Grants and out/in pensions, before allocated costs, was £196k (2024: £194k). The number of individual beneficiaries supported by grants during the financial year was 63 (2024: 73). Other grant payments were made from Dame Susan restricted funds to fund local choristers, in line with the objects of the Dame Susan Charitable Trust.

(2) Independent Living Housing Costs (including the Quadrangle)
Independent living costs were £7.0 million, in line with the previous year. These costs include the maintenance and depreciation of our charitable buildings, support costs such as our IT infrastructure and staff who maintain our estate and support our residents.

(3) Care Home Costs
Care Home costs reduced by 9% to £4.915 million (2024: £5.372 million). The staffing structure in the care home now reflects the reduced number of residents, following conversion of the first floor of the care home into flats for independent living. The lower cost base also reflects a correction to buildings depreciation over-charged in previous years.

(4) Investment Managers' fees
Investment Managers' fees represent the cost of managing our financial investment portfolios, held with Sarasin and CCLA. The overall cost of raising funds includes the £1.021 million annual interest payment on the £30 million Bond, which is repayable in 2042.

(5) Property Management Costs
The costs associated with managing our direct property investments were £1.358 million, a 15% reduction compared with the previous year (2024: £1.590 million). These costs include the costs of our inhouse Real Estate team, together with direct property costs. These costs are largely determined by the complexity of property transactions undertaken during the year. Prior year expenditure included the cost of finalising the sale of the Morden Wharf Southern Site.

INVESTMENTS

Sir John Morden left approximately £12,500 to endow the College when he died in 1708 and the permanent endowment assets of the Charity (which include the assets of Sir John and Dame Susan Morden) are now valued at £309 million. The permanent endowment assets include fixed assets, which includes the original land and buildings, investment properties and financial investments.

Approximately 52% of the Charity's endowment investments are invested in property (including property funds) and 48% in financial investments.

The time horizon for the endowment portfolio is very long term, reflecting the Charity's history. With effect from 1 April 2016, the Trustees adopted a Total Return approach to accounting for the investments for the Sir John Morden's Charity's Permanent Endowment. The Trustees are using the statutory powers included in the Charities Act 2011 ("the Act") and given effect by the Charities (Total Return) Regulations 2013 ("the Regulations"), which do not require Charity Commission approval in order for the Total Return basis to be adopted.

The Trust for Investment is considered to be the value of the permanent endowment as at 1 April 2016 and may be increased by the allocation of unapplied total return, being the investment income and capital gains on the portfolio, from time to time.

The Trustees have determined that the Trust for Investment should be increased annually in line with CPI inflation to protect its real value, which has resulted in an increase of 2.6% in the current year (2024: 3.8%).

The Trust for Investment and the unapplied total return together comprise the permanent endowment fund disclosed in Note 14 to the accounts. The total return for the year ended 31 March 2025 was a gain of £12.7 million comprising income of £11.8 million and gains of £2.5 million, less investment management costs of £1.6 million. The balance of the Unapplied Total Return Fund at 31 March 2024 was £20.6 million and it is proposed that £6.609 million is allocated to the Trust for Investment, in line with the Trustees' policy established in 2017, and £11.830 million is converted to income and transferred to the unrestricted fund. The balance on the Unapplied Total Return Fund at 31 March 2025 is now £14.887 million.

The Charity's financial investment policy provides that the minimum investment objective is to preserve the capital and income of the Charity's portfolio from inflation. The measure of inflation is the Consumer Price Index (CPI). From 1 July 2021, the long-term total return objective for the investment portfolio was set at CPI inflation plus 3% p.a.

A reasonable level of capital volatility within the portfolio is considered by the Trustees to be acceptable in order to achieve the return objectives. However, the maximum capital losses in the financial portfolio in any one-year period in normal market conditions (defined as 98% of possible outcomes) should not exceed 15-20%.

In terms of responsible investment, the Trustees of Morden College believe that the endowment portfolio should be managed in a responsible and sustainable manner in accordance with its charitable objectives and social obligations.

Morden College uses the services of two fund managers; Sarasin and CCLA. The year to 31 March 2025 was a challenging year for financial markets. The first half of the year was characterised by strong market growth, driven by US technology stocks. However, political and economic turmoil in the second half of the year, driven by US trade tariffs, negatively impacted year end valuations. For the financial year covered by this report, the combined Sir John Morden financial portfolio underperformed the long-term objective of CPI +3% p.a., delivering a return of just 0.8%. Over the long term, the financial portfolio has modestly underperformed against target, delivering a return of 7.2% over ten years compared with a target return of 7.4%. This reflects the difficulty of achieving the investment objective during the period of high inflation in 2022 and 2023. Nevertheless, the Trustees believe the investment objective remains appropriate and achievable over the long term.

RESERVES

a. Unrestricted Funds

I. The Accumulation of Income Fund was set up to ensure that the fixed overheads of the Charity, which are mainly staff costs in the short term, could be met for a limited period of time if income levels were temporarily insufficient to cover such costs. Under the Charity's Trust Deed, the Trustees are required to transfer a minimum amount of £6,000 per annum to the fund. The balance on the fund stands at £2.331 million.

II. The balance of the General Fund at £7.891 million plus the Accumulation of Income Fund represents eight months of expenditure (with reference to the year under review). Trustees' target is to keep this combined balance at a minimum of 6 months of expenditure, since the Charity relies wholly on income and returns from its investments to fund day-to-day running costs. This balance reduces the risk of the Charity being unable to operate if faced with a downturn in either the property or financial investment markets.

III. The Charity owns and manages an extensive property portfolio which comprises both investment properties and the Charity's College Buildings which provide accommodation and other facilities for its residents. Investment properties are usually let to commercial tenants on full repairing leases mitigating the risk of large repair costs. The maintenance plans for the Charity's College Buildings are reviewed annually and budgeted for. Most of these costs are met through income, but some of what is planned is exceptional and will be charged to the Extraordinary Repairs Fund (ERF). The ERF is also used for significant unforeseen and urgent expenditure. The balance on the fund as at 31 March 2025 is £3.895 million.

IV. The balance on the Future Projects Fund as at 31 March 2025 was £10.204 million. This fund is used to develop the Charity's charitable property and for other projects within the Charity's objects. A transfer of £4.0 million was made into this fund during the year. This fund will be used to finance the redevelopment of the Quad.

Funds I – IV are referenced and set out in the Scheme for The Charity of Sir John Morden as submitted to the Charity Commission in 1991

b. Restricted Funds

I. The Staff Welfare Fund was set up on the receipt of a legacy. The balance on this fund as at 31 March 2025 was £5,000. This is used for one-off loans and grants to staff in exceptional cases, and is governed by the Health and Wellbeing Committee.

II. A Gift Donation Fund has also been established to hold legacies from former Beneficiaries given for specific items of expenditure at Morden College; the balance as at 31 March 2025 was £8,000.

III. Included in Restricted Funds is the Dame Susan Morden Charity general fund, the balance on this fund has increased in year to £1.908 million (2024: £1.636 million).

c. Permanent Endowment

These funds are the capital of the Charity, and they are invested to produce income that is used to further the Charity's work. The Permanent Endowment Fund may not be used for any other purposes. Its funds are invested in charitable property, investment property, quoted investments and cash deposits. The value of the Permanent Endowment Funds at the year-end was £308.707 million, of which £288.416 million represents the Sir John Morden permanent endowment and £20.291 million represents the Dame Susan Morden permanent endowment.

RISK MANAGEMENT

The risks of the Charity are monitored by the Chief Executive and Senior Leadership Team, and appropriate action is taken to reduce the risk of disruption to the impact and effectiveness of the Charity. Key strategic risks are reported to the Finance, Audit and Risk Committee on a quarterly basis and annually to the Board of Trustees. Operational risks are managed within Directorates and overseen by the Senior Leadership Team. All identified risks are assessed for the likelihood of occurrence and their potential impact. The risk management system is designed to reduce the likelihood of occurrence and/or mitigate the impact through the application and monitoring of appropriate controls, as described in the table below.

The Charity currently assesses and monitors fourteen risks, the following four are our key risks:

Risk	Mitigation
We fail to generate sufficient income and manage our costs, impacting our ability to deliver our Mission.	• Detailed annual budgets and three-year cashflow forecasts • Monthly review of financial performance and reforecasting • Use of investment managers and external investment and property advisers • Diversification of income and assets • Effective management of tenancies and arrears by qualified Real Estate team • Effective procurement policies and management of contracts
We suffer a significant IT breach or outage, impacting our operations.	• Antivirus software, access controls • Business continuity planning • Staff training and vetting • Use of external experts for infrastructure support
We fail to comply with legislation in key areas such as care, fire safety and health and safety.	• Recruitment of specialist staff in key areas • Effective policies, monitoring arrangements and reporting of incidents • Contractor management, quality audits • Staff training • Use of specialist advisers where required
Physical damage to property and unplanned capital expenditure	• Condition survey and planned preventative maintenance • Insurance policies in place • ESG strategy to address environmental impacts and obligations • Recruitment of suitably qualified staff and use of expert advisers • Extraordinary Repairs Fund to cover unforeseen expenditure

STRUCTURE AND GOVERNANCE

Construction of Morden College began in 1695. It opened in 1700 for the benefit of poor, elderly merchants of good character who were either bachelors or widowers and who had failed in business through no particular fault of their own. Since that time, the criteria for entry have been widened. They now include men or women of good character who have either been engaged in a trade, business, or a profession as principals, or reached a position of authority or seniority, in employment and who, through accident, misfortune, disability, or infirmity have been prevented from continuing to follow their former calling and are in reduced material circumstances. The criteria also include the spouses, partners, widows and widowers of such men and women.

The Trustees are also empowered to provide assistance by way of pensions and grants for older people in need, whether or not they are resident in the Charity's homes. Donations may also be made to other charities that provide or undertake in return to provide items, services, or facilities to beneficiaries of the Charity.

The Trustees determine the general policies of the Charity and delegate day-to-day management to the Clerk to the Trustees, whose role is that of Chief Executive. The Charity's Senior Leadership Team holds regular meetings to review progress against objectives agreed with the Trustees. The Chairman visits the Charity on a regular basis and meets with the Chief Executive.

The Trustees of the Charity are drawn, in the main, from the Court of Aldermen of the City of London. Trustees who retire from the Court of Aldermen of the City of London remain eligible to continue to serve as Trustees of the Charity. Trustees are appointed on the basis that they possess the appropriate range of skills and experience that will assist the future growth and development of the Charity.

All Trustees receive an induction programme.

All Trustees give their time freely and no Trustee remuneration was paid during the year. There were no related party transactions with Trustees.

Trustees are required to disclose all relevant interests and register them with the Chairman of the Trustees and the Chief Executive.

MANAGEMENT AND STAFF REMUNERATION

There are clear distinctions between the role of Trustees and the Senior Leadership Team. The Trustees hold a range of reserved matters and delegate certain authority to the Chief Executive and Senior Leadership Team to run the organisation effectively. Matters such as policy, strategy and budgets are prepared by the Senior Leadership Team for consideration and approval by the Trustees.

The Charity aims to pay salaries which are fair, competitive within the charity sector, and proportionate to the complexity of each role. In setting salaries, the Charity ensures that:

- Roles are benchmarked against salaries paid by other charities operating in the sector, taking data from information published by the National Care Forum and other pay surveys which are publicly available, such as the NHS and Local Government.

- All staff receive ongoing performance management, including quarterly reviews which provide them with feedback on how they have contributed to the achievement of the Charity's strategy; and

- All staff are paid at or above the London Living Wage.

Within Dame Susan's Charitable trust, the sole employee is the Chaplain who is supported in her role by the Chief Executive, the Senior Leadership Team and members of staff employed by Morden College as and when the need arises.

POLICIES

Applications policy
Applications for accommodation or outpensions must be submitted in writing and must be supported by independent testimonials. Applications for grants are also made in writing and are normally for single payments unless the need is assessed as a continuing one, when the Charity may award an annual Outpension. The Trustees review all applications carefully and satisfy themselves that the applicant is genuine, and the assistance sought is in accordance with the Charity's aims. All applicants for accommodation are interviewed by a panel chaired by the Chief Executive before being recommended for admittance by the Trustees.

Grant Making Policy
Every application for a grant must be submitted in writing and include the total cost of the project for which the grant is sought. All applications are scrutinised to ensure that the request for assistance falls within the scope of the Charity's objects. Applicants who are eligible for help are visited to clarify any outstanding matters. If all is found to be in order, a report is made to the Trustees, who consider the application, and instruct whether the grant should be made together with any conditions relating to it. Compliance with any conditions made is monitored, and payment of grants may be withheld if the terms of assistance are not met.

Responsible Leadership/ Environmental, Social and Governance (ESG) Policy
The Trustees of Morden College believe that all of Morden College's business should be led and managed in accordance with the charitable objectives of both the Sir John Morden and Dame Susan Morden Charities, and in a way that conforms to the College's social, environmental and governance obligations.

Trustees support fully the ten principles of the United Nations' Global Compact. Notably, Trustees and the Executive recognise their responsibility to take account of, and be responsible for, the impact Morden College's business has on the environment and climate, sustainability, employment rights and practices, human rights, and on the College community as well as the wider (local to Morden College) community; and to work against all forms of dishonesty such as corruption, fraud, extortion, and bribery. This approach accords also with the College's values of:

Integrity: acting with honesty, transparency and respect.

Fairness and equity: giving fair access to opportunities and resources.

Excellence: being led by expertise from our whole community, including staff, residents, Trustees and the communities around us.

Our strategic enablers demonstrate our commitment to responsible leadership:

Expertise: we will sustain an expert team and ensure a pipeline of the skills and passion we need to deliver our vision and will make Morden College a great place to work. We will focus on training, skill sharing, alignment of individual goals with wider goals – and, crucially, accountability.

Resources: we will make disciplined investments with a long-term view to ensure our long-term financial sustainability. We will spend consciously in pursuit of our vision. We will draw upon the positive impact of external expertise. Our teams will demonstrate our values in their use of resources and be empowered by a shift towards prudence.

Technology: we will integrate technology to help us to deliver our strategy, including through generating cost savings and efficiencies in how we deliver work, and improving positive impacts on the people we serve (such as through technology enabled housing). Our teams will understand the impact of their work through the lens of data and will use technology to improve the resident experience.

Communications: we will communicate clearly with our whole community to establish a culture in line with our values.

Decision-making and planning: we will establish clear processes for energetic and expert decision-making and planning. Our lenses for considering decisions will be:

- maximising positive impact
- living our values
- using our resources consciously.

Impact: we will develop an impact approach that allows us to understand if we are doing the right things for our residents, communities, friends, families, and our teams. We will involve our residents in the design of our work to improve our impact.

Delivery models: we will establish quality and consistent service delivery models and hold ourselves accountable against these models. Our teams will be empowered by the transparency inherent in this approach. And with expertise, they will understand boundaries and when and how to flex or adapt.

PUBLIC BENEFIT

The objective of the Charity is to relieve financial hardship suffered by older people and it does this primarily by providing living accommodation comprising independent living and a Care Home. We also make available such support as is necessary to enable beneficiaries to live their lives in the community to the full.

The Charity also provides single grants and continuing annual grants, (referred to as outpensions) to older people in financial need but who do not necessarily wish to apply to the Charity for accommodation. Beneficiaries receiving such grants use the money to defray living costs as they see fit.

The objective of Dame Susan's Trust is the advancement of religion by assisting the Church of England with the upkeep of their churches and associated activities and by maintaining and paying for the operating costs of the Morden College Chapel and its Chaplain.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities including the provision of accommodation, the making of grants and provision of outpensions.

The Charity fulfils these objectives by:

(1) Relieving financial hardship for older people by providing accommodation at subsidised rates and increasingly by providing care that will allow them to lead independent lives for as long as possible. Applicants for accommodation are not required to have a minimum level of income but a cap is in place to ensure only those in need qualify. The financial limits are reviewed annually to take account of changing market conditions.

(2) Making available such support as is necessary to enable beneficiaries to live their lives in the community to the full. This support includes a Resident Services team, a Domiciliary Care Team, social events, and the provision of facilities such as a Cafeteria and Social Club which assist older people with their daily lives.

(3) Providing an annual outpension to those who qualify as being in need, as the Trustees recognise that not all applicants in need will wish to relocate to where the Charity's accommodation is located.

Applications for accommodation are received from older people who come from many different backgrounds but share a common problem in retirement in so far as they face financial difficulties. Enquiries for accommodation continue to be from all over the country as well as a small number from people living abroad but all applicants must have the right to live in the UK to qualify for accommodation. The number of applications has been increasing, as a shortage of housing and the effects of the cost-of-living crisis continue to be felt across the UK.

As properties become vacant, they are refurbished before being made available to new residents to ensure the standard meets the needs of older people.

The Charity, via the Dame Susan Trust, seeks to deliver public benefit by making grants to Church of England churches who lack the necessary funds to maintain, repair and improve the fabric of their own buildings.

Regular services of worship were held throughout the year in the Morden College Chapel at Blackheath and at the Charity's second site at Ralph Perring Court, Beckenham. Regular services are also held in Cullum Welch Court, the Care Home provided by Sir John Morden's Charity which is situated at Blackheath.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 & 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 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 SORP,
- Make judgements and accounting estimates that are reasonable and prudent,
- State whether applicable UK 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 proper 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 Charities Act 2011. 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. Through a system of internal controls, the Trustees seek to ensure all expenditure is properly incurred and properly authorised, that receipt of income is secure, and that the Charity's property is fit for purpose.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply 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.

Sir David Wootton
Chair of the Trustees

Meryl Davies
Clerk to the Trustees & Chief Executive

24 September 2025

Thrive is a good word, I like people to thrive. I feel like I thrive here, I'm a happy positive person.

— **BECKENHAM RESIDENT**

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MORDEN COLLEGE

Opinion
We have audited the financial statements of Morden College for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 March 2025 and of the net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion
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. 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 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 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 Trustees are responsible for the other information. The other information comprises the information included in the Foreword from the Chair of Trustees and Chief Executive, History and Constitution, People and Trustees' Report. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception
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:

- adequate accounting records have not been kept by the Charity; or
- sufficient accounting records have not been kept; or
- the Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees for the financial statements
As explained more fully in the Trustees' responsibilities statement set out on page 24, 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 liquidate the Charity 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:

Based on our understanding of the Charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the regulations of the Care Quality Commission, Tenancy Laws, Health and Safety Regulations, Charity Law, GDPR and Employment Law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the potential to manipulate accounting estimates and judgements and the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, using data analytics to focus testing on higher risk entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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 Charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 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 Charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

HaysMac LLP

HaysMac LLP
10 Queen Street Place
Statutory Auditor
London
EC4R 1AG

Date: 29 October 2025

HaysMac LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of Financial Activities

for the year ended 31 March 2025

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment £'000	Total 2025 £'000	Total 2024 £'000
INCOME AND ENDOWMENTS FROM						
Charitable Activities		3,027	-	-	3,027	3,306
Investment Income from Property		-	480	8,653	9,133	10,171
Investment income from other Investments	3	274	74	3,177	3,525	2,708
Other income including Donations	4	400	11	-	411	518
Total income	2	**3,701**	**565**	**11,830**	**16,096**	**16,703**
EXPENDITURE ON						
Charitable Activities	5a	11,954	158	135	12,247	12,755
Raising Funds	5b	1,021	135	1,648	2,804	2,960
Total expenditure	2	**12,975**	**293**	**1,783**	**15,051**	**15,715**
Net income/(expenditure) before investment gains/(losses)		**(9,274)**	**272**	**10,047**	**1,045**	**988**
Net gains/ (losses) on investments	9c	122	-	1,942	2,064	14,714
Unwinding of discount on debtor falling due after one year		-	-	494	494	-
Net income/(expenditure)		**(9,152)**	**272**	**12,483**	**3,603**	**15,702**
Transfer between Funds		11,830	-	(11,830)	-	-
Net movement in funds		**2,678**	**272**	**653**	**3,603**	**15,702**
Reconciliation of Funds						
Total Funds brought forward at 1 April 2024		21,643	1,649	308,054	331,346	315,644
Total funds carried forward at 31 March 2025		**24,321**	**1,921**	**308,707**	**334,949**	**331,346**

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The accompanying notes form an integral part of this Statement of Financial Activities.

Balance Sheet

for the year ended 31 March 2025

	Notes	2025 £'000	2024 £'000
FIXED ASSETS			
Tangible fixed assets			
College buildings	8	40,004	38,164
Other tangible fixed assets	8	3,617	3,563
		43,621	41,727
Investment property	9	173,147	169,970
Quoted investments	9	91,338	87,672
		264,485	257,642
Total fixed assets		**308,106**	299,369
CURRENT ASSETS			
Debtors – amounts falling due within one year	10	1,300	18,914
Short term deposits		33,249	27,911
Cash at bank and in hand		8,138	1,749
		42,687	48,574
Creditors: amounts falling due within one year	11	(2,701)	(2,962)
NET CURRENT ASSETS		**39,986**	45,612
Debtors – amounts falling due after more than one year	10	16,857	16,365
Creditors – amounts falling due after more than one year	12	(30,000)	(30,000)
NET ASSETS		**334,949**	331,346
FUNDS			
Permanent endowment	13, 14		
Sir John Morden		288,416	287,688
Dame Susan Morden		20,291	20,366
Restricted funds	13, 15	1,921	1,649
Unrestricted funds	13, 16	24,321	21,643
Total Charity funds		**334,949**	331,346

The financial statements on pages 28 to 45 were approved and authorised for issue by the Board of Trustees and signed on 24 September 2025 on its behalf by:

Sir David Wootton
Chairman of the Trustees

Meryl Davies
Clerk to the Trustees and Chief Executive

Statement of Cash Flows

for the year ended 31 March 2025

	Notes	2025 £'000	2024 £'000
Cash flow from operating activities			
Net cash provided by/(used in) operating activities	**A**	5,688	(44,821)
Cash flow from investment activities			
Dividend, interest and rents from investments		12,658	12,879
Proceeds from the sale of investments		27,771	71,890
Purchase of investments		(32,550)	(19,872)
Purchase of tangible fixed assets		(1,840)	(3,630)
		6,039	61,267
Change in cash and cash equivalents in the reporting period		11,727	16,446
Cash and cash equivalents at the beginning of the reporting period		29,660	13,214
Cash and cash equivalents to the end of the reporting period	**B**	41,387	29,660

A. Reconciliation of net income to net cash flow from operating activities	2025 £000	2024 £000
Net income for the reporting period	3,603	15,702
Adjustments for		
Depreciation	(54)	1,335
Gains on investments	(2,064)	(14,714)
Dividends, interest and rents from investments	(12,658)	(12,879)
Decrease/(Increase) in debtors	17,122	(33,928)
Decrease in creditors	(261)	(337)
Net cash provided by/(used in) operating activities	**5,688**	**(44,821)**
B. Analysis of cash and cash equivalents		
Cash in hand	8,138	1,749
Notice deposits (less than 3 months)	33,249	27,911
Total cash and cash equivalents	**41,387**	**29,660**

C. Cashflow Net Debt

	At 1 April 2024 £'000	Cashflows £'000	At 31 March 2025 £'000
Cash in hand	1,749	6,389	8,138
Notice deposits	27,911	5,338	33,249
Sub-total	29,660	11,727	41,387
Long-term bond	(30,000)	-	(30,000)
Net debt	**(340)**	**11,727**	**11,387**

Notes to the Accounts

for the year ended 31 March 2025

1. PRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The accounts have been prepared to give a 'true and fair' view and 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (Second Edition, effective 1 January 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

Public Benefit

The Charity constitutes a public benefit entity as defined by FRS102.

Going Concern

The Charity has a significant level of cash and unrestricted reserves which were the equivalent of more than 12 months operating costs at the balance sheet date. These cash reserves provide adequate resources to finance the Charity's day-to-day operations. On this basis, the Board has a reasonable expectation that the Charity has adequate resources to continue operating for the foreseeable future, being a period of at least twelve months from the date on which the Annual Report and Accounts are signed. For this reason, these accounts have been prepared on a going concern basis.

Investment Gains and Losses

Realised gains and losses on quoted investments are based on the difference between the net disposal proceeds and the brought forward value or cost for additions during the year.

Realised gains and losses on property investments are based on the difference between the net disposal proceeds and the brought forward valuation. Sales are recognised on exchange of contracts where completion takes place after the financial year end.

Unrealised gains and losses represent the difference between the market value of quoted investments and investment properties at the balance sheet date and their brought forward carrying value or purchase cost for investments acquired during the year.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income, and expenses is provided below. The principal judgments and sources of estimation uncertainty relate to the valuation of investment properties and the estimated useful lives of tangible fixed assets.

Income

(1) All sources of income are included in the accounts when the Charity is legally entitled to it and the amount can be quantified with reasonable accuracy and are stated net of VAT, where applicable. Legacies are recorded when the receipt of the legacy is probable.

(2) Where donations and legacies are received subject to the specific wishes of the donor they are credited to the relevant restricted fund.

(3) Rents are accounted for on a receivable basis; income from rents is included in the Statement of Financial Activities when it becomes due. Rent received in advance is included within creditors.

(4) Dividends and interest received are accounted for on an accruals basis.

Expenditure

(1) All costs are accounted for on an accruals basis and are classified under headings that aggregate all costs related to that category. Costs relating to more than one activity have been allocated on a calculated use basis. Staff costs have been allocated on a job function basis. Staff costs for Dame Susan's charitable trust all relate to the Morden College Chapel in Blackheath.

(2) Where VAT is irrecoverable, the expenses shown include the irrecoverable amount.

(3) Apportioned costs comprise the direct costs, including staff, of maintaining the grounds, the running costs of the kitchen, restaurant, social club, library, and the administration of the Charity.

(4) Governance costs reflect the cost of compliance with constitutional and statutory requirements.

(5) Liabilities are recognised when there is a contractual obligation to discharge a cost.

Investment property
The Charity's Commercial investment properties were last professionally valued by Messrs Gerald Eve LLP, Chartered Surveyors, as of 31 March 2025 on an open market basis in accordance with the Royal Institution of Chartered Surveyors Valuation Professional Standards. The Charity's residential investment properties were professionally valued by Comber & Co, as of 31 March 2025 on an open market basis in accordance with the Royal Institution of Chartered Surveyors Valuation Professional Standards.

Investment properties are classified in the balance sheet as fixed assets unless there is a firm intention to dispose of them, at which point they are transferred to current assets.

Quoted Investments
Quoted investments are shown at market value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

The Charity also owns 100% of the share capital of Morden College Design and Build Limited and the value of this investment is stated at cost (£2).

Tangible fixed assets

Useful lives of depreciable assets
The Trustees review their estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change and changes to circumstances which may require more frequent replacement of key buildings or components of existing buildings.

The key judgements and estimates applied in respect of housing provided for beneficiaries are disclosed in the accounting policy dealing with fixed assets and depreciation and include:

- the useful economic life of property structure at 100 years; and
- that properties have no residual value at the end of their useful life

These are conservative assumptions that are broadly aligned with general practice followed by registered housing providers.

Capitalisation of property development costs
Distinguishing the point at which a project is more likely than not to continue (allowing capitalisation of associated development costs) requires judgement. After capitalisation, management monitors the asset and considers whether subsequent changes may indicate that impairment is required.

Fixed Assets and Depreciation

(1) Buildings

Freehold land is not depreciated.

Depreciation of housing property components is charged so as to write down the cost of the components to their estimated residual value, on a straight-line basis, over their estimated useful economic lives within the Charity. Housing property components are depreciated from the year following the replacement year. Estimated useful economic lives are assumed as follows:

Major components

- Housing property structure – 100 years
- Kitchens and bathrooms – 15 years
- Electrical wiring, windows and doors – 25 years

- Boilers -15 years
- Roofs - 60 years

(2) The College's historic collections are included at the insurance valuation made by Messrs Gurr Johns, Valuers and Fine Art Consultants in October 2023 which indicated that there had been no permanent diminution in carrying value of the assets. The Trustees do not consider that depreciation is appropriate for these assets, nor do they consider it prudent to revalue the historic collection as there is no intention to sell them and the value of antique goods are subject to market fluctuations.

(3) Motor vehicles and computers are shown at cost less depreciation.

(4) Furniture and equipment purchased at a cost of under £500 are written off in the year of acquisition as their useful life is normally quite short, and the total value is not material in the context of the total assets of the Charity. Items with a cost of over £500 are included in the balance sheet at cost less accumulated depreciation.

(5) Depreciation is provided on the cost of tangible fixed assets, less estimated residual values, on a straight-line basis as follows:

Furniture and equipment	5 years
Computers	4 – 7 years

Grants
Grants payable are charged in the Statement of Financial Activities in the year that the payment is made to the recipient. All grants approved by the Trustees are conditional and are paid upon the completion of the conditions attached to them. Grants offered during the year but where conditions have not been met are not accrued as expenditure but are treated as contingent liabilities.

Pension costs
Pension payments are made to a defined contribution pension scheme. There is also one (2024: 1) member who was in the closed defined benefits scheme and the Trustees have given their undertaking to use their best endeavours to ensure that this member does not suffer any loss of benefit following the closure of that scheme. All contributions are included in the SOFA when due.

Funds and Reserves Policy
Funds held by the Charity are:

(1) Permanent Endowment Funds – these are funds that provide the capital of the Charity and are invested to produce income and investment gains to further the Charity's objects. The funds may not be used for other purposes.

(2) Restricted funds – these are funds that can only be used for restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for specific purposes.

(3) Unrestricted funds – these are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

(4) Designated funds – these are funds set aside by the Trustees out of unrestricted funds for specific future purposes or projects. The Charity's policy is to maintain an Accumulation of Income Fund to ensure that the fixed overheads of the Charity can be met for a limited period if income levels are temporarily insufficient to cover such costs. The Charity also maintains an Extraordinary Repairs Fund and a Future Projects Fund..

(5) Further explanation of the nature and purpose of each fund is included in notes 14-16 to the financial statements.

Taxation
The trust is a registered charity and as such its income and gains falling within sections 471 to 489 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

Financial Instruments
The Charity only has financial instruments of a kind that qualify as basic financial instruments such as debtors, creditors, cash at bank and listed investments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Financial assets held at settlement cost comprise cash and bank and cash in hand together with debtors. Financial liabilities held at settlement value or amortised cost comprise rents received in advance, accruals and other creditors, and the fixed interest bond. The Financial investments disclosed in note 9 are the only financial instruments measured at fair value.

2. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment £'000	Total 2024 £'000
INCOME AND ENDOWMENTS FROM				
Charitable Activities	3,306	-	-	**3,306**
Investment Income from Property	217	493	9,461	**10,171**
Investment income from other Investments	483	63	2,162	**2,708**
Other income including Donations	510	8		**518**
Total income	**4,516**	**564**	**11,623**	**16,703**
EXPENDITURE ON				
Charitable Activities	11,624	188	943	**12,755**
Raising Funds	1,021	118	1,821	**2,960**
Total expenditure	**12,645**	**306**	**2,764**	**15,715**
Net income/(expenditure) before investment gains/(losses)	**(8,129)**	**258**	**8,859**	**988**
Net gains/(losses) on investments	485	-	14,229	**14,714**
Net income/(expenditure)	**(7,644)**	**258**	**23,088**	**15,702**
Transfer between Funds	11,621	-	(11,621)	**-**
Net movement in funds	**3,977**	**258**	**11,467**	**15,702**
Reconciliation of Funds				
Total Funds brought forward at 1 April 2023	17,666	1,391	296,587	**315,644**
Total funds carried forward at 31 March 2024	**21,643**	**1,649**	**308,054**	**331,346**

3. INVESTMENT INCOME

	2025 £'000	2024 £'000
Dividends and income from Investments	**1,947**	2,202
Interest on Cash Deposits	**1,578**	506
	3,525	2,708

4. OTHER INCOME

	2025 £'000	2024 £'000
Beneficiary restaurant receipts and sundry income	**400**	510
Dame Susan Morden's Charity	**11**	8
	411	518

5. EXPENDITURE

	Direct Staff Costs £'000	Other Costs £'000	Apportioned costs £'000	Total £'000
a. Charitable activities				
2025				
Grants and out/in pensions	-	196	25	**221**
Independent living housing costs	1,144	824	2,053	**4,021**
Quadrangle housing costs	120	99	2,759	**2,978**
Care home costs	1,814	229	2,871	**4,914**
Morden College Chapel costs	56	16	-	**72**
Fire Safety Enhancement works	-	41	-	**41**
	3,134	**1,405**	**7,708**	**12,247**
2024				
Grants and out/in pensions	-	194	25	219
Independent living housing costs	476	1,297	2,015	3,788
Quadrangle housing costs	99	314	2,839	3,252
Care home costs	1,729	661	2,982	5,372
Morden College Chapel costs	64	9	-	73
Fire Safety Enhancement works	-	51	-	51
	2,368	2,526	7,861	12,755

	Direct Staff Costs £'000	Other Costs £'000	Apportioned costs £'000	Total £'000
b. Cost of raising funds				
2025				
Quoted investment managers' fees	-	425	-	**425**
Bond interest	-	1,021	-	**1,021**
Property management	-	1,036	322	**1,358**
	-	**2,482**	**322**	**2,804**
2024				
Quoted investment managers' fees	-	349	-	349
Bond interest	-	1,021	-	1,021
Property management	-	1,322	268	1,590
	-	2,692	268	2,960

	Donations, grants and out pensions £'000	Independent living housing costs £'000	Sheltered housing costs £'000	Care home costs £'000	Property management £'000	Total 2025 £'000
c. Apportioned costs have been allocated on a use basis as follows						
2025						
Catering	-	78	355	23	-	**456**
Restaurant (Cafe 19)	-	44	44	-	-	**88**
Library & Muniments	-	-	5	-	-	**5**
Gardens	-	69	148	21	-	**238**
Administration	25	1,862	2,207	2,827	322	**7,243**
	25	**2,053**	**2,759**	**2,871**	**322**	**8,030**
2024						
Catering	-	-	498	30	-	528
Restaurant (Cafe 19)	-	28	-	-	-	28
Library & Muniments	-	-	2	-	-	2
Gardens	-	62	131	19	-	212
Administration	25	1,925	2,208	2,933	268	7,359
	25	2,015	2,839	2,982	268	8,129

6. PAYMENT OF OUT/IN PENSIONS

	2025 £'000	2024 £'000
Individuals (Pensioners)	**110**	103
Administrative costs	**25**	25
Other grants	**86**	91
	221	219

There were 62 pensioners at 31 March 2025 (2024: 70)

7. WAGES AND SALARIES – STAFF COSTS (INCLUDING APPORTIONED COSTS)

	2025 £'000	2024 £'000
Staff costs		
Wages and salaries	**5,692**	5,257
Social security costs	**532**	535
Pension contributions	**357**	279
Other costs including bank and agency staff	**434**	815
	7,015	6,886

Staff costs – Wages and Salaries include redundancy costs of £537k (2024: £13.5k)

Staff numbers
The average number of employees during the year including those who worked part-time was 164 (2024:186). Their full time equivalent was 127 (2024: 159) and their functional analysis was as follows:

	2025 No.	2024 No.
Kitchen and domestics	**34**	42
Nursing	**37**	55
Premises, grounds and security	**12**	17
Home management and pastoral	**1**	1
Management and administration	**43**	44
	127	159

	2025	2024
Highest paid employees, including benefits, excluding pensions		
£60,000 to £70,000	**2**	4
£70,000 to £80,000	**3**	-
£80,001 to £90,000	**1**	3
£90,001 to £110,000	**1**	2
£120,001 to £130,000	**-**	1
£130,001 to £140,000	**1**	-
£140,001 to £150,000	**-**	1
£160,001 to £170,000	**1**	-

The Charity's key senior managers are listed on page 7. Details of remuneration policy are set out in the Trustees' Report. Total remuneration paid to senior managers, including employers NI, was £1,033k (2024: £1,173k).

No Trustees received any remuneration but received reimbursement of expenses of £730 during the year (2024: £1,464).

8. TANGIBLE FIXED ASSETS

	Charity £'000
College Buildings	
Cost	
At 1 April 2024	50,553
Additions at Cost	1,422
At 31 March 2025	**51,975**
Depreciation	
At 1 April 2024	12,389
Net depreciation adjustment	(230)
Disposal adjustment	(188)
At 31 March 2025	**11,971**
Net book value at 31 March 2025	**40,004**
Net book value at 31 March 2024	38,164

	Antiques & Valuables £000	Computers £'000	Furniture & equipment £'000	Total £'000
Other tangible fixed assets				
Cost or Valuation				
At 1 April 2024	1,685	1,857	2,572	6,114
Additions at Cost		395	23	418
Disposals	-	-	-	-
At 31 March 2025	**1,685**	**2,252**	**2,595**	**6,532**
At valuation	1,685	-	-	1,685
At cost	-	2,252	2,595	4,847
Depreciation				
At 1 April 2024	-	612	1,939	2,551
Disposals	-	-	-	-
Charge for the year	-	240	124	364
At 31 March 2025	**-**	**852**	**2,063**	**2,915**
Net book value at 31 March 2025	**1,685**	**1,400**	**532**	**3,617**
Net book value at 31 March 2024	1,685	1,245	633	3,563

9. INVESTMENT ASSETS AT MARKET VALUE

	2025 £'000	2024 £'000
a. Investment property		
Residential	**64,785**	63,005
Commercial and Industrial incl Property Fund	**108,362**	106,965
	173,147	169,970
b. Financial investments		
Fixed interest and alternatives – UK & non UK	**24,143**	61,876
Equities – UK & non UK	**61,053**	23,244
	85,196	85,120
Stockbrokers' client account	**6,142**	2,552
	91,338	87,672
Historical cost of investments held at 31 March 2025	**83,260**	78,004

	Property £'000	Financial investments £'000	Total £'000
c. The movements in market value may be summarised:			
Market value at 31 March 2024	169,970	87,672	**257,642**
Realised/Unrealised gains/(losses)	3,018	(954)	**2,064**
	172,988	86,718	**259,706**
Additions	159	32,391	**32,550**
Disposals	-	(31,361)	**(31,361)**
Change in stockbroker cash deposits	-	3,590	**3,590**
Market value at 31 March 2025	**173,147**	**91,338**	**264,485**

10. DEBTORS

	2025 £'000	2024 £'000
Amounts falling due within one year		
Rent and contributions receivable	**709**	511
Prepayments and sundry debtors	**17**	220
Dividends and interest receivable	**574**	683
Due from sale of investment property	**-**	17,500
	1,300	18,914
Amounts falling due after more than one year	**16,857**	16,365

Amounts due after more than one year relate to the sale of the Morden Wharf Southern Site in October 2023. The amount of £18,023,307 due after more than one year has been discounted to its net present value at the balance sheet date using the rate on two-year government bonds (4.16%).

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £'000	2024 £'000
Rents received in advance	**1,043**	962
Tax, pensions and social security	**211**	171
Value Added Tax	**253**	185
Sundry creditors	**155**	240
Accruals	**1,039**	1,404
	2,701	2,962

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025 £'000	2024 £'000
Fixed Interest Bond	**30,000**	30,000
	30,000	30,000

The Bond has a maturity date of 27 March 2042 and carries a fixed rate of interest of 3.38% until maturity. The Bond is repayable as a single amount.

13. ALLOCATION OF THE NET ASSETS OF THE CHARITY

	Endowment Funds £'000	Restricted Funds £'000	Unrestricted Funds £'000	Total Funds £'000
2025				
College buildings	40,004	-	-	**40,004**
Other tangible fixed assets	1,685	3	1,929	**3,617**
Investments – Sir John Morden	225,236	-	18,958	**244,194**
Investments – Dame Susan Morden	20,291	-		**20,291**
Net current assets	34,634	1,918	3,434	**39,986**
Debtors due after more than one year	16,857	-	-	**16,857**
Long Term Liability (Bond)	(30,000)	-	-	**(30,000)**
	308,707	**1,921**	**24,321**	**334,949**
2024				
College buildings	38,164	-	-	38,164
Other tangible fixed assets	1,685	6	1,872	3,563
Investments – Sir John Morden	223,722	-	13,554	237,276
Investments – Dame Susan Morden	20,366	-	-	20,366
Net current assets	37,752	1,643	6,217	45,612
Debtors due after more than one year	16,365	-	-	16,365
Long Term Liability (Bond)	(30,000)	-	-	(30,000)
	308,054	1,649	21,643	331,346

14. PERMANENT ENDOWMENT FUNDS

	Balance at 1 April £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	Balance at 31 March £'000
2025						
Sir John Morden	287,688	11,830	(1,783)	2,511	(11,830)	288,416
Dame Susan Morden	20,366	-	-	(75)	-	20,291
	308,054	**11,830**	**(1,783)**	**2,436**	**(11,830)**	**308,707**
2024						
Sir John Morden	275,970	11,624	(2,763)	14,481	(11,624)	287,688
Dame Susan Morden	20,618	-	-	(252)	-	20,366
	296,588	11,624	(2,763)	14,229	(11,624)	308,054

The Permanent Endowment Fund is a restricted fund that includes the current value of the original endowment that was to provide homes and financial assistance for the elderly. In 2016, the Trustees resolved to apply Total Return accounting to the portion of the Sir John Morden permanent endowment fund that is represented by fixed asset investments.

The Trustees have established a policy of transferring the investment income received in the year to the general fund and retaining the balance of the Unapplied Total Return within the endowment fund. This policy is reviewed annually by the Trustees.

The total of the Trust for Investment and the Unapplied Total Return make up the Permanent Endowment Fund.

Income from the Trust for Investment is to be applied to the running costs of the Charity. The capital may be used to purchase property for charitable and investment purposes, but the maintenance and refurbishment of these properties must be paid from the income of the Charity.

14. PERMANENT ENDOWMENT FUNDS (CONTINUED)

	Permanent Endowment £'000	Unapplied Total Return £'000	Total £'000
Sir John Morden – Total Return accounting			
Balance 1 April 2023	**244,901**	**17,279**	**262,180**
Investment Income	-	11,624	**11,624**
Investment Gains	-	14,481	**14,481**
Investment Managers' Fees	-	(1,821)	**(1,821)**
	244,901	41,563	**286,464**
Inflation Indexation	9,306	(9,306)	**-**
	254,207	32,257	**286,464**
Allocation of Unapplied Total Return to Income	-	(11,624)	**(11,624)**
Balance at 31 March 2024	**254,207**	**20,633**	**274,840**
Investment Income	-	11,830	**11,830**
Investment Gain	-	2,511	**2,511**
Investment Managers' Fees	-	(1,648)	**(1,648)**
	254,207	33,326	**287,533**
Inflation Indexation	6,609	(6,609)	**-**
	260,816	26,717	**287,533**
Allocation of Unapplied Total Return to Income	-	(11,830)	**(11,830)**
Balance at 31 March 2025	**260,816**	**14,887**	**275,703**

The Trust for Investment as at 1 April 2016, the date of adoption of Total Return accounting, was identified by the Trustees as being equal to the value of the fund's investment portfolio as at that date. The Trustees have determined that the Trust for Investment should be increased annually in line with CPI inflation to protect its real value, which has resulted in an increase of 2.6%, £6.609m in the current year (2024: 3.8%, £9.306m).

Source: Office for National Statistics

15. RESTRICTED FUNDS

	Balance at 1 April £'000	Income £'000	Expenditure £'000	Balance at 31 March £'000
2025				
Welfare Fund	5	-	-	**5**
Gift Fund	8	-	-	**8**
Dame Susan Morden's Charity general fund	1,636	565	(293)	**1,908**
	1,649	**565**	**(293)**	**1,921**
2024				
Welfare Fund	5	-	-	5
Gift Fund	8	-	-	8
Dame Susan Morden's Charity general fund	1,378	564	(306)	1,636
	1,391	564	(306)	1,649

The Welfare Fund was created from a gift received some years ago and is for the benefit of residents and staff and it is for expenditure that is not part of the Charity's normal activities. The Gift Fund represents donations received for the benefit of the Care Home and its staff.

16. UNRESTRICTED FUNDS

	Balance at 1 April £'000	Income £'000	Expenditure £'000	Gains/Losses	Transfers £'000	Balance at 31 March £'000
2025						
General Fund	9,178	3,701	(12,975)	122	7,865	**7,891**
Accumulation of income	2,325	-	-	-	6	**2,331**
Extraordinary repairs	3,936	-	-	-	(41)	**3,895**
Future Projects	6,204	-	-	-	4,000	**10,204**
	21,643	**3,701**	**(12,975)**	**122**	**11,830**	**24,321**
2024						
General Fund	5,250	4,516	(12,645)	485	11,572	9,178
Accumulation of income	2,319	-	-	-	6	2,325
Extraordinary repairs	3,893	-	-	-	43	3,936
Future Projects	6,204	-	-	-	-	6,204
	17,666	4,516	(12,645)	485	11,621	21,643

The Trustees reviewed the balances on all funds before authorising transfers between funds.

The Trust Deed requires the Trustees to maintain an Accumulation of Income fund to ensure that the fixed overheads of the Charity could be met for a limited period of time if income levels were temporarily insufficient to cover such costs. The Deed also requires a minimum transfer of £6k into this fund each year; having reviewed the balance on the fund the Trustees have determined that the fund should be increased by the minimum amount. The fund is invested in a cash deposit.

Under the Trust Deed the Trustees are also required to maintain an Extraordinary Repairs Fund (Building Reserve Fund) for the maintenance, extraordinary repair, improvement or refurbishment of the almshouses, other buildings and the infrastructure of the Charity. The funds are invested in a bank deposit account.

The Future Projects fund provides for the future expenditure on new projects of any kind to be undertaken in furtherance of the objects of the Charity. The balance of the surplus for the year, after transfers to the Extraordinary Repairs Fund and other Funds is retained in this account.

17. CAPITAL COMMITMENTS

There were no capital commitments at 31 March in either the current year or the prior year.

18. SUBSIDIARY UNDERTAKING

The Charity incorporated a Private Limited Company, Morden College Design and Build Limited on 22 January 2013; the company is registered in England and Wales. The company supplied building construction services to Sir John Morden's Charity for its building project, Alexander Court. Following completion of the project, the company is now dormant. The subsidiary has 2 issued shares of £1 each which are both beneficially owned by the Charity.

19. OPERATING LEASES

The Charity derives the majority of its income from properties which are leased to commercial and residential tenants. The future minimum lease payments under non-cancellable operating leases are as follows:

	2025 £'000	2024 £'000
Not later than one year	6,438	1,153
Later than one year and not later than five years	19,509	29,331
Later than five years	33,697	39,096
	59,644	**69,580**

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025

Registered Charity No 215551

MORDEN COLLEGE
19 ST GERMANS PLACE
BLACKHEATH
LONDON SE3 0PW

REGISTERED CHARITY NO 215551

WWW.MORDENCOLLEGE.ORG.UK

MORDEN COLLEGE

MORDEN COLLEGE

England & Wales - Charity number 215551

Accounts

MORDEN COLLEGE

Interesting People Living Life to the Full

Annual Report

Annual Report and Accounts
for the year ended 31 March 2024

Registered Charity No 215551

This photograph and cover photography courtesy of **Jim Stephenson for Mae Architects**

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Morden College Annual Report 2024
Annual Report and Accounts for the year ended 31 March 2024
Registered Charity No 215551

Order of Service for the
Learning of
The Reverend Alex Bunwell

Forward from the Chair of Trustees and Chief Executive

This was a year of decisions with a focus on the future of Morden College. The year was punctuated with important milestones: we welcomed our Royal Patron to the College; saw our John Morden Centre win the RIBA Stirling Prize; and welcomed our new CEO, Meryl Davies, and new members of the Trustee and Executive Boards. Our ambition to further diversify our endowment portfolio was achieved when we finalised our agreement to sell Morden Wharf Southern Site in October 2023.

But for all that we have looked ahead, we have also spent time considering our heritage. In June 2023, my fellow Trustees and I took the extremely difficult decision to close the Morden College Quadrangle as a place of accommodation. Residents have lived at Morden College for over 300 years, and the only accommodation here for centuries was our Quadrangle, a Grade One listed building which is at the heart of our Charity and includes our Chapel.

The Quadrangle was home to 'decay'd Turkey merchants' who, having fallen on hard times, lived here in community. In the 1840s, the Morden College Trustees oversaw an extensive refurbishment and many of the interior features installed at that time remain in the Quad today. Additions to the original buildings include the dining hall, library, and the infirmary. The dining hall and library are still in use and the infirmary is now our bar and social club.

The majority of our residents live in independent living almshouse accommodation in buildings added in the late 20th century and 21st century in both Blackheath and Beckenham. But the "Quad" has remained a place of accommodation for forty residents, serving as an almshouse since we opened in 1700. However, as set out in last year's report, we have been undertaking significant fire safety work across our operational estate. A detailed Fire Risk Assessment in 2023 made it clear that considerable fire-safety enhancement works would be necessary if the Quad were to continue to be safe to be used as accommodation. In addition to this, a comprehensive report from building surveyors confirmed the need for the electrical and plumbing installations in every flat to be renewed. Against this backdrop, there was no alternative but to ask our residents to move to other Morden College flats to allow for further investigation and work to be carried out.

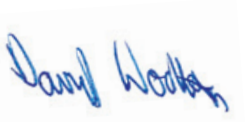
Despite this temporary closure, this iconic almshouse building will remain at the heart of our Blackheath site and the Trustees are consulting widely with experts in many fields, and with our residents and staff team, to ensure that we find a future for our buildings that has the right balance of being appropriate, visionary, and aligned to the centuries-long commitment of this Charity to support people in need.

Meryl Davies Chief Executive

It is an honour to have joined Morden College as CEO and Clerk to the Trustees. I have received a warm welcome from Trustees, residents, staff, and friends of Morden College. This is a wonderful Charity with important traditions to celebrate and tremendous opportunities to pursue. The Charity's strategic plan, from 2019, has delivered five years of important development which have seen us complete our impressive John Morden Centre, ensure that our residential accommodation is fit for the future, and rationalised our care home provision.

Now, we are looking ahead to the next strategy and to the ways in which we want to grow as a Charity and work with other organisations to confront contemporary challenges and support important causes.

The Trustees and the executive team are committed to a future for this Charity which will honour our heritage and carve out a path for a sustainable future.



Sir David Wootton
Chair of Trustees

Meryl Davies
Chief Executive

History and Constitution

Morden College is the general title used for the administration of Sir John Morden's Charity and Dame Susan Morden's Charity. Both Charities were established under separate Trust Deeds, but they share the same Registered Charity Number 215551.

The Trustees of the Charity are drawn, in the main, from the Court of Aldermen of the City of London. Trustees who retire from the Court of Aldermen of the City of London remain eligible to continue to serve as Trustees of the Charity. Trustees are appointed on the basis that they possess the appropriate range of skills and experience that will assist the future growth and development of the Charity. Where it is recognised that certain particular skills and experience needed are not met from the Aldermen group, the Charity has gone outside to look for sector experts, and three Trustees are currently non-Aldermen.

People

TRUSTEES

Chairman and Honorary Treasurer:
Sir David Wootton MA

Trustees:
Alderman Sir Peter Estlin FCA BSc
(resigned 16 November 2023)

Alderman Professor Michael Mainelli FCCA FCSI FBCS

Alderman Alison Gowman

Alderman Alastair King

Alderman Robert Hughes-Penney

Sharon Houlden
(resigned 13 April 2023)

Fredrik Widlund

Dr Abigail Masterson
(resigned 11 March 2024)

Professor Jill Manthorpe
(elected 11 March 2024)

Alderman Christopher Makin
(elected 11 March 2024)

Alderman Tim Hailes
(elected 11 March 2024)

Professor Sube Banerjee
(elected 11 June 2024)

Alderman Greg Jones KC
(elected 11 June 2024)

ADVISORS TO THE TRUSTEES

Honorary Surveyor
George Gillon MBE FRICS

Advisor on Care
Dr Caroline Shuldham OBE
(resigned 14 May 2024)

OFFICERS AND SENIOR MANAGERS

Clerk to the Trustees & Chief Executive
Meryl Davies
(appointed 16 October 2023)

David Rutherford-Jones
(retired 13 October 2023)

Chaplain
The Rev'd Alex Russell
(appointed 3 June 2024)

The Rev'd William Warren
(retired 31 March 2024)

Director of Finance & IT
Helen Downie ACA
(appointed 21 August 2024)

Kate Morris ACMA
(resigned 30 August 2024)

Director of Real Estate
Ed Mileham MRICS BSc

Director of Residents' Services & Charity Development
Catronia Toms
(appointed 1 July 2024)

Debbie Dollner
(resigned 8 March 2024)

Director of People & Culture
Michael Lowe
(appointed 2 January 2024, resigned 1 November 2024)

Vicki Sutton
(resigned 19 October 2023)

Director of Operations
Richard McAllister

Charity Information

PRINCIPAL OFFICE

19 St Germans Place
Blackheath
London SE3 0PW

PRINCIPAL BANKERS

National Westminster Bank plc
13 Stratheden Road
Old Dover Road, Blackheath
London SE3 7SY

CHARTERED SURVEYORS

Gerald Eve LLP
7 Vere Street
London W1G 0JB

INVESTMENT ADVISORS

Stanhope Consulting
35 Portman Square
London W1H 6LR

AUDITOR

HaysMac LLP
10 Queen Street Place
London EC4R 1AG

SOLICITORS

Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Attwaters Jameson Hill
St. Clement's House
27 Clement's Lane
London EC4N 7AE

INVESTMENT MANAGERS

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

CCLA Investment Management
1 Angel Lane
London EC4R 3AB

Our Vision and Values

OUR VALUES

RESPECTFUL

We celebrate individuality and diversity and foster a culture of dignity where everyone feels safe and valued. We appreciate the different roles we each perform in strengthening our culture and making a positive impact on people's lives within Morden College.

COMPASSIONATE

We are kind to each other. We create and nurture a supportive, inclusive environment where voices are heard, and individual choices are respected. We genuinely care for our colleagues, our residents, and their families.

PROGRESSIVE

We believe in everyone's abilities and provide our people with opportunities to grow personally and professionally. We inspire each other to improve as individuals and as a community, and we encourage creativity and embrace new ideas.

We value education and develop our talent. We embrace technology and through collaboration, communication and teamwork we progress as individuals, and contribute to the long-term performance of the Charity.

ACCOUNTABLE

We encourage the highest standards of individual behaviour in all that we do. We are personally accountable for our choices and our actions and are fully committed to the Charity's mission and its successes.

Trustees' Report

In 2019, we established our five strategic aims. In our 2023 Annual Report, we set out our priorities for the period 2023-2025.

STRATEGIC AIM **1**

Enable a life lived in independence for older people we provide homes for.

The almshouse accommodation at Morden College is made up of 109 flats at Blackheath and 101 flats at Ralph Perring Court in Beckenham. We are proud to be able to offer well-appointed one-bedroom flats to people in need.

As well as providing residential accommodation, Morden College is committed to supporting a thriving community and our resident-led activities continue to be an essential element in our work. We provide financial support for Sports and Social Clubs at both our Blackheath and Beckenham sites and the respective committees put on events, trips, and activities for their fellow residents. A key priority was to regain the 'spirit' and 'sense of fun' of our community, ensuring that activities are resident-led. Residents continue to organise professional standard concerts, visits to attractions and sights, and a regular calendar of social activities.

A focus on independence
Our Resident Services team supports residents to live in independence. They run shopping buses, a small on-site shop, and activities to promote ageing well plus providing the resident interface for all College services. We run a growing domiciliary care service which provides care packages to residents enabling them to remain in their own flats. Carers make sure that residents with limited mobility are able to take advantage of our communal facilities such as our beautiful Café 19 in the John Morden Centre. We are committed to further developing the domiciliary care and help at home (support for living such as laundry and cleaning) schemes at Morden College and to supporting independent living for our residents.

With the closing of the Quadrangle as a place of accommodation, we have converted the first floor of the care home into 16 self-contained flats. This area of Morden College, now called Edwardstone Court, will provide accommodation for 16 people with meals, cleaning, and laundry provided by Morden College.

Our priorities for 2023-2025 included developing an income strategy for the Sir John Morden Charity. This has included analysing how we set the Weekly Maintenance Contribution (the 'rent' that is paid by almshouse residents) and how we charge for additional services. Further income-generating activities will be considered in future years.

Theresa's Story

"I moved from Islington to Beckenham in 2014. The initial arrangements with the private Landlord were comfortable and I hoped the tenancy agreement would continue until August 2024. Sufficient time to evaluate a private pension scheduled to commence that year. Unfortunately, my health deteriorated significantly in January 2023.

Then in March 2023, I received notification that the Landlord intended to sell the flat. I could not work and was at a complete loss as to how to find a new home. My experience highlights the vulnerability of a private tenant even after nine years without issues paying the rent and with minimal repairs.

My application for Ill Health Retirement was approved in August 2023. Sheltered accommodation was mooted. My response, ***"but I want to keep dancing."***

I was in a perfect storm.

Communication with the Landlord soured with reference to Section 21. I balanced precariously on a tightrope. Pressure to leave the property escalated.

I found details of Morden College during my research using the internet. Telephone conversations and completion of forms preceded the interview in November 2023. The panel, chaired by the CEO, Meryl Davies, put me at my ease and enthusiastically enquired about my recent venture into writing.

The thorough application process provides reassurance for the residents. The unique lifestyle in Morden College is not compatible for everyone.

During the tour of Ralph Perring Court, the dance floor in the Community Hall caught my attention. I was exhilarated. Dancing is only a few steps away.

Before Christmas I received a life-changing gift – an offer of residency.

A new chapter began on 2nd May 2024. From clambering over the side of a bath to a walk-in shower; defective plumbing and mould to a newly fitted kitchen.

I was given a warm welcome. Each day I manage physical and psychological health conditions. The improvement in my quality of life is positive."

STRATEGIC AIM **2**

Provide care through life until the end of life for our resident beneficiaries.

Our care home, Cullum Welch Court, has been part of Morden College since the 1960s. The new Cullum Welch Court was opened in 2005 as a 60-bed care home. Since then, Cullum Welch Court has provided nursing care both for residents of our almshouses but also for people moving in from outside Morden College.

Our care home now has 28 beds and still provides nursing care for former residents of our almshouses and some others from the local community. One of our priorities for 2023-2025 was to reduce residential care without nursing. The transition to a nursing home has largely completed with new residents requiring nursing care from the beginning of their time in the home. Now under new management, the care home continues to develop as a place of care and kindness with consistently improving care for people with multiple conditions including dementia.

STRATEGIC AIM **3**

Grow the College Community into our local community, creating a new non-residential beneficiary community.

Our commitment to sustaining and growing our community and welcoming others is exemplified by our John Morden Centre which was completed in 2022. It was a significant honour for everyone at Morden College when the RIBA Stirling Prize 2023 was awarded to Mae Architects for their design of the 'JMC' as it is known.

Resident-led activities such as the Saturday morning concerts are open to the local community, and we will continue to build connections with local charities, schools, and other organisations and welcome more local people onto both our sites.

Morden College is sustained and enriched by all the people who live and work here. Our residents are retired people from a huge range of professions who live in community and share the spaces we have in Blackheath and Beckenham.

Resident numbers have fallen in recent years as we have focussed on consolidating our accommodation. Our grant-making has, meanwhile, been developed with the adaptation of the Charitable Objects of Dame Susan's Charity, finalised in March 2024. One of the ways in which we reach out into the wider faith communities is through the funding of choristers and we now have Morden College choristers at Rochester, St Edmundsbury, St Paul's and Southwark cathedrals and fund choristers at the Old Royal Naval College Chapel via Trinity Laban.

Our plans for the year were to put in place a plan for executing this strategic aim. Delivering against this aim falls into two areas:

1. Building connections with local charity partners and encouraging them to use our facilities for activities which include both local older people and Morden College residents. These programmes are beginning to take shape at both sites and we anticipate greater activity in 2024/25.

2. Building connections with local charity partners and making grants. We made a number of grants to local charities in the year in question. However, we are now reviewing our grant-making, and in particular our impact assessment of funded projects, and anticipate an increase in our grant-making once these are in place.

As for Dame Susan's Charity, we will use the revised scheme as the basis for renewed grant making which will see us have significant impact on older lives.

Our commitment to our chaplaincy, which is funded by Dame Susan's Charity, has been renewed with the appointment of our new Chaplain, Revd Alex Russell who joined us in June 2024.

STRATEGIC AIM **4**

Sustain John Morden's Charity for another 300 years.

Our operational property is a mix of buildings ranging from the original almshouse building from 1695 to the rebuilt Alexander Court, finished in 2016 and the newly refurbished area, now known as Edwardstone Court, opening in 2024.

The planned and preventative maintenance of those properties is underpinned by a condition survey commissioned in 2024. This will ensure that we are able to manage, improve, and potentially extend our almshouse provision over the next decade.

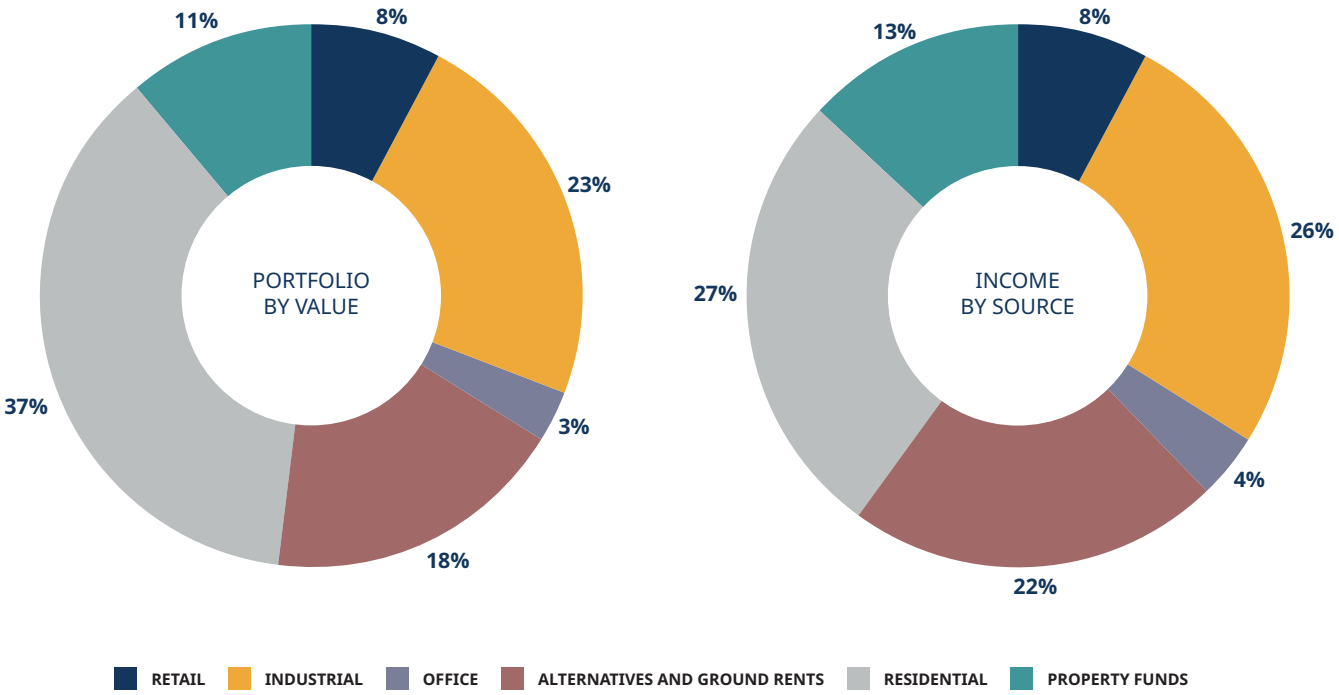
Sir John Morden himself, and generations of our Trustees, have ensured the financial well-being of this Charity through investment of our endowment. Our Trustees are determined to sustain the Charity in perpetuity and have committed to diversifying an endowment which has traditionally been focussed on property.

The endowment property portfolio is made up of a mix of commercial and residential properties which are managed by the Director of Real Estate and his team. The College manages a diverse and hedged portfolio with a mix of assets in different use class sectors. Income from the endowment is supported through applying market rental levels, careful arrears management, and high levels of occupancy. In the mix we have some strong covenants with 5 business tenants representing over 50% of our commercial asset income. Additionally, we explore development opportunities within the portfolio to boost asset value and generate capital receipt. In October 2023, we finalised our agreement to sell the Morden Wharf Southern Site and our aim is to use these funds to further diversify our endowment.

In addition to the Sir John Morden Charity endowment, the Charity operates a separate endowment to support the Dame Susan Morden Charity. This is made up of 27 units of residential property valued at £19m and generating £517,000 to support the objects of the Dame Susan Charity.

The Real Estate team is focussed on our sustainability obligations and ambitions which run through our planned and preventative maintenance programme. We are actively anticipating EPC targets and working to build a sustainable portfolio. In line with our priorities set out in previous years, we are focusing on all aspects of sustainability in terms of our environmental targets, our social impact, and good governance.

REAL ESTATE PROPERTY



STRATEGIC AIM **5**

Create a performance focussed culture, where every member of staff understands their contribution to the success of Morden College and is provided with the opportunity to achieve their potential.

Morden College's staff teams work across property investment, finance, IT, property management, resident support, care home, hospitality, and much more. Our staff team of around 175 is augmented by contracts for maintenance and security. Team members enjoy flexible working, discounts in our Café 19, and free parking. Working at Morden College in any role means daily interaction with our residents and this is part of the mutually enriching relationships that build up over time in a place like this.

In the year 2023/24, we have become a Living Wage Employer and have increased salaries and our employer's pension contributions as part of our commitment to being a great place to work.

We invest in developing our teams and promoting a culture that focuses on excellence, efficiency and investing in our people to enable employees to grow and thrive professionally at Morden College.

Looking ahead

The strategic aims set out in this report were developed in 2019. In 2024, we are refreshing our strategic approach and considering our role against the backdrop of a national housing crisis, an ageing population, and the future of our heritage buildings and wider site.

We are committed to developing as a sustainable organisation that can have an impact, both directly and indirectly, on the lives of many more older people in the years to come. We are extraordinarily fortunate to have an endowment which gives us the opportunity to consider fresh approaches. We will honour that good fortune by reviewing our current activities and ensuring that we use our resources wisely, focusing on both current and future needs of our older people.

Our refreshed strategic framework will see us reaffirm our commitments to our core principles as set out by our founder at the same time as building a sustainable, scalable, effective and efficient approach to the future of this remarkable organisation.

FINANCIAL REVIEW

The net surplus before transfers between funds and investment gains for the year under review was £988k compared to a £467k surplus for the previous year. This reflects a return to more stable growth in investment returns after a turbulent year in 2023, which was impacted by high inflation and volatility caused by the war in Ukraine and political and economic disruption in the UK. Following the sale of the Morden Wharf Southern Site in October 2023, the Charity also benefited from high interest rates on significantly increased cash reserves.

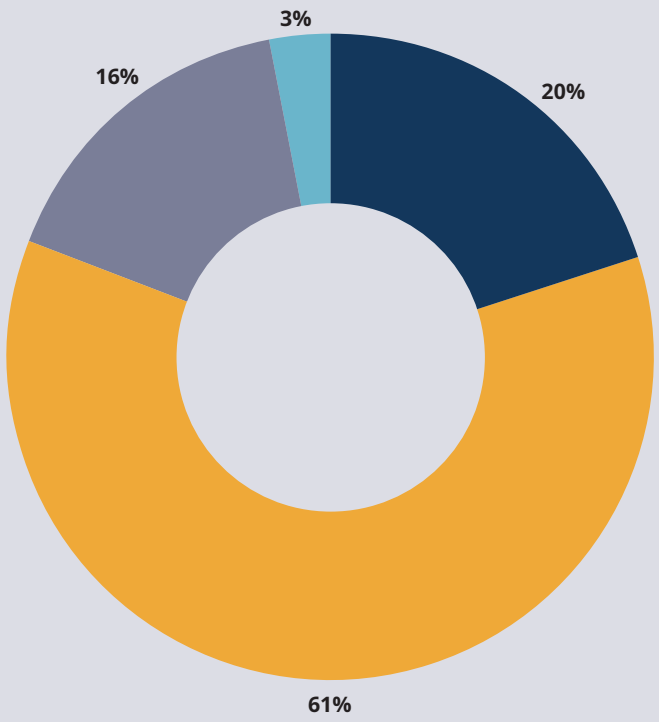
INCOME 2024

Total income for the year was

£16.703m

+ 7% increase

2024	£16.703 million
2023	£15.662 million



(1) Income from charitable activities
Income from beneficiaries in our living accommodation (including the care home) this year was £3.306 million, an increase of 6% compared to the previous year (2023: £3.126 million).

This increase resulted from filling voids in our Independent Living accommodation together with small inflationary increases in contribution rates. The number of residents in our care home remained at twenty-eight, following the decision in 2023 to reduce the size of the Charity's care home operation.

(2) Investment income from property
Property income this year was £10.171 million, an increase of 4% compared to the previous year. This was a strong result given the sale of the Morden Wharf Southern Site in October 2023, resulting in the loss of investment property income from this site. Total income from property includes income from our Property Funds.

(3) Investment income from other investments
Income from the Charity's Quoted Investment Portfolio was £2.708 million, an increase of 13% compared with the previous year. Interest income was boosted by high interest rates and the sale of the Morden Wharf Southern Site.

(4) Other income including donations
Other income includes turnover in our restaurant, Café 19, and shop, together with sundry income. Other income was £518k (2023: £398k).

(5) Fundraising
The Charity does not undertake fundraising activities during its normal course of operations.

In terms of expenditure, 2024 was a year of consolidation as we laid the groundwork for our new strategy and Master Plan for the site.

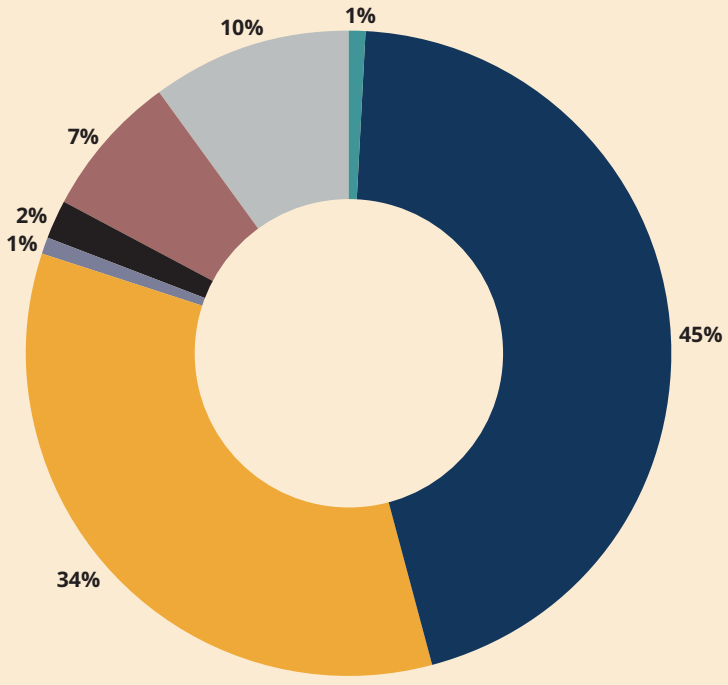
EXPENDITURE 2024

Total expenditure for the year was

£15.715m

+ 3% increase

2024	£15.715 million
2023	£15.195 million



(1) Grants and out/in pensions
The total paid in Grants and out/in pensions, before allocated costs, was £194k (2023: £251k). The total number of beneficiaries supported by grants (pensioners) was 73 (2023: 82). The number living outside the College who receive financial assistance from the Charity was 54 (2023: 58).

(2) Independent Living Housing Costs (including the Quadrangle)
Independent living costs were £7.040 million, an increase of 6% compared to the previous year (2023: £6.619 million).

These costs include the maintenance of the charitable buildings and support costs such as our IT infrastructure and staff who maintain our estate and support our residents. During 2024, we took the decision to close the Quadrangle as a place of accommodation and to gradually move residents into alternative living accommodation that better meets their needs.

(3) Care Home Costs
Care Home costs increased by 4% to £5.372 million (2023: £5.165 million). The Care Home is under new management and the staffing structure now reflects the reduced number of residents.

(4) Investment Managers' fees
Investment Managers' fees are consistent with the prior year at £349k (2023: £322k). The overall cost of raising funds includes the £1.021 million annual interest payment on the £30 million Bond, which is repayable in 2042.

(5) Property Management Costs
The costs associated with our direct property investments were £1.590 million, an increase of 9% compared with the previous year (2023: £1.457 million). These costs include the costs of our Real Estate team, together with direct property costs (including the costs of preparing the Morden Wharf Southern Site for sale).

INVESTMENTS

Sir John Morden left approximately £12,500 to endow the College when he died in 1708 and the permanent endowment assets of the Charity (which include the assets of Sir John and Dame Susan Morden) are now valued at £308 million. The permanent endowment assets include total College fixed assets, which includes the original land, investment properties and quoted investments.

Approximately 52% of the Charity's endowment is invested in property (including property funds) and 48% in financial investments. The reduced allocation to property reflects the sale of the Morden Wharf Southern Site.

The time horizon for the endowment portfolio is very long term, reflecting the Charity's history. With effect from 1 April 2016, the Trustees adopted a Total Return approach to accounting for the investments for the Sir John Morden's Charity's Permanent Endowment. The Trustees are using the statutory powers included in the Charities Act 2011 ("the Act") and given effect by the Charities (Total Return) Regulations 2013 ("the Regulations"), which do not require Charity Commission approval in order for the Total Return basis to be adopted.

The Trust for Investment is considered to be the value of the permanent endowment as at 1 April 2016 and may be increased by the allocation of unapplied total return, being the investment income and capital gains on the portfolio, from time to time.

The Trustees have determined that the Trust for Investment should be increased annually in line with Consumer Price Index (CPI) inflation to protect its real value, which has resulted in an increase of 3.8% in the current year (2023: 8.9%).

The Trust for Investment and the unapplied total return together comprise the permanent endowment fund disclosed in Note 14b to the accounts. The total return for the year ended 31 March 2024 was a gain of £24.3 million, comprising income of £11.6 million and gains of £14.5 million, less investment management fees of £1.8 million. The balance on the Unapplied Total Return Fund at 31 March 2023 was £17.279 million and it was proposed that £9.306 million is allocated to the Trust for investment, in line with the Trustees' policy established in 2017, and £11.624 million is converted to income and transferred to the unrestricted fund. The balance on the Unapplied Total Return Fund at 31 March 2024 is now £20.6 million.

The Charity's financial investment policy provides that the minimum investment objective is to preserve the capital and income of the Charity's portfolio from inflation. The measure of inflation is the CPI. From 1 July 2021, the long-term total return objective for the investment portfolio was set at CPI inflation plus 3% p.a.

A reasonable level of capital volatility within the portfolio is considered by the Trustees to be acceptable in order to achieve the return objectives. However, the maximum capital losses in the financial portfolio in any one-year period in normal market conditions (defined as 98% of possible outcomes) should not exceed 15-20%.

In terms of responsible investment, the Trustees of Morden College believe that the endowment portfolio should be managed in a responsible and sustainable manner in accordance with its charitable objectives and social obligations.

Morden College uses the services of two fund managers; Sarasin and CCLA. The year to 31 March 2024 was a strong year for investment returns as markets recovered from losses sustained in 2023. For the financial year covered by this report, the combined Sir John Morden financial portfolio outperformed the long-term objective of CPI +3% p.a., delivering a return of 11.2% against a target of 7.1%. However, over the medium term, the financial portfolio has underperformed against target, delivering a return of 5.6% over five years compared with a target return of 8.1%. This reflects the difficulty of achieving the investment objective during a period of high inflation. Nevertheless, the Trustees believe the investment objective remains appropriate and should be achievable in more stable economic conditions.

RESERVES

a. Unrestricted Funds

I. The Accumulation of Income Fund was set up to ensure that the fixed overheads of the Charity, which are mainly staff costs in the short term, could be met for a limited period of time if income levels were temporarily insufficient to cover such costs. Under the Charity's Trust Deed, the Trustees are required to transfer a minimum amount of £6,000 per annum to the fund. The balance on the fund stands at £2.325 million.

II. The balance of the General Fund at £9.2 million plus the Accumulation of Income Fund represents approximately 9 months of expenditure (with reference to the year under review). Trustees' target is to keep this combined balance at a minimum of 6 months of expenditure, since the Charity relies wholly on returns from its investments to fund day-to-day running costs. This balance reduces the risk of the Charity being unable to operate if faced with a downturn in either the property or financial investment markets.

III. The Charity owns and manages an extensive property portfolio which comprises both investment properties and the Charity's College Buildings which provide accommodation and other facilities for its beneficiaries. Investment properties are usually let to commercial tenants on full repairing leases mitigating the risk of large repair costs. The maintenance plans for the Charity's College Buildings are reviewed annually and budgeted for. Most of these costs are met through income, but some of what is planned is exceptional and will be charged to the Extraordinary Repairs Fund (ERF). The ERF is also used for significant unforeseen and urgent expenditure. The balance on the fund as at 31 March 2024 is £3.936 million.

IV. The balance on the Future Projects Fund brought forward as at 1 April 2023 was £6.204 million, this remains the same as at 31 March 2024.

Funds I – IV are referenced and set out in the Scheme for The Charity of Sir John Morden as submitted to the Charity Commission in 1991.

b. Restricted Funds

I. The Staff Welfare Fund was set up on the receipt of a legacy. The balance on this fund as at 31 March 2024 was £5,000. This is used for one-off loans and grants to staff in exceptional cases, and is governed by the Health and Wellbeing Committee.

II. A Gift Donation Fund has also been established to hold legacies from former Beneficiaries given for specific items of expenditure at Morden College; the balance as at 31 March 2024 was £8,000.

III. Included in Restricted Funds is the Dame Susan Morden Charity general fund, the balance on this fund has increased in year to £1.636 million (2023: £1.378 million).

c. Permanent Endowment

These funds are the capital of the Charity, and they are invested to produce income that is used to further the Charity's work. The Permanent Endowment Fund may not be used for any other purposes. Its funds are invested in charitable property, investment property, quoted investments and cash deposits. The value of the Permanent Endowment Funds at the year-end was £308 million, of which £288 million represents the Sir John Morden permanent endowment and £20 million represents the Dame Susan Morden permanent endowment.

RISK MANAGEMENT

The risks of the Charity are monitored by the Chief Executive and Senior Leadership Team, and appropriate action is taken to reduce the risk of disruption to the impact and effectiveness of the Charity. Key strategic risks are reported to the Finance, Audit and Risk Committee on a quarterly basis and annually to the Board of Trustees. Operational risks are managed within Directorates and overseen by the Senior Leadership Team. All identified risks are assessed for the likelihood of occurrence and their potential impact. The risk management system is designed to reduce the likelihood of occurrence and/or mitigate the impact through the application and monitoring of appropriate controls, as described in the table below.

The Charity currently assesses and monitors fourteen risks, the following four are our key risks:

Risk	Mitigation
We fail to generate sufficient income and manage our costs, impacting our ability to deliver our Mission.	• Detailed annual budgets and three-year forecasts • Monthly review of financial performance and reforecasting • Use of investment managers and external investment and property advisers • Diversification of income and assets • Effective management of tenancies and arrears by qualified Real Estate team • Effective procurement policies and management of contracts
We suffer a significant IT breach or outage, impacting our operations.	• Antivirus software, access controls • Business continuity planning • Staff training and vetting • Use of external experts for infrastructure support
We fail to comply with legislation in key areas such as care, fire safety and health and safety.	• Recruitment of specialist staff in key areas • Effective policies, monitoring arrangements and reporting of incidents • Contractor management, quality audits • Use of specialist advisers where required
Physical damage to property and unplanned capital expenditure.	• Condition survey and planned preventative maintenance • Insurance policies in place • ESG strategy to address environmental impacts and obligations • Recruitment of suitably qualified staff and use of expert advisers

STRUCTURE AND GOVERNANCE

Construction of Morden College began in 1695. It opened in 1700 for the benefit of poor, elderly merchants of good character who were either bachelors or widowers and who had failed in business through no particular fault of their own. Since that time, the qualifications for entry have been widened. They now include men or women of good character who have either been engaged in a trade, business, or a profession as principals, or reached a position of authority or seniority, in employment and who, through accident, misfortune, disability, or infirmity have been prevented from continuing to follow their former calling and are in reduced material circumstances. The qualifications also include the spouses, partners, widows and widowers of such men and women.

The Trustees are also empowered to provide assistance by way of pensions and grants for the elderly in need, whether or not they are resident in the Charity's homes. Donations may also be made to other Charities that provide or undertake in return to provide items, services, or facilities to beneficiaries of the Charity.

The Trustees determine the general policies of the Charity and delegate day-to-day management to the Clerk to the Trustees, whose role is that of Chief Executive. The Charity's Senior Leadership Team holds regular meetings to review progress against objectives agreed with the Trustees. The Chairman visits the Charity on a regular basis and meets with the Chief Executive.

The Trustees of the Charity are drawn, in the main, from the Court of Aldermen of the City of London. Trustees who retire from the Court of Aldermen of the City of London remain eligible to continue to serve as Trustees of the Charity. Trustees are appointed on the basis that they possess the appropriate range of skills and experience that will assist the future growth and development of the Charity.

All Trustees receive an induction programme.

All Trustees give their time freely and no Trustee remuneration was paid during the year. There were no related party transactions with Trustees.

Trustees are required to disclose all relevant interests and register them with the Chairman of the Trustees and the Chief Executive.

MANAGEMENT AND STAFF REMUNERATION

There are clear distinctions between the role of Trustees and the Senior Leadership Team. The Trustees hold a range of reserved matters and delegate certain authority to the Chief Executive and Senior Leadership Team to run the organisation effectively. Matters such as policy, strategy and budgets are prepared by the Senior Leadership Team for consideration and approval by the Trustees.

The Charity aims to pay salaries which are fair, competitive with the charity sector, and proportionate to the complexity of each role. In setting salaries, the Charity ensures that:

- Roles are benchmarked against salaries paid by other charities operating in the sector, taking data from information published by the National Care Forum and other pay surveys which are publicly available, such as the NHS and Local Government.

- All staff receive ongoing performance management, including quarterly reviews which provide them with feedback on how they have contributed to the achievement of the Charity's strategy; and

- All staff are paid at or above the London Living Wage.

Within Dame Susan's Charitable trust, the sole employee is the Chaplain who is supported in her role by the Chief Executive, the Senior Leadership Team and members of staff employed by Morden College as and when the need arises.

POLICIES

Applications policy
Applications for accommodation or outpensions must be submitted in writing and must be supported by independent testimonials. Applications for grants are also made in writing and are normally for single payments unless the need is assessed as a continuing one, when the Charity may award an annual Outpension. The Trustees review all applications carefully and satisfy themselves that the applicant is genuine, and the assistance sought is in accordance with the Charity's aims. All applicants for accommodation are interviewed by a panel chaired by the Chief Executive before being recommended for admittance by the Trustees.

Grant Making Policy
Every application for a grant must be submitted in writing and include the total cost of the project for which the grant is sought. All applications are scrutinised to ensure that the request for assistance falls within the scope of the Charity's Scheme. Applicants who are eligible for help are visited to clarify any outstanding matters. If all is found to be in order, a report is made to the Trustees, who consider the application, and instruct whether the grant should be made together with any conditions relating to it. Compliance with any conditions made is monitored, and payment of grants may be withheld if the terms of assistance are not met.

Environmental, Social and Governance (ESG) Policy
The Trustees of Morden College believe that the charitable objectives of the Sir John Morden and Dame Susan Morden Charities should be delivered in a way that conforms to the College's social, environmental and governance obligations. To date, we have updated our investment properties to meet or exceed Minimum Energy Efficiency Standards regulations (MEES), significantly reduced plastics across our catering and other activities and improved our use of technology to reduce paper and improve energy efficiency.

Over the next twelve months, the Charity will collate baseline data to inform a refreshed, comprehensive ESG strategy encompassing all aspects of the College's activities. The baseline data will enable meaningful, ambitious, and achievable targets to be set in the following areas:

PUBLIC BENEFIT

Environmental – reducing the carbon footprint of our campus buildings and real estate portfolio, improving our waste management, adopting green technology, further embedding sustainable sourcing into our procurement practices and improving the biodiversity of the habitats and species within our campuses and grounds.

Social – ensuring that Morden College is an inclusive and diverse community of residents and staff, increasing our impact by working in partnership with others in our local community to improve the lives of older people.

Governance – reviewing and streamlining our governance arrangements, improving transparency and accountability in order to measure the impact of our ESG initiatives.

Responsible Investments
Morden College employs the services of two investment managers, CCLA and Sarasin. Both managers integrate environmental, social and governance (ESG) factors into the investment strategy, meaning that each investment's impact on the environment and society is considered as part of the investment decision. The investment managers are proactive owners of capital and engage with the companies and managers in which they invest to promote sustainable behaviour. This includes:

- Promoting alignment with the 1.5°C pathway agreed under the Paris climate agreement and sustainable procurement and business practices.
- Ensuring that the companies they invest in act responsibly and ethically vis-à-vis their stakeholders.
- Promoting good governance, including well-qualified, diverse and majority independent boards and committees; moderate remuneration packages aligned with long-term goals; robust internal controls and meaningful shareholder rights.
- Responsible use of technology.

The Investment Committee monitors the ESG impact of the College's investments as part of its quarterly review of the investment portfolio.

The objective of the Charity is to relieve financial hardship suffered by older people and it does this primarily by providing living accommodation comprising independent living and a Care Home. We also make available such support as is necessary to enable beneficiaries to live their lives in the community to the full.

The Charity also provides single grants and continuing annual grants, (referred to as outpensions) to older people in financial need but who do not necessarily wish to apply to the Charity for accommodation. Beneficiaries receiving such grants use the money to defray living costs as they see fit.

The objective of Dame Susan's Trust is the advancement of religion by assisting the Church of England with the upkeep of their churches and associated activities and by maintaining and paying for the operating costs of the Morden College Chapel and its Chaplain.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities including the provision of accommodation, the making of grants and provision of outpensions.

The Charity fulfils these objectives by:

(1) Relieving financial hardship for older people by providing accommodation at subsidised rates and by providing care that will allow them to lead independent lives for as long as possible. Applicants for accommodation are not required to have a minimum level of income but a cap is in place to ensure only those in need qualify. The financial limits are reviewed annually to take account of changing market conditions.

(2) Making available such support as is necessary to enable beneficiaries to live their lives in the community to the full. This support includes a community team, a Domiciliary Care Team, social events, and the provision of facilities such as a Cafeteria and Social Club which assist older people with their daily lives.

(3) Providing an annual outpension to those who qualify as being in need, as the Trustees recognise that not all applicants in need will wish to relocate to where the Charity's accommodation is located.

Applications for accommodation are received from older people who come from many different backgrounds but share a common problem in retirement in so far as they face financial difficulties. Enquiries for accommodation continue to be from all over the country as well as a small number from people living abroad but all applicants must have the right to live in the UK to qualify for accommodation. The number of applications has been increasing as the effects of financial austerity continue to be felt across the UK.

As properties become vacant, they are refurbished before being made available to applicants. It is common for bathrooms and kitchens to be replaced prior to re-letting to ensure the standard meets the needs of older people and flooring is replaced on a regular basis.

The Charity, via the Dame Susan Trust, seeks to deliver public benefit by making grants to Church of England churches who lack the necessary funds to maintain, repair and improve the fabric of their own buildings.

Regular services of worship were held throughout the year in the Morden College Chapel at Blackheath and at the Charity's second site at Ralph Perring Court, Beckenham. Regular services are also held in Cullum Welch Court, the Care Home provided by Sir John Morden's Charity which is situated at Blackheath.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 & 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 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 SORP,
- Make judgements and accounting estimates that are reasonable and prudent,
- State whether applicable UK 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 proper 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 Charities Act 2011. 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. Through a system of internal controls, the Trustees seek to ensure all expenditure is properly incurred and properly authorised, that receipt of income is secure, and that the Charity's property is fit for purpose.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply 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.

Sir David Wootton MA
Chair of the Trustees

Meryl Davies
Clerk to the Trustees & Chief Executive

20 January 2025

The RIBA Stirling Prize is awarded annually to the UK's best new building.

One of the highlight's of our year was when the John Morden Centre, designed by London-based architects Mae, was awarded the 2023 RIBA Stirling Prize.

Ellie van Loon, Chair of the Stirling Prize jury, said:

"The John Morden Centre is a place of joy and inspiration. It sensitively and seamlessly integrates medical facilities and social spaces, delivering a bold and hopeful model for the design of health and care centres for the elderly. Dedication to creating an environment that lifts the spirits and fosters community is evident at every turn and in every detail.

This robust building provides comfort and warmth, with thoughtful features designed to prevent isolation. It illustrates how buildings can themselves be therapeutic – supporting care and instilling a sense of belonging. Great architecture orients people so they can thrive, and this building is exemplary at achieving exactly that."

This photograph courtesy of
Jim Stephenson for Mae Architects

Independent Auditor's Report to the Trustees of Morden College

Opinion
We have audited the financial statements of Morden College for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 March 2024 and of the net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion
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. 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 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 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 Trustees are responsible for the other information. The other information comprises the information included in the Forward from the Chair of Trustees and Chief Executive, History and Constitution, People and Trustees' Report. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception
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:

- adequate accounting records have not been kept by the Charity; or
- sufficient accounting records have not been kept; or
- the Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees for the financial statements
As explained more fully in the Trustees' responsibilities statement set out on page 22, 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 liquidate the Charity 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:

Based on our understanding of the Charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the regulations of the Care Quality Commission, Tenancy Laws, Health and Safety Regulations, Charity Law, GDPR and Employment Law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the potential to manipulate accounting estimates and judgements and the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, using data analytics to focus testing on higher risk entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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 Charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 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 Charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

HaysMac LLP

HaysMac LLP
10 Queen Street Place
Statutory Auditor
London
EC4R 1AG

Date: 24 January 2025

HaysMac LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activities

for the year ended 31 March 2024

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment £'000	Total 2024 £'000	Total 2023 £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities		3,306	-	-	3,306	3,126
Investment income from property		217	493	9,461	10,171	9,752
Investment income from other investments	3	483	63	2,162	2,708	2,386
Other income including donations	4	510	8	-	518	398
Total income	2	**4,516**	**564**	**11,623**	**16,703**	**15,662**
EXPENDITURE ON						
Charitable activities	5a	11,624	188	943	12,755	12,395
Raising funds	5b	1,021	118	1,821	2,960	2,800
Total expenditure	2	**12,645**	**306**	**2,764**	**15,715**	**15,195**
Net income/(expenditure) before investment gains/(losses)		(8,129)	258	8,859	988	467
Net gains/(losses) on investments	9c	485	-	14,229	14,714	(1,921)
Net income/(expenditure)		**(7,644)**	**258**	**23,088**	**15,702**	**(1,454)**
Transfer between funds		11,621	-	(11,621)	-	-
Net movement in funds		**3,977**	**258**	**11,467**	**15,702**	**(1,454)**
Reconciliation of funds						
Total funds brought forward at 1 April 2023		17,666	1,391	296,587	315,644	317,098
Total funds carried forward at 31 March 2024		**21,643**	**1,649**	**308,054**	**331,346**	**315,644**

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.
The accompanying notes form an integral part of this Statement of Financial Activities.

Balance Sheet
for the year ended 31 March 2024

	Notes	2024 £'000	2023 £'000
FIXED ASSETS			
Tangible fixed assets			
College buildings	8	38,164	35,719
Other tangible fixed assets	8	3,563	3,713
		41,727	39,432
Investment property	9	169,970	214,148
Quoted investments	9	87,672	80,796
		257,642	294,944
Total fixed assets		**299,369**	334,376
CURRENT ASSETS			
Debtors – amounts falling due within one year	10	18,914	1,352
Short term deposits		27,911	9,582
Cash at bank and in hand		1,749	3,632
		48,574	14,566
Creditors: amounts falling due after more than one year	11	(2,962)	(3,298)
NET CURRENT ASSETS		**45,612**	11,268
Debtors – amounts falling due after more than one year	10	16,365	-
Creditors – amounts falling due after more than one year	12	(30,000)	(30,000)
NET ASSETS		**331,346**	315,644
FUNDS			
Permanent endowment	13, 14		
Sir John Morden		287,688	275,969
Dame Susan Morden		20,366	20,618
Restricted funds	13, 15	1,649	1,391
Unrestricted funds	13, 16	21,643	17,666
Total Charity funds		**331,346**	315,644

The financial statements on pages 26 to 43 were approved and authorised for issue by the Board of Trustees and signed on 20 January 2025 on its behalf by:

Alderman Sir David Wootton MA
Chairman of the Trustees

Meryl Davies
Clerk to the Trustees and Chief Executive

Statement of Cash Flows

for the year ended 31 March 2024

	Notes	2024 £'000	2023 £'000
Cash flow from operating activities			
Net cash used in operating activities	**A**	(44,821)	(10,359)
Cash flow from investment activities			
Dividend, interest and rents from investments		12,879	12,138
Proceeds from the sale of investments		71,890	31,473
Purchase of investments		(19,872)	(31,578)
Purchase of tangible fixed assets		(3,630)	(2,923)
		61,267	9,110
Change in cash and cash equivalents in the reporting period		16,446	(1,249)
Cash and cash equivalents at the beginning of the reporting period		13,214	14,463
Cash and cash equivalents to the end of the reporting period	**B**	29,660	13,214

A. Reconciliation of net income/(expenditure) to net cash flow from operating activities	2024 £000	2023 £000
Net income/(expenditure) for the reporting period	15,702	(1,454)
Adjustments for		
Depreciation charges	1,335	1,123
(Gains)/losses on investments	(14,714)	1,921
Dividends, interest and rents from investments	(12,879)	(12,138)
Increase in debtors	(33,928)	(470)
(Decrease)/increase in creditors	(337)	659
Net cash used in operating activities	**(44,821)**	**(10,359)**
B. Analysis of cash and cash equivalents		
Cash in hand	1,749	3,632
Notice deposits (less than 3 months)	27,911	9,582
Total cash and cash equivalents	**29,660**	**13,214**

C. Cashflow Net Debt

	At 1 April 2023 £'000	Cashflows £'000	At 31 March 2024 £'000
Cash in hand	3,632	(1,883)	1,749
Notice deposits	9,582	18,329	27,911
Sub-total	13,214	16,446	29,660
Long-term bond	**(30,000)**	**–**	**(30,000)**
Net debt	**(16,786)**	**16,446**	**(340)**

Notes to the Accounts
for the year ended 31 March 2024

1. PRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The accounts have been prepared to give a 'true and fair' view and 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (Second Edition, effective 1 January 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

Public Benefit
The Charity constitutes a public benefit entity as defined by FRS102.

Consolidation
The consolidated accounts incorporate the results of Sir John Morden's and Dame Susan's Charities (the Charity) and its subsidiary undertaking, Morden College Design and Build Limited. The consolidated entity is referred to as the Group.

Going Concern
The Charity has a significant level of cash and unrestricted reserves which were the equivalent of more than 12 months operating costs at the balance sheet date. These cash reserves provide adequate resources to finance the Charity's day-to-day operations. On this basis, the Board has a reasonable expectation that the Charity has adequate resources to continue operating for the foreseeable future, being a period of at least twelve months from the date on which the Annual Report and Accounts are signed. For this reason, these accounts have been prepared on a going concern basis.

Investment Gains and Losses
Realised gains and losses on quoted investments are based on the difference between the net disposal proceeds and the value.

Realised gains and losses on property investments are based on the difference between the net disposal proceeds and the brought forward valuation. Sales are recognised on exchange of contracts where completion takes place after the financial year end.

Unrealised gains and losses represent the difference between the market value of quoted investments and investment properties at the balance sheet date and their brought forward carrying value or purchase cost for investments acquired during the year.

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income, and expenses is provided below. The principal judgments and sources of estimation uncertainty relate to the valuation of investment properties and the estimated useful lives of tangible fixed assets.

Income
(1) All sources of income are included in the accounts when the Charity is legally entitled to it and the amount can be quantified with reasonable accuracy and are stated net of VAT, where applicable. Legacies are recorded when the receipt of the legacy is probable.

(2) Where donations and legacies are received subject to the specific wishes of the donor they are credited to the relevant restricted fund.

(3) Rents are accounted for on a receivable basis; income from rents is included in the Statement of Financial Activities when it becomes due. Rent received in advance is included within creditors.

(4) Dividends and interest received are accounted for on an accruals basis.

Expenditure

(1) All costs are accounted for on an accruals basis and are classified under headings that aggregate all costs related to that category. Costs relating to more than one activity have been allocated on a calculated use basis. Staff costs have been allocated on a job function basis. Staff costs for Dame Susan's charitable trust all relate to the Morden College Chapel in Blackheath.

(2) Where VAT is irrecoverable, the expenses shown include the irrecoverable amount.

(3) Apportioned costs comprise the direct costs, including staff, of maintaining the grounds, the running costs of the kitchen, restaurant, social club, library, and the administration of the Charity.

(4) Governance costs reflect the cost of compliance with constitutional and statutory requirements.

(5) Liabilities are recognised when there is a contractual obligation to discharge a cost.

Investment property

The Charity's Commercial investment properties were last professionally valued by Messrs Gerald Eve LLP, Chartered Surveyors, as of 31 March 2024 on an open market basis in accordance with the Royal Institution of Chartered Surveyors Valuation Professional Standards. The Charity's residential investment properties were professionally valued by Comber & Co, as of 31 March 2024 on an open market basis in accordance with the Royal Institution of Chartered Surveyors Valuation Professional Standards.

Investment properties are classified in the balance sheet as fixed assets unless there is a firm intention to dispose of them at which point, they are transferred to current assets.

Quoted Investments

Quoted investments are shown at market value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

The Charity also owns 100% of the share capital of Morden College Design and Build Limited and the value of this investment is stated at cost (£2).

Tangible fixed assets

Useful lives of depreciable assets

The Trustees review their estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change and changes to circumstances which may require more frequent replacement of key buildings or components of existing buildings.

The key judgements and estimates applied in respect of housing provided for beneficiaries are disclosed in the accounting policy dealing with fixed assets and depreciation and include:

- the useful economic life of property structure at 100 years; and
- that properties have no residual value at the end of their useful life

These are conservative assumptions that are broadly aligned with general practice followed by registered housing providers.

Capitalisation of property development costs

Distinguishing the point at which a project is more likely than not to continue (allowing capitalisation of associated development costs) requires judgement. After capitalisation, management monitors the asset and considers whether subsequent changes may indicate that impairment is required.

Fixed Assets and Depreciation

(1) Buildings

Freehold land is not depreciated.

Depreciation of housing property components is charged so as to write down the cost of the components to their estimated residual value, on a straight-line basis, over their estimated useful economic lives within the Group. Housing property components are depreciated from the year following the replacement year. Estimated useful economic lives are assumed as follows:

Major components

- Housing property structure – 100 years
- Kitchens and bathrooms – 15 years
- Electrical wiring, windows and doors – 25 years
- Boilers –15 years
- Roofs – 60 years

(2) The College's historic collections are included at the insurance valuation made by Messrs Gurr Johns, Valuers and Fine Art Consultants in October 2023 which indicated that there had been no permanent diminution in carrying value of the assets. The Trustees do not consider that depreciation is appropriate for these assets, nor do they consider it prudent to revalue the historic collection as there is no intention to sell them and the value of antique goods are subject to market fluctuations.

(3) Motor vehicles and computers are shown at cost less depreciation.

(4) Furniture and equipment purchased at a cost of under £500 are written off in the year of acquisition as their useful life is normally quite short, and the total value is not material in the context of the total assets of the Charity. Items with a cost of over £500 are included in the balance sheet at cost less accumulated depreciation.

(5) Depreciation is provided on the cost of tangible fixed assets, less estimated residual values, on a straight-line basis as follows:

Furniture and equipment	5 years
Computers	4 – 7 years

Grants

Grants payable are charged in the Statement of Financial Activities in the year that the payment is made to the recipient. All grants approved by the Trustees are conditional and are paid upon the completion of the conditions attached to them. Grants offered during the year but where conditions have not been met are not accrued as expenditure but are treated as contingent liabilities.

Pension costs

Pension payments are made to a defined contribution pension scheme. There is also one (2023: 1) member who was in the closed defined benefits scheme and the Trustees have given their undertaking to use their best endeavours to ensure that this member does not suffer any loss of benefit following the closure of that scheme. All contributions are included in the SOFA when due.

Funds and Reserves Policy

Funds held by the Charity are:

(1) Permanent Endowment Funds – these are funds that provide the capital of the Charity and are invested to produce income to further the Charity's objects. The funds may not be used for other purposes.

(2) Restricted funds – these are funds that can only be used for restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for specific purposes.

(3) Unrestricted funds – these are funds that can be used in accordance with the charitable objects at the discretion of the Trustees

(4) Designated funds – these are funds set aside by the Trustees out of unrestricted funds for specific future purposes or projects. The Charity's policy is to maintain an Accumulation of Income Fund to ensure that the fixed overheads of the Charity can be met for a limited period if income levels are temporarily insufficient to cover such costs. The Charity also maintains an Extraordinary Repairs Fund and a Future Projects Fund.

(5) Further explanation of the nature and purpose of each fund is included in notes 14-16 to the financial statements.

Taxation

The trust is a registered charity and as such its income and gains falling within sections 471 to 489 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

Financial Instruments

The Charity only has financial instruments of a kind that qualify as basic financial instruments such as debtors, creditors, cash at bank and listed investments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Financial assets held at settlement cost comprise cash and bank and cash in hand together with debtors. Financial liabilities held at settlement value or amortised cost comprise rents received in advance, accruals and other creditors, and the fixed interest bond. The Financial investments disclosed in note 9 are the only financial instruments measured at fair value.

2. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment £'000	Total 2023 £'000
INCOME AND ENDOWMENTS FROM				
Charitable activities	3,126	-	-	**3,126**
Investment Income from property	419	433	8,900	**9,752**
Investment income from other investments	113	37	2,236	**2,386**
Other income including donations	386	12	-	**398**
Total income	**4,044**	**482**	**11,136**	**15,662**
EXPENDITURE ON				
Charitable activities	11,234	184	977	**12,395**
Raising funds	1,021	193	1,586	**2,800**
Total expenditure	**12,255**	**377**	**2,563**	**15,195**
Net income/(expenditure) before investment gains/(losses)	**(8,211)**	**105**	**8,573**	**467**
Net losses on investments	(56)	-	(1,865)	**(1,921)**
Net income/(expenditure)	**(8,267)**	**105**	**6,708**	**(1,454)**
Transfer between funds	6,353	-	(6,353)	**-**
Net movement in funds	**(1,914)**	**105**	**355**	**(1,454)**
Reconciliation of funds				
Total Funds brought forward at 1 April 2022	19,580	1,286	296,232	**317,098**
Total funds carried forward at 31 March 2023	**17,666**	**1,391**	**296,587**	**315,644**

3. INVESTMENT INCOME

	2024 £'000	2023 £'000
Dividends and income from Investments	**2,202**	2,273
Interest on Cash Deposits	**506**	113
	2,708	2,386

4. OTHER INCOME

	2024 £'000	2023 £'000
Beneficiary restaurant receipts and sundry income	**510**	386
Dame Susan Morden's Charity	**8**	12
	518	398

5. EXPENDITURE

	Direct Staff Costs £'000	Other Costs £'000	Apportioned costs £'000	Total £'000
a. Charitable activities				
2024				
Grants and out/in pensions	-	194	25	**219**
Independent living housing costs	476	1,297	2,015	**3,788**
Quadrangle housing costs	99	314	2,839	**3,252**
Care home costs	1,729	661	2,982	**5,372**
Morden College Chapel costs	64	9	-	**73**
Fire safety enhancement works	-	51	-	**51**
	2,368	**2,526**	**7,861**	**12,755**
2023				
Grants and out/in pensions	-	251	25	276
Independent living housing costs	439	1,011	2,184	3,634
Quadrangle housing costs	131	260	2,594	2,985
Care home costs	1,210	501	3,454	5,165
Morden College Chapel costs	63	12	-	75
Fire safety enhancement works	-	260	-	260
	1,843	2,295	8,257	12,395

	Direct Staff Costs £'000	Other Costs £'000	Apportioned costs £'000	Total £'000
b. Cost of raising funds				
2024				
Quoted investment managers' fees	-	349	-	**349**
Bond interest	-	1,021	-	**1,021**
Property management	-	1,322	268	**1,590**
	-	**2,692**	**268**	**2,960**
2023				
Quoted investment managers' fees	-	322	-	322
Bond interest	-	1,021	-	1,021
Property management	-	1,448	9	1,457
	-	2,791	9	2,800

	Donations, grants and out pensions £'000	Independent living housing costs £'000	Sheltered housing costs £'000	Care home costs £'000	Property management £'000	Total £'000
c. Apportioned costs have been allocated on a use basis as follows						
2024						
Catering	-	-	498	30	-	**528**
Restaurant	-	28	-	-	-	**28**
Library & muniments	-	-	2	-	-	**2**
Gardens	-	62	131	19	-	**212**
Administration	25	1,925	2,208	2,933	268	**7,359**
	25	**2,015**	**2,839**	**2,982**	**268**	**8,129**
2023						
Catering	-	-	200	342	-	542
Restaurant	-	172	-	-	-	172
Library & muniments	-	4	5	-	-	9
Gardens	-	10	21	3	-	34
Administration	25	1,998	2,368	3,110	9	7,510
	25	2,184	2,594	3,455	9	8,267

6. PAYMENT OF OUT/IN PENSIONS

	2024 £'000	2023 £'000
Individuals (Pensioners)	**103**	122
Administrative costs	**25**	25
	128	147

There were 70 pensioners at 31 March 2024 (2023: 82)

7. WAGES AND SALARIES – STAFF COSTS (INCLUDING APPORTIONED COSTS)

	2024 £'000	2023 £'000
Staff costs		
Wages and salaries	**5,257**	4,623
Social security costs	**535**	479
Pension contributions	**279**	235
Other costs including bank and agency staff	**815**	925
	6,886	6,262

Staff costs – Wages and Salaries include redundancy cost of £13.5k (2023: £19k)

Staff numbers
The average number of employees during the year including those who worked part-time was 186 (2023:172). Their full time equivalent was 159 (2023: 154) and their functional analysis was as follows:

	2024 No.	2023 No.
Kitchen and domestics	**42**	39
Nursing	**55**	56
Premises, grounds and security	**17**	14
Home management and pastoral	**1**	3
Management and administration	**44**	42
	159	154

	2024	2023
Highest paid employees, including benefits, excluding pensions		
£60,000 to £70,000	**4**	6
£80,001 to £90,000	**3**	1
£90,001 to £110,000	**2**	1
£110,001 to £120,000	**0**	1
£120,001 to £130,000	**1**	1
£140,001 to £150,000	**1**	1

The Charity's key senior managers are listed on page 7. Details of remuneration policy are set out in the Trustees' Report. Total remuneration paid to senior managers, including employers NI, was £1,173k (2023: £1,059k).

No Trustees received any remuneration but received reimbursement of expenses of £1,464 during the year (2023: £1,889).

8. TANGIBLE FIXED ASSETS

	Charity £'000
College Buildings	
Cost	
At 1 April 2023	47,129
Additions at cost	3,424
At 31 March 2024	**50,553**
Depreciation	
At 1 April 2023	11,410
Charge for the year	979
At 31 March 2024	**12,389**
Net book value at 31 March 2024	**38,164**
Net book value at 31 March 2023	35,719

	Antiques & Valuables £000	Computers £'000	Furniture & equipment £'000	Total £'000
Other tangible fixed assets				
Cost or Valuation				
At 1 April 2023	1,685	1,737	2,486	5,908
Additions at cost	-	120	86	206
At 31 March 2024	**1,685**	**1,857**	**2,572**	**6,114**
At valuation	1,685	-	-	1,685
At cost	-	1,857	2,572	4,429
Depreciation				
At 1 April 2023	-	379	1,816	2,195
Charge for the year	-	233	123	356
At 31 March 2024	**-**	**612**	**1,939**	**2,551**
Net book value at 31 March 2024	**1,685**	**1,245**	**633**	**3,563**
Net book value at 31 March 2023	1,685	1,358	670	3,713

9. INVESTMENT ASSETS AT MARKET VALUE

	2024 £'000	2023 £'000
a. Investment property		
Residential	**63,005**	64,167
Commercial and Industrial incl Property Fund	**106,965**	149,981
	169,970	214,148
b. Quoted investments		
Fixed interest – UK & non UK	**61,876**	14,572
Equities – UK & non UK	**23,244**	63,266
	85,120	77,838
Stockbrokers' client account	**2,552**	2,958
	87,672	80,796
Historical cost of investments held at 31 March 2024	**78,004**	86,639

	Property £'000	Quoted Investments £'000	Total £'000
c. The movements in market value may be summarised:			
Market value at 31 March 2023	214,148	80,796	**294,944**
Realised/Unrealised gains	7,465	7,249	**14,714**
	221,613	88,045	**309,658**
Additions	325	19,547	**19,872**
Disposals	(51,968)	(19,514)	**(71,482)**
Change in stockbroker cash deposits	-	(406)	**(406)**
Market value at 31 March 2024	**169,970**	**87,672**	**257,642**

10. DEBTORS

	2024 £'000	2023 £'000
Amounts falling due within one year		
Rent and contributions receivable	**511**	527
Bad debt provision	**-**	(66)
Prepayments and sundry debtors	**220**	532
Dividends and interest receivable	**683**	357
Due from sale of investment property – within one year	**17,500**	-
Due from subsidiary undertaking	**-**	2
	18,914	1,352
Amounts falling due after more than one year	**16,365**	-

Amounts due from the sale of investment property relate to the sale of the Morden Wharf Southern Site.

The amount of £18.023.307 due after more than one year has been discounted to its net present value at the balance sheet date using the rate on three year government bonds (4.14%).

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £'000	2023 £'000
Advance rents received	**962**	1,294
Tax, pensions and social security	**171**	147
Value Added Tax	**185**	221
Sundry creditors	**240**	1,066
Accruals	**1,404**	570
	2,962	3,298

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024 £'000	2023 £'000
Fixed Interest Bond	**30,000**	30,000
	30,000	30,000

The Bond has a maturity date of 27 March 2042 and carries a fixed rate of interest of 3.38% until maturity. The Bond is repayable as a single amount.

13. ALLOCATION OF THE NET ASSETS OF THE CHARITY

	Endowment Funds £'000	Restricted Funds £'000	Unrestricted Funds £'000	Total Funds £'000
2024				
College buildings	38,164	-	-	**38,164**
Other tangible fixed assets	1,685	6	1,872	**3,563**
Investments – Sir John Morden	223,722	-	13,554	**237,276**
Investments – Dame Susan Morden	20,366	-	-	**20,366**
Net current assets	37,752	1,643	6,217	**45,612**
Debtors due after more than one year	16,365	-	-	**16,365**
Long-term liability (Bond)	(30,000)	-	-	**(30,000)**
	308,054	**1,649**	**21,643**	**331,346**
2023				
College buildings	35,719	-	-	35,719
Other tangible fixed assets	1,688	6	2,019	3,713
Investments – Sir John Morden	262,180	-	12,146	274,326
Investments – Dame Susan Morden	20,618	-	-	20,618
Net current assets	6,383	1,385	3,501	11,269
Long-term liability (Bond)	(30,000)	-	-	(30,000)
	296,588	1,391	17,666	315,645

14. PERMANENT ENDOWMENT FUNDS

	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	Balance at 31 March 2024 £'000
2024						
Sir John Morden	275,970	11,624	(2,763)	14,481	(11,624)	287,688
Dame Susan Morden	20,618	-	-	(252)	-	20,366
	296,588	**11,624**	**(2,763)**	**14,229**	**(11,624)**	**308,054**
2023						
Sir John Morden	275,752	11,136	(2,567)	(1,822)	(6,529)	275,970
Dame Susan Morden	20,481	-	4	(43)	176	20,618
	296,233	11,136	(2,563)	(1,865)	(6,353)	296,588

The Permanent Endowment Fund is a restricted fund that includes the current value of the original endowment that was to provide homes and financial assistance for the elderly. In 2016, the Trustees resolved to apply Total Return accounting to the portion of the Sir John Morden permanent endowment fund that is represented by fixed asset investments.

The Trustees have established a policy of transferring the investment income received in the year to the general fund and retaining the balance of the Unapplied Total Return within the endowment fund. This policy is reviewed annually by the Trustees.

The total of the Trust for Investment and the Unapplied Total Return make up the Permanent Endowment Fund.

Income from the Trust for Investment is to be applied to the running costs of the Charity. The capital may be used to purchase property for charitable and investment purposes, but the maintenance and refurbishment of these properties must be paid from the income of the Charity.

14. PERMANENT ENDOWMENT FUNDS (CONTINUED)

	Permanent Endowment £'000	Unapplied Total Return £'000	Total £'000
Sir John Morden – Total Return accounting			
Balance 1 April 2022	**235,773**	**29,821**	**265,594**
Investment Income	-	11,136	**11,136**
Investment Gains	-	(1,822)	**(1,822)**
Investment Managers' Fees	-	(1,592)	**(1,592)**
	235,773	37,543	**273,316**
Inflation Indexation	9,128	(9,128)	**-**
	244,901	28,415	**273,316**
Allocation of Unapplied Total Return to Income	-	(11,136)	**(11,136)**
Balance at 31 March 2023	**244,901**	**17,279**	**262,180**
Investment Income	-	11,624	**11,624**
Investment Gains	-	14,481	**14,481**
Investment Managers' Fees	-	(1,821)	**(1,821)**
	244,901	41,563	**286,464**
Inflation Indexation	9,306	(9,306)	**-**
	254,207	32,257	**286,464**
Allocation of Unapplied Total Return to Income	-	(11,624)	**(11,624)**
Balance at 31 March 2024	**254,207**	**20,633**	**274,840**

The Trust for Investment as at 1 April 2016, the date of adoption of Total Return accounting, was identified by the Trustees as being equal to the value of the fund's investment portfolio as at that date. The Trustees have determined that the Trust for Investment should be increased annually in line with CPI inflation to protect its real value, which has resulted in an increase of 3.8%, £9.306m in the current year (2023: 8.9%, £9.128m).

Source: Office for National Statistics

15. RESTRICTED FUNDS

	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Balance at 31 March 2024 £'000
2024				
Welfare fund	5	-	-	**5**
Gift fund	8	-	-	**8**
Dame Susan Morden's Charity general fund	1,378	564	(306)	**1,636**
	1,391	**564**	**(306)**	**1,649**
2023				
Welfare fund	5	-	-	5
Gift fund	28	-	(20)	8
Dame Susan Morden's Charity general fund	1,253	482	(357)	1,378
	1,286	482	(377)	1,391

The Welfare Fund was created from a gift received some years ago and is for the benefit of residents and staff and it is for expenditure that is not part of the Charity's normal activities. The Gift Fund represents donations received for the benefit of the Care Home and its staff.

16. UNRESTRICTED FUNDS

	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Gains/Losses	Transfers £'000	Balance at 31 March 2024 £'000
2024						
General fund	5,250	4,516	(12,645)	485	11,572	**9,178**
Accumulation of income	2,319	-	-	-	6	**2,325**
Extraordinary repairs	3,893	-	-	-	43	**3,936**
Future projects	6,204	-	-	-	-	**6,204**
	17,666	**4,516**	**(12,645)**	**485**	**11,621**	**21,643**
2023						
General fund	6,910	4,044	(12,255)	(56)	6,607	5,250
Accumulation of income	2,313	-	-	-	6	2,319
Extraordinary repairs	4,153	-	-	-	(260)	3,893
Future projects	6,204	-	-	-	-	6,204
	19,580	4,044	(12,255)	(56)	6,353	17,666

The Trustees reviewed the balances on all funds before authorising transfers between funds.

The Trust Deed requires the Trustees to maintain an Accumulation of Income fund to ensure that the fixed overheads of the Charity could be met for a limited period of time if income levels were temporarily insufficient to cover such costs. The Deed also requires a minimum transfer of £6k into this fund each year; having reviewed the balance on the fund the Trustees have determined that the fund should be increased by the minimum amount. The fund is invested in a cash deposit.

Under the Trust Deed the Trustees are also required to maintain an Extraordinary Repairs Fund (Building Reserve Fund) for the maintenance, extraordinary repair, improvement or refurbishment of the almshouses, other buildings and the infrastructure of the Charity. The funds are invested in a bank deposit account.

The Future Projects fund provides for the future expenditure on new projects of any kind to be undertaken in furtherance of the objects of the Charity. The balance of the surplus for the year, after transfers to the Extraordinary Repairs Fund and other Funds has been retained in this account.

17. CAPITAL COMMITMENTS

There were no capital commitments at 31 March in either the current year or the prior year.

18. SUBSIDIARY UNDERTAKING

The Charity incorporated a Private Limited Company, Morden College Design and Build Limited on 22 January 2013; the company is registered in England and Wales. The company supplied building construction services to Sir John Morden's Charity for its building project, Alexander Court. Following completion of the project, the company is now dormant. The subsidiary has 2 issued shares of £1 each which are both beneficially owned by the Charity.

19. OPERATING LEASES

The Charity derives the majority of its income from properties which are leased to commercial and residential tenants. The future minimum lease payments under non-cancellable operating leases are as follows:

	2024 £'000	2023 £'000
Not later than one year	1,153	866
Later than one year and not later than five years	29,331	25,216
Later than five years	39,096	38,293
	69,580	**64,375**

All of us at Morden College were delighted in October 2023 when the John Morden Centre won the RIBA Stirling Prize, awarded annually to the UK's best new building.

MORDEN COLLEGE

Interesting People Living Life to the Full

Morden College
19 St Germans Place, Blackheath, London SE3 0PW
Registered Charity No 215551

www.mordencollege.org.uk

MORDEN COLLEGE

England & Wales - Charity number 215551

Accounts

Annual Report

Annual Report and Consolidated Accounts for the year ended 31 March 2023

Registered Charity No 215551

MORDEN COLLEGE

Interesting People Living Life to the Full

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Morden College Annual Report 2023
Annual Report and Consolidated Accounts for the year ended 31 March 2023
Registered Charity No 215551

Foreword from the Chair of Trustees

In my last foreword, for the Annual Report ending 31 March 2022, I concluded by looking ahead to what we assessed would be a period of consolidation. 2022 was indeed about consolidation, recovery post the pandemic, and settling the College community down after a significant organisational restructure. 2022 was however not without its challenges.

Sir David Wootton MA

The strategic context for the Charity's (re)focus last year, and into 2023, lies with decisions made in April 2019 when Trustees agreed the future model for the Charity. Everyone then become distracted, concentrating on both protecting and sustaining our community through the pandemic; nothing agreed in April 2019 was actioned in 2020/21. But the period of crisis did reinforce much of the thinking that led to decisions made by Trustees in 2019. And so, pandemic and restructure behind us, we began in 2022 to concentrate on delivering the following:

- Continue to regain (post pandemic) the College's spirit, and residents' sense of fun.
- Raise standards of care delivery (both in the Charity's Care Home and in our Domiciliary Care Service).
- Continue to evolve the culture among our employees.
- Develop a new approach to the training and the professional development of staff.
- Re-establish and renew the processes of performance management.
- Project Quad – to consider the future of the Quadrangle as a place of assisted living, and as a result complete the necessary work to ensure that the building continues to remain safe, and in good structural condition.
- Embed outsourced services and consider next steps.
- Plan in detail for how the Charity will grow a non-residential (locally based) beneficiary community, around a concept of grant giving to enable them to live a good life at home.
- Similarly, complete work that identifies what constitutes a Good Life for residents living in the Charity's almshouse flats, at each stage of ageing, and by implication develop a menu of support that enables a Good Life (where support is needed). The aims, to support living at home for longer, reduce the need for residential based personal care, and strengthen even more our communities.
- Establish how we can, for Sir John Morden's Charity, reach a sustainable level of business; against a backdrop of rising costs that have been accelerated in the current inflationary climate.
- Linked to establishing a sustainable business model, develop also an income strategy for Sir John Morden's Charity.
- Develop plans that will enable the Charity to meet and sustain its environmental targets; and articulate in greater detail how the Charity meets its social and governance standards, including a clear statement of public benefit.
- Continue to develop the Charity's use of technology to further business efficiency; and also identify technologies, existing or emerging, that will enable the Good Life Agenda for our beneficiaries, be they resident (in the Charity's accommodation) or living in the wider community.

I am pleased that in 2022 we did reduce the operating capacity of the Care Home, as planned; and we have begun to look in detail at the additional 'domiciliary' support that is needed at the Charity's second site, Ralph Perring Court. We also in 2022 closed our third site, Broadbridge Close, to use by our older people (because as a listed building we were unable to gain approval to fully modernise the building, including structurally), and, with a smile, we watched as our community began to take full advantage of the Charity's new facility, the John Morden Centre, with all that the centre offers to their quality of life.

2022 was not without challenges; we were knocked off course to varying degrees by these in particular:

- The cost of living crisis that added at one stage 10% (plus) to many of our costs (and over a very short period of time). Year-end saw the Charity's inflation settle at 8% overall.
- A significant shortage of staff, as recruiting to fill, in particular, hospitality and care related appointments became increasingly difficult (throughout London and across the nation).
- A staff shortage in HR, exacerbated by a serious illness, leading to a total overhaul and restructure (to a greater number of appointments) of the HR organisation.
- And finally, storm damage; a 102mph wind gust bringing down a 300+ year old chimney stack, weighing 7 tonnes. No harm to life but significant damage to the roof structure of our founding building, the Quadrangle. As a result, all 30 chimney stacks are being rebuilt, a huge and unbudgeted cost to the Charity. There will always be unforeseen challenge in our business, and weather events are a factor, now, that the Charity will include in plans going forward.

I feel confident about the future. The last 3 years have been challenging and very unsettling for the community. We are, however, on new ground, reorganised, with new facilities, and a clear purpose. The journey towards a smaller almshouse community, balanced by a new non-residential community based upon a grant giving model, both underwritten (ultimately) by the Charity's assisted living facility, and a small residential Care Home, continues. Our resident community feels more settled, and the recent reorganisation and restructure is beginning to pay off. New facilities are starting to add significant value, as one resident told us recently, describing our new John Morden Centre as "...above all, a place of healing".

Finally, I wish to thank my fellow Trustees, our staff and volunteers; and our residents and their families for being understanding throughout what has been a trying few years. The Charity has been under the strong leadership of David Rutherford-Jones since 2011, and particularly so during the pandemic. David is retiring at the end of 2023, and we wish both him and Sarah a long and happy retirement.

We are entering a new era, it feels that way to me, and I believe the future is strong for both Sir John Morden and Dame Susan Morden's Charities.

Sir David Wootton
Chair of Trustees

History and Constitution

Morden College is the general title used for the administration of Sir John Morden's Charity and Dame Susan Morden's Charity. Both Charities were established under separate Trust Deeds but they share the same Registered Charity Number 215551.

Sir John Morden died on 6 September 1708 and his Charity was founded by a will dated 15 October 1702, proven on 6 October 1708. Sir John left approximately £12,500 to endow the Charity. It is administered by not less than seven and not more than twelve Trustees. It is primarily for the benefit of elderly people who are in need of accommodation or financial assistance.

The Charity of Dame Susan Morden was founded by a will dated 6 May 1717 and is administered by the Trustees of Sir John Morden's Charity in accordance with the Scheme established by the Charity Commission on 22 August 1986. It is primarily for the benefit of clergymen, churches and parochial buildings of the Church of England.

The Trustees of the Charity are drawn, in the main, from the Court of Aldermen of the City of London. Trustees who retire from the Court of Aldermen of the City of London remain eligible to continue to serve as Trustees of the Charity. Trustees are appointed on the basis that they possess the appropriate range of skills and experience that will assist the future growth and development of the Charity.

Where it is recognised that certain particular skills and experience needed are not met from the Aldermen group, the Charity has gone outside to look for sector experts, and two Trustees are currently non-Aldermen.

People

TRUSTEES

Chairman and Honorary Treasurer:
Sir David Wootton MA

Trustees:
Alderman Sir Peter Estlin FCA BSc
(resigned 16 November 2023)

Alderman Sir William Russell
(resigned 13 December 2022)

Alderman Professor Michael Mainelli FCCA FCSI FBCS

Alderman Alison Gowman

Alderman Alastair King

Alderman Robert Hughes-Penney
(elected 20 March 2023)

Sharon Houlden
(elected 13 December 2022, resigned 13 April 2023)

Fredrik Widlund

Dr Abigail Masterson

ADVISORS TO THE TRUSTEES

Honorary Surveyor
George Gillon MBE FRICS

Advisor on Care
Dr Caroline Shuldham OBE

OFFICERS AND SENIOR MANAGERS

Clerk to the Trustees & Chief Executive
David Rutherford-Jones CB
(retired 13 October 2023)

Meryl Davies
(appointed 16 October 2023)

Chaplain
The Rev'd William Warren

Finance Director
Kate Morris MSc ACMA BA

Director of Real Estate
Ed Mileham MRICS BSc

Director of Health & Wellbeing
Debbie Dollner

Director of People & Culture
Vickie Sutton CIPD MA BSc
(resigned 19 October 2023)

Director of Operations
Richard McAllister

Trustees' Report

OUR VISION

A world in which older people can live a good life, supported and safe.

OUR CULTURE

Our success is underpinned by the understanding all our people have of the culture we wish to see win through; a Culture that:

ENCOURAGES AND SUPPORTS CREATIVITY

CELEBRATES INCLUSION, DIVERSITY, AND EQUALITY

PROMOTES THE HIGHEST STANDARDS OF LEADERSHIP, INDIVIDUAL BEHAVIOUR, AND ACCOUNTABILITY IN EVERYTHING WE DO.

OUR VALUES

The visible embodiment of our culture is evidenced every day by our staff as they go about their duties, underwritten by our Values:

Respectful

We celebrate individuality and diversity and foster a culture of dignity where everyone feels safe and valued. We appreciate the different roles we each perform in strengthening our culture and making a positive impact on people's lives within Morden College.

Compassionate

We are kind to each other. We create and nurture a supportive, inclusive environment where voices are heard, and individual choices are respected. We genuinely care for our colleagues, our residents, and their families.

Progressive

We believe in everyone's abilities and provide our people with opportunities to grow personally and professionally. We inspire each other to improve as individuals and as a community, and we encourage creativity and embrace new ideas.

We value education and develop our talent. We embrace technology and through collaboration, communication and teamwork we progress as individuals, and contribute to the long-term performance of the Charity.

Accountable

We encourage the highest standards of individual behaviour in all that we do. We are personally accountable for our choices and our actions and are fully committed to the Charity's mission and its successes.

OUR STRATEGIC AIMS

Five Strategic Aims guide the Charity

Our plans over the next 2-3 years to achieve the strategic aims are framed around the following key projects and tasks that we will deliver, some of which are in progress, some of which are not yet started and some which have been completed.

In progress

- Complete the Fire Safety Enhancement project for the entire operational estate
- Define in detail what a 'good life' is in older age at Morden College
- Develop a menu of support for independent living beneficiaries
- Review the Charity's policy for charging beneficiaries (for accommodation and services)
- Achieve CQC grades of at least GOOD with an ambition to reach Outstanding within 5 years
- Deliver, open and maximise on the opportunities of the new John Morden Centre for beneficiaries
- To build – design and plant – an Active Community Garden for Morden College beneficiaries in the grounds at Blackheath, and that this garden will be accessible for all – ages, inclinations, abilities and mobilities

Not yet started

- Develop a Communications Strategy
- Develop particular support to those with sensory impairment
- Gain a technology partner, and begin to maximise on the opportunity emerging technologies offer to supporting a 'good' life for our beneficiaries
- Begin to build a new non-resident beneficiary base locally. Develop the plan in 2023 and begin rollout in 2024

Completed

- Commission an Environmental and Energy Impact Survey
- Review the Charity's investment strategy and agree a new strategy
- Rollout successfully a new digital Care Management System
- To articulate and refine Morden College Values supported by beneficiaries and staff

There are a number of improvements underway in the regulated businesses (CWC and Domiciliary Care) that have been taking place in 2022/23 and will continue in 2023/24 to ensure appropriate administrative and procedural structures / procedures and monitoring and recording of these are in place. Our ambition is both regulated services will be regraded Good and Good in each of the 5 disciplines, within 1-2 years.

In addition, it is planned there will be a considerable investment in employee skills and knowledge. Increasing the capabilities and knowledge/experience of our employees will deliver a better standard of care to Residents.

AT A GLANCE – 2023/2024/2025 PRIORITIES

Sir John Morden's Charity
Objective

- Continue to regain (post pandemic) the community's spirit and residents' sense of fun.
- Define a 'Good Life' for older people at Morden College, so they live well for longer.
- Develop a new approach to training and developing staff. This includes mandatory training, professional training and development that not only assists an employee in their work at Morden College, but also equips them for the future. Continue to evolve the culture at Morden College, and embed good performance management.
- Plan for execution of Strategic Aim 3.
- Reduce the requirement for residential based personal care without nursing.
- Establish an 'Income Strategy' for Sir John Morden's Charity. The aim is sustain a level of income that matches the operating costs of running the Charity, and our ambition, for the long term.
- Develop plans that will enable the Charity to meet and sustain its Environmental targets; and articulate in greater details how the Charity meets both Social and Governance standards.
- Continue to develop the Charity's use of technology to further business efficiency; and also to enable the Good Life agenda for our residents.

Dame Susan Morden's Charity
Objective

- Continue to underwrite the costs of an active Chaplaincy at Morden College in the tradition of the Anglican Church. Provide a Ministry at Morden College to those who need it, and provide pastoral care to the Community, for those of all faiths or none, both at the Blackheath site and at Ralph Perring Court.
- Maintain investment properties to continue providing a valuable income source for the Charity. Guided by the 10 year plan, the investment properties provided by Dame Susan Morden are to be maintained to a high standard, continue to be occupied and provide a good market rental yield.
- Dame Susan Morden's Scheme has been revised and approved by the Charity Commission. This new grant giving business is in addition to, not replacing, grants given by Dame Susan. The Trustees have approved the new Scheme, a policy document will be produced which describes Dame Susan's operations and processes that support this; including the establishment of a new Morden College Grants Committee.

FINANCIAL REVIEW

The consolidated net surplus before transfers between funds and investment gains for the year under review was £467k compared to a £205k surplus for the previous year. With income marginally increased but costs also increased, an impact of the war in Ukraine and political/ economic disruption in the UK, this was a year financially of trying to keep costs down alongside making progressive decisions in terms of the operation of the Charity.

(1) Income from charitable activities
Contributions from beneficiaries in our living accommodation (including the care home) this year were £3.126 million, a decrease of 13% compared to the previous year (2022: £3.599 million).

This decrease is as a result of deliberately reducing the number of beneficiaries in the care home in order to make the operation smaller, only operating it to serve current residential beneficiaries. Filling voids in our Independent Living accommodation has also been challenging, as ever.

(2) Investment income from property
Property income this year was £9.752 million, an increase of 10% compared to the previous year. Total income from property includes the dividends from our Property Funds. These numbers reflect the hard work done by the Real Estate team at Morden College.

(3) Investment income from other investments
Income from the Charity's Quoted Investment Portfolio was £2.386 million, an increase of 7% versus the previous year.

(4) Other income including donations
At £398k these are at a similar level for the previous year, 2022: £366k.

(5) Fundraising
The Charity does not undertake fundraising activities during its normal course of operations.

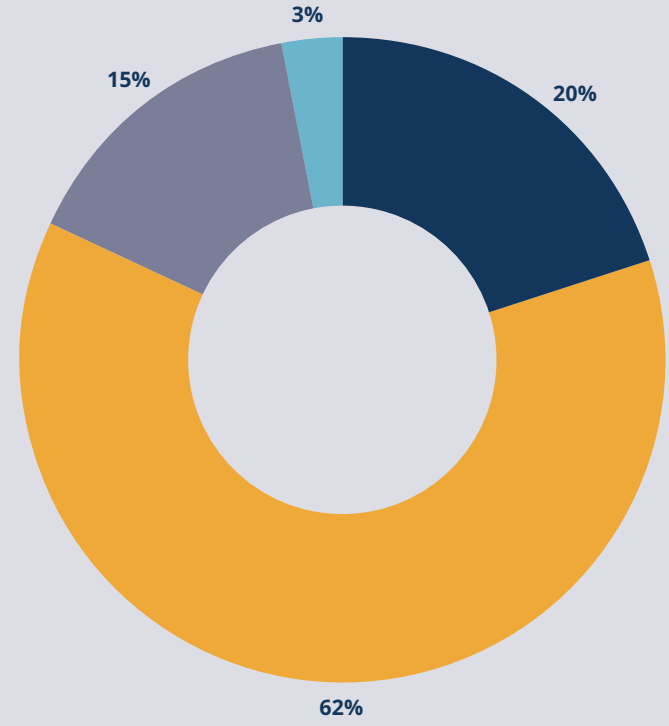
INCOME 2023

Total income for the year was

£15.662m

+ 4% increase

2023	£15.662 million
2022	£15.066 million



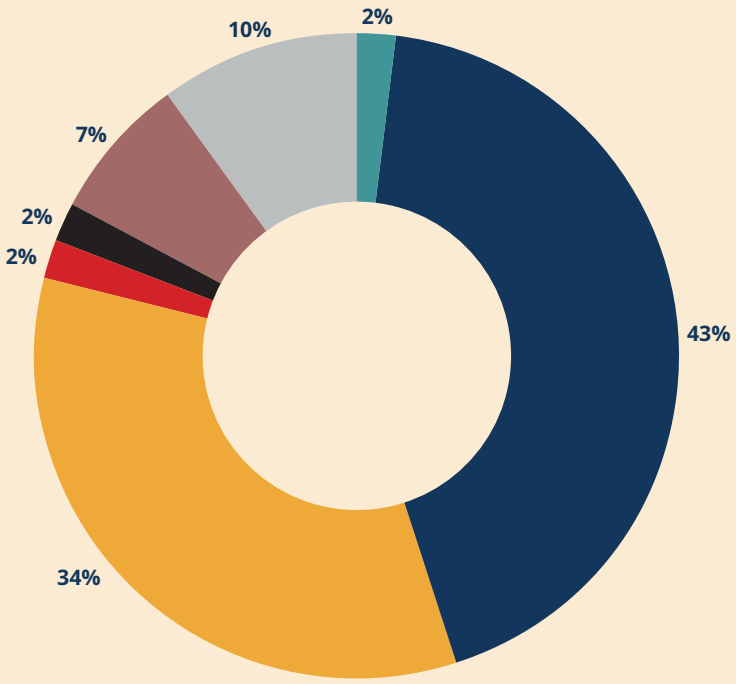
EXPENDITURE 2023

Total expenditure for the year was

£15.195m

+ 2% increase

2023	£15.195 million
2022	£14.861 million



- GRANTS AND OUT/IN PENSIONS
- INDEPENDENT LIVING HOUSING COSTS
- CARE HOME COSTS
- FIRE SAFETY ENHANCEMENT WORKS
- INVESTMENT MANAGERS' FEES
- BOND INTEREST
- PROPERTY MANAGEMENT

(1) Grants and out/in pensions
Grants paid total £122k (2022: £131k). The total number of beneficiaries supported by grants (pensioners) was 82 (2022: 92). The number living outside the College who receive financial assistance from the Charity was 58 (2022: 67). The ambition of Morden College is to develop the breadth of this aspect of our giving in the future.

(2) Independent Living Housing Costs (including the Quadrangle)
Independent living costs at £6.619 million show an increase of 18% compared to the previous year (2022: £5.61 million).

2023 was another high cost year for the College in terms of maintenance of the estate and improvements to our IT infrastructure and systems, and also investment in our HR/People function.

We also, from 1 April 2022, increased pay for all at 3–4% (and 5% from 1 April 2023). All staff receive the London Living Wage or above. Staff who earned £40,000 or under also received a one-off cost of living payment of £1,000 in December 2022.

(3) Care Home Costs
Care Home costs are reduced, £5.165 million in 2023 versus £6.124 million in 2022. The staffing structure now reflects the reduced number of residents, and the costs associated with restructuring were paid in the previous year.

(4) Investment Managers' fees
Investment Managers' fees are slightly reduced year on year, falling from £345k (2022) to £322k because we reverted to taking income only from the portfolios. The overall costs of raising funds include the £1.021 million interest payment on the Bond borrowing.

(5) Property Management Costs
At £1.457 million the costs associated with our direct property investments have increased this year (2022: £897k), there has been more activity, and 10% higher income, there also has been more active direct management by the Real Estate team in terms of managing our assets and including the preparations for the sale of our Morden Wharf site.

INVESTMENTS

Sir John Morden left approximately £12,500 to endow the College when he died in 1708 and the permanent endowment assets of the two Charities are now valued at £296 million. The permanent endowment assets include total College fixed assets, which includes the original land, investment properties and quoted investments.

Approximately 73% of the Charity's endowment is invested in property (including property funds) and 27% in financial investments.

The time horizon for the endowment portfolio is very long term, reflecting the Charity's history.

The minimum investment objective is the preservation of capital and income in real terms after inflation and distributions. The measure of inflation is the Consumer Price Index (CPI).

The College has adopted a total return approach and receives annual distributions from both the property portfolio and the financial portfolio.

The long term total return objective for the portfolio has been set as CPI inflation plus 3% p.a. as from 1 July 2021.

A reasonable level of capital volatility within the portfolio is considered by the Trustees to be acceptable in order to achieve the return objectives. However, the maximum capital losses in the financial portfolio in any one-year period in normal market conditions (defined as 98% of possible outcomes) should not exceed 15-20%.

In terms of responsible investment, the Trustees of Morden College believe that the endowment portfolio should be managed in a responsible and sustainable manner in accordance with its charitable objectives and social obligations.

Morden College uses the services of two fund managers and for the year covered by this report, the combined Sir John Morden financial portfolio underperformed both the composite benchmark and the long-term objective of CPI +3% p.a.

The Charity's investment policy provides that the minimum investment objective is to preserve the capital and income of the Charity's portfolio from inflation.

The Trustees have adopted the Total Return approach to accounting for the investments for the Sir John Morden's Charity's Permanent Endowment with effect from 1 April 2016. The Trustees are using the statutory powers included in the Charities Act 2011 ("the Act") and given effect by the Charities (Total Return) Regulations 2013 ("the Regulations"), which do not require Charity Commission approval in order for the Total Return basis to be adopted.

The Trust for Investment is considered to be the value of the permanent endowment as at 1 April 2016 and may be increased by the allocation of unapplied total return, being the investment income and capital gains on the portfolio, from time to time.

The Trustees have determined that the Trust for Investment should be increased annually in line with CPI inflation to protect its real value, which has resulted in an increase of 8.9% in the current year (2022: 6.2%).

The Trust for Investment and the unapplied total return together comprise the permanent endowment fund disclosed in the notes to the accounts.

The total return for the year ended 31 March 2023 was a gain of £7.7 million comprising income of £11.1 million and losses of £1.8 million, less investment management costs of £1.6 million. The balance of the Unapplied Total Return Fund at 31 March 2022 was £29.821 million and it is proposed that £9.128 million is allocated to the Trust for investment, in line with the Trustees' policy established in 2017, and £11.136 million is converted to income and transferred to the unrestricted fund. The balance on the Unapplied Total Return Fund at 31 March 2023 is now £17.28 million.

RESERVES

a. Unrestricted Funds

I. The Accumulation of Income Fund was set up to ensure that fixed overheads of the Charity, which are mainly staff costs in the short term, could be met for a limited period of time if income levels were temporarily insufficient to cover such costs. Under the Charity's Trust Deed the Trustees are required to transfer a minimum amount of £6,000 per annum to the fund. The balance on the fund stands at £2.3 million.

II. The balance of the General Fund at £5.250 million plus the Accumulation of Income Fund represents just under 6 months of expenditure (with reference to the year under review). Trustees' target is to keep this combined balance at 6 months of expenditure since the Charity relies wholly on income from its investments to fund day-to-day running costs. This balance reduces the risk of the Charity being unable to operate if faced with a downturn in either the property or financial investment markets.

III. The Charity owns and manages an extensive property portfolio which comprises both investment properties and the Charity's College Buildings which provide accommodation and other facilities for its beneficiaries. Investment properties are usually let to commercial tenants on full repairing leases mitigating the risk of large repair costs. The maintenance plans for the Charity's College Buildings are reviewed annually and budgeted for. Most of these costs are met through income, but some of what is planned is exceptional and will be charged to the Extraordinary Repairs Fund (ERF). The ERF will also be used for unforeseen, hopefully one off, more urgent type costs. There is and will be a draw down on this Fund due to the costs of the fire safety enhancement works programme. The balance on the fund as at 31 March 2023 is £3.893 million.

IV. The balance on the Future Projects Fund brought forward as at 1 April 2022 was £6.204 million, this remains the same as at 31 March 2023.

Funds I – IV are referenced and set out in the Scheme for The Charity of Sir John Morden as submitted to the Charity Commission in 1991.

b. Restricted Funds

I. The Staff Welfare Fund was set up on the receipt of a legacy. The balance on this fund as at 31 March 2023 was £5,000. This is used for one-off loans and grants to staff in exceptional cases, and is governed by the Welfare Committee.

II. A Gift Donation Fund has also been established to hold legacies from former Beneficiaries given for specific items of expenditure at Morden College; the balance as at 31 March 2023 was £8,000.

III. Included in Restricted Funds is the Dame Susan Morden Charity general fund, the balance on this fund has increased in year to £1.378 million.

c. Permanent Endowment

These funds are the capital of the Charity, and they are invested to produce income that is used to further the Charity's work. The Permanent Endowment Fund may not be used for any other purposes. Its funds are invested in charitable property, investment property, quoted investments and cash deposits. The value of the Permanent Endowment Funds at the year end was £296 million, of which £275 million represents the Sir John Morden permanent endowment and £21 million represents the Dame Susan Morden permanent endowment.

RISKS

The risks of the Charity are monitored on a regular basis, and appropriate action is taken to reduce the risk of disruption to the effectiveness of the Charity's work and operations. The Charity's risk management strategy utilises a hierarchical approach to the monitoring of risk with the overall operational strategy delegated to the Chief Executive. All identified risks are assessed for the likelihood of occurrence and their possible impact. The risk management system is designed to mitigate the likelihood of occurrence and/or the impact.

Currently the Charity assesses and monitors nine organisational risks, the following three are our key risks:

- ***Property Investments***
  A significant proportion of the Charity's endowment is invested in property, and it is the responsibility of the Property, Investment and Asset Allocation Committees to review the overall performance of the Charity's real estate. The portfolio is managed in house with an expert team but in addition these Committees are authorised to seek third party professional advice where required. All key decisions are ratified by the Board of Trustees. There is a risk that the value of, and income derived from, these investments, may fluctuate over time.

- ***Other Financial Investments***
  It is the responsibility of the Investment Committee and the Asset Allocation Committee to review the financial investment strategy and to set policies on such matters — it is also authorised to seek third party professional advice where required and changes to policies and recommended actions are ratified by the Board of Trustees. The investment strategy is to ensure that the value of the investment portfolio does not suffer a permanent diminution in value over the longer term. The strategy also has an objective to preserve the capital and income of the Charity's portfolio from inflation. There is a risk that the value of, and income derived from, these investments, may fluctuate over time.

- ***Operations including Care Provisions***
  The Charity has assessed operational risk, which may be defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events under a number of areas such as care, health and safety and fire. These are monitored and processes have been put in place to minimise the Charity's exposure to risks arising from such areas. This is all managed by an expert team in house, supported by the Compliance Manager.

More specifically the leadership of the organisation has identified the following areas of current risk:

- **CQC compliance,** in both the Care Home and the Domiciliary Care Service. The Health & Wellbeing Director leads the team in ensuring compliance.

- **Fire safety,** specifically completing the fire safety enhancement work throughout the estate. The Operations Director is leading the organisation through this piece of work.

- **Maintaining the quality of our staff.** Our Director of People & Culture takes responsibility for recruitment and retention of staff.

- **The wellbeing of our community of beneficiaries and employees** notably post the coronavirus pandemic, but into the future also. Our Health & Wellbeing Director leads the team on this.

- **Public relations affecting reputation,** growing the Charity's reputation locally as a priority. Specifically, this year, as the Charity anticipates selling our Morden Wharf interest, Trustees have sought advice and support from a third party professional in terms of the relative communications.

- **Generating sufficient income and managing a rising cost base,** so that we are able to sustain our operations and deliver our ambition for the future; in particular restoring investment income levels lost to the pandemic crisis and identifying new sources of income. The Charity budgets in detail each year, for the next three-year period and the Asset Allocation Committee considers the relative returns on our investments and whether we may need to liquidate any of the Unapplied Total Return fund to support current operations.

STRUCTURE AND GOVERNANCE

Construction of Morden College began in 1695. It opened in 1700 for the benefit of poor, elderly merchants of good character who were either bachelors or widowers and who had failed in business through no particular fault of their own. Since that time, the qualifications for entry have been widened. They now include men or women of good character who have either been engaged in a trade, business, or a profession as principals, or reached a position of authority or seniority, in employment and who, through accident, misfortune, disability, or infirmity have been prevented from continuing to follow their former calling and are in reduced material circumstances. The qualifications also include the spouses, partners, widows and widowers of such men and women.

The Trustees are also empowered to provide assistance by way of pensions and grants for the elderly in need whether or not they are resident in the Charity's homes. Donations may also be made to other Charities that provide or undertake in return to provide items, services, or facilities to beneficiaries of the Charity.

The Trustees determine the general policy of the Charity and delegate day-to-day management to the Clerk to the Trustees, whose role is that of Chief Executive. The Charity's Senior Leadership Team holds regular meetings to review progress against objectives agreed with the Trustees. Meetings are minuted and copies are made available to the Chairman of the Trustees. The Chairman visits the Charity on a regular basis and meets with the Chief Executive.

The Trustees of the Charity are drawn, in the main, from the Court of Aldermen of the City of London. Trustees who retire from the Court of Aldermen of the City of London remain eligible to continue to serve as Trustees of the Charity. Trustees are appointed on the basis that they possess the appropriate range of skills and experience that will assist the future growth and development of the Charity.

All Trustees go through an induction programme.

All Trustees give their time freely and no Trustee remuneration was paid during the year. There were no related party transactions with Trustees.

Trustees are required to disclose all relevant interests and register them with the Chairman of the Trustees and the Chief Executive.

MANAGEMENT AND STAFF REMUNERATION

There are clear distinctions between the role of Trustees and the Senior Leadership Team. The Trustees hold a range of reserved matters and delegate certain authority to the Senior Leadership Team to run the organisation efficiently. Matters such as policy, strategy and budgets are prepared by the Senior managers for consideration and approval by the Trustees.

The Charity aims to pay salaries which are fair, competitive with the charity sector, and proportionate to the complexity of each role. In setting salaries, the Charity ensures:

- Roles are benchmarked against salaries paid by other charities operating in the Care Sector taking data from information published by the National Care Forum and other pay surveys which are made publicly available such as the NHS and Local Government.

- All staff receive ongoing performance management and an annual appraisal which provides them with feedback on how they have contributed to the achievement of the Charity's strategy; and

- That all staff are paid above the London Living Wage.

Within Dame Susan's Charity the sole employee is the Chaplain who is supported in his role by the Chief Executive, the Finance Director and the Director of Real Estate and members of the staff team employed by Morden College as and when the need arises.

POLICIES

Applications policy
Applications for accommodation or outpensions must be submitted in writing and must be supported by independent testimonials. Applications for grants are also made in writing and are normally for single payments unless the need is assessed as a continuing one when the Charity may award an annual Outpension. The Trustees review all applications carefully and satisfy themselves that the applicant is genuine, and the assistance sought is in accordance with the Charity's aims. All applicants for accommodation are interviewed by the Chief Executive before being recommended for admittance by the Trustees.

Grant Making Policy
Every application for a grant must be submitted in writing and include the total cost of the project for which the grant is sought. All applications are scrutinised to ensure that the request for assistance falls within the scope of the Charity's Scheme. Applicants who are eligible for help are visited to clarify any outstanding matters. If all is found to be in order, a report is made to the Trustees, who consider the application, and instruct whether the grant should be made together with any conditions relating to it. Compliance with any conditions made is monitored, and payment of grants may be withheld if the terms of assistance are not met.

Responsible Leadership/ Environmental, Social and Governance (ESG) Policy
The Trustees of Morden College believe that all of Morden College's business should be led and managed in accordance with the charitable objectives of both Sir John Morden and Dame Susan Morden Charities, in a way that conforms to the College's social, environmental and governance obligations.

Trustees support fully the ten principles of the United Nations' Global Compact. Notably, Trustees and the Executive recognise their responsibility to take account of, and be responsible for, the impact Morden College's business has on the environment and climate, sustainability, employment rights and practices, human rights, and on the College community as well as the wider (local to Morden College) community; and to work against all forms of dishonesty such as corruption, fraud, extortion, and bribery. This approach accords also with the College's values: Respectful, Compassionate, Progressive, Accountable

Morden College has codified 5 characteristics that define the Charity's Responsible Leadership policy, as follows:

– Sustain a community of beneficiaries and staff founded on dignity, kindness, and the respect of all without discrimination (of any kind); and in tune with the 'Morden College Way'

– Cultivate the full potential of people - that is both the College's beneficiaries (older people) whose wish it is to live a good life until the end of their life, and the College's employees

– Develop and execute plans for the College's operational real estate that are environmentally sustainable (which will include reducing the College's dependency on fossil fuel energy resources over the next 15-20 years to a target that we will identify by 1 April 2024, having completed a full assessment of the College's current carbon footprint, and considered what options there are to reduce it)

– Ensure the College's industrial/ commercial/residential/investment real estate portfolio meets the best possible Minimum Energy Efficiency Standards (MEES), and provides a well maintained, safe, and flexible environment within which our tenants and licensees can work, live, visit; and pay fair market rents

– Require the College's investment fund managers to uphold the United Nations Principles for Responsible Investment (UNPRI), and to follow the UNPRI principles in the way they operate and invest the College's financial resources, including that they (the College's investment fund managers) promote sustainability, good business ethics, good employment practices and the transition to a low carbon economy.

PUBLIC BENEFIT

The objective of the Charity is to relieve financial hardship suffered by older people and it does this primarily by providing living accommodation comprising independent living and a Care Home. We also make available such support as is necessary to enable beneficiaries to live their lives in the community to the full.

The Charity also provides single grants and continuing annual grants, (referred to as outpensions) to older people in financial need but who do not necessarily wish to apply to the Charity for accommodation. Beneficiaries receiving such grants use the money to defray living costs as they see fit.

The objective of Dame Susan's Trust is the advancement of religion by assisting the Church of England with the upkeep of their churches and associated activities and by maintaining and paying for the operating costs of the Morden College Chapel and its Chaplain.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities including the provision of accommodation, the making of grants and provision of outpensions.

The Charity fulfils these objectives by:

(1) Relieving financial hardship for older people by providing accommodation at subsidised rates and increasingly by providing care that will allow them to lead independent lives for as long as possible. Applicants for accommodation are not required to have a minimum level of income but a cap is in place to ensure only those in need qualify. The financial limits are reviewed annually to take account of changing market conditions.

(2) Making available such support as is necessary to enable beneficiaries to live their lives in the community to the full. This support includes a community team, a Domiciliary Care Team, social events, and the provision of facilities such as a Cafeteria and Social Club which assist older people with their daily lives.

(3) Providing an annual outpension to those who qualify as being in need, as the Trustees recognise that not all applicants in need will wish to relocate to where the Charity's accommodation is located.

Applications for accommodation are received from older people who come from many different backgrounds but share a common problem in retirement in so far as they face financial difficulties. Enquiries for accommodation continue to be from all over the country as well as a small number from people living abroad but all applicants must have the right to live in the UK to qualify for accommodation. The number of applications has been increasing as the effects of financial austerity continue to be felt across the UK.

As properties become vacant, they are refurbished before being made available to applicants. It is common for bathrooms and kitchens to be replaced prior to re-letting to ensure the standard meets the needs of older people and flooring is replaced on a regular basis.

The Charity, via the Dame Susan Trust, seeks to deliver public benefit by making grants to Church of England churches who lack the necessary funds to maintain, repair and improve the fabric of their own buildings.

Regular services of worship were held throughout the year in the Morden College Chapel at Blackheath and at the Charity's second site at Ralph Perring Court, Beckenham. Regular services are also held in Cullum Welch Court, the Care Home provided by Sir John Morden's Charity which is situated at Blackheath.

STATEMENT OF TRUSTEES RESPONSIBILITIES

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 & 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 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 SORP,
- Make judgements and accounting estimates that are reasonable and prudent,
- State whether applicable UK 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 proper 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 Charities Act 2011. 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. Through a system of internal controls, the Trustees seek to ensure all expenditure is properly incurred and properly authorised, that receipt of income is secure, and that the Charity's property is fit for purpose.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply 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.

Sir David Wootton MA
Chair of the Trustees

Meryl Davies
Clerk to the Trustees & Chief Executive

19 January 2024

Independent Auditor's Report to the Trustees of Morden College

Opinion
We have audited the financial statements of Morden College for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows 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 group's and of the parent charity's affairs as at 31 March 2023 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion
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. 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 group 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 group'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 trustees are responsible for the other information. The other information comprises the information included in the forward from the Chair of Trustees, History and Constitution, People and Trustees' Report. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception
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:

- adequate accounting records have not been kept by the parent charity; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement set out on page 19, 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 group's and the parent 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 liquidate the group or the parent charity 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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the regulations of the Care Quality Commission, Tenancy Laws, Health and Safety Regulations, Charity Law, GDPR and Employment Law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the potential to manipulate accounting estimates and judgements and the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, using data analytics to focus testing on higher risk entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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 charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP
Statutory Auditor
10 Queen Street Place
London
EC4R 1AG

Date: 25 January 2024

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities

for the year ended 31 March 2023

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment £'000	Total 2023 £'000	Total 2022 £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities		3,126	-	-	3,126	3,599
Investment income from property		419	433	8,900	9,752	8,864
Investment income from other investments	3	113	37	2,236	2,386	2,237
Other income including donations	4	386	12	-	398	366
Total income	2	**4,044**	**482**	**11,136**	**15,662**	**15,066**
EXPENDITURE ON						
Charitable activities	5a	11,234	184	977	12,395	12,596
Raising funds	5b	1,021	193	1,586	2,800	2,265
Total expenditure	2	**12,255**	**377**	**2,563**	**15,195**	**14,861**
Net income/(expenditure) before investment (losses)/gains		(8,211)	105	8,573	467	205
Net (losses)/gains on investments	9c	(56)	-	(1,865)	(1,921)	28,362
Net income/(expenditure)		**(8,267)**	**105**	**6,708**	**(1,454)**	**28,567**
Transfer between funds		6,353	-	(6,353)	-	-
Net movement in funds		**(1,914)**	**105**	**355**	**(1,454)**	**28,567**
Reconciliation of funds						
Total funds brought forward at 1 April 2022		19,580	1,286	295,589	316,455	287,888
Total funds carried forward at 31 March 2023		**17,666**	**1,391**	**295,944**	**315,001**	**316,455**

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The accompanying notes form an integral part of this Statement of Financial Activities.

Group and Charity Balance Sheets

for the year ended 31 March 2023

	Notes	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
FIXED ASSETS					
Tangible fixed assets					
College Buildings	8	35,076	34,561	35,719	35,204
Other tangible fixed assets	8	3,713	2,431	3,713	2,431
		38,789	36,992	**39,432**	37,635
Investment property	9	214,148	210,116	214,148	210,116
Quoted investments	9	80,796	86,639	80,796	86,639
		294,944	296,755	**294,944**	296,755
Total fixed assets		**333,733**	333,747	**334,376**	334,390
CURRENT ASSETS					
Debtors	10	1,366	898	1,352	888
Short term deposits		9,581	8,729	9,582	8,729
Cash at bank and in hand		3,633	5,734	3,632	5,732
		14,580	15,361	**14,566**	15,349
Creditors: amounts falling due within one year	11	(3,312)	(2,653)	(3,298)	(2,641)
NET CURRENT ASSETS		**11,268**	12,708	**11,268**	12,708
Creditors: amounts falling due after more than one year	12	(30,000)	(30,000)	(30,000)	(30,000)
NET ASSETS		**315,001**	316,455	**315,644**	317,098
FUNDS					
Permanent endowment	13, 14				
Sir John Morden		275,326	275,108	275,969	275,751
Dame Susan Morden		20,618	20,481	20,618	20,481
Restricted funds	13, 15	1,391	1,286	1,391	1,286
Unrestricted funds	13, 16	17,666	19,580	17,666	19,580
Total Charity funds		**315,001**	316,455	**315,644**	317,098

The financial statements on pages 22 to 40 were approved and authorised for issue by the Board of Trustees and signed on 19 January 2024 on its behalf by:

Sir David Wootton MA
Chairman of the Trustees

Meryl Davies
Clerk to the Trustees & Chief Executive

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

	Notes	Group 2023 £'000	Group 2022 £'000
Cash flow from operating activities			
Net cash provided/(used) in operating activities	**A**	(10,359)	(10,110)
Cash flow from investment activities			
Dividend, interest and rents from investments		12,138	11,101
Proceeds from the sale of investments		31,473	31,370
Purchase of investments		(31,578)	(31,188)
Purchase of tangible fixed assets		(2,923)	(783)
		9,110	10,500
Change in cash and cash equivalents in the reporting period		(1,249)	390
Cash and cash equivalents at the beginning of the reporting period		14,463	14,073
Cash and cash equivalents to the end of the reporting period	**B**	13,214	14,463

A. Reconciliation of net income to net cash flow from operating activities	2023 £000	2022 £000
Net income for the reporting period	(1,454)	28,567
Adjustments for		
Depreciation charges	1,123	1,139
(Gains)/losses on investments	1,921	(28,362)
Dividends, interest and rents from investments	(12,138)	(11,101)
(Increase)/decrease in debtors	(470)	150
Increase/(decrease) in creditors	659	(503)
(Increase)/decrease in work in progress	-	-
Net cash used in operating activities	**(10,359)**	**(10,110)**

B. Analysis of cash and cash equivalents		
Cash in hand	3,633	5,734
Notice deposits (less than 3 months)	9,581	8,729
Total cash and cash equivalents	**13,214**	**14,463**

C. Cashflow Net Debt

	At 1 April 2022 £'000	Cashflows £'000	At 31 March 2023 £'000
Cash in hand	5,734	(2,101)	3,633
Notice deposits	8,729	852	9,581
Sub-total	14,463	(1,249)	13,214
Long-term bond	**(30,000)**	**-**	**(30,000)**
Net debt	**(15,537)**	**(1,249)**	**(16,786)**

Notes to the Accounts
for the year ended 31 March 2023

1. PRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The accounts have been prepared to give a 'true and fair' view and 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (Second Edition, effective 1 January 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

Public Benefit
The Charity constitutes a public benefit entity as defined by FRS102.

Consolidation
The consolidated accounts incorporate the results of Sir John Morden's and Dame Susan's Charities (the Charity) and its subsidiary undertaking, Morden College Design and Build Limited. The consolidated entity is referred to as the Group.

Going Concern
The Charity has a significant level of cash reserves which were the equivalent of more than 12 months operating costs at the balance sheet date. These cash reserves provide adequate resources to finance the Charity's day to day operations. On this basis, the Board has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Investment Gains and Losses
Realised gains and losses on quoted investments are based on the difference between the net disposal proceeds and the value.

Realised gains and losses on property investments are based on the difference between the net disposal proceeds and the brought forward valuation. Sales are recognised on exchange of contracts where completion takes place after the financial year end.

Unrealised gains and losses represent the difference between the market value of quoted investments and investment properties at the balance sheet date and their brought forward carrying value or purchase cost for investments acquired during the year.

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income, and expenses is provided below. The principal judgements and sources of estimation uncertainty relate to the valuation of investment properties and the estimated useful lives of tangible fixed assets.

Income
(1) All sources of income are included in the accounts when the Charity is legally entitled to it and the amount can be quantified with reasonable accuracy and are stated net of VAT, where applicable. Legacies are recorded when the receipt of the legacy is probable.

(2) Where donations and legacies are received subject to the specific wishes of the donor they are credited to the relevant restricted fund.

(3) Rents are accounted for on a receivable basis; income from rents is included in the Statement of Financial Activities when it becomes due. Rent received in advance is included within creditors.

(4) Dividends and interest received are accounted for on an accruals basis.

Expenditure

(1) All costs are accounted for on an accruals basis and are classified under headings that aggregate all costs related to that category. Costs relating to more than one cost centre have been allocated on a calculated use basis. Staff costs have been allocated on a job function basis. Staff costs for Dame Susan's Charity all related to the Morden College Chapel in Blackheath.

(2) Where VAT is irrecoverable, the expenses shown include the irrecoverable amount of this tax.

(3) Apportioned costs comprise the direct costs, including staff, of maintaining the grounds, the running costs of the kitchen, restaurant, social club, library, and the administration of the Charity.

(4) Governance costs reflect the cost of compliance with constitutional and statutory requirements.

(5) Liabilities are recognised when there is a contractual obligation to discharge a cost.

Investment property

The Charity's Commercial investment properties were last professionally valued by Messrs Gerald Eve LLP, Chartered Surveyors, as of 31 March 2023 on an open market basis in accordance with the Royal Institution of Chartered Surveyors Valuation Professional Standards. The Charity's residential investment properties were professionally valued by Comber & Co, as of 31 March 2023 on an open market basis in accordance with the Royal Institution of Chartered Surveyors Valuation Professional Standards.

Investment properties are classified in the balance sheet as fixed assets unless there is a firm intention to dispose of them at which point they are transferred to current assets.

Quoted Investments

Quoted investments are shown at market value as at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

The Charity also owns 100% of the share capital of Morden College Design and Build Limited and the value of this investment is stated at cost (£2).

Tangible fixed assets

Useful lives of depreciable assets

The Trustees review their estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change and changes to circumstances which may require more frequent replacement of key buildings or components of existing buildings.

The key judgements and estimates applied in respect of housing provided for beneficiaries are disclosed in the accounting policy dealing with fixed assets and depreciation and include:

- the useful economic life of property structure at 100 years; and
- that properties have no residual value at the end of their useful life

These are conservative assumptions that are broadly aligned with general practice followed by registered housing providers.

Capitalisation of property development costs

Distinguishing the point at which a project is more likely than not to continue, allowing capitalisation of associated development costs requires judgement. After capitalisation management monitors the asset and considers whether subsequent changes may indicate that impairment is required.

Fixed Assets and Depreciation

(1) Buildings

Freehold land is not depreciated.

Depreciation of housing property components is charged so as to write down the cost of the components to their estimated residual value, on a straight-line basis, over their estimated useful economic lives within the Group. Housing property components are depreciated from the year following the replacement year. Estimated useful economic lives are assumed as follows:

Major components

- Housing properties structure 100 years
- Kitchens and bathrooms 15 years
- Electrical wiring, windows and doors 25 years
- Boilers 15 years
- Roofs 60 years

(2) The College's historic collections are included at the insurance valuation made by Messrs Gurr Johns, Valuers and Fine Art Consultants in October 2023 which indicated that there had been no permanent diminution in carrying value of the assets. The Trustees do not consider that depreciation is appropriate for these assets, nor do they consider it prudent to revalue the historic collection as there is no intention to sell them and the value of antique goods are subject to market fluctuations.

(3) Motor vehicles and computers are shown at cost less depreciation.

(4) Furniture and equipment purchased at a cost of under £500 are written off in the year of acquisition as their useful life is normally quite short, and the total value is not material in the context of the total assets of the Charity. Items with a cost of over £500 are included in the balance sheets at cost less accumulated depreciation.

(5) Depreciation is provided on the cost of tangible fixed assets, less estimated residual values, on a straight-line basis as follows:

Furniture and equipment	5 years
Computers	4 – 7 years

Grants

Grants payables are charged in the Statement of Financial Activities in the year that the payment is made to the recipient. All grants approved by the Trustees are conditional and are paid upon the completion of the conditions attached to them. Grants offered during the year but where conditions have not been met are not accrued as expenditure but are treated as contingent liabilities

Pension costs

Pension payments are made to a defined contribution pension scheme. There is also one (2022: 1) member who was in the wound-up defined benefits scheme and the Trustees have given their undertaking to use their best endeavours to ensure that this member does not suffer any loss of benefit following the closure of that scheme. All contributions are included in the SOFA when due.

Funds and Reserves Policy

Funds held by the Charity are:

(1) Permanent Endowment Funds – these are funds that provide the capital of the Charity and are invested to produce income to further the Charity's objects. The funds may not be used for other purposes.

(2) Restricted funds – these are funds that can only be used for restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for restricted purposes.

(3) Unrestricted funds – these are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

(4) Designated funds – these are funds set aside by the Trustees out of unrestricted funds for specific future purposes or projects. The Charity's policy is to maintain an Accumulation of Income Fund to ensure that fixed overheads of the Charity can be met for a limited period if income levels are temporarily insufficient to cover such costs. The Charity also maintains an Extraordinary Repairs Fund, a Future Projects Fund, and a Residents' Coach Renewal Fund.

(5) Further explanation of the nature and purpose of each fund is included in notes 14-16 to the financial statements.

Taxation

The trust is a registered charity and as such its income and gains falling within sections 471 to 489 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

Financial Instruments

The Charity only has financial instruments of a kind that qualify as basic financial instruments such as debtors, creditors, cash at bank and listed investments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Financial assets held at settlement cost comprise cash and bank and cash in hand together with debtors. Financial liabilities held at settlement value or amortised cost comprise rents received in advance, accruals and other creditors, and the fixed interest bond. The financial investments disclosed in note 9 are the only financial instruments measured at fair value.

2. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment £'000	Total 2022 £'000
INCOME AND ENDOWMENTS FROM				
Charitable activities	3,599	-	-	**3,599**
Investment income from property	253	440	8,171	**8,864**
Investment income from other investments	-	37	2,200	**2,237**
Other income including donations	333	33	-	**366**
Total income	**4,185**	**510**	**10,371**	**15,066**
EXPENDITURE ON				
Charitable activities	11,531	125	940	**12,596**
Raising funds	1,023	151	1,091	**2,265**
Total expenditure	**12,554**	**276**	**2,031**	**14,861**
Net income/(expenditure) before investment gains	(8,369)	234	8,340	**205**
Net gains on investments	167	-	28,195	**28,362**
Net income/(expenditure)	**(8,202)**	**234**	**36,535**	**28,567**
Transfer between funds	7,514	-	(7,514)	**-**
Net movement in funds	**(688)**	**234**	**29,021**	**28,567**
Reconciliation of funds				
Total funds brought forward at 1 April 2021	20,268	1,052	266,568	**287,888**
Total funds carried forward at 31 March 2022	**19,580**	**1,286**	**295,589**	**316,455**

3. INVESTMENT INCOME

	2023 £'000	2022 £'000
Dividends and income from Investments	**2,273**	2,209
Interest on Cash Deposits	**113**	28
	2,386	2,237

4. OTHER INCOME

	2023 £'000	2022 £'000
Beneficiary restaurant receipts and sundry income	**386**	255
COVID-19 funding	**-**	101
Dame Susan Morden's Charity	**12**	10
	398	366

5. EXPENDITURE

	Direct Staff Costs £'000	Other Costs £'000	Apportioned costs £'000	Total £'000
a. Charitable activities				
2023				
Grants and out/in pensions	-	251	25	**276**
Independent living housing costs	439	1,011	2,184	**3,634**
Quadrangle housing costs	131	260	2,594	**2,985**
Care home costs	1,210	501	3,454	**5,165**
Morden College Chapel costs	63	12	-	**75**
Fire safety enhancement works	-	260	-	**260**
	1,843	**2,295**	**8,257**	**12,395**
2022				
Grants and out/in pensions	-	184	25	209
Independent living housing costs	118	1,628	1,469	3,215
Quadrangle housing costs	153	347	1,898	2,398
Care home costs	2,841	566	2,717	6,124
Morden College Chapel costs	54	34	-	88
Fire safety enhancement works	-	562	-	562
	3,166	3,321	6,109	12,596

	Direct Staff Costs £'000	Other Costs £'000	Apportioned costs £'000	Total £'000
b. Cost of raising funds				
2023				
Quoted Investment Managers' fees	-	322	-	**322**
Bond Interest	-	1,021	-	**1,021**
Property Management	-	1,448	9	**1,457**
	-	**2,791**	**9**	**2,800**
2022				
Quoted Investment Managers' fees	-	345	-	345
Bond interest	-	1,023	-	1,023
Property management	-	746	151	897
	-	2,114	151	2,265

	Donations, grants and out pensions £'000	Independent living housing costs £'000	Sheltered housing costs £'000	Care home costs £'000	Property management £'000	Total £'000
c. Apportioned costs have been allocated on a use basis as follows						
2023						
Catering	-	-	200	342	-	**542**
Restaurant	-	172	-	-	-	**172**
Library & Muniments	-	4	5	-	-	**9**
Gardens	-	10	21	3	-	**34**
Administration	25	1,998	2,368	3,110	9	**7,510**
	25	**2,184**	**2,594**	**3,455**	**9**	**8,267**
2022						
Catering	-	-	238	399	-	637
Restaurant	-	63	-	-	-	63
Library & Muniments	-	7	7	-	-	14
Gardens	-	145	46	78	-	269
Administration	25	1,254	1,607	2,240	151	5,277
	25	1,469	1,898	2,717	151	6,260

6. PAYMENT OF OUT/IN PENSIONS

	2023 £'000	2022 £'000
Individuals (Pensioners)	**122**	131
Administrative costs	**25**	25
	147	156

There were 82 pensioners at 31 March 2023 (2022: 92)

7. WAGES AND SALARIES – STAFF COSTS (INCLUDING APPORTIONED COSTS)

	2023 £'000	2022 £'000
Staff costs		
Wages and salaries	**4,623**	5,208
Social security costs	**479**	547
Pension contributions	**235**	272
Other costs including bank and agency staff	**925**	447
	6,262	6,474

Staff costs – Wages and Salaries include redundancy cost of £19k (2022: £279k)

Staff numbers
The average number of employees during the year including those who worked part-time was 172 (2022:161). Their full time equivalent was 154 (2022: 144) and their functional analysis was as follows:

	2023 No.	2022 No.
Kitchen and domestics	**39**	36
Nursing	**56**	57
Premises, grounds and security	**14**	12
Home management and pastoral	**3**	2
Management and administration	**42**	37
	154	144

	2023	2022
Highest paid employees, including benefits, excluding pensions		
£60,000 to £70,000	**6**	7
£80,001 to £90,000	**1**	1
£90,001 ro £110,000	**1**	2
£110,001 ro £120,000	**1**	0
£120,001 to £130,000	**1**	1
£130,001 to £140,000	**0**	1
£140,001 to £150,000	**1**	0

The Group's key senior managers are listed on page 7. Details of remuneration policy are set out in the Trustees' Report. Total remuneration paid to senior managers, including employers NI, was £1,059k (2022: £994k).

No Trustees received any remuneration but received reimbursement of expenses of £1,889 during the year (2022: £1,553).

8. TANGIBLE FIXED ASSETS

	Group £'000	Charity £'000
Charitable Buildings		
Cost		
At 1 April 2022	45,051	45,694
Additions at cost	1,435	1,435
At 31 March 2023	**46,486**	**47,129**
Depreciation		
At 1 April 2022	10,490	10,490
Charge for the year	920	920
At 31 March 2023	**11,410**	**11,410**
Net book value at 31 March 2023	**35,076**	**35,719**
Net book value at 31 March 2022	34,561	35,204

	Antiques & Valuables £000	Computers £'000	Furniture & equipment £'000	Total £'000
Other fixed assets – Group and Charity				
Cost or Valuation				
At 1 April 2022	1,688	629	2,106	4,423
Additions at cost	-	1,108	380	1,488
Disposals/scrapped	(3)	-	-	(3)
At 31 March 2023	**1,685**	**1,737**	**2,486**	**5,908**
At valuation	1,685	-	-	-
At cost	-	1,737	2,486	5,908
Depreciation				
At 1 April 2022	-	258	1,734	1,992
Disposals/scrapped	-	-	-	-
Charge for the year	-	121	82	203
At 31 March 2023	**-**	**379**	**1,816**	**2,195**
Net book value at 31 March 2023	**1,685**	**1,358**	**670**	**3,713**
Net book value at 31 March 2022	1,688	371	372	2,431

9. INVESTMENT ASSETS AT MARKET VALUE

	2023 £'000	2022 £'000
a. Investment property		
Residential	**64,167**	58,356
Commercial and Industrial incl Property Fund	**149,981**	151,760
	214,148	210,116
b. Quoted investments		
Fixed interest – UK & non UK	**14,572**	12,368
Equities – UK & non UK	**63,266**	71,949
	77,838	84,317
Stockbrokers' client account	**2,958**	2,322
	80,796	86,639
Historical cost of investments held at 31 March 2023	**86,639**	85,234

	Property £'000	Quoted Investments £'000	Total £'000
c. The movements in market value may be summarised:			
Market value at 31 March 2022	210,119	86,639	**296,755**
Realised/Unrealised gains/(losses)	3,595	(5,516)	**(1,921)**
	213,714	81,123	**294,837**
Additions	3,691	27,887	**31,578**
Disposals	(3,257)	(29,748)	**(33,005)**
Change in stockbroker cash deposits		1,534	**1,534**
Market value at 31 March 2023	**214,148**	**80,796**	**294,944**

Within the Investment Property, Commercial and Industrial number is a valuation of £49.9m (£9.55m N and £40.35m S) for our Morden Wharf site. Since the year end date the site has the benefit of planning permission for a significant mixed-use development. The planning permission has triggered the opportunity to sell the site, along with a joint venture partner under a Conditional Development Agreement. It may be that the eventual value of a sale to Morden College is in excess of this year end valuation, but the amount and timings are uncertain. The value included with the accounts reflects the position as at the year end, representing the income from the site with a long-term tenant in situ.

10. DEBTORS

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Rent and contributions receivable	**527**	239	**527**	239
Bad Debt Provision	**(66)**	-	**(66)**	-
Prepayments and sundry debtors	**546**	447	**532**	437
Dividends and interest receivable	**357**	210	**357**	210
Due from subsidiary undertaking	**2**	2	**2**	2
	1,366	898	**1,352**	888

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Advance rents received	**1,294**	1,264	**1,294**	1,264
Tax, pensions and social security	**147**	148	**147**	148
Value Added Tax	**221**	246	**221**	246
Sundry creditors	**1,080**	715	**1,066**	703
Accruals	**570**	280	**570**	280
	3,312	2,653	**3,298**	2,641

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed Interest Bond	**30,000**	30,000	**30,000**	30,000
	30,000	30,000	**30,000**	30,000

The Bond has a maturity date of 27 March 2042 and carries a fixed rate of interest of 3.38% until maturity. The Bond is repayable as a single amount.

13. ALLOCATION OF THE NET ASSETS OF THE GROUP AND CHARITY

	Endowment Funds £'000	Restricted Funds £'000	Unrestricted Funds £'000	Total Funds £'000
Group 2023				
College buildings	35,076	-	-	**35,076**
Other tangible fixed assets	1,688	6	2,019	**3,713**
Investments – Sir John Morden	262,180	-	12,146	**274,326**
Investments – Dame Susan Morden	20,618	-	-	**20,618**
Net current assets	6,382	1,385	3,501	**11,268**
Long-term liability (Bond)	(30,000)	-	-	**(30,000)**
	295,944	**1,391**	**17,666**	**315,001**
Group 2022				
College buildings	34,561	-	-	34,561
Other tangible fixed assets	1,688	12	731	2,431
Investments – Sir John Morden	265,594	-	10,680	276,274
Investments – Dame Susan Morden	20,481	-	-	20,481
Net current assets	3,265	1,274	8,169	12,708
Long-term liability (Bond)	(30,000)	-	-	(30,000)
	295,589	1,286	19,580	316,455

	Endowment Funds £'000	Restricted Funds £'000	Unrestricted Funds £'000	Total Funds £'000
Charity 2023				
College buildings	35,719	-	-	**35,719**
Other tangible fixed asset	1,688	6	2,019	**3,713**
Investments – Sir John Morden	262,180	-	12,146	**274,326**
Investments – Dame Susan Morden	20,618	-	-	**20,618**
Net current assets	6,383	1,385	3,501	**11,269**
Long-term liability (Bond)	(30,000)	-	-	**(30,000)**
	296,588	**1,391**	**17,666**	**315,645**
Charity 2022				
College buildings	35,204	-	-	35,204
Other tangible fixed assets	1,688	12	731	2,431
Investments – Sir John Morden	265,594	-	10,680	276,274
Investments – Dame Susan Morden	20,481	-	-	20,481
Net current assets	3,265	1,274	8,169	12,708
Long-term liability (Bond)	(30,000)	-	-	(30,000)
	296,232	1,286	19,580	317,098

14. PERMANENT ENDOWMENT FUNDS

	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	Balance at 31 March 2023 £'000
Group 2023						
Sir John Morden	275,108	11,136	(2,567)	(1,822)	(6,529)	275,326
Dame Susan Morden	20,481	-	4	(43)	176	20,618
	295,589	**11,136**	**(2,563)**	**(1,865)**	**(6,353)**	**295,944**
Group 2022						
Sir John Morden	246,814	10,371	(2,036)	27,473	(7,514)	275,108
Dame Susan Morden	19,754	-	5	722	-	20,481
	266,568	10,371	(2,031)	28,195	(7,514)	295,589

	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	Balance at 31 March 2023 £'000
Charity 2023						
Sir John Morden	275,752	11,136	(2,567)	(1,822)	(6,529)	275,970
Dame Susan Morden	20,481	-	4	(43)	176	20,618
	296,233	**11,136**	**(2,563)**	**(1,865)**	**(6,353)**	**296,588**
Charity 2022						
Sir John Morden	247,458	10,371	(2,036)	27,473	(7,514)	275,752
Dame Susan Morden	19,754	-	5	722	-	20,481
	267,212	10,371	(2,031)	28,195	(7,514)	296,232

The Permanent Endowment Fund is a restricted fund that includes the current value of the original endowment that was to provide homes and financial assistance for the elderly. In 2016, the Trustees resolved to apply Total Return accounting to the portion of the Sir John Morden permanent endowment fund that is represented by fixed asset investments.

The Trustees have established a policy of transferring the investment income received in the year to the general fund and retaining the balance of the Unapplied Total Return within the endowment fund. This policy is reviewed annually by the Trustees.

The total of the Trust for Investment and the Unapplied Total Return these items make up the Permanent Endowment Fund and this has shown an increase of 5% year on year; this more accurately reflects the cost inflation pressures facing Morden College.

Income from the Trust for Investment is to be applied to the running costs of the Charity. The capital may be used to purchase property for charitable and investment purposes, but the maintenance and refurbishment of these properties must be paid from the income of the Charity.

14. PERMANENT ENDOWMENT FUNDS (CONTINUED)

	Permanent Endowment £'000	Unapplied Total Return £'000	Total £'000
Sir John Morden – Total Return accounting			
Balance 1 April 2021	**215,745**	**22,861**	**238,606**
College Building Transfer (BBC)	611	-	**611**
Investment Income	-	10,371	**10,371**
Investment Gains	-	27,473	**27,473**
Investment Managers' Fees	-	(1,096)	**(1,096)**
	216,356	59,609	**275,965**
Inflation Indexation	19,417	(19,417)	**-**
	235,773	40,192	**275,965**
Allocation of Unapplied Total Return to Income	-	(10,371)	**(10,371)**
Balance at 31 March 2022	**235,773**	**29,821**	**265,594**
Investment Income	-	11,136	**11,136**
Investment Gain	-	(1,822)	**(1,822)**
Investment Managers' Fees	-	(1,592)	**(1,592)**
	235,773	37,543	**273,316**
Inflation Indexation	9,128	(9,128)	**-**
	244,901	28,415	**273,316**
Allocation of Unapplied Total Return to income	-	(11,136)	**(11,136)**
Balance at 31 March 2023	**244,901**	**17,279**	**262,180**

The Trust for Investment as at 1 April 2016, the date of adoption of Total Return accounting, was identified by the Trustees as being equal to the value of the fund's investment portfolio as at that date. The Trustees have determined that the Trust for Investment should be increased annually in line with CPI inflation to protect its real value, which has resulted in an increase of 8.9%, £9.128m in the current year (2022: 6.2%).

Source: Office for National Statistics

15. RESTRICTED FUNDS – GROUP AND CHARITY

	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Balance at 31 March 2023 £'000
2023				
Welfare Fund	5	-	-	**5**
Gift Fund	28	-	(20)	**8**
Dame Susan Morden's Charity general fund	1,253	482	(357)	**1,378**
	1,286	**482**	**(377)**	**1,391**
2022				
Welfare Fund	5	-	-	5
Gift Fund	5	23	-	28
Dame Susan Morden's Charity general fund	1042	487	(276)	1,253
	1052	510	(276)	1,286

The Welfare Fund was created from a gift received some years ago and is for the benefit of residents and staff and it is for expenditure that is not part of the Charity's normal activities. The Gift Fund represents donations received for the benefit of the Care Home and its staff.

16. UNRESTRICTED FUNDS – GROUP AND CHARITY

	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Gains/Losses	Transfers £'000	Balance at 31 March 2023 £'000
2023						
General fund	6,910	4,044	(12,255)	(56)	6,607	**5,250**
Accumulation of income	2,313	-	-	-	6	**2,319**
Extraordinary repairs	4,153	-	-	-	(260)	**3,893**
Future projects	6,204	-	-	-	-	**6,204**
	19,580	**4,044**	**(12,255)**	**(56)**	**6,353**	**17,666**
2022						
General fund	7,023	4,185	(12,554)	167	8,089	6,910
Accumulation of income	2,307	-	-	-	6	2,313
Extraordinary repairs	4,715	-	-	-	(562)	4,153
Future projects	6,223	-	-	-	(19)	6,204
	20,268	4,185	(12,554)	167	7,514	19,580

The Trustees reviewed the balances on all funds before authorising transfers between funds.

The Trust Deed requires the Trustees to maintain an Accumulation of Income fund to ensure that the fixed overheads of the Charity could be met for a limited period of time if income levels were temporarily insufficient to cover such costs. The Deed also requires a minimum transfer of £6k into this fund each year; having reviewed the balance on the fund the Trustees have determined that the fund should be increased by the minimum amount. The fund is invested in a cash deposit.

Under the Trust Deed the Trustees are also required to maintain an Extraordinary Repairs Fund (Building Reserve Fund) for the maintenance, extraordinary repair, improvement or refurbishment of the almshouses, other buildings and the infrastructure of the Charity. The funds are invested in a bank deposit account.

The Future Projects fund provides for the future expenditure on new projects of any kind to be undertaken in furtherance of the objects of the Charity.

The balance of the extraordinary repairs fund was reduced by £260k to cover the costs of fire safety enhancement works.

17. CAPITAL COMMITMENTS

	2023 £'000	2022 £'000
At 31 March – Contracted	-	-
– Authorised not contracted	-	-

18. SUBSIDIARY UNDERTAKING

The Charity incorporated a Private Limited Company, Morden College Design and Build Limited on 22 January 2023; the company is registered in England and Wales. The company supplied building construction services to Sir John Morden's Charity for its building project, Alexander Court. The subsidiary has 2 issued shares of £1 each which are both beneficially owned by the Charity.

A summary of the subsidiary's accounts for the year ended 31 March 2023 is shown below:

Profit and Loss Account

	2023 £'000	2022 £'000
Turnover	**-**	21
Cost of Sales and Operating Expenses	**(1)**	(11)
Loss before taxation	**(1)**	10
Taxation	**-**	-
Loss after taxation	**(1)**	10
Balance Sheet		
Current assets	**15**	12
Current liabilities	**(16)**	(2)
Net Assets	**(1)**	10
Shareholders' funds	**(1)**	10

19. OPERATING LEASES

The Charity derives the majority of its income from properties which are leased to commercial and residential tenants. The future minimum lease payments under non-cancellable operating leases are as follows:

	Group & Charity	
	2023 £'000	2022 £'000
Not later than one year	866	849
Later than one year and not later than five years	25,216	29,650
Later than five years	38,293	62,893
	64,375	**93,392**

Charity Information

PRINCIPAL OFFICE
19 St Germans Place
Blackheath
London SE3 0PW

PRINCIPAL BANKERS
National Westminster Bank plc
13 Stratheden Road
Old Dover Road, Blackheath
London SE3 7SY

CHARTERED SURVEYORS
Gerald Eve LLP
7 Vere Street
London W1G 0JB

INVESTMENT ADVISORS
Stanhope Consulting
35 Portman Square
London W1H 6LR

AUDITOR
Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

SOLICITORS
Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Attwaters Jameson Hill
St. Clement's House
27 Clement's Lane
London EC4N 7AE

INVESTMENT MANAGERS
Investec Wealth & Investment Limited
30 Gresham Street
London EC2V 7QW

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

CCLA Investment Management
1 Angel Lane
London EC4R 3AB

Morden College Annual Report 2023
Annual Report and Consolidated Accounts for the year ended 31 March 2023
Registered Charity No 215551

In May 2023, we were honoured with a Royal visit from our Patron, Her Royal Highness the Duchess of Edinburgh.

MORDEN COLLEGE

Interesting People Living Life to the Full

Morden College
19 St Germans Place, Blackheath, London SE3 0PW
Registered Charity No 215551

www.mordencollege.org.uk

MORDEN COLLEGE

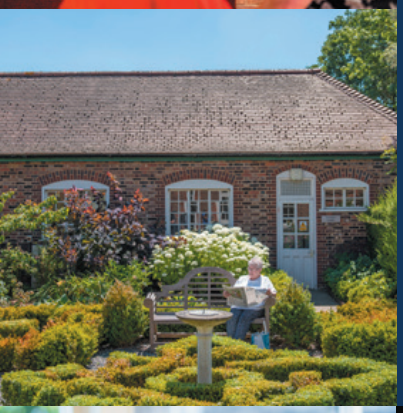
England & Wales - Charity number 215551

Accounts

Annual Report

Annual Report and Consolidated Accounts
for the year ended 31 March 2022

Registered Charity No 215551



MORDEN COLLEGE

Interesting People Living Life to the Full

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Morden College Annual Report 2022
Annual Report and Consolidated Accounts
for the year ended 31 March 2022
Registered Charity No 215551

Foreword from the Chair of Trustees

Alderman Sir David Wootton MA

In many respects 1 April 2021 heralded in a new era for Morden College. Although the coronavirus pandemic was not fully over, the Omicron variant yet to land in the UK, the College had travelled through the period of the Delta variant (Lockdown 3) without too much challenge and sadly, but only, one death from the virus. There was a sense that we were at the beginning of the end of it all, this reinforced by a successful programme of vaccination for almost every one of our circa 300 beneficiaries (bar 4 who could not be given a vaccination) and increasing numbers of staff. It felt safer. The new John Morden Centre was opening up. Life in our community awakening to what would evolve to become a more enjoyable Summer for beneficiaries. There was optimism in April 2021 and challenge too as the Charity set about a different future.

It was not only that we had learnt a lot during the pandemic period about how the Charity operated; rather, that what we had learnt reinforced the messages that had emerged during 2018/19 as a result of extensive strategic research and thinking into how the Charity was delivering its core business (to provide homes, care and support to older people); what was right, what was wrong, and how should the Charity stride into the future.

During 2020 we learnt how excellent many of our staff are, their commitment and professionalism unfaltering. We learnt too that the organisational structure of the Charity, was no longer right, if in future we were to be fully prepared both for further testing viral epidemics, and also embrace the strategic aims that Trustees and the Executive had settled on as a result of their strategy day in April 2019. Perhaps the most revealing lesson we learnt in 2020/21 was that many of our oldest beneficiaries living in the Charity's almshouse accommodation needed far more support than they were being given and sadly, that many in our community had probably needed that greater level of support for some time. The old notion of 'living independently', and what the Charity had actually been doing to support its resident beneficiaries, was put firmly on trial during the pandemic. It was evident that it was time to look at the almshouse community at Morden College very differently, and change.

So, while the year to March 2022 saw an improving life for our older people, it has also been a year of huge and very courageous change in how the Charity operates, now and in future.

Our first area of change was to the Charity's Care Home. In April 2019, Trustees and I committed to operating a smaller Care Home; and in the Autumn of 2020 we confirmed the Care Home would for at least the next 2-3 years reduce from 60 beds to 44 beds. This decision necessarily meant that the Charity had to adjust both the Care Home staff structures and the Charity's operating practices. The aim was not simply a smaller unit; but a change of direction to a Care Home that would be focussed primarily on acute nursing care, dementia care, end of life care, and some respite. There would be less emphasis on residential 'personal' care which historically the Charity had majored on. The intent was for the restructure of the Care Home staff to be complete by early-mid Summer 2021 and this was achieved.

The second consequence of deciding to carry out less residential 'personal' care in our Care Home was that the Charity had to change its operating practices; identify and deliver a different approach to both the care and support of its beneficiaries living in the almshouse accommodation to enable those beneficiaries (200+) to live a Good Life, such that they could live better, more safely, and with fewer anxieties, for longer, at home. This ideal is spoken about so often in the UK. Age UK and others have done a lot of research into ageing. Yet at Morden College we had not truly grappled with what it really means to live a Good Life in older age, to the end of life. What are the phases of ageing, and what is the menu of support (services) that would need to be put in place, in practice, provided by Morden College or from external sources, to deliver this 'Good Life'. This approach, once embedded, will fundamentally be about prevention, proactively advising and where necessary supporting our beneficiaries practically (with services) in order to enable a better older life. How would this new approach be organised and funded? In the early Autumn 2021, having a few months earlier restructured the Charity's Care Home, and after 40 or so years of doing broadly the same, we determined to grasp the nettle; no more 'same old'!

It was not until into 2022 that we finally settled on how the Charity would organise to achieve its goal of rolling out the Good Life agenda. In fact, as I write this (in May 2022) the new Health and Wellbeing Strategy is yet to be fully endorsed. However, the staff structure we would need, principally the non-Care Home element of the Health & Wellbeing department, was agreed in late 2021; and so in January 2022 we began a further, smaller, restructure of the Charity. At the heart of this restructure we chose to embrace a new, in many respects pioneering, multidisciplinary approach to primary care of our beneficiaries, with increasingly a greater focus on prevention. It is exciting. There is a huge amount to do and no doubt there are going to be bumps along the journey; but as the financial year came to a close on 31 March 2022, the restructures, (the Care Home in mid 2021 and the non Care Home health and wellbeing staff in early 2022) were finally complete. We have also moved a number of 'frontline' services from the Operations area to Health & Wellbeing – the intention being to more fully empower Director of Health & Wellbeing with all the levers necessary to be able to coordinate and signpost the best care and support for our older people. A new era begins at Morden College.

But it has not all been about changes to how we care for and support our older beneficiaries.

During 2021 Trustees reviewed the Charity's model for investment. The result of this was that all for our investment asset classes, including the commercial real estate and properties Morden College owns, performance is now monitored on a Total Return basis. The Charity's fourth Strategic Aim is 'Sustain Sir John Morden's Charity for another 300 years' and whilst this may seem a lofty ideal to some, it is not for us. Our Founder, Sir John Morden, implies very strongly in his letter of Deed, written in 1706, that he was endowing the foundation he established so that it would survive in perpetuity. Trustees and I intend the Charity will thrive long term. Of course, ensuring the College carries out all its responsibilities to today's generation of beneficiaries, resident and in future non-resident, is our priority. But equally important, and a close second priority, is for us to ensure Sir John Morden's endowment (the Charity's investments) retains a capital strength, commensurate with inflation year on year.

The challenge for the Charity's Trustees and Directors is to find the right balance; to deliver sufficient income for the now, while retaining (and growing) a capital strength such that the Charity will endure in perpetuity. There will, I believe, always will be a positive tension between these two priorities. We aim each year to increase the value of the Trust for Investment by at least inflation (protecting for the long term); while we hope, in the good years, to grow the Unapplied Total Return (the surplus) so that Morden College can evolve and achieve its ambitions – the recent construction of our new John Morden Centre is a good example of how we use our reserves.

Looking forward, I anticipate the next few years will largely be about consolidation, bedding in the very significant changes we have recently made to how Morden College is structured and operates, in order to meet the Charity's strategic aims. We need now to monitor and measure our performance with great accuracy. In this next period, it is Trustees' intent that Morden College will also begin to grow a new non residential beneficiary base in the Charity's local areas. This will be an expansion of Sir John Morden's charitable giving, largely into grant making; and we hope will be a welcome initiative, locally in South East London.

Finally, it remains for me to thank my fellow Trustees, the Executive and all the staff at Morden College. It really has been a monumentally challenging time, and test of leadership since early 2020 as we have journeyed through both a major pandemic crisis and a huge restructure of the Charity. I am so proud of what has been achieved. I recognise too that we have some way to go before the changes we have made bed in fully and deliver the result we are all working towards; to, as much as we are able, support our community of older people to live a good life, one that is safe, fulfilling and happy, until the end of life.

Alderman Sir David Wootton
Chair of Trustees

History and Constitution

Morden College is the general title used for the administration of Sir John Morden's Charity and Dame Susan Morden's Charity. Both Charities were established under separate Trust Deeds but they share the same Registered Charity Number 215551.

Sir John Morden died on 6 September 1708 and his Charity was founded by a will dated 15 October 1702, proven on 6 October 1708. Sir John left approximately £12,500 to endow the Charity. It is administered by not less than seven and not more than nine Trustees. It is primarily for the benefit of elderly people who are in need of accommodation or financial assistance.

The Charity of Dame Susan Morden was founded by a will dated 6 May 1717 and is administered by the Trustees of Sir John Morden's Charity in accordance with the Scheme established by the Charity Commission on 22 August 1986. It is primarily for the benefit of clergymen, churches and parochial buildings of the Church of England.

The Trustees of the Charity are drawn, in the main, from the Court of Aldermen of the City of London. Trustees who retire from the Court of Aldermen of the City of London remain eligible to continue to serve as Trustees of the Charity. Trustees are appointed on the basis that they possess the appropriate range of skills and experience that will assist the future growth and development of the Charity.

Where it is recognised that certain particular skills and experience needed are not met from the Aldermen group, the Charity has gone outside to look for sector experts, and two Trustees are currently non-Aldermen.

People

TRUSTEES

Chairman and Honorary Treasurer
Alderman Sir David Wootton MA

Trustees
Alderman Sir Peter Estlin FCA BSc

Alderman Sir William Russell

Alderman Professor Michael Mainelli FCCA FCSI FBCS

Alderman Alison Gowman

Alderman Alastair King

Fredrik Widlund

Dr Abigail Masterson

ADVISORS TO THE TRUSTEES

Honorary Surveyor
George Gillon MBE FRICS

Advisor on Care
Dr Caroline Shuldham OBE

OFFICERS AND SENIOR MANAGERS

Clerk to the Trustees & Chief Executive
David Rutherford-Jones CB

Chaplain
The Rev'd William Warren

Finance Director
Kate Morris MSc ACMA BA

Director of Real Estate
Ed Mileham MRICS BSc

Director of Health & Wellbeing
Debbie Dollner

Head of HR
Sabrina Brown Assoc CIPD BA

Director of Operations
Richard McAllister

Trustees' Report

Our Vision

A world in which older people can live a good life, supported and safe.

Our Culture

Our success is underpinned by the understanding all our people have of the culture we wish to see win through; a Culture that:

Our Values

The visible embodiment of our culture evidenced every day by our staff as they go about their duties, underwritten by our Values:

Respectful
We are considerate, we foster a culture of dignity and we appreciate the different roles we each perform in delivering the objects of the Charity.

Compassionate
We are kind, caring, and inclusive.

Progressive
We are ambitious to embrace new ideas and technologies and keep improving what we do.

Accountable
We accept personal responsibility for how we act and for what we do, individually contributing to the Charity's success; and we are accountable.

Four Strategic Aims guide the Charity

1

Enable a life lived in independence for the older people we provide homes for.

2

Provide care through life until the end of life for our resident beneficiaries.

3

Grow the College community into our local community, creating a new non-residential beneficiary community locally.

4

Sustain Sir John Morden's Charity for another 300 years.

Our plans over the next 2-3 years to achieve the strategic aims are framed around the following key projects and tasks that we will deliver, some of which are in progress, some of which are not yet started and some which have been completed.

In progress

- To articulate and refine Morden College Values supported by beneficiaries and staff
- Complete the Fire Safety Enhancement project for the entire operational estate
- Define in detail what a 'good life' is in older age at Morden College
- Develop a menu of support for independent living beneficiaries
- Review the Charity's policy for charging beneficiaries (for accommodation and services)
- Maintain CQC grades of at least GOOD with an ambition to reach Outstanding within 5 years
- Deliver, open and maximise on the opportunities of the new John Morden Centre for beneficiaries
- Reduce the College year on year cost inflation from av. 6% to av. 4% per annum, in the lifetime of this Business Plan

Not yet started

- Develop a Communications Strategy
- Develop particular support to those with sensory impairment
- Gain a technology partner, and begin to maximise on the opportunity emerging technologies offer to supporting a 'good' life for our beneficiarie
- Begin to build a new non-resident beneficiary base locally. Develop the plan in 2022 and begin rollout in 2023
- To build – design and plant – a Community Garden for Morden College beneficiaries in the grounds at Blackheath, and that this garden will be accessible for all – ages, inclinations, abilities and mobilities

Completed

- Reorganise our Care Home into a 44-bed structure
- Commission an Environmental and Energy Impact Survey
- Review the Charity's investment strategy and agree a new strategy
- Rollout successfully a new digital Care Management System

FINANCIAL REVIEW

The consolidated net surplus before transfers between funds and investment gains for the year under review was £205k compared to a £176k deficit for the previous year. With income marginally increased and costs slightly reduced, this was a year financially and operationally recovering from, and catching up after, the Covid pandemic.

(1) Income from charitable activities
Contributions from beneficiaries in our living accommodation (including the Care Home) this year were £3.599 million, a decrease of 13% compared to the previous year (2021: £4.127 million).

This decrease is as a result of not accepting new beneficiaries into the care home, initially due to the actions we were taking to manage the risk of infection spread and then in the second half of the year because we were working towards our 44-bed model. Filling voids in our Independent Living accommodation has also been challenging this year.

(2) Investment income from property
Rental Income this year was £8.864 million a slight increase of 2% compared to the previous year. Total income from property includes the dividends from our Property Funds. These numbers reflect the slow 'return to normal' in terms of our commercial tenants. The Covid pandemic significantly impacted the ability of some of our commercial tenants to pay rent, as they struggled with their own business models and demand. The staff team at Morden College actively managed the various scenarios with all of our tenants and as a result, the impact to rental collection in the end was minimised, in so far as was possible.

(3) Investment income from other investments
From the Charity's Quoted Investment Portfolio, we withdrew £2.2 million this year; an increase compared to the previous year.

(4) Other income including donations
At £366k these are at a similar level for the previous year, 2021: £403k.

(5) Fundraising
The Charity does not undertake fundraising activities during its normal course of operations.

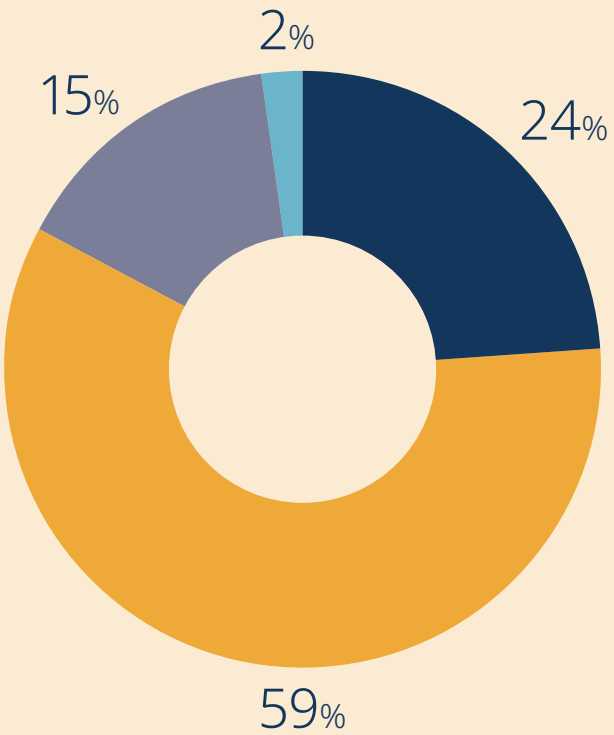
INCOME

Total income for the year was

£15.066m

+ 1% increase

2022	**£15.066 million**
2021	**£14.945 million**



- CHARITABLE ACTIVITIES
- INVESTMENT INCOME FROM PROPERTY
- INVESTMENT INCOME FROM OTHER INVESTMENTS
- OTHER INCOME INCLUDING DONATIONS

Expenditure
2021 was an exceptional year in terms of spend due to the costs of extending our operations in order to protect our beneficiaries during the pandemic, to manage the risk of infection spread and to sustain them during the restrictions. 2022 has seen us change the way we spend with a move to outsourcing key contracts.

(1) Grants and out/in pensions
Grants paid total £209k (2021: £256k). The total number of beneficiaries supported by grants (pensioners) was 92 (2021: 92). The number living outside the College who receive financial assistance from the Charity was 67 (2021: 66). The ambition of Morden College is to develop the breadth of this aspect of our giving in the future.

(2) Independent Living Housing Costs (including the Quadrangle)
Independent living costs at £5.61 million show an increase of 10% compared to the previous year (2021: £5.106 million).

One of the biggest contributors here was expenditure on property repairs which was higher than the year before, this was because of fixing unforeseen storm and flood damage as well as the catch up on normal repairs, delayed due to Covid.

(3) Care Home Costs
Care Home costs are static, £6.124 million in 2022 versus £6.102 million in 2021. Whilst the staffing restructure will in time show savings, during the year just gone, we have had to pay for the costs associated with restructuring.

2022 was another exceptional cost year for the College in terms of maintenance of the estate, the delivery of a new building for beneficiary use and significant improvements to our IT infrastructure and systems, quite apart from the costs of operating post-pandemic and the cost of many upgrades to delivery made as a result of our learnings from the pandemic.

We also, from 1 April 2021, increased pay for all at 2%. All staff now receive the London Living Wage or above.

(4) Investment Managers' fees
Investment Managers' fees are slightly increased year on year, rising from £291k (2021) to £345k because we drew down more from the portfolios. The overall costs of raising funds include the £1.023 million interest payment on the Bond borrowing.

(5) Property Management Costs
At £897k the costs associated with our direct property investments have slightly decreased this year (2021: £914k), despite there being increased activity, there has been more active direct management by the Real Estate team in terms of managing our assets and including the preparations for the sale of our Morden Wharf site.

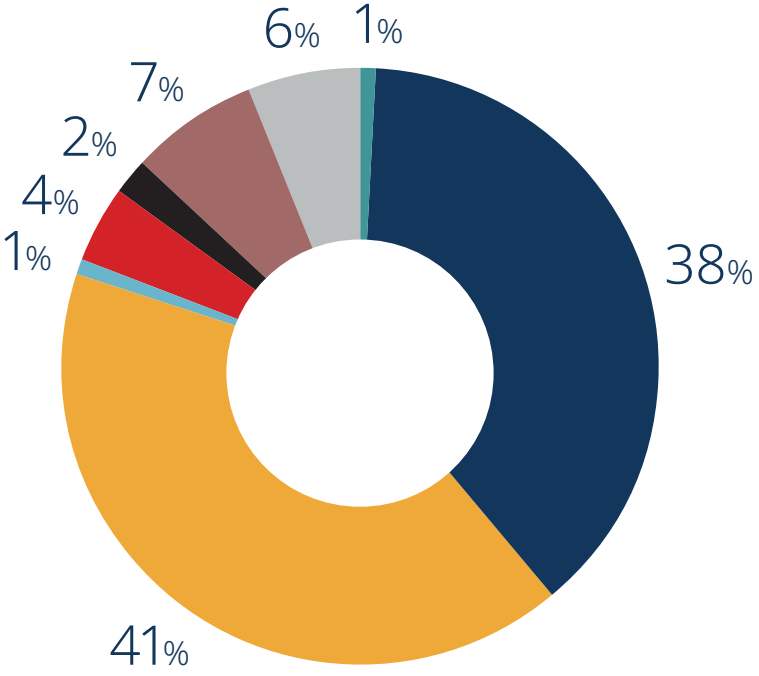
EXPENDITURE

Total expenditure for the year was

£14.861m

- 2% decrease

2022	£14.861 million
2021	£15.121 million



- GRANTS AND OUT/IN PENSIONS
- INDEPENDENT LIVING HOUSING COSTS
- CARE HOME COSTS
- CHAPEL COSTS
- FIRE SAFETY ENHANCEMENTS
- INVESTMENT MANAGERS' FEES
- BOND INTEREST
- PROPERTY MANAGEMENT

INVESTMENTS

Sir John Morden left approximately £12,500 to endow the College when he died in 1708 and the permanent endowment assets of the Charity are now valued at £275 million. The permanent endowment assets include total College fixed assets, which includes the original land, investment properties and quoted investments.

Approximately 66% of the Charity's endowment is invested in property (including property funds) and 34% in financial investments.

The time horizon for the endowment portfolio is very long term, reflecting the Charity's history.

The minimum investment objective is the preservation of capital and income in real terms after inflation and distributions. The measure of inflation is the Consumer Price Index (CPI).

The College has adopted a total return approach and receives annual distributions from both the property portfolio and the financial portfolio.

The long term total return objective for the portfolio has been set as CPI inflation plus 3% p.a. as from 1st July 2021.

A reasonable level of capital volatility within the portfolio is considered by the Trustees to be acceptable in order to achieve the return objectives. However, the maximum capital losses in the financial portfolio in any one-year period in normal market conditions (defined as 98% of possible outcomes) should not exceed 15-20%.

In terms of responsible investment, the Trustees of Morden College believe that the endowment portfolio should be managed in a responsible and sustainable manner in accordance with its charitable objectives and social obligations.

Morden College uses the services of two fund managers and for the year covered by this report, the combined Sir John Morden financial portfolio underperformed both the composite benchmark and the long-term objective of CPI +3% p.a.

The Charity's investment policy provides that the minimum investment objective is to preserve the capital and income of the Charity's portfolio from inflation.

The Trustees have adopted the Total Return approach to accounting for the investments for the Sir John Morden's Charity's Permanent Endowment with effect from 1 April 2016. The Trustees are using the statutory powers included in the Charities Act 2011 ("the Act") and given effect by the Charities (Total Return) Regulations 2013 ("the Regulations"), which do not require Charity Commission approval in order for the Total Return basis to be adopted.

The Trust for Investment is considered to be the value of the permanent endowment as at 1 April 2016 and may be increased by the allocation of unapplied total return, being the investment income and capital gains on the portfolio, from time to time.

The Trustees have determined that the Trust for Investment should be increased annually in line with RPI inflation to protect its real value, which has resulted in an increase of 9% in the current year (2021: 1.4%).

The Trust for Investment and the unapplied total return together comprise the permanent endowment fund disclosed in the notes to the accounts.

The total return for the year ended 31 March 2022 was gain of £36.7 million comprising income of £10.4 million and gains of £27.5 million, less investment management costs of £1.1 million. The balance of the Unapplied Total Return Fund at 31 March 2021 was £22.9 million and it is proposed that £19.4 million is allocated to the Trust for investment, in line with the Trustees' policy established in 2017, and £10.4 million is converted to income and transferred to the unrestricted fund. The balance on the Unapplied Total Return Fund at 31 March 2022 is now £29.8 million.

RESERVES

a. Unrestricted Funds

I. The Accumulation of Income Fund was set up to ensure that fixed overheads of the Charity, which are mainly staff costs in the short term, could be met for a limited period of time if income levels were temporarily insufficient to cover such costs. Under the Charity's Trust Deed the Trustees are required to transfer a minimum amount of £6,000 per annum to the fund. The balance on the fund stands at £2.3 million.

II. The balance of the General Fund at £6.9 million plus the Accumulation of Income Fund represents between 7 and 8 months of expenditure (with reference to the year under review). Trustees' target is to keep this combined balance at 6 months of expenditure since the Charity relies wholly on income from its investments to fund day-to-day running costs. This balance reduces the risk of the Charity being unable to operate if faced with a downturn in either the property or financial investment markets.

III. The Charity owns and manages an extensive property portfolio which comprises both investment properties and the Charity's College Buildings which provide accommodation and other facilities for its beneficiaries. Investment properties are usually let to commercial tenants on full repairing leases mitigating the risk of large repair costs. The maintenance plans for the Charity's College Buildings are reviewed annually and budgeted for. Most of these costs are met through income, but some of what is planned is exceptional and will be charged to the Extraordinary Repairs Fund (ERF). The ERF will also be used for unforeseen, hopefully one off, more urgent type costs. There is and will be a draw down on this Fund due to the costs of the fire safety enhancement works programme. The balance on the fund as at 31 March 2022 is £4.153 million.

IV. The balance on the Future Projects Fund brought forward as at 1 April 2021 was £6.223 million, a small amount has been transferred out of the Fund during the course of the year to cover payments for the building of the John Morden Centre. The balance on the fund as at 31 March 2022 is £6.204 million.

Funds I – IV are referenced and set out in the Scheme for The Charity of Sir John Morden as submitted to the Charity Commission in 1991.

b. Restricted Funds

I. The Staff Welfare Fund was set up on the receipt of a legacy. The balance on this fund as at 31 March 2022 was £5,000. It is anticipated that this amount will be expended, and the Fund closed during the course of the coming year.

II. A Gift Donation Fund has also been established to hold legacies from former Beneficiaries given for specific items of expenditure at Morden College; the balance as at 31 March 2022 was £28,000.

III. Included in Restricted Funds is the Dame Susan Morden Charity general fund, the balance on this fund has increased in year to £1,253k.

c. Permanent Endowment

These funds are the capital of the Charity, and they are invested to produce income that is used to further the Charity's work. The Permanent Endowment Fund may not be used for any other purposes. Its funds are invested in charitable property, investment property, quoted investments and cash deposits. The value of the Permanent Endowment Funds at the year end was £296 million, of which £275 million represents the Sir John Morden permanent endowment and £21 million represents the Dame Susan Morden permanent endowment.

RISKS

The risks of the Charity are monitored on a regular basis, and appropriate action is taken to reduce the risk of disruption to the effectiveness of the Charity's work and operations. The Charity's risk management strategy utilises a hierarchical approach to the monitoring of risk with the overall operational strategy delegated to the Chief Executive. All identified risks are assessed for the likelihood of occurrence and their possible impact. The risk management system is designed to mitigate the likelihood of occurrence and/or the impact.

Currently the Charity assesses and monitors nine organisational risks, the following three are our key risks:

- ***Property Investments***
  A significant proportion of the Charity's endowment is invested in property, and it is the responsibility of the Property, Investment and Asset Allocation Committees to review the overall performance of the Charity's real estate. The portfolio is managed in house with an expert team but in addition these Committees are authorised to seek third party professional advice where required. All key decisions are ratified by the Board of Trustees.

- ***Other Financial Investments***
  It is the responsibility of the Investment Committee and the Asset Allocation Committee to review the financial investment strategy and to set policies on such matters — it is also authorised to seek third party professional advice where required and changes to policies and recommended actions are ratified by the Board of Trustees. The investment strategy is to ensure that the value of the investment portfolio does not suffer a permanent diminution in value over the longer term. The strategy also has an objective to preserve the capital and income of the Charity's portfolio from inflation.

- ***Operations including Care Provisions***
  The Charity has assessed operational risk, which may be defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events under a number of areas such as care, health and safety and fire. These are monitored and processes have been put in place to minimise the Charity's exposure to risks arising from such areas. This is all managed by an expert team in house, supported by the Compliance Manager.

More specifically the leadership of the organisation has identified the following areas of current risk:

- CQC compliance, in both the Care Home and the Domiciliary Care Service. The Health & Wellbeing Director leads the team in ensuring compliance.

- Fire safety, specifically completing the fire safety enhancement work throughout the estate. The Operations Director is leading the organisation through this piece of work.

- Maintaining the quality of our staff Our Head of HR takes responsibility for recruitment and retention of staff.

- The wellbeing of our community of beneficiaries and employees notably post the coronavirus pandemic, but into the future also. Our Health & Wellbeing Director leads the team on this.

- Public relations affecting reputation, growing the Charity's reputation locally as a priority. Specifically, this year, as the Charity anticipates selling our Morden Wharf interest, Trustees have sought advice and support from a third party professional in terms of the relative communications.

- Generating sufficient income and managing a rising cost base, so that we are able to sustain our operations and deliver our ambition for the future; in particular restoring investment income levels lost to the pandemic crisis and identifying new sources of income. The Charity budgets in detail each year, for the next three-year period and the Asset Allocation Committee considers the relative returns on our investments and whether we may need to liquidate any of the Unapplied Total Return fund to support current operations.

STRUCTURE AND GOVERNANCE

Construction of Morden College began in 1695. It opened in 1700 for the benefit of poor, elderly merchants of good character who were either bachelors or widowers and who had failed in business through no particular fault of their own. Since that time, the qualifications for entry have been widened. They now include men or women of good character who have either been engaged in a trade, business, or a profession as principals, or reached a position of authority or seniority, in employment and who, through accident, misfortune, disability, or infirmity have been prevented from continuing to follow their former calling and are in reduced material circumstances. The qualifications also include the spouses, partners, widows and widowers of such men and women.

The Trustees are also empowered to provide assistance by way of pensions and grants for the elderly in need whether or not they are resident in the Charity's homes. Donations may also be made to other Charities that provide or undertake in return to provide items, services, or facilities to beneficiaries of the Charity.

The Trustees determine the general policy of the Charity and delegate day-to-day management to the Clerk to the Trustees, whose role is that of Chief Executive. The Charity's Senior Leadership Team holds regular meetings to review progress against objectives agreed with the Trustees. Meetings are minuted and copies are made available to the Chairman of the Trustees. The Chairman visits the Charity on a regular basis and meets with the Chief Executive.

The Trustees of the Charity are drawn, in the main, from the Court of Aldermen of the City of London. Trustees who retire from the Court of Aldermen of the City of London remain eligible to continue to serve as Trustees of the Charity. Trustees are appointed on the basis that they possess the appropriate range of skills and experience that will assist the future growth and development of the Charity.

All Trustees go through an induction programme.

All Trustees give their time freely and no Trustee remuneration was paid during the year. There were no related party transactions with Trustees.

Trustees are required to disclose all relevant interests and register them with the Chairman of the Trustees and the Chief Executive.

MANAGEMENT AND STAFF REMUNERATION

There are clear distinctions between the role of Trustees and the Senior Leadership Team. The Trustees hold a range of reserved matters and delegate certain authority to the Senior Leadership Team to run the organisation efficiently. Matters such as policy, strategy and budgets are prepared by the Senior managers for consideration and approval by the Trustees.

The Charity aims to pay salaries which are fair, competitive with the charity sector, and proportionate to the complexity of each role. In setting salaries, the Charity ensures:

- Roles are benchmarked against salaries paid by other charities operating in the Care Sector taking data from information published by the National Care Forum and other pay surveys which are made publicly available such as the NHS and Local Government.
- All staff receive ongoing performance management and an annual appraisal which provides them with feedback on how they have contributed to the achievement of the Charity's strategy; and
- That all staff are paid above the London living wage.

Within Dame Susan's charity the sole employee is the Chaplain who is supported in his role by the Chief Executive, the Finance Director and the Director of Real Estate and members of the staff team employed by Morden College as and when the need arises.

POLICIES

Applications policy
Applications for accommodation or outpensions must be submitted in writing and must be supported by independent testimonials. Applications for grants are also made in writing and are normally for single payments unless the need is assessed as a continuing one when the Charity may award an annual Outpension. The Trustees review all applications carefully and satisfy themselves that the applicant is genuine, and the assistance sought is in accordance with the Charity's aims. All applicants for accommodation are interviewed by the Chief Executive before being recommended for admittance by the Trustees.

Grant Making Policy
Every application for a grant must be submitted in writing and include the total cost of the project for which the grant is sought. All applications are scrutinised to ensure that the request for assistance falls within the scope of the Charity's Scheme. Applicants who are eligible for help are visited to clarify any outstanding matters. If all is found to be in order, a report is made to the Trustees, who consider the application, and instruct whether the grant should be made together with any conditions relating to it. Compliance with any conditions made is monitored, and payment of grants may be withheld if the terms of assistance are not met.

Responsible Leadership/ Environmental, Social and Governance (ESG) Policy
The Trustees of Morden College believe that all of Morden College's business should be led and managed in accordance with the charitable objectives of both Sir John Morden and Dame Susan Morden charities, in a way that conforms to the College's social, environmental and governance obligations.

Trustees support fully the ten principles of the United Nations' Global Compact. Notably, Trustees and the Executive recognise their responsibility to take account of, and be responsible for, the impact Morden College's business has on the environment and climate, sustainability, employment rights and practices, human rights, and on the College community as well as the wider (local to Morden College) community; and to work against all forms of dishonesty such as corruption, fraud, extortion, and bribery. This approach accords also with the College's values: Respectful, Compassionate, Progressive, Accountable.

Morden College has codified 5 characteristics that define the Charity's Responsible Leadership policy, as follows:

- Sustain a community of beneficiaries and staff founded on dignity, kindness, and the respect of all without discrimination (of any kind); and in tune with the 'Morden College Way'
- Cultivate the full potential of people - that is both the College's beneficiaries (older people) whose wish it is to live a good life until the end of their life, and the College's employees
- Develop and execute plans for the College's operational real estate that are environmentally sustainable (which will include reducing the College's dependency on fossil fuel energy resources over the next 15-20 years to a target that we will identify by 1 April 2024, having completed a full assessment of the College's current carbon footprint, and considered what options there are to reduce it)
- Ensure the College's industrial/ commercial/ residential/investment real estate portfolio meets the best possible Minimum Energy Efficiency Standards (MEES), and provides a well maintained, safe, and flexible environment within which our tenants and licensees can work, live, visit; and pay fair market rents
- Require the College's investment fund managers to uphold the United Nations Principles for Responsible Investment (UNPRI), and to follow the UNPRI principles in the way they operate and invest the College's financial resources, including that they (the College's investment fund managers) promote sustainability, good business ethics, good employment practices and the transition to a low carbon economy.

PUBLIC BENEFIT

The objective of the Charity is to relieve financial hardship suffered by older people and it does this primarily by providing living accommodation comprising independent living and a Care Home. We also make available such support as is necessary to enable beneficiaries to live their lives in the community to the full.

The Charity also provides single grants and continuing annual grants, (referred to as outpensions) to older people in financial need but who do not necessarily wish to apply to the Charity for accommodation. Beneficiaries receiving such grants use the money to defray living costs as they see fit.

The objective of Dame Susan's Trust is the advancement of religion by assisting the Church of England with the upkeep of their churches and associated activities and by maintaining and paying for the operating costs of the Morden College Chapel and its Chaplain.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities including the provision of accommodation, the making of grants and provision of outpensions.

The Charity fulfils these objectives by:

(1) Relieving financial hardship for older people by providing accommodation at subsidised rates and increasingly by providing care that will allow them to lead independent lives for as long as possible. Applicants for accommodation are not required to have a minimum level of income but a cap is in place to ensure only those in need qualify. The financial limits are reviewed annually to take account of changing market conditions.

(2) Making available such support as is necessary to enable beneficiaries to live their lives in the community to the full. This support includes a Community Nurses team, Physiotherapy, social events, and the provision of facilities such as a Cafeteria and Social Club which assist older people with their daily lives.

(3) Providing an annual outpension to those who qualify as being in need, as the Trustees recognise that not all applicants in need will wish to relocate to where the Charity's accommodation is located.

Applications for accommodation are received from older people who come from many different backgrounds but share a common problem in retirement in so far as they face financial difficulties. Enquiries for accommodation continue to be from all over the country as well as a small number from people living abroad but all applicants must have the right to live in the UK to qualify for accommodation. The number of applications has been increasing as the effects of financial austerity continue to be felt across the UK.

As properties become vacant, they are refurbished before being made available to applicants. It is common for bathrooms and kitchens to be replaced prior to re-letting to ensure the standard meets the needs of older people and flooring is replaced on a regular basis.

The Charity, via the Dame Susan Trust, seeks to deliver public benefit by making grants to Church of England churches who lack the necessary funds to maintain, repair and improve the fabric of their own buildings.

Regular services of worship were held throughout the year in the Morden College Chapel at Blackheath and at the Charity's second site at Ralph Perring Court, Beckenham. Regular services are also held in Cullum Welch Court, the Care Home provided by Sir John Morden's Charity which is situated at Blackheath.

STATEMENT OF TRUSTEES RESPONSIBILITIES

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 & 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 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 SORP,
- Make judgements and accounting estimates that are reasonable and prudent,
- State whether applicable UK 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 proper 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 Charities Act 2011. 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. Through a system of internal controls, the Trustees seek to ensure all expenditure is properly incurred and properly authorised, that receipt of income is secure, and that the Charity's property is fit for purpose.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply 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.

Alderman Sir David Wootton MA
Chair of the Trustees

David Rutherford-Jones CB
Clerk to the Trustees & Chief Executive

21 September 2022

Independent Auditor's Report to the Trustees of Morden College

Opinion
We have audited the financial statements of Morden College for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows 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 group's and of the parent charity's affairs as at 31 March 2022 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion
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. 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 group 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 group'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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception
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:

- adequate accounting records have not been kept by the parent charity; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement set out on page 17, 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 group's and the parent 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 liquidate the group or the parent charity 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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the regulations of the Care Quality Commission, the Charity Commission, Health and Safety regulations as well as general Charity Law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the potential to manipulate accounting estimates and judgements and the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual descriptions or amounts and those which significantly impact the result for the year; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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 charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP
Statutory Auditor
10 Queen Street Place
London
EC4R 1AG

Date: 15 November 2022

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities

for the year ended 31 March 2022

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment £'000	Total 2022 £'000	Total 2021 £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities		3,599	-	-	3,599	4,127
Investment income from property		253	440	8,171	8,864	8,685
Investment income from other investments	3	-	37	2,200	2,237	1,730
Other income including donations	4	333	33	-	366	403
Total income	2	**4,185**	**510**	**10,371**	**15,066**	**14,945**
EXPENDITURE ON						
Charitable activities	5a	11,531	125	940	12,596	12,896
Raising funds	5b	1,023	151	1,091	2,265	2,225
Total expenditure	2	**12,554**	**276**	**2,031**	**14,861**	**15,121**
Net income/(expenditure) before investment gains/(losses)		(8,369)	234	8,340	205	(176)
Net gains on investments	9c	167	-	28,195	28,362	25,980
Net income/(expenditure)		**(8,202)**	**234**	**36,535**	**28,567**	**25,804**
Transfer between funds		7,514	-	(7,514)	-	-
Net movement in funds		**(688)**	**234**	**29,021**	**28,567**	**25,804**
Reconciliation of funds						
Total Funds brought forward at 1 April 2021		20,268	1,052	266,568	287,888	262,084
Total funds carried forward at 31 March 2022		**19,580**	**1,286**	**295,589**	**316,455**	**287,888**

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The accompanying notes form an integral part of this Statement of Financial Activities.

Group and Charity Balance Sheets
as at 31 March 2022

	Notes	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
FIXED ASSETS					
Tangible fixed assets					
College Buildings	8	34,561	35,615	35,204	36,268
Other tangible fixed assets	8	2,431	2,342	2,431	2,342
		36,992	37,957	**37,635**	38,610
Investment property	9	210,116	182,731	210,116	182,731
Quoted investments	9	86,639	85,234	86,639	85,234
		296,755	267,965	**296,755**	267,965
Total fixed assets		**333,747**	305,922	**334,390**	306,575
CURRENT ASSETS					
Debtors	10	898	1,036	888	1,036
Short term deposits		8,729	10,103	8,729	10,103
Cash at bank and in hand		5,734	3,970	5,732	3,962
		15,361	15,109	**15,349**	15,101
Creditors: amounts falling due within one year	11	(2,653)	(3,143)	(2,641)	(3,144)
NET CURRENT ASSETS		**12,708**	11,966	**12,708**	11,957
Creditors: amounts falling due after more than one year	12	(30,000)	(30,000)	(30,000)	(30,000)
NET ASSETS		**316,455**	287,888	**317,098**	288,532
FUNDS					
Permanent endowment	13, 14				
Sir John Morden		275,108	246,814	275,751	247,458
Dame Susan Morden		20,481	19,754	20,481	19,754
Restricted funds	13, 14	1,286	1,052	1,286	1,052
Unrestricted funds	13, 16	19,580	20,268	19,580	20,268
Total Charity funds		**316,455**	287,888	**317,098**	288,532

The financial statements on pages 20 to 38 were approved and authorised for issue by the Board of Trustees and signed on 21 September 2022 on its behalf by:

Alderman Sir David Wootton MA
Chairman of the Trustees

David Rutherford-Jones CB
Clerk to the Trustees & Chief Executive

Consolidated Statement of Cash Flows

for the year ended 31 March 2022

	Notes	Group 2022 £'000	Group 2021 £'000
Cash flow from operating activities			
Net cash provided/(used) in operating activities	**A**	(10,110)	(8,612)
Cash flow from investment activities			
Dividend, interest and rents from investments		11,101	10,415
Proceeds from the sale of investments		31,370	52,362
Purchase of investments		(31,188)	(52,029)
Purchase of tangible fixed assets		(783)	(3,454)
		10,500	7,294
Change in cash and cash equivalents in the reporting period		390	(1,318)
Cash and cash equivalents at the beginning of the reporting period		14,073	15,391
Cash and cash equivalents to the end of the reporting period	**B**	14,463	14,073

A. Reconciliation of net income to net cash flow from operating activities	2022 £000	2021 £000
Net income/(expenditure) for the reporting period	28,567	25,804
Adjustments for		
Depreciation charges	1,139	906
(Gains)/losses on investments	(28,362)	(25,980)
Dividends, interest and rents from investments	(11,101)	(10,414)
(Increase)/decrease in debtors	150	945
Increase/(decrease) in creditors	(503)	127
(Increase)/decrease in work in progress	-	-
Net cash used in operating activities	**(10,110)**	**(8,612)**
B. Analysis of cash and cash equivalents		
Cash in hand	5,734	3,970
Notice deposits (less than 3 months)	8,729	10,103
Total cash and cash equivalents	**14,463**	**14,073**

C. Cashflow Net Debt

	At 1 April 2021 £'000	Cashflows £'000	At 31 March 2022 £'000
Cash in hand	3,970	1,764	5,734
Notice deposits	10,103	(1,374)	8,729
Sub-total	14,073	390	14,463
Long-term bond	**(30,000)**	**-**	**(30,000)**
Net debt	**(15,927)**	**390**	**(15,537)**

Notes to the Accounts
for the year ended 31 March 2022

1. PRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The accounts have been prepared to give a 'true and fair' view and 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (Second Edition, effective 1 January 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

Public Benefit
The Charity constitutes a public benefit entity as defined by FRS102.

Consolidation
The consolidated accounts incorporate the results of Sir John Morden's and Dame Susan's Charities (the Charity) and its subsidiary undertaking, Morden College Design and Build Limited. The consolidated entity is referred to as the Group.

Going Concern
The Charity has a significant level of cash reserves which were the equivalent of more than 12 months operating costs at the balance sheet date. These cash reserves provide adequate resources to finance the Charity's day to day operations. On this basis, the Board has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Investment Gains and Losses
Realised gains and losses on quoted investments are based on the difference between the net disposal proceeds and the value.

Realised gains and losses on property investments are based on the difference between the net disposal proceeds and the brought forward valuation. Sales are recognised on exchange of contracts where completion takes place after the financial year end.

Unrealised gains and losses represent the difference between the market value of quoted investments and investment properties at the balance sheet date and their brought forward carrying value or purchase cost for investments acquired during the year.

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. The principal judgments and sources of estimation uncertainty relate to the valuation of investment properties and the estimated useful lives of tangible fixed assets.

Income
(1) All sources of income are included in the accounts when the Charity is legally entitled to it and the amount can be quantified with reasonable accuracy and are stated net of VAT, where applicable. Legacies are recorded when the receipt of the legacy is probable.

(2) Where donations and legacies are received subject to the specific wishes of the donor they are credited to the relevant restricted fund.

(3) Rents are accounted for on a receivable basis; income from rents is included in the Statement of Financial Activities when it becomes due. Rent received in advance is included within creditors.

(4) Dividends and interest received are accounted for on an accruals basis.

Expenditure

(1) All costs are accounted for on an accruals basis and are classified under headings that aggregate all costs related to that category. Costs relating to more than one cost centre have been allocated on a calculated use basis. Staff costs have been allocated on a job function basis. Staff costs for Dame Susan's charity all related to the Morden College Chapel in Blackheath.

(2) Where VAT is irrecoverable, the expenses shown include the irrecoverable amount of this tax.

(3) Apportioned costs comprise the direct costs, including staff, of maintaining the grounds, the running costs of the kitchen, restaurant, social club, library and the administration of the Charity.

(4) Governance costs reflect the cost of compliance with constitutional and statutory requirements.

(5) Liabilities are recognised when there is a contractual obligation to discharge a cost.

Investment property

The Charity's Commercial investment properties were last professionally valued by Messrs Gerald Eve LLP, Chartered Surveyors, as at 31 March 2022 on an open market basis in accordance with the Royal Institution of Chartered Surveyors Valuation Professional Standards. The Charity's residential investment properties were professionally valued by Messrs Humphreys Skitt, Surveyors, as at 31 March 2013 on an open market basis in accordance with the Royal Institution of Chartered Surveyors Valuation Professional Standards. Since that date, the investment properties have been revalued by the Trustees on an open market basis each year by taking into account published indices for the changes in property values. For the 2022 valuation, the estimated increases in residential property values for Greater London have been calculated by reference to the Nationwide Building Society's survey results.

Investment properties are classified in the balance sheet as fixed assets unless there is a firm intention to dispose of them at which point they are transferred to current assets.

Quoted Investments

Quoted investments are shown at market value as at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

The Charity also owns 100% of the share capital of Morden College Design and Build Limited and the value of this investment is stated at cost (£2).

Tangible fixed assets

Useful lives of depreciable assets

The Trustees review their estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change and changes to circumstances which may require more frequent replacement of key buildings or components of existing buildings.

The key judgements and estimates applied in respect of housing provided for beneficiaries are disclosed in the accounting policy dealing with fixed assets and depreciation and include:

- the useful economic life of property structure at 100 years; and
- that properties have no residual value at the end of their useful life

These are conservative assumptions that are broadly aligned with general practice followed by registered housing providers.

Capitalisation of property development costs

Distinguishing the point at which a project is more likely than not to continue, allowing capitalisation of associated development costs requires judgement. After capitalisation management monitors the asset and considers whether subsequent changes may indicate that impairment is required.

Fixed Assets and Depreciation

(1) Buildings

Freehold land is not depreciated.

Depreciation of housing property components is charged so as to write down the cost of the components to their

estimated residual value, on a straight-line basis, over their estimated useful economic lives within the Group. Housing property components are depreciated from the year following the replacement year. Estimated useful economic lives are assumed as follows:

Major components

- Housing properties structure 100 years
- Kitchens and bathrooms 15 years
- Electrical wiring, windows and doors 25 years
- Boilers 15 years
- Roofs 60 years

(2) The College's historic collections are included at the insurance valuation made by Messrs Gurr Johns, Valuers and Fine Art Consultants in July 2018 which indicated that there had been no permanent diminution in carrying value of the assets. The Trustees do not consider that depreciation is appropriate for these assets, nor do they consider it prudent to revalue the historic collection as there is no intention to sell them and the value of antique goods are subject to market fluctuations.

(3) Motor vehicles and computers are shown at cost less depreciation.

(4) Furniture and equipment purchased at a cost of under £500 are written off in the year of acquisition as their useful life is normally quite short, and the total value is not material in the context of the total assets of the Charity. These items are included in the balance sheets at cost less accumulated depreciation.

(5) Depreciation is provided on the cost of tangible fixed assets, less estimated residual values, on a straight line basis as follows:

Furniture and equipment	5 years
Motor vehicles	4 – 10 years
Computers	4 years

Grants

Grants payable are charged in the Statement of Financial Activities in the year that the payment is made to the recipient. All grants approved by the Trustees are conditional and are paid upon the completion of the conditions attached to them. Grants offered during the year but where conditions have not been met are not accrued as expenditure but are treated as contingent liabilities.

Pension costs

Pension payments are made to a defined contribution pension scheme. There is also one (2021: 1) member who was in the wound up defined benefits scheme and the Trustees have given their undertaking to use their best endeavours to ensure that this member does not suffer any loss of benefit following the closure of that scheme. All contributions are included in the SOFA when due.

Funds and Reserves Policy

Funds held by the Charity are:

(1) Permanent Endowment Funds – these are funds that provide the capital of the Charity and are invested to produce income to further the Charity's objects. The funds may not be used for other purposes.

(2) Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

(3) Unrestricted funds – these are funds that can be used in accordance with the charitable objects at the discretion of the Trustees

(4) Designated funds – these are funds set aside by the Trustees out of unrestricted funds for specific future purposes or projects. The Charity's policy is to maintain an Accumulation of Income Fund to ensure that fixed overheads of the Charity can be met for a limited period of time if income levels are temporarily insufficient to cover such costs. The Charity also maintains an Extraordinary Repairs Fund, a Future Projects Fund and a Residents' Coach Renewal Fund.

(5) Further explanation of the nature and purpose of each fund is included in notes 13-16 to the financial statements.

Taxation
The trust is a registered charity and as such its income and gains falling within sections 471 to 489 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

Financial Instruments
The Charity only has financial instruments of a kind that qualify as basic financial instruments such as debtors, creditors, cash at bank and listed investments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Financial assets held at settlement cost comprise cash and bank and cash in hand together with debtors. Financial liabilities held at settlement value or amortised cost comprise rents received in advance, accruals and other creditors, and the fixed interest bond. The Financial investments disclosed in note 9 are the only financial instruments measured at fair value.

2. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment £'000	Total 2021 £'000
INCOME AND ENDOWMENTS FROM				
Charitable activities	4,127	-	-	**4,127**
Investment income from property	6,697	382	1,606	**8,685**
Investment income from other investments	-	30	1,700	**1,730**
Other income including donations	406	(3)	-	**403**
Total income	**11,230**	**409**	**3,306**	**14,945**
EXPENDITURE ON				
Charitable activities	11,851	138	906	**12,896**
Raising funds	1,782	153	289	**2,225**
Total expenditure	**13,634**	**291**	**1,195**	**15,121**
Net income/(expenditure) before investment gains/(losses)	(2,404)	118	2,111	**(176)**
Net gains on investments	1,013	-	24,967	**25,980**
Net income/(expenditure)	**(1,391)**	**118**	**27,077**	**25,804**
Transfer between funds	(178)	-	178	**-**
Net movement in funds	**(1,569)**	**118**	**27,255**	**25,804**
Reconciliation of funds				
Total funds brought forward at 1 April 2020	21,837	934	239,313	**26,084**
Total funds carried forward at 31 March 2021	**20,268**	**1,052**	**266,568**	**287,888**

3. INVESTMENT INCOME

	2022 £'000	2021 £'000
Dividends and income from investments	**2,209**	1,730
Interest on cash deposits	**28**	-
	2,237	1,730

4. OTHER INCOME

	2022 £'000	2021 £'000
Beneficiary restaurant receipts and sundry income	**255**	170
COVID-19 funding	**101**	233
Dame Susan Morden's Charity	**10**	-
	366	403

5. EXPENDITURE

	Direct Staff Costs £'000	Other Costs £'000	Apportioned costs £'000	Total £'000
a. Charitable activities				
2022				
Grants and out/in pensions	-	184	25	**209**
Independent living housing costs	118	1,628	1,469	**3,215**
Quadrangle housing costs	153	347	1,898	**2,398**
Care home costs	2,841	566	2,717	**6,124**
Morden College Chapel costs	54	34	-	**88**
Fire safety enhancement works	-	562	-	**562**
	3,166	**3,321**	**6,109**	**12,596**
2021				
Grants and out/in pensions	-	231	25	256
Independent living housing costs	95	1,693	1,270	3,058
Quadrangle housing costs	188	313	1,547	2,048
Care home costs	3,121	710	2,271	6,102
JMC Projects delivery costs	-	9	-	9
Morden College Chapel costs	48	24	-	72
Fire safety enhancement works	-	585	-	585
COVID-19 expenditure	-	765	-	765
	3,451	4,331	5,114	12,896

	Direct Staff Costs £'000	Other Costs £'000	Apportioned costs £'000	Total £'000
b. Cost of raising funds				
2022				
Quoted Investment Managers' fees	-	345	-	**345**
Bond Interest	-	1,023	-	**1,023**
Property Management	-	746	151	**897**
	-	**2,114**	**151**	**2,265**
2021				
Quoted Investment Managers' fees	-	291	-	291
Bond interest	-	1,021	-	1,021
Property management	-	799	115	914
	-	2,110	115	2,225

	Donations, grants and out pensions £'000	Independent living housing costs £'000	Sheltered housing costs £'000	Care home costs £'000	Property management £'000	Total £'000
c. Apportioned costs have been allocated on a use basis as follows						
2022						
Catering	-	-	238	399	-	**637**
Restaurant	-	63	-	-	-	**63**
Library & Muniments	-	7	7	-	-	**14**
Gardens	-	145	46	78	-	**269**
Administration	25	1,254	1,607	2,240	151	**5,277**
	25	**1,469**	**1,898**	**2,717**	**151**	**6,260**
2021						
Catering	-	-	271	438	-	709
Restaurant	-	77	-	-	-	77
Blackheath Social	-	19	19	-	-	38
Library & Muniments	-	4	4	-	-	8
Gardens	-	268	87	141	-	496
Administration	25	902	1,166	1,692	115	3,900
	25	1,270	1,547	2,271	115	5,228

6. PAYMENT OF OUT/IN PENSIONS

	2022 £'000	2021 £'000
Individuals (Pensioners)	**131**	140
Administrative costs	**25**	25
	156	165

There were 92 pensioners at 31 March 2022 (2021: 92)

7. WAGES AND SALARIES – STAFF COSTS (INCLUDING APPORTIONED COSTS)

	2022 £'000	2021 £'000
Staff costs		
Wages and salaries	**5,208**	5,797
Social security costs	**547**	566
Pension contributions	**272**	297
Other costs including bank and agency staff	**447**	284
	6,474	6,944

Staff costs – Wages and salaries include redundancy cost of £279k

Staff numbers
The average number of employees during the year including those who worked part-time was 161 (2021:213). Their full time equivalent was 144 (2021: 186) and their functional analysis was as follows:

	2022 No.	2021 No.
Cost of raising funds		
Property management	**7**	5
Charitable activities		
Kitchen and domestics	**36**	42
Nursing	**57**	82
Premises, grounds and security	**12**	19
Home management and pastoral	**2**	1
Management and administration	**30**	36
	144	186

	2022	2021
Highest paid employees, including benefits, excluding pensions		
£60,000 to £80,000	**7**	6
£80,001 to £90,000	**1**	1
£90,001 to £120,000	**2**	2
£120,001 to £130,000	**1**	1
£130,001 to £140,000	**1**	-

The Group's key senior managers are listed on page 7. Details of remuneration policy are set out in the Trustees' Report. Total remuneration paid to senior managers, including employers NI, was £994k (2021: £950k).

No Trustees received any remuneration during the year, but did receive £1,533 as reimbursement of expenses (2021: £415).

8. TANGIBLE FIXED ASSETS

	Group £'000	Charity £'000
Charitable Buildings		
Cost		
At 1 April 2021	45,165	45,818
Additions at cost	487	487
Transfer of asset to investment property	(611)	(611)
At 31 March 2022	**45,041**	**45,694**
Depreciation		
At 1 April 2021	9,550	9,550
Charge for the year	940	940
At 31 March 2022	**10,490**	**10,490**
Net book value at 31 March 2022	**34,561**	**35,204**
Net book value at 31 March 2021	35,615	36,268

	Antiques & valuables £'000	Computers £'000	Furniture & equipment £'000	Total £'000
Other fixed assets – Group and Charity				
Cost or Valuation				
At 1 April 2021	1,688	436	2,012	4,136
Additions at cost	-	193	94	287
Disposals/scrapped	-	-	-	-
At 31 March 2022	**1,688**	**629**	**2,106**	**4,423**
At valuation	-	-	-	-
At cost	1,688	629	2,106	4,423
Depreciation				
At 1 April 2021	-	166	1,627	1,793
Disposals/scrapped	-	-	-	-
Charge for the year	-	92	107	199
At 31 March 2022	**-**	**258**	**1,734**	**1,992**
Net book value at 31 March 2022	**1,688**	**371**	**372**	**2,431**
Net book value at 31 March 2021	1,688	270	385	2,343

9. INVESTMENT ASSETS AT MARKET VALUE

	2022 £'000	2021 £'000
a. Investment property		
Residential	**58,356**	46,815
Commercial and Industrial incl Property Fund	**151,760**	135,916
	210,116	182,731
b. Quoted investments		
Fixed interest – UK & non UK	**12,368**	16,691
Equities – UK & non UK	**71,949**	67,302
	84,317	83,994
Stockbrokers' client account	**2,322**	1,240
	86,639	85,234
Historical cost of investments held at 31 March 2022	**85,234**	85,715

	Property £'000	Quoted Investments £'000	Total £'000
c. The movements in market value may be summarised:			
Market value at 31 March 2021	182,731	85,234	**267,965**
Realised gains/(losses)	-	4,878	**4,878**
Unrealised gains/(losses)	26,616	(3,133)	**23,483**
	209,347	86,979	**296,326**
Additions	158	31,030	**31,188**
College Building Transfer (BBC)	611	-	**611**
Disposals	-	(32,366)	**(32,366)**
Change in stockbroker cash deposits	-	996	**996**
Market value at 31 March 2022	**210,116**	**86,639**	**296,755**

Within the Investment Property, Commercial and Industrial number,is a valuation of £37.5m for our Morden Wharf site. Since the year end date the site has the benefit of planning permission for a significant mixed-use development. The planning permission has triggered the opportunity to sell the site, along with a joint venture partner under a Conditional Development Agreement. It may be that the eventual value of a sale to Morden College is in excess of this year end valuation, but the amount and timings are uncertain. The value included with the accounts reflects the position as at the year end, representing the income from the site with a long-term tenant in situ.

10. DEBTORS

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Rent and contributions receivable	**239**	383	**239**	383
Prepayments and sundry debtors	**447**	316	**437**	316
Dividends and interest receivable	**210**	337	**210**	337
Due from subsidiary undertaking	**2**	-	**2**	-
	898	1,036	**888**	1,036

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Advance rents received	**1,264**	1,236	**1,264**	1,236
Tax, pensions and social security	**148**	180	**148**	180
Value Added Tax	**246**	231	**246**	231
Sundry creditors	**715**	828	**703**	829
Accruals	**280**	668	**280**	669
	2,653	3,143	**2,641**	3,144

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed Interest Bond	**30,000**	30,000	**30,000**	30,000
	30,000	30,000	**30,000**	30,000

The Bond has a maturity date of 27 March 2042 and carries a fixed rate of interest of 3.38% until maturity. The Bond is repayable as a single amount.

13. ALLOCATION OF THE NET ASSETS OF THE GROUP AND CHARITY

	Endowment Funds £'000	Restricted Funds £'000	Unrestricted Funds £'000	Total Funds £'000
Group 2022				
College buildings	34,561	-	-	**34,561**
Other tangible fixed assets	1,688	12	731	**2,431**
Investments - Sir John Morden	265,594	-	10,680	**276,274**
Investments - Dame Susan Morden	20,481	-	-	**20,481**
Net current assets	3,265	1,274	8,169	**12,708**
Long-term liability (Bond)	(30,000)	-	-	**(30,000)**
	295,589	**1,286**	**19,580**	**316,455**
Group 2021				
College buildings	35,615	-	-	35,615
Other tangible fixed assets	2,323	19	-	2,342
Investments - Sir John Morden	239,618	-	8,593	248,211
Investments - Dame Susan Morden	19,754	-	-	19,754
Net current assets	(742)	1,033	11,675	11,966
Long-term liability (Bond)	(30,000)	-	-	(30,000)
	266,568	1,052	20,268	287,888

	Endowment Funds £'000	Restricted Funds £'000	Unrestricted Funds £'000	Total Funds £'000
Charity 2022				
College buildings	35,204	-	-	**35,204**
Other tangible fixed asset	1,688	12	731	**2,431**
Investments - Sir John Morden	265,594	-	10,680	**276,274**
Investments - Dame Susan Morden	20,481	-	-	**20,481**
Net current assets	3,265	1,274	8,169	**12,708**
Long-term liability (Bond)	(30,000)	-	-	**(30,000)**
	296,232	**1,286**	**19,580**	**317,098**
Charity 2021				
College buildings	36,268	-	-	36,268
Other tangible fixed assets	2,323	19	-	2,342
Investments - Sir John Morden	239,618	-	8,584	248,202
Investments - Dame Susan Morden	19,754	-	-	19,754
Net current assets	(751)	1,033	11,684	11,966
Long-term liability (Bond)	(30,000)	-	-	(30,000)
	267,212	1,052	20,268	288,532

14. PERMANENT ENDOWMENT FUNDS

	Balance at 1 April 2021 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	Balance at 31 March 2022 £'000
Group 2022						
Sir John Morden	246,814	10,371	(2,036)	27,473	(7,514)	275,108
Dame Susan Morden	19,754	-	5	722	-	20,481
	266,568	**10,371**	**(2,031)**	**28,195**	**(7,514)**	**295,589**
Group 2021						
Sir John Morden	220,650	3,306	(1,200)	23,881	178	246,814
Dame Susan Morden	18,663	-	5	1,086	-	19,754
	239,313	3,306	(1,195)	24,967	178	266,568

	Balance at 1 April 2021 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	Balance at 31 March 2022 £'000
Charity 2022						
Sir John Morden	247,458	10,371	(2,036)	27,473	(7,514)	275,751
Dame Susan Morden	19,754	-	5	722	-	20,481
	267,212	**10,371**	**(2,031)**	**28,195**	**(7,514)**	**296,232**
Charity 2021						
Sir John Morden	221,303	3,306	(1,200)	23,881	168	247,458
Dame Susan Morden	18,663	-	5	1,086	-	19,754
	239,966	3,306	(1,195)	24,967	168	267,212

The Permanent Endowment Fund is a restricted fund that includes the current value of the original endowment that was to provide homes and financial assistance for the elderly. In 2016, the Trustees resolved to apply Total Return accounting to the portion of the Sir John Morden permanent endowment fund that is represented by fixed asset investments.

The Trustees have established a policy of transferring the investment income received in the year to the general fund and retaining the balance of the Unapplied Total Return within the endowment fund. This policy is reviewed annually by the Trustees.

The total of the Trust for Investment and the Unapplied Total Return these items make up the Permanent Endowment Fund and this has shown an increase of 5% year on year; this more accurately reflects the cost inflation pressures facing Morden College.

Income from the Trust for Investment is to be applied to the running costs of the Charity. The capital may be used to purchase property for charitable and investment purposes, but the maintenance and refurbishment of these properties must be paid from the income of the Charity.

14. PERMANENT ENDOWMENT FUNDS (CONTINUED)

	Permanent Endowment £'000	Unapplied Total Return £'000	Total £'000
Sir John Morden – Total Return accounting			
Balance 1 April 2020	**212,766**	**2,253**	**215,019**
Investment income	-	3,306	**3,306**
Investment gains	-	23,881	**23,881**
Investment Managers' fees	-	(294)	**(294)**
	212,766	29,146	**241,912**
Transfer from Unapplied Total Return	2,979	(2,979)	**-**
	215,745	26,167	**241,912**
Allocation of Unapplied Total Return to income	-	(3,306)	**(3,306)**
Balance at 31 March 2021	**215,745**	**22,861**	**238,606**
College Building Transfer (BBC)	611	-	**611**
Investment income	-	10,371	**10,371**
Investment gains	-	27,473	**27,473**
Investment Managers' fees	-	(1,096)	**(1,096)**
	216,356	59,609	**275,965**
Transfer from Unapplied Total Return	19,417	(19,417)	**-**
	235,773	40,192	**275,965**
Allocation of Unapplied Total Return to income	-	(10,371)	**(10,371)**
Balance at 31 March 2022	**235,773**	**29,821**	**265,594**

The Trust for Investment as at 1 April 2016, the date of adoption of Total Return accounting, was identified by the Trustees as being equal to the value of the fund's investment portfolio as at that date. The Trustees have determined that the Trust for Investment should be increased annually in line with RPI inflation to protect its real value, which has resulted in an increase of 9% in the current year (2021: 1.4%).

15. RESTRICTED FUNDS – GROUP AND CHARITY

	Balance at 1 April 2021 £'000	Income £'000	Expenditure £'000	Balance at 31 March 2022 £'000
2022				
Welfare Fund	5	-	-	**5**
Gift Fund	5	23	-	**28**
Dame Susan Morden's Charity general fund	1,042	487	(276)	**1,253**
	1,052	**510**	**(276)**	**1,286**
2021				
Welfare Fund	6	-	(1)	5
Gift Fund	6	-	(1)	5
Dame Susan Morden's Charity general fund	922	409	(289)	1,042
	934	409	(291)	1,052

The Welfare Fund was created from a gift received some years ago and is for the benefit of residents and staff and it is for expenditure that is not part of the Charity's normal activities. The Gift Fund represents donations received for the benefit of the Care Home and its staff.

16. UNRESTRICTED FUNDS – GROUP AND CHARITY

	Balance at 1 April 2021 £'000	Income £'000	Expenditure £'000	Gains/Losses	Transfers £'000	Balance at 31 March 2022 £'000
2022						
General fund	7,023	4,185	(12,554)	167	8,089	**6,910**
Accumulation of income	2,307	-	-	-	6	**2,313**
Extraordinary repairs	4,715	-	-	-	(562)	**4,153**
Future projects	6,223	-	-	-	(19)	**6,204**
	20,268	**4,185**	**(12,554)**	**167**	**7,514**	**19,580**
2021						
General fund	5,079	11,230	(13,634)	1,013	3,335	7,023
Accumulation of income	2,301	-	-	-	6	2,307
Extraordinary repairs	5,300	-	-	-	(585)	4,715
Future projects	9,157	-	-	-	(2,934)	6,223
	21,837	11,230	(13,634)	1,013	(178)	20,268

The Trustees reviewed the balances on all funds before authorising transfers between funds.

The Trust Deed requires the Trustees to maintain an Accumulation of Income fund to ensure that the fixed overheads of the Charity could be met for a limited period of time if income levels were temporarily insufficient to cover such costs. The Deed also requires a minimum transfer of £6k into this fund each year; having reviewed the balance on the fund the Trustees have determined that the fund should be increased by the minimum amount. The fund is invested in a cash deposit.

Under the Trust Deed the Trustees are also required to maintain an Extraordinary Repairs Fund (Building Reserve Fund) for the maintenance, extraordinary repair, improvement or refurbishment of the almshouses, other buildings and the infrastructure of the Charity. The funds are invested in a bank deposit account.

The Future Projects fund provides for the future expenditure on new projects of any kind to be undertaken in furtherance of the objects of the Charity. The balance of the surplus for the year, after transfers to the Extraordinary Repairs Fund and other Funds has been retained in this account.

The balance of the future projects fund was reduced in year by £19k to cover cost incurred for the JMC project to date. The balance of the extraordinary repairs fund was reduced by £562k to cover the costs of fire safety works enhancements.

17. CAPITAL COMMITMENTS

	2022 £'000	2021 £'000
At 31 March – Contracted	-	-
– Authorised not contracted	-	-

18. SUBSIDIARY UNDERTAKING

The Charity incorporated a Private Limited Company, Morden College Design and Build Limited on 22 January 2013; the company is registered in England and Wales. The company supplied building construction services to Sir John Morden's Charity for its building project, Alexander Court. The subsidiary has 2 issued shares of £1 each which are both beneficially owned by the Charity.

A summary of the subsidiary's accounts for the year ended 31 March 2022 is shown below:

Profit and Loss Account

	2022 £'000	2021 £'000
Turnover	**21**	2,448
Cost of Sales and Operating Expenses	**(11)**	(2,423)
Profit before taxation	**10**	25
Taxation	**-**	-
Profit after taxation	**10**	25
Balance Sheet		
Current assets	**12**	138
Current liabilities	**(2)**	(113)
Net Assets	**10**	25
Shareholders' funds	**10**	25

19. OPERATING LEASES

The Charity derives the majority of its income from properties which are leased to commercial and residential tenants. The future minimum lease payments under non-cancellable operating leases are as follows:

	Group & Charity	
	2022 £'000	2021 £'000
Not later than one year	849	681
Later than one year and not later than five years	29,650	1,122
Later than five years	62,893	97,174
	93,392	**98,977**

Charity Information

PRINCIPAL OFFICE

19 St Germans Place
Blackheath
London SE3 0PW

PRINCIPAL BANKERS

National Westminster Bank plc
13 Stratheden Road
Old Dover Road, Blackheath
London SE3 7SY

CHARTERED SURVEYORS

Gerald Eve LLP
7 Vere Street
London W1G 0JB

INVESTMENT ADVISORS

Stanhope Consulting
35 Portman Square
London W1H 6LR

AUDITOR

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

SOLICITORS

Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Attwaters Jameson Hill
St. Clement's House
27 Clement's Lane
London EC4N 7AE

INVESTMENT MANAGERS

Investec Wealth & Investment Limited
30 Gresham Street
London EC2V 7QW

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Her late Majesty Queen Elizabeth II was patron of Morden College 1976-2001. We were delighted to welcome her in November 1971 for the unveiling of the plaque on the opening of Cullum Welch Court.

MORDEN COLLEGE

Interesting People Living Life to the Full

Morden College
19 St Germans Place, Blackheath, London SE3 0PW
Registered Charity No 215551

www.mordencollege.org.uk

MORDEN COLLEGE

England & Wales - Charity number 215551

Accounts

MORDEN COLLEGE

Interesting People Living Life to the Full

Annual Report

Annual Report and Consolidated Accounts for the year ended 31 March 2021

Registered Charity No 215551

Morden College
Some moments in time

1695
Morden College is founded by Sir John Morden, having made his fortune as an international trader and member of the Levant (Turkey) Company and East India Company. His intention is to provide board, lodging and a pension for traders who have fallen on hard times.

1708
John Morden dies aged 86, and is buried in the Morden College chapel crypt. Statues of Sir John and his wife, Dame Susan, are added to the western front of the College in 1717.

1708 – 1884
Under the terms of John Morden's will, College Trustees are drawn from the Turkey Company, and should it fail (which it did in 1834) from the East India Company, and should that fail then from the Aldermen of the City of London, who have provided the Charity's Trustees since 1884. A centenary plaque installed in the main entrance in 1984 commemorates the Aldermen's association.

1966
Wells Court built (refurbished in 2008), adding a further 20 flats to enable the Charity to provide independent living to more people.

1951 – 2010
Broadbridge Close (1951), Montague Graham Court (1976), Peter Saunders Court (1994) and Graham Court (2010) continue the expansion of accommodation.

Continued on inside back cover

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Charity Information

Reference and administrative details for the year ended 31 March 2021

TRUSTEES

Chairman and Honorary Treasurer
Alderman Sir David Wootton MA

Trustees
Alderman Sir Peter Estlin BSc FCA
Alderman William Russell
Alderman Professor Michael Mainelli FCCA FCSI FBCS
Alderman Alison Gowman
Alderman Alastair King
Fredrik Widlund
Dr Abigail Masterson

ADVISORS TO THE TRUSTEES

Honorary Surveyor
George Gillon MBE FRICS

Advisor on Care
Dr Caroline Shuldham OBE

OFFICERS AND SENIOR MANAGERS

Clerk to the Trustees & Chief Executive
David Rutherford-Jones CB

Chaplain
The Rev'd William Warren

Finance Director
Kate Morris MSc ACMA BA (Hons)

Director of Real Estate
Ed Mileham BSc (Hons) MRICS

Director of Health & Wellbeing
Debbie Dollner

HR Director
Jane Canini BSc (Hons) FCIPD

Director of Operations
Richard McAllister

PRINCIPAL OFFICE

19 St Germans Place, Blackheath
London SE3 0PW

PRINCIPAL BANKERS

National Westminster Bank plc
13 Stratheden Road
Old Dover Road, Blackheath
London SE3 7SY

CHARTERED SURVEYORS

Gerald Eve LLP
72 Welbeck Street
London W1G 0AY

INVESTMENT ADVISORS

Stanhope Consulting
35 Portman Square
London W1H 6LR

AUDITOR

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

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Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Attwaters Jameson Hill
St. Clement's House
27 Clement's Lane
London EC4N 7AE

INVESTMENT MANAGERS

Investec Wealth & Investment Limited
30 Gresham Street
London EC2V 7QN

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

CONSTITUTION

Morden College is the general title used for the administration of Sir John Morden's Charity and Dame Susan Morden's Charity. Both Charities were established under separate Trust Deeds but they share the same Registered Charity Number 215551.

Sir John Morden died on 6 September 1708 and his Charity was founded by a will dated 15 October 1702, proven on 6 October 1708. Sir John left approximately £12,500 to endow the Charity. It is administered by not less than seven and not more than nine Trustees. It is primarily for the benefit of elderly people who are in need of accommodation or financial assistance.

The Charity of Dame Susan Morden was founded by a will dated 6 May 1717 and is administered by the Trustees of Sir John Morden's Charity in accordance with the Scheme established by the Charity Commissioners on 22 August 1986. It is primarily for the benefit of clergymen, churches and parochial buildings of the Church of England.

The Trustees of the Charity are drawn, in the main, from the Court of Aldermen of the City of London. Trustees who retire from the Court of Aldermen of the City of London remain eligible to continue to serve as Trustees of the Charity. Trustees are appointed on the basis that they possess the appropriate range of skills and experience that will assist the future growth and development of the Charity.

Where it is recognised that certain particular skills and experience needed are not met from the Aldermen group, the Charity has gone outside to look for sector experts, and two Trustees are currently non-Aldermen. All Trustees go through an induction programme.

All Trustees give their time freely and no Trustee remuneration was paid during the year. There were no related party transactions with Trustees nor did they receive any expenses during the year.

Trustees are required to disclose all relevant interests and register them with the Chairman of the Trustees and the Chief Executive.

Foreword from the Chair of Trustees

My Foreword last year (year ended 31 March 2020) finished on a sombre note, the coronavirus had just landed in the UK. We thought at the time, in early/mid March 2020, that it would for certain be a 3-month event. In the event it has, thus far (I am writing this in September 2021) run for 18 months, a global pandemic. The overwhelming feel of the 12 months from mid/end March 2020 to April 2021 at Morden College was of restrictions to life and livelihoods; of isolation and loneliness for many, especially the Charity's resident Beneficiaries; and of anxiety among our whole community as well as pressure on the staff. Financial year 2020/21 has unquestionably been tough for our community of Residents, our staff, and for our Residents' families too.

Alderman Sir David Wootton MA

Trustees agreed the Charity would 'lockdown' from 17 March 2020, ahead of the Government's decision to lock the Nation down on 23 March 2020. Our strategy was underpinned by 3 pillars: Protect, Sustain, Communicate. The concept: Lockdown early and by doing so try and get ahead of the virus; to this end we asked our 310 or so Residents to isolate on our sites, initially in their flats, and in the Charity's 60 bed residential care home (with nursing). Having asked Residents to isolate, they did. We then undertook to Protect and Sustain them. The former about maintaining tight control of access onto the Charity's 3 sites and so keeping the number of human points of contact to a minimum; in order to reduce the risk of cross infection. The latter, Sustain, about ensuring our Residents in isolation had everything they needed. At the peak of the crisis, our staff delivered over 6,000 items of food, beverage, medicines, and non-perishable goods to our resident population every week. Communicate, the third pillar of our strategy, involved a 'buddy' system of staff and some friends, being grouped together with our resident Beneficiaries – the idea, that each of our Residents would be contacted by their buddy regularly; we wished no one to feel wholly alone, or abandoned. Engaging our staff for this task was inspired, since it helped to ensure that throughout the crisis the community of the College held together and were as informed as they could be.

The Charity journeyed to December 2020 without an outbreak of the virus on any of our sites, nor in our Care Home. A few staff members contracted the disease, two seriously so; but thankfully everyone recovered well.

After nine months of restrictions, understandably some of our Residents began to make unwise decisions. It had been a long year. Our older people were missing family, and contact. Just before Christmas the Delta variant of the virus began to creep into the College. To date, during 2021, there have been 10 cases amongst our resident group; and one of these 10, a gentleman in the Care Home, died. We were of course extremely sad at this death; but Trustees and I are thankful too that the community of the College has done so well to keep our Residents and our staff safe. It has been a Herculean effort.

The pandemic was, in the early months, a war on two fronts. The core business, to protect our community, of course. In parallel though we also had to focus very hard on maintaining our income flow; most of our commercial tenants (occupying the Charity's investment real estate properties) either ceased trading or operated on a vastly reduced basis. By end of Quarter 1, Morden College was shy of in excess of £2.2m; our operations are wholly dependent on the income from our invested endowment. Negotiations with each individual tenant were protracted. Those were indeed challenging times. By year end I am delighted that the position had largely recovered, albeit we had voids among both our commercial estate, offices in particular, and a few still in our residential estate.

We ended the financial year, 31 March 2021, in a far stronger place financially, our Residents beginning to ease out of the third period of significant lockdown, and having taken in hand, albeit 9 months late, the Charity's fabulous new facility, the John Morden Centre. The Centre promises to bring a new focus to life at Morden College for the older people we care for. My fellow Trustees and I also approved a redraft of the Business Plan, originally presented to us in March 2020, this new version 'Business Plan 2021 – 24; is significantly changed and reflects the many lessons we have learned during the pandemic up until March 2021. In truth we are still learning lessons; and to this end a full Post Pandemic Review has now been instructed. I shall touch on its findings next year.

It remains for me to, as always, thank our Trustees. Your individual responses to the numerous challenges that arose during this crisis year have been exceptional. Thank you also to our Residents, for putting up with this pandemic and all the restrictions to life and fun that the crisis brought. Thank you for trusting us, especially your staff, as decisions were made and restrictions came and went. And on behalf of all of the Trustees and all our Residents, thank you to our staff. A tough year indeed, and I know that for many of you it was not simply tough at work, it was too very challenging at home and in your private lives.

Alderman Sir David Wootton
Chair of Trustees

Our Vision

A world in which older people can live a good life, supported and safe.

Our Culture

This drives everything.

Our most valuable resource is our people, both our employees and our Residents. Our greatest strength is the Charity's diversity. Our success is underpinned by the understanding all our people have of the culture we wish to see win through.

- ***We encourage and support creativity.***
- ***We celebrate inclusion, diversity, and equality.***
- ***We promote the highest standards of leadership, individual behaviour, and accountability in everything we do.***
- ***We oppose discrimination of any kind.***

Our Values

The visible embodiment of our culture is evidenced every day by our staff as they go about their duties, underwritten by our Values.

Respectful

We are considerate, we foster a culture of dignity and we appreciate the different roles we each perform in delivering the objects of the Charity.

Compassionate

We are kind, caring, and inclusive.

Progressive

We are ambitious to embrace new ideas and technologies and keep improving what we do.

Accountable

We accept personal responsibility for how we act and for what we do, individually contributing to the Charity's success; and we are accountable.

Trustees' Report

FINANCIAL REVIEW

The consolidated net deficit before transfers between funds and investment gains for the year under review was £176k compared to a £2.59 million surplus for the previous year. With income down and costs significantly increased, this was the year financially and operationally fully impacted by the Covid pandemic.

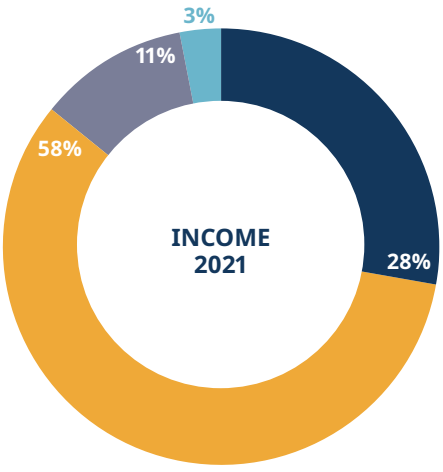
INCOME

TOTAL INCOME FOR THE YEAR WAS

£14.95m

2021	**£14.95m**
2020	**£15.95m**

THIS IS AN OVERALL DECREASE OF 6%



(1) Income from charitable activities
Contributions from Beneficiaries for living accommodation (including the Care Home) this year were £4.127 million, a decrease of 4% compared to the previous year (2020: £4.314 million). This decrease is as a result of not being able to accept new Residents into the Care Home and our Independent Living accommodation due to the actions we took to manage the risk of infection spread. In other years we would have sought to fill empty beds and accommodation voids in our community and introduced new Beneficiaries.

(2) Investment income from property
Rental Income this year was £7.763 million a decrease of 5% compared to the previous year. Total income from property now includes the dividends from our Property Funds (previously categorised as 'other investments') and total income from property related investments is £8.68 million. The Covid pandemic significantly impacted the ability of some of our commercial tenants to pay rent, as they struggled with their own business models and demand. The staff team at Morden College actively managed the various scenarios with all of our tenants and as a result, the impact to rental collection in the end was minimised, in so far as was possible.

(3) Investment income from other investments
From the Charity's Quoted Investment Portfolio, now not including the two Property Funds, we collected income this year of £1.73 million, a decrease, like for like, of 13% compared to the previous year. Whilst the valuation of our equity portfolio was restored during the course of the year to pre-pandemic levels, the income was severely impacted.

(4) Other income including donations
At £403,000 this compares to the previous year, 2020: £404,000, although this year includes here some £233,000 of Covid funding received from the local authority and HMRC under the furlough scheme.

(5) Fundraising
The Charity does not undertake fundraising activities during its normal course of operations.

EXPENDITURE

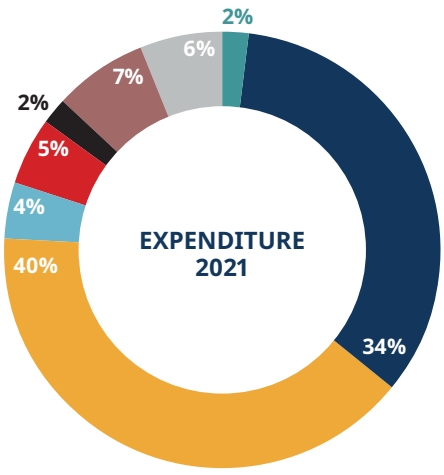
TOTAL EXPENDITURE FOR THE YEAR WAS

£15.121m

2021	**£15.121m**
2020	**£13.352m**

THIS IS AN OVERALL INCREASE OF 13%

This exceptional increase is in the main due to the costs of extending our operations in order to protect our Residents during the pandemic, to manage the risk of infection spread and to sustain them during the restrictions; all the activities described here in the foreword by the Chair of Trustees. Removing this item, the increase in costs is 8% year on year.



- GRANTS AND OUT/IN PENSIONS
- INDEPENDENT LIVING HOUSING COSTS
- CARE HOME COSTS
- FIRE SAFETY ENHANCEMENTS
- COVID 19 EXPENDITURE
- INVESTMENT MANAGERS' FEES
- BOND INTEREST
- PROPERTY MANAGEMENT

(1) Grants and out/in pensions

Grants paid total £231,000 (2020: £322,000). The total number of Beneficiaries supported by grants (outpensions) was 92 (2020: 111). A number of people receiving such grants move into one of the Charity's flats each year and the number supported in this way stood at 26 at the year end (2020: 32). The number living outside the College who receive financial assistance from the Charity was 66 (2020: 79). The ambition of Morden College is to develop the breadth of this aspect of our giving in the future.

(2) Independent Living Housing Costs (including the Quadrangle)

Independent living costs at £5.11 million show an increase of 16% compared to the previous year (2020: £4.39 million).

(3) Care Home Costs

Care Home costs show an 11% increase, rising from £5.52 million last year to £6.10 million this year.

The following one-off expenditure items took place during the course of the year and have impacted both Independent Living Housing Costs (including the Quadrangle) and Care Home costs; the 5-year electrical testing falling due, costs of council tax and water rates borne by the College on empty flats, exceptional boiler and lift repairs, costs associated with increase to laundry and cleaning routines, a higher than inflation increase to utility bills, an increased spend on legal fees, post construction and delivery costs relating to the John Morden Centre.

2021 was an exceptional cost year for the College in terms of maintenance of the estate, the delivery of a new building for Beneficiary use and significant improvements to our IT infrastructure and systems, quite apart from the costs of operating through the pandemic and the cost of many upgrades to delivery made as a result of our learnings from the pandemic.

We also, from 1 April 2020, increased pay for all at 2.5% and adjusted pay for some 60 staff bringing them in line with the London Living Wage.

(4) Investment Managers' fees

Investment Manager's fees are slightly increased year on year, rising from £275,000 (2020) to £291,000 at 6% and the overall costs of raising funds include the £1.021 million interest payment on the Bond.

(5) Property Management Costs

At £914,000 the costs associated with our direct property investments have increased again this year (2020: £898,000), there has been increased activity in terms of managing our assets including the continued preparations for the sale of our Lime Street asset (May 2020), ongoing negotiations on rent and the cost of legal advice in relation to the impact of the pandemic on rent collection.

Sir John Morden left approximately £12,500 to endow the College when he died in 1708 and the permanent endowment assets of the Charity are now valued at £246.8 million.

INVESTMENTS

Sir John Morden left approximately £12,500 to endow the College when he died in 1708 and the permanent endowment assets of the Charity are now valued at £246.8 million. The permanent endowment assets include total College fixed assets, which includes the original land, investment properties and quoted investments.

The Charity's investment policy provides that the minimum investment objective is to preserve the capital and income of the Charity's portfolio from inflation.

The Trustees have adopted the Total Return approach to accounting for the investments for the Sir John Morden's Charity's Permanent Endowment with effect from 1 April 2016. The Trustees are using the statutory powers included in the Charities Act 2011 ("the Act") and given effect by the Charities (Total Return) Regulations 2013 ("the Regulations"), which do not require Charity Commission approval in order for the Total Return basis to be adopted.

The Trust for Investment is considered to be the value of the permanent endowment as at 1 April 2016 and may be increased by the allocation of Unapplied Total Return, being the investment income and capital gains on the portfolio, from time to time.

The Trustees have determined that the Trust for Investment should be increased annually in line with RPI inflation to protect its real value, which has resulted in an increase of 1.4% in the current year (2020: 1.5%).

The Trust for Investment and the Unapplied Total Return together comprise the permanent endowment fund disclosed in the notes to the accounts.

The total return for the year ended 31 March 2021 was a gain of £27.9 million comprising income of £3.3 million and gains of £24.9 million, less investment management costs of £294k. The balance of the Unapplied Total Return Fund at 31 March 2020 was £2,253k and it is proposed that £2,979k is allocated to the Trust for investment, in line with the Trustees' policy established in 2017, and £3,306k is converted to income and transferred to the unrestricted fund. The balance on the Unapplied Total Return Fund at 31 March 2021 is now £23.87 million.

RESERVES

a. Unrestricted Funds

I. The Accumulation of Income Fund was set up to ensure that fixed overheads of the Charity, which are mainly staff costs in the short term, could be met for a limited period of time if income levels were temporarily insufficient to cover such costs. Under the Charity's Trust Deed the Trustees are required to transfer a minimum amount of £6,000 per annum to the fund. The balance on the fund stands at £2.307 million.

II. The balance of the General Fund at £7.023 million plus the Accumulation of Income Fund represents between 7 and 8 months of expenditure (with reference to the year under review). Trustees' target is to keep this combined balance at 6 months of expenditure since the Charity relies wholly on income from its investments to fund day-to-day running costs. This balance reduces the risk of the Charity being unable to operate if faced with a downturn in either the property or financial investment markets, or both, which indeed has happened.

III. The Charity owns and manages an extensive property portfolio which comprises both investment properties and College Buildings which provide accommodation and other facilities for its Beneficiaries. Investment properties are usually let to commercial tenants on full repairing leases mitigating the risk of large repair costs. The maintenance plans for Charity's College Buildings are reviewed annually and budgeted for. Most of these costs are met through income, but some of what is planned is exceptional and will be charged to the Extraordinary Repairs Fund (ERF). The ERF will also be used for unforeseen, hopefully one off, more urgent type costs. There is and will be a draw down on this Fund due to the costs of the fire safety enhancement works programme. The balance on the fund at 31 March 2021 is £4.715 million.

IV. The balance on the Future Projects Fund brought forward at 1 April 2020 was £9.16 million and an amount of £2.9 million has been transferred out of the Fund during the course of the year to cover payments for the building of the John Morden Centre. The balance on the fund at 31 March 2021 is £6.223 million and Trustees may seek to rebuild this Fund in the future to match strategic ambition.

b. Restricted Funds

I. The Staff Welfare Fund was set up on the receipt of a legacy and is for the benefit of Residents and staff where expenditure incurred is not part of the Charity's normal activities. The balance on this fund at 31 March 2021 was £5,000.

II. A Gift Donation Fund has also been established to hold donations given for the benefit of the Care Home and its staff; balance at 31 March 2021 was £5,000.

III. Included in Restricted Funds is the Dame Susan Morden Charity general fund, the balance on this fund has increased in year to £1,042k.

c. Permanent Endowment

These funds are the capital of the Charity and it is invested to produce income that is used to further the Charity's work. The Permanent Endowment Fund may not be used for any other purposes. Its funds are invested in charitable property, investment property, quoted investments and cash deposits. The value of the Permanent Endowment Funds at the year end was £266.6 million, of which £246.81 million represents the Sir John Morden permanent endowment and £19.75 million represents the Dame Susan Morden permanent endowment.

RISKS

The risks of the Charity are monitored on a regular basis, and appropriate action is taken to reduce the risk of disruption to the effectiveness of the Charity's work and operations. The Charity's risk management strategy utilises a hierarchical approach to the monitoring of risk with the overall operational strategy delegated to the Chief Executive. All identified risks are assessed for the likelihood of occurrence and their possible impact. The risk management system is designed to mitigate the likelihood of occurrence and/or the impact.

Currently the Charity assesses and monitors nine organisational risks, the following three are our key risks:

Property Investments
A sizeable proportion of the Charity's endowment is invested in property and it is the responsibility of the Property Sub-Committee and the Asset Allocation Committee to review the overall performance of the Charity's real estate. The portfolio is managed in house with an expert team but in addition these Committees are authorised to seek third party professional advice where required. All key decisions are ratified by the Board of Trustees.

Other Financial Investments
It is the responsibility of the Financial Investment Sub-Committee and the Asset Allocation Committee to review the financial investment strategy and to set policies on such matters — it is also authorised to seek third party professional advice where required and changes to policies and recommended actions are ratified by the Board of Trustees. The investment strategy is to ensure that the value of the investment portfolio does not suffer a permanent diminution in value over the longer term. The strategy also has an objective to preserve the capital and income of the Charity's portfolio from inflation.

Operations including Care Provisions
The Charity has assessed operational risk, which may be defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events under a number of areas such as care, health and safety and fire. These are monitored and processes have been put in place to minimise the Charity's exposure to risks arising from such areas. This is all managed by an expert team in house, supported by the Compliance Manager.

The Covid pandemic has impacted the Charity in numerous ways. Reduced income from property assets and financial investments, the direct costs of protecting Morden College from the virus and the indirect costs of staff time and stress, and other key initiatives now put on hold. The capital values of our financial investments have since recovered and property values are holding.

STRUCTURE AND GOVERNANCE

Construction of Morden College began in 1695. It opened in 1700 for the benefit of poor, elderly merchants of good character who were either bachelors or widowers and who had failed in business through no particular fault of their own. Since that time, the qualifications for entry have been widened. They now include men or women of good character who have either been engaged in a trade, business or a profession as principals, or reached a position of authority or seniority, in employment and who, through accident, misfortune, disability, or infirmity have been prevented from continuing to follow their former calling and are in reduced material circumstances. The qualifications also include the spouses, partners, widows and widowers of such men and women.

The Trustees are also empowered to provide assistance by way of pensions and grants for the elderly in need whether or not they are resident in the Charity's homes. Donations may also be made to other Charities that provide or undertake in return to provide items, services, or facilities to Beneficiaries of the Charity.

The Trustees determine the general policy of the Charity and delegate day-to-day management to the Clerk to the Trustees, whose role is that of Chief Executive. The Charity's Senior Leadership Team holds regular meetings to review progress against objectives agreed with the Trustees. Meetings are minuted and copies are made available to the Chairman of the Trustees. The Chairman visits the Charity on a regular basis and meets with the Chief Executive.

MANAGEMENT AND STAFF REMUNERATION

There are clear distinctions between the role of Trustees and the Senior Leadership Team. The Trustees hold a range of reserved matters and delegate certain authority to the Senior Leadership Team in order to run the organisation efficiently. Matters such as policy, strategy and budgets are prepared by the Senior managers for consideration and approval by the Trustees.

The Charity aims to pay salaries which are fair, competitive with the charity sector, and proportionate to the complexity of each role. In setting salaries, the Charity ensures:

- *Roles are benchmarked against salaries paid by other Charities operating in the Care Sector taking data from information published by the National Care Forum and other pay surveys which are made publicly available such as the NHS and Local Government;*
- *All staff receive ongoing performance management and an annual appraisal which provides them with feedback on how they have contributed to the achievement of the Charity's strategy; and*
- *That all staff are paid above the London living wage.*

Within Dame Susan's charity the sole employee is the Chaplain who is supported in his role by the Chief Executive, the Finance Director and the Director of Real Estate and members of the staff team employed by Morden College as and when the need arises.

POLICIES

Applications policy
Applications for accommodation or outpensions have to be submitted in writing and must be supported by independent testimonials. Applications for grants are also made in writing and are normally for single payments unless the need is assessed as a continuing one when the Charity may award an annual Outpension. The Trustees review all applications carefully and satisfy themselves that the applicant is genuine, and the assistance sought is in accordance with the Charity's aims. All applicants for accommodation are interviewed by the Chief Executive before being recommended for admittance by the Trustees.

Grant Making Policy
Every application for a grant must be submitted in writing and include the total cost of the project for which the grant is sought. All applications are scrutinised to ensure that the request for assistance falls within the scope of the Charity's Scheme. Applicants who are eligible for help are visited to clarify any outstanding matters. If all is found to be in order, a report is made to the Trustees, who consider the application, and instruct whether the grant should be made together with any conditions relating to it. Compliance with any conditions made is monitored, and payment of grants may be withheld if the terms of assistance are not met.

PUBLIC BENEFIT

The objective of the Charity is to relieve financial hardship suffered by older people and it does this primarily by providing living accommodation comprising independent living and a Care Home. We also make available such support as is necessary to enable Beneficiaries to live their lives in the community to the full.

The Charity also provides single grants and continuing annual grants, (referred to as outpensions) to older people in financial need but who do not necessarily wish to apply to the Charity for accommodation. Beneficiaries receiving such grants use the money to defray living costs as they see fit.

The objective of Dame Susan's Trust is the advancement of religion by assisting the Church of England with the upkeep of their churches and associated activities and by maintaining and paying for the operating costs of the Morden College Chapel and its Chaplain.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities including the provision of accommodation, the making of grants and provision of outpensions.

The Charity fulfils these objectives by:

(1) Relieving financial hardship for older people by providing accommodation at subsidised rates and increasingly by providing care that will allow them to lead independent lives for as long as possible. Applicants for accommodation are not required to have a minimum level of income but a cap is in place to ensure only those in need qualify. The financial limits are reviewed annually to take account of changing market conditions;

(2) Making available such support as is necessary to enable Beneficiaries to live their lives in the community to the full. This support includes a Community Nurses team, Physiotherapy, social events and the provision of facilities such as a Cafeteria and Social Club which assist older people with their daily lives;

(3) Providing an annual outpension to those who qualify as being in need, as the Trustees recognise that not all applicants in need will wish to relocate to where the Charity's accommodation is located.

Applications for accommodation are received from older people who come from many different backgrounds but share a common problem in retirement in so far as they face financial difficulties. Enquiries for accommodation continue to be from all over the country as well as a small number from people living abroad but all applicants must have the right to live in the UK to qualify for accommodation. The number of applications has been increasing as the effects of financial austerity continue to be felt across the UK.

The Charity maintains a waiting list of applications but limits its public exposure other than that of the Care Home as it does not actively advertise its independent living accommodation as it seeks to control demand which outstrips supply.

As properties become vacant, they are refurbished before being made available to applicants. It is common for bathrooms and kitchens to be replaced prior to re-letting to ensure the standard meets the needs of older people and flooring is replaced on a regular basis.

The Charity, via the Dame Susan Trust, seeks to deliver public benefit by making grants to Church of England churches who lack the necessary funds to maintain, repair and improve the fabric of their own buildings.

The regular services of worship usually held throughout the year in the Morden College Chapel at Blackheath, at the Charity's second site at Ralph Perring Court, Beckenham, and in Cullum Welch Court, the Care Home provided by Sir John Morden's Charity, situated at Blackheath, were delivered in the context of Covid restrictions.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 & 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 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 SORP;*
- *Make judgements and accounting estimates that are reasonable and prudent;*
- *State whether applicable UK 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 proper 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 Charities Act 2011. 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. Through a system of internal controls, the Trustees seek to ensure all expenditure is properly incurred and properly authorised, that receipt of income is secure, and that the Charity's property is fit for purpose.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply 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.

Alderman Sir David Wootton MA
Chair of the Trustees

David Rutherford-Jones CB
Clerk to the Trustees & Chief Executive

18 November 2021

Independent Auditor's Report to the Trustees of Morden College

Opinion
We have audited the financial statements of Morden College for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Consolidated Statement of Cash Flows 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 group's and of the parent charity's affairs as at 31 March 2021 and of the group's net movement in funds for the year then ended;*
- *have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and*
- *have been prepared in accordance with the requirements of the Charities Act 2011.*

Basis for opinion
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. 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 group 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 group'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 Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception
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:

- *adequate accounting records have not been kept by the parent charity; or*
- *sufficient accounting records have not been kept; or*
- *the parent charity financial statements are not in agreement with the accounting records and returns; or*
- *we have not received all the information and explanations we require for our audit.*

Responsibilities of Trustees for the financial statements
As explained more fully in the Trustees' responsibilities statement set out on page 17, 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 group's and the parent 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 liquidate the group or the parent charity 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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the regulations of the Care Quality Commission, the Charity Commission, Health and Safety regulations as well as general Charity Law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the potential to manipulate accounting estimates and judgements and the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- *Inspecting correspondence with regulators and tax authorities;*
- *Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;*
- *Evaluating management's controls designed to prevent and detect irregularities;*
- *Identifying and testing journals, in particular journal entries posted by unusual users or with unusual descriptions or amounts; and*
- *Challenging assumptions and judgements made by management in their critical accounting estimates*

A further description of our responsibilities for the audit of the financial statements is located 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 charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 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 charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP
Statutory Auditor
10 Queen Street Place
London EC4R 1AG

Date: 1 December 2021

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities

for the year ended 31 March 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment £'000	Total 2021 £'000	Total 2020 £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities		4,127	-	-	**4,127**	4,314
Investment income from property		6,696	382	1,606	**8,685**	8,174
Investment income from other investments	3	-	30	1,700	**1,730**	3,058
Other income including donations	4	406	(3)	-	**403**	404
Total income	2	**11,230**	**409**	**3,306**	**14,945**	**15,950**
EXPENDITURE ON:						
Charitable activities	5a	11,851	138	906	**12,896**	11,158
Raising funds	5b	1,782	153	289	**2,225**	2,194
Total expenditure	2	**13,634**	**291**	**1,195**	**15,121**	**13,352**
Net income/(expenditure) before investment gains/(losses)		(2,404)	118	2,111	**(176)**	2,598
Net gains/ (losses) on investments	9c	1,013	-	24,967	**25,980**	(4,599)
Net income/(expenditure)		**(1,391)**	**118**	**27,077**	**25,804**	**(2,001)**
Transfer between funds		(178)	-	178	**-**	-
Gain on revaluation of fixed assets	8	-	-	-	**-**	-
Net movement in funds		**(1,569)**	**118**	**27,255**	**25,804**	**(2,001)**
Reconciliation of funds						
Total funds brought forward at 1 April 2020		21,837	934	239,313	**262,084**	264,085
Total funds carried forward at 31 March 2021		**20,268**	**1,052**	**266,568**	**287,888**	**262,084**

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The accompanying notes form an integral part of this Statement of Financial Activities.

Group and Charity Balance Sheets

as at 31 March 2021

	Notes	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
FIXED ASSETS					
Tangible fixed assets					
College Buildings	8	**35,615**	33,337	**36,268**	33,991
Other tangible fixed assets	8	**2,342**	2,041	**2,342**	2,042
		37,957	35,378	**38,610**	36,033
Investment property	9	**182,731**	156,604	**182,731**	156,604
Quoted investments	9	**85,234**	85,715	**85,234**	85,715
Investment in Subsidiary Company					
		267,965	242,319	**267,965**	242,319
Total fixed assets		**305,922**	277,698	**306,575**	278,351
CURRENT ASSETS					
Debtors	10	**1,036**	2,014	**1,036**	1,983
Short term deposits		**10,103**	12,110	**10,103**	12,110
Cash at bank and in hand		**3,970**	3,365	**3,962**	3,281
		15,109	17,489	**15,101**	17,374
Creditors: amounts falling due within one year	11	**(3,143)**	(3,102)	**(3,144)**	(2,987)
NET CURRENT ASSETS		**11,966**	14,387	**11,957**	14,387
Creditors: amounts falling due after more than one year	12	**(30,000)**	(30,000)	**(30,000)**	(30,000)
NET ASSETS		**287,888**	262,084	**288,532**	262,738
FUNDS					
Permanent endowment	14, 15				
Sir John Morden		**246,814**	220,650	**247,458**	221,304
Dame Susan Morden		**19,754**	18,663	**19,754**	18,663
Restricted funds	14, 16	**1,052**	934	**1,052**	934
Unrestricted funds	14, 17	**20,268**	20,268	**20,268**	21,837
Total charity funds		**287,888**	262,084	**288,532**	262,738

The financial statements on pages 20 to 38 were approved and authorised for issue by the Board of Trustees and signed on 18 November 2021 on its behalf by:

Alderman Sir David Wootton MA
Chairman of the Trustees

David Rutherford-Jones CB
Clerk to the Trustees & Chief Executive

Consolidated Statement of Cash Flows

for the year ended 31 March 2021

	Notes	Group 2021 £'000	Group 2020 £'000
Cash flow from operating activities			
Net cash provided/(used) in operating activities	**A**	(8,612)	(7,944)
Cash flow from investment activities			
Dividend, interest and rents from investments		10,414	11,232
Proceeds from the sale of investments		52,362	8,764
Purchase of investments		(52,029)	(10,909)
Purchase of tangible fixed assets		(3,484)	(3,844)
		7,263	5,243
Cash flow from financing activities			
Cash inflows from new borrowing		-	-
Change in cash and cash equivalents in the reporting period	**12**	(1,318)	(2,701)
Cash and cash equivalents at the beginning of the reporting period		15,391	18,176
Cash and cash equivalents to the end of the reporting period	**B**	14,073	15,475

A. Reconciliation of net income/(expenditure) to net cash flow from operating activities	2021 £000	2020 £000
Net income/(expenditure) for the reporting period	25,795	(2,001)
Adjustments for		
Depreciation Charges	906	868
(Gains)/losses on investments	(25,980)	4,599
Dividends, interest and rents from investments	(10,414)	(11,232)
(Increase)/decrease in debtors	947	(762)
Increase/(decrease) in creditors	127	481
(Increase)/decrease in work in progress	-	103
Net cash provided/used in operating activities	**(8,620)**	**(7,944)**
B. Analysis of cash and cash equivalents		
Cash in hand	3,970	3,365
Notice deposits (less than 3 months)	10,103	12,110
Total cash and cash equivalents	**14,073**	**15,475**

C. Cashflow Net Debt

	At 1 April 2020 £'000	Cashflows £'000	At 31 March 2021 £'000
Cash in hand	3,281	681	3,962
Notice deposits	12,110	(2,007)	10,103
Sub-total	15,391	(1,326)	14,065
Long-term bond	**(30,000)**	**-**	**(30,000)**
Net debt	**(14,609)**	**(1,326)**	**(15,935)**

Notes to the Accounts
for the year ended 31 March 2021

1. PRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The accounts have been prepared to give a 'true and fair' view and 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (Second Edition, effective 1 January 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

Public Benefit
The Charity constitutes a public benefit entity as defined by FRS102.

Consolidation
The consolidated accounts incorporate the results of Sir John Morden's and Dame Susan's Charities (the Charity) and its subsidiary undertaking, Morden College Design and Build Limited. The consolidated entity is referred to as the Group.

Going Concern
The Charity has a significant level of cash reserves which were the equivalent of more than 12 months operating costs at the balance sheet date. These cash reserves provide adequate resources to finance the Charity's day to day operations. On this basis, the Board has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Investment Gains and Losses
Realised gains and losses on quoted investments are based on the difference between the net disposal proceeds and the value.

Realised gains and losses on property investments are based on the difference between the net disposal proceeds and the brought forward valuation. Sales are recognised on exchange of contracts where completion takes place after the financial year end.

Unrealised gains and losses represent the difference between the market value of quoted investments and investment properties at the balance sheet date and their brought forward carrying value or purchase cost for investments acquired during the year.

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. The principal judgements and sources of estimation uncertainty relate to the valuation of investment properties and the estimated useful lives of tangible fixed assets.

Income
(1) All sources of income are included in the accounts when the Charity is legally entitled to it and the amount can be quantified with reasonable accuracy and are stated net of VAT, where applicable. Legacies are recorded when the receipt of the legacy is probable.

(2) Where donations and legacies are received subject to the specific wishes of the donor they are credited to the relevant restricted fund.

(3) Rents are accounted for on a receivable basis; income from rents is included in the Statement of Financial Activities when it becomes due. Rent received in advance is included within creditors.

(4) Dividends and interest received are accounted for on an accruals basis.

Expenditure

(1) All costs are accounted for on an accruals basis and are classified under headings that aggregate all costs related to that category. Costs relating to more than one cost centre have been allocated on a calculated use basis. Staff costs have been allocated on a job function basis. Staff costs for Dame Susan's charity all related to the Morden College Chapel in Blackheath.

(2) Where VAT is irrecoverable, the expenses shown include the irrecoverable amount of this tax.

(3) Apportioned costs comprise the direct costs, including staff, of maintaining the grounds, the running costs of the kitchen, restaurant, social club, library and the administration of the Charity.

(4) Governance costs reflect the cost of compliance with constitutional and statutory requirements.

(5) Liabilities are recognised when there is a contractual obligation to discharge a cost.

Investment property

The Charity's Commercial investment properties were last professionally valued by Messrs Gerald Eve LLP, Chartered Surveyors, as at 31 March 2021 on an open market basis in accordance with the Royal Institution of Chartered Surveyors Valuation Professional Standards. The Charity's residential investment properties were professionally valued by Messrs Humphreys Skitt, Surveyors, as at 31 March 2013 on an open market basis in accordance with the Royal Institution of Chartered Surveyors Valuation Professional Standards. Since that date, the investment properties have been revalued by the Trustees on an open market basis each year by taking into account published indices for the changes in property values. For the 2021 valuation, the estimated increases in residential property values for Greater London have been calculated by reference to the Nationwide Building Society's survey results.

Investment properties are classified in the balance sheet as fixed assets unless there is a firm intention to dispose of them at which point they are transferred to current assets.

Quoted Investments

Quoted investments are shown at market value as at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

The Charity also owns 100% of the share capital of Morden College Design and Build Limited and the value of this investment is stated at cost (£2).

Tangible fixed assets

Useful lives of depreciable assets

The Trustees review their estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change and changes to circumstances which may require more frequent replacement of key buildings or components of existing buildings.

The key judgements and estimates applied in respect of housing provided for beneficiaries are disclosed in the accounting policy dealing with fixed assets and depreciation and include:

- the useful economic life of property structure at 100 years; and
- that properties have no residual value at the end of their useful life

These are conservative assumptions that are broadly aligned with general practice followed by registered housing providers.

Capitalisation of property development costs

Distinguishing the point at which a project is more likely than not to continue, allowing capitalisation of associated development costs requires judgement. After capitalisation management monitors the asset and considers whether subsequent changes may indicate that impairment is required.

Fixed Assets and Depreciation

(1) Buildings

Freehold land is not depreciated.

Depreciation of housing property components is charged so as to write down the cost of the components to their estimated residual value, on a straight-line basis, over their estimated useful economic lives within the Group. Housing property components are depreciated from the year following the replacement year. Estimated useful economic lives are assumed as follows:

Major components
- Housing properties structure 100 years
- Kitchens and bathrooms 15 years
- Electrical wiring, windows and doors 25 years
- Boilers 15 years
- Roofs 60 years

(2) The College's historic collections are included at the insurance valuation made by Messrs Gurr Johns, Valuers and Fine Art Consultants in July 2018 which indicated that there had been no permanent diminution in carrying value of the assets. The Trustees do not consider that depreciation is appropriate for these assets, nor do they consider it prudent to revalue the historic collection as there is no intention to sell them and the value of antique goods are subject to market fluctuations.

(3) Motor vehicles and computers are shown at cost less depreciation.

(4) Furniture and equipment purchased at a cost of under £500 are written off in the year of acquisition as their useful life is normally quite short, and the total value is not material in the context of the total assets of the Charity. These items are included in the balance sheets at cost less accumulated depreciation.

(5) Depreciation is provided on the cost of tangible fixed assets, less estimated residual values, on a straight line basis as follows:

Furniture and equipment	5 years
Motor vehicles	4 – 10 years
Computers	4 years

Grants

Grants payable are charged in the Statement of Financial Activities in the year that the payment is made to the recipient. All grants approved by the Trustees are conditional and are paid upon the completion of the conditions attached to them. Grants offered during the year but where conditions have not been met are not accrued as expenditure but are treated as contingent liabilities.

Pension costs

Pension payments are made to a defined contribution pension scheme. There is also one (2020: 1) member who was in the wound up defined benefits scheme and the Trustees have given their undertaking to use their best endeavours to ensure that this member does not suffer any loss of benefit following the closure of that scheme. All contributions are included in the SOFA when due.

Funds and Reserves Policy

Funds held by the Charity are:

(1) Permanent Endowment Funds – these are funds that provide the capital of the charity and are invested to produce income to further the Charity's objects. The funds may not be used for other purposes.

(2) Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

(3) Unrestricted funds – these are funds that can be used in accordance with the charitable objects at the discretion of the Trustees

(4) Designated funds – these are funds set aside by the Trustees out of unrestricted funds for specific future purposes or projects. The Charity's policy is to maintain an Accumulation of Income Fund to ensure that fixed overheads of the Charity can be met for a limited period of time if income levels are temporarily insufficient to cover such costs. The Charity also maintains an Extraordinary Repairs Fund, a Future Projects Fund and a Residents' Coach Renewal Fund.

(5) Further explanation of the nature and purpose of each fund is included in notes 13-16 to the financial statements.

Taxation
The trust is a registered charity and as such its income and gains falling within sections 471 to 489 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

Financial Instruments
The Charity only has financial instruments of a kind that qualify as basic financial instruments such as debtors, creditors, cash at bank and listed investments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Financial assets held at settlement cost comprise cash and bank and cash in hand together with debtors. Financial liabilities held at settlement value or amortised cost comprise rents received in advance, accruals and other creditors, and the fixed interest bond. The Financial investments disclosed in note 9 are the only financial instruments measured at fair value.

2. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment £'000	Total 2020 £'000
INCOME AND ENDOWMENTS FROM				
Charitable Activities	4,314	-		**4,314**
Investment income from property	7,778	396		**8,174**
Investment income from other investments	-	40	3,018	**3,058**
Other income including donations	400	4		**404**
Total income	**12,492**	**440**	**3,018**	**15,950**
EXPENDITURE ON				
Charitable activities	10,081	209	868	**11,158**
Raising funds	1,807	112	275	**2,194**
Total expenditure	**11,888**	**321**	**1,143**	**13,352**
Net income/(expenditure) before investment gains/(losses)	604	119	1,875	**2,598**
Net gains/ (losses) on investments	(547)	-	(4,052)	**(4,599)**
Net income/(expenditure)	**57**	**119**	**(2,177)**	**(2,001)**
Transfer between funds	(1,004)	-	1,004	**-**
Gain on revaluation of fixed assets	-	-	-	**-**
Net movement in funds	**(947)**	**119**	**(1,173)**	**(2,001)**
Reconciliation of funds				
Total funds brought forward at 1 April 2019	22,784	815	240,486	**264,085**
Total funds carried forward at 31 March 2020	**21,837**	**934**	**239,313**	**262,084**

3. INVESTMENT INCOME

	2021 £'000	2020 £'000
Dividends and income from investments	**1,730**	3,016
Interest on Cash Deposits	**-**	42
	1,730	3,058

4. OTHER INCOME

	2021 £'000	2020 £'000
Beneficiary restaurant receipts and sundry income	**170**	400
COVID-19 Funding	**233**	-
Dame Susan Morden's Charity	**-**	4
	403	404

5. EXPENDITURE

	Direct Staff Costs £'000	Other Costs £'000	Apportioned costs £'000	Total £'000
a. Charitable activities				
2021				
Grants and out/in pensions	-	231	25	**256**
Independent living housing costs	95	1,693	1,270	**3,058**
Quadrangle housing costs	188	313	1,547	**2,048**
Care home costs	3,121	710	2,271	**6,102**
JMC Projects delivery costs	-	9	-	**9**
Morden College Chapel costs	48	24	-	**72**
Fire Safety Enhancement Works	-	585	-	**585**
COVID19 Expenditure	-	765	-	**765**
	3,451	**4,331**	**5,114**	**12,896**
2020				
Grants and out/in pensions	-	322	25	347
Independent living housing costs	126	1,301	1,035	2,462
Quadrangle housing costs	185	368	1,371	1,924
Care home costs	2,912	690	1,919	5,521
JMC Projects delivery costs	-	-	-	-
Morden College Chapel costs	57	25	-	82
Fire Safety Enhancement Works	-	779	-	779
COVID19 Expenditure	-	43		43
	3,280	3,528	4,350	11,158

	Direct Staff Costs £'000	Other Costs £'000	Apportioned costs £'000	Total £'000
b. Cost of raising funds				
2021				
Quoted Investment Managers' fees	-	291	-	**291**
Bond Interest	-	1,021	-	**1,021**
Property Management	-	799	115	**914**
	-	**2,110**	**115**	**2,225**
2020				
Quoted Investment Managers' fees	-	275	-	275
Bond Interest	-	1,021	-	1,021
Property Management	-	768	130	898
	-	2,064	130	2,194

	Donations, grants and out pensions £'000	Independent living housing costs £'000	Sheltered housing costs £'000	Care home costs £'000	Property management £'000	Total £'000
c. Apportioned costs have been allocated on a use basis as follows						
2021						
Catering	-	-	271	438	-	**709**
Restaurant	-	77	-	-	-	**77**
Blackheath Social	-	19	19	-	-	**38**
Library & Muniments	-	4	4	-	-	**8**
Gardens	-	268	87	141	-	**496**
Administration	25	903	1,166	1,693	115	**3,901**
	25	**1,270**	**1,547**	**2,271**	**115**	**5,229**
2020						
Catering	-	-	219	386	-	605
Restaurant	-	93	-	-	-	93
Blackheath Social	-	6	6	-	-	12
Library & Muniments	-	5	5	-	-	10
Gardens	-	268	87	154	-	509
Administration	25	664	1,054	1,379	130	3,252
	25	1,035	1,371	1,919	130	4,480

6. PAYMENT OF OUT/IN PENSIONS

	2021 £'000	2020 £'000
Individuals (Pensioners)	**165**	194
Administrative costs	**0**	25
	165	219

There were 92 pensioners at 31 March 2021 (2020 - 111)

7. WAGES AND SALARIES – STAFF COSTS (INCLUDING APPORTIONED COSTS)

	2021 £'000	2020 £'000
Wages and salaries	5,797	5,348
Social security costs	566	531
Accommodation costs	-	0
Pension contributions	297	265
Other costs including bank and agency staff	284	156
	6,944	6,300

Staff numbers
The average number of employees during the year including those who worked part-time was 213 (2020:228). Their full time equivalent was 186 (2020: 197) and their functional analysis was as follows:

	2021 No.	2020 No.
Cost of raising funds		
Property management	**5**	8
Charitable activities		
Kitchen and domestics	**42**	46
Nursing	**82**	79
Premises, grounds and security	**19**	28
Home management and pastoral	**1**	2
Management and administration	**36**	33
	186	196

	2021	2020
Highest paid employees, including benefits, excluding pensions		
£60,000 to £80,000	**6**	2
£80,001 to £90,000	**1**	2
£90,001 to £120,000	**2**	-
£120,001 to £130,000	**1**	1

The Group's key senior managers are listed on page 4. Details of remuneration policy are set out in the Trustees' Report. Total remuneration paid to senior managers, including employers NI, was £950k (2020: £713k).

No Trustees received any remuneration or reimbursement of expenses during the year (2020: none).

8. TANGIBLE FIXED ASSETS

	Group £'000	Charity £'000
Charitable Buildings		
Cost		
At 1 April 2020	42,113	42,766
Additions at Cost	3,052	3,052
At 31 March 2021	**45,165**	**45,818**
Depreciation		
At 1 April 2020	8,775	8,775
Charge for the year	775	775
At 31 March 2021	**9,550**	**9,550**
Net book value at 31 March 2021	**35,615**	**36,268**
Net book value at 31 March 2020	33,337	33,991

	Antiques & valuables £'000	Motor vehicles £'000	Computers £'000	Furniture & equipment £'000	Total £'000
Other fixed assets – Group and Charity					
Cost or Valuation					
At 1 April 2020	1,688	11	293	1,722	3,714
Additions at Cost	-	-	143	290	433
Disposals/scrapped	-	(11)	-	-	(11)
At 31 March 2021	**1,688**	**-**	**436**	**2,012**	**4,136**
At valuation	-	-	-	-	-
At cost	1,688	-	436	2,012	4,136
Depreciation					
At 1 April 2020	-	11	103	1,559	1,673
Disposals/scrapped	-	(11)	-	-	-
Charge for the year	-	-	63	68	131
At 31 March 2021	**-**	**-**	**166**	**1,627**	**1,793**
Net book value at 31 March 2021	**1,688**	**-**	**271**	**384**	**2,343**
Net book value at 31 March 2020	1,688	-	190	163	2,041

9. INVESTMENT ASSETS AT MARKET VALUE

	2021 £'000	2020 £'000
a. Investment property		
Residential	**46,815**	39,844
Commercial and Industrial incl Property Fund	**135,917**	116,760
	182,732	156,604
b. Quoted investments		
Fixed interest – UK & non UK	**16,691**	26,164
Equities – UK & non UK	**67,302**	57,447
	83,994	83,611
Stockbrokers' client account	**1,240**	2,104
	85,234	85,715
Historical cost of investments held at 31 March 2021	**85,715**	91,695

	Property £'000	Quoted Investments £'000	Total £'000
c. The movements in market value may be summarised:			
Market value at 31 March 2020	156,604	85,715	**242,319**
Realised gains/(losses)	-	1,145	**1,145**
Unrealised gains/(losses)	12,503	12,332	**24,835**
	169,107	99,192	**268,299**
Additions	23,424	28,605	**52,029**
Disposals	(9,800)	(43,568)	**(53,368)**
Change in stockbroker cash deposits	-	1,006	**1,006**
Market value at 31 March 2021	**182,731**	**85,234**	**267,965**

10. DEBTORS

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Rent and contributions receivable	**383**	1,170	**383**	1,170
Prepayments and sundry debtors	**316**	485	**316**	324
Dividends and interest receivable	**337**	359	**337**	359
Due from subsidiary undertaking	**-**	-	**-**	130
	1,036	2,014	**1,036**	1,983

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Advance rents received	**1,236**	1,510	**1,236**	1,510
Tax, pensions and social security	**180**	160	**180**	160
Value Added Tax	**231**	221	**231**	221
Sundry creditors	**829**	1,152	**829**	1,037
Accruals	**669**	59	**669**	59
	3,144	3,102	**3,144**	2,987

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fixed Interest Bond	**30,000**	30,000	**30,000**	30,000
	30,000	30,000	**30,000**	30,000

The Bond has a maturity date of 27 March 2042 and carries a fixed rate of interest of 3.38% until maturity. The Bond is repayable as a single amount.

13. ALLOCATION OF THE NET ASSETS OF THE GROUP AND CHARITY

	Endowment Funds £'000	Restricted Funds £'000	Unrestricted Funds £'000	Total Funds £'000
Group 2021				
College buildings	35,615	-	-	**35,615**
Other tangible fixed assets	2,323	19	-	**2,342**
Investments – Sir John Morden (SJM)	239,618	-	8,593	**248,211**
Investments – Dame Susan Morden (DSM)	19,754	-	-	**19,754**
Net current assets	(742)	1,033	11,675	**11,966**
Long-term liability (Bond)	(30,000)	-	-	**(30,000)**
	266,568	**1,052**	**20,268**	**287,888**
Group 2020				
College buildings	33,337	-	-	33,337
Other tangible fixed assets	2,015	26	-	2,041
Investments – SJM	215,019	-	8,637	223,656
Investments – DSM	18,663	-	-	18,663
Net current assets	279	908	13,200	14,387
Long-term liability (Bond)	(30,000)	-	-	(30,000)
	239,313	934	21,837	262,084

	Endowment Funds £'000	Restricted Funds £'000	Unrestricted Funds £'000	Total Funds £'000
Charity 2021				
College buildings	36,268	-	-	**36,268**
Other tangible fixed assets	2,323	19	-	**2,342**
Investments – SJM	239,618	-	8,584	**248,202**
Investments – DSM	19,754	-	-	**19,754**
Net current assets	(751)	1,033	11,684	**11,966**
Long-term liability (Bond)	(30,000)	-	-	**(30,000)**
	267,212	**1,052**	**20,268**	**288,532**
Charity 2020				
College buildings	33,991	-	-	33,991
Other tangible fixed assets	2,015	26	-	2,041
Investments – SJM	215,019	-	8,637	223,656
Investments – DSM	18,663	-	-	18,663
Net current assets	279	908	13,200	14,387
Long-term liability (Bond)	(30,000)	-	-	(30,000)
	239,967	934	21,837	262,738

14. PERMANENT ENDOWMENT FUNDS

	Balance at 1 April 2020 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	Balance at 31 March 2021 £'000
Group 2021						
Sir John Morden	220,650	3,306	(1,200)	23,881	178	246,814
Dame Susan Morden	18,663	-	5	1,086	-	19,754
	239,313	**3,306**	**(1,195)**	**24,967**	**178**	**266,568**
Group 2020						
Sir John Morden	221,938	3,018	(1,138)	(4,172)	1,004	220,650
Dame Susan Morden	18,548	-	(5)	120	-	18,663
	240,486	3,018	(1,143)	(4,052)	1,004	239,313

	Balance at 1 April 2020 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	Balance at 31 March 2021 £'000
Charity 2021						
Sir John Morden	221,303	3,306	(1,200)	23,881	168	247,458
Dame Susan Morden	18,663	-	5	1,086	-	19,754
	239,966	**3,306**	**(1,195)**	**24,967**	**168**	**267,212**
Charity 2020						
Sir John Morden	222,455	3,018	(1,138)	(4,172)	1,141	221,304
Dame Susan Morden	18,548	-	(5)	120	-	18,663
	241,003	3,018	(1,143)	(4,052)	1,141	239,967

The Permanent Endowment Fund is a restricted fund that includes the current value of the original endowment that was to provide homes and financial assistance for the elderly. In 2016, the Trustees resolved to apply Total Return accounting to the portion of the Sir John Morden permanent endowment fund that is represented by fixed asset investments.

The Trustees have established a policy of transferring the investment income received in the year to the general fund and retaining the balance of the Unapplied Total Return within the endowment fund. This policy is reviewed annually by the Trustees.

The total of the Trust for Investment and the Unapplied Total Return these items make up the Permanent Endowment Fund and this has shown an increase of 5% year on year; this more accurately reflects the cost inflation pressures facing Morden College.

Income from the Trust for Investment is to be applied to the running costs of the Charity. The capital may be used to purchase property for charitable and investment purposes, but the maintenance and refurbishment of these properties must be paid from the income of the Charity.

14. PERMANENT ENDOWMENT FUNDS (CONTINUED)

	Permanent Endowment £'000	Unapplied Total Return £'000	Total £'000
Sir John Morden – Total Return accounting			
Balance at 1 April 2019	**209,622**	**9,849**	**219,471**
Additions to endowment investments	-	-	**-**
Investment Income	-	3,018	**3,018**
Investment Losses	-	(4,172)	**(4,172)**
Investment Managers' Fees	-	(280)	**(280)**
	209,622	8,415	**218,037**
Transfer from Unapplied Total Return	3,144	(3,144)	**-**
	212,766	5,271	**218,037**
Allocation of Unapplied Total Return to Income	-	(3,018)	**(3,018)**
Balance at 31 March 2020	**212,766**	**2,253**	**215,019**
Investment Income	-	3,306	**3,306**
Investment Losses	-	24,893	**24,893**
Investment Managers' Fees	-	(294)	**(294)**
	212,766	30,158	**242,924**
Transfer from Unapplied Total Return	2,979	(2,979)	**-**
	215,745	27,179	**242,924**
Allocation of Unapplied Total Return to Income	-	(3,306)	**(3,306)**
Balance at 31 March 2021	**215,745**	**23,873**	**239,618**

The Trust for Investment as at 1 April 2016, the date of adoption of Total Return accounting, was identified by the Trustees as being equal to the value of the fund's investment portfolio as at that date. The Trustees have determined that the Trust for Investment should be increased annually in line with RPI inflation to protect its real value, which has resulted in an increase of 1.4% in the current year (2020: 1.5%).

15. RESTRICTED FUNDS – GROUP AND CHARITY

	Balance at 1 April 2020 £'000	Income £'000	Expenditure £'000	Balance at 31 March 2021 £'000
2021				
Welfare Fund	6	-	(1)	**5**
Gift Fund	6	-	(1)	**5**
Dame Susan Morden's Charity general fund	922	409	(289)	**1,042**
	934	**409**	**(291)**	**1,052**
2020				
Welfare Fund	6	-	-	6
Gift Fund	13	2	(9)	6
Dame Susan Morden's Charity general fund	796	438	(312)	922
	815	440	(321)	934

The Welfare Fund was created from a gift received some years ago and is for the benefit of Residents and staff and it is for expenditure that is not part of the Charity's normal activities. The Gift Fund represents donations received for the benefit of the Care Home and its staff.

16. UNRESTRICTED FUNDS – GROUP AND CHARITY

	Balance at 1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 31 March 2021 £'000
2021					
General fund	5,079	12,243	(13,634)	3,335	**7,023**
Accumulation of income	2,301	-	-	6	**2,307**
Designated funds (see notes below):					
Extraordinary repairs	5,300	-	-	(585)	**4,715**
Future projects	9,157	-	-	(2,934)	**6,223**
	21,837	**12,243**	**(13,634)**	**(178)**	**20,268**
2020					
General fund	2,108	11,895	(11,888)	2,965	5,080
Accumulation of income	2,295	-	-	6	2,301
Designated funds (see notes below):					
Extraordinary repairs	6,079	-	-	(779)	5,300
Future projects	12,302	50	-	(3,195)	9,156
	22,784	11,945	(11,888)	(1,004)	21,837

The Trustees reviewed the balances on all funds before authorising transfers between funds.

The Trust Deed requires the Trustees to maintain an Accumulation of Income fund to ensure that the fixed overheads of the Charity could be met for a limited period of time if income levels were temporarily insufficient to cover such costs. The Deed also requires a minimum transfer of £6k into this fund each year; having reviewed the balance on the fund the Trustees have determined that the fund should be increased by the minimum amount. The fund is invested in a cash deposit.

Under the Trust Deed the Trustees are also required to maintain an Extraordinary Repairs Fund (Building Reserve Fund) for the maintenance, extraordinary repair, improvement or refurbishment of the almshouses, other buildings and the infrastructure of the Charity. The funds are invested in a bank deposit account.

The Future Projects fund provides for the future expenditure on new projects of any kind to be undertaken in furtherance of the objects of the Charity. The balance of the surplus for the year, after transfers to the Extraordinary Repairs Fund and other Funds has been retained in this account.

The balance of the future projects fund was reduced in year by £2.9m to cover cost incurred for the JMC project to date. The balance of the extraordinary repairs fund was reduced by £585k to cover the costs of fire safety works enhancements.

17. CAPITAL COMMITMENTS

	2021 £'000	2020 £'000
At 31 March – Contracted	-	-
– Authorised not contracted	-	-

18. SUBSIDIARY UNDERTAKING

The Charity incorporated a Private Limited Company, Morden College Design and Build Limited on 22 January 2013; the company is registered in England and Wales. The company supplied building construction services to Sir John Morden's Charity for its building project, Alexander Court. The subsidiary has 2 issued shares of £1 each which are both beneficially owned by the Charity.

A summary of the subsidiary's accounts for the year ended 31 March 2021 is shown below:

Profit and Loss Account

	2021 £'000	2020 £'000
Turnover	**2,448**	3,291
Cost of Sales and Operating Expenses	**(2,423)**	(3,307)
Profit before taxation	**25**	(16)
Taxation	**-**	-
Profit after taxation	**25**	(16)
Balance Sheet		
Current Assets	**138**	537
Current Liabilities	**(113)**	(553)
Net Assets	**25**	(16)
Shareholders' funds	**25**	(16)

19. OPERATING LEASES

The Charity derives the majority of its income from properties which are leased to commercial and residential tenants. The future minimum lease payments under non-cancellable operating leases are as follows:

	Group & Charity	
	2021 £'000	2020 £'000
Not later than one year	681	506
Later than one year and not later than five years	1,122	2,106
Later than five years	97,174	102,250
	98,977	**104,862**

Morden College
Some moments in time

1971
Cullum Welch Court built, enabling the Charity to offer full-time residential nursing care for the first time.

1991
Ralph Perring Court built in Beckenham, more than doubling capacity by adding a further 101 flats, thus enabling the Charity to provide considerably more independent living facilities to both singles and couples.

2005
Cullum Welch Court completely rebuilt to include 60 en-suite bedrooms providing personal, nursing and dementia care.

2016
The most recent addition to independent living facilities, Alexander Court adds a further 30 flats for both singles and couples.

2020-21
Morden College locks down in the face of the global coronavirus pandemic. At the peak of the crisis, staff deliver 6,000 items of food, medicines and other essentials to over 310 Residents. A 'buddy' system is introduced with each Resident, whilst isolating, regularly contacted by their designated 'buddy' so they know they are not alone.

2021
As lockdowns ease, the fabulous new John Morden Centre fills with life – a social hub where the Morden community comes together, as well as a fully-equipped home for our Medical Outreach team.

PROTECTING LIVES
2020-2021

Our cover photographs focus on the
John Morden Centre – the brilliant new hub
at the heart of our community.

MORDEN COLLEGE

Interesting People Living Life to the Full

Morden College
19 St Germans Place, Blackheath, London SE3 0PW
Registered Charity No 215551

www.mordencollege.org.uk