



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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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 VISION

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



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.

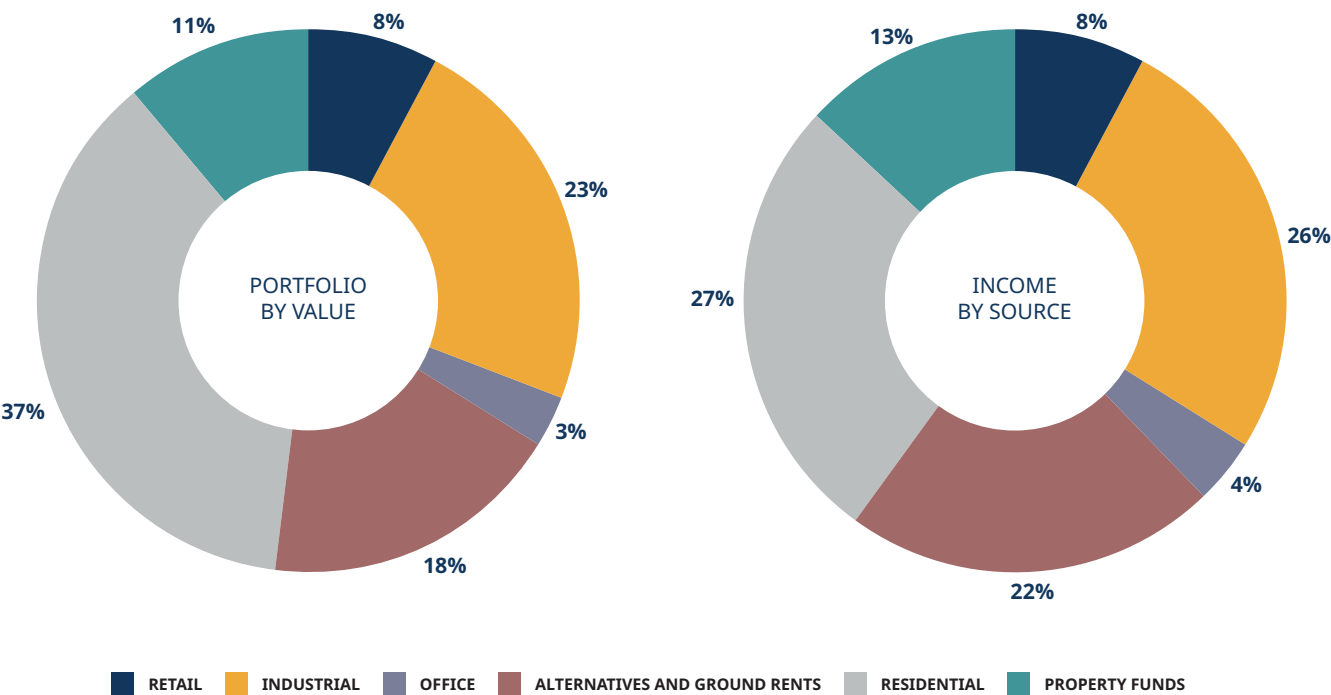
The endowment property portfolio is made up of a mix of commercial and residential properties which are managed by the Director of Real Estate and his team. The College manages a diverse and hedged portfolio with a mix of assets in different use class sectors. Income from the endowment is supported

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.

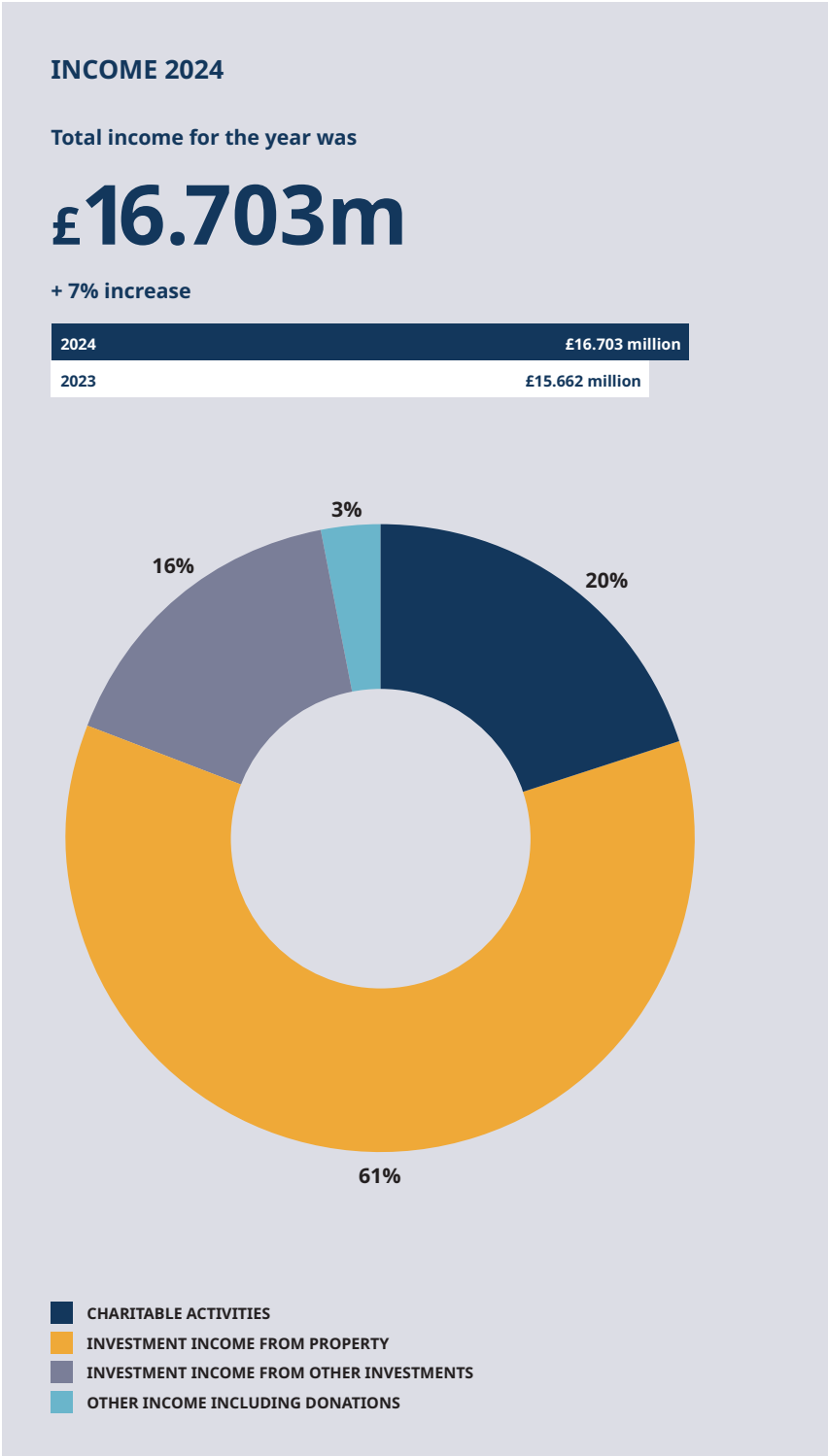
We are committed to developing as a sustainable organisation that can have an impact, both directly and indirectly, on the lives of many more older people in the years to come. We are extraordinarily fortunate to have an endowment which gives us the opportunity to consider fresh approaches. We will honour 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.



(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.

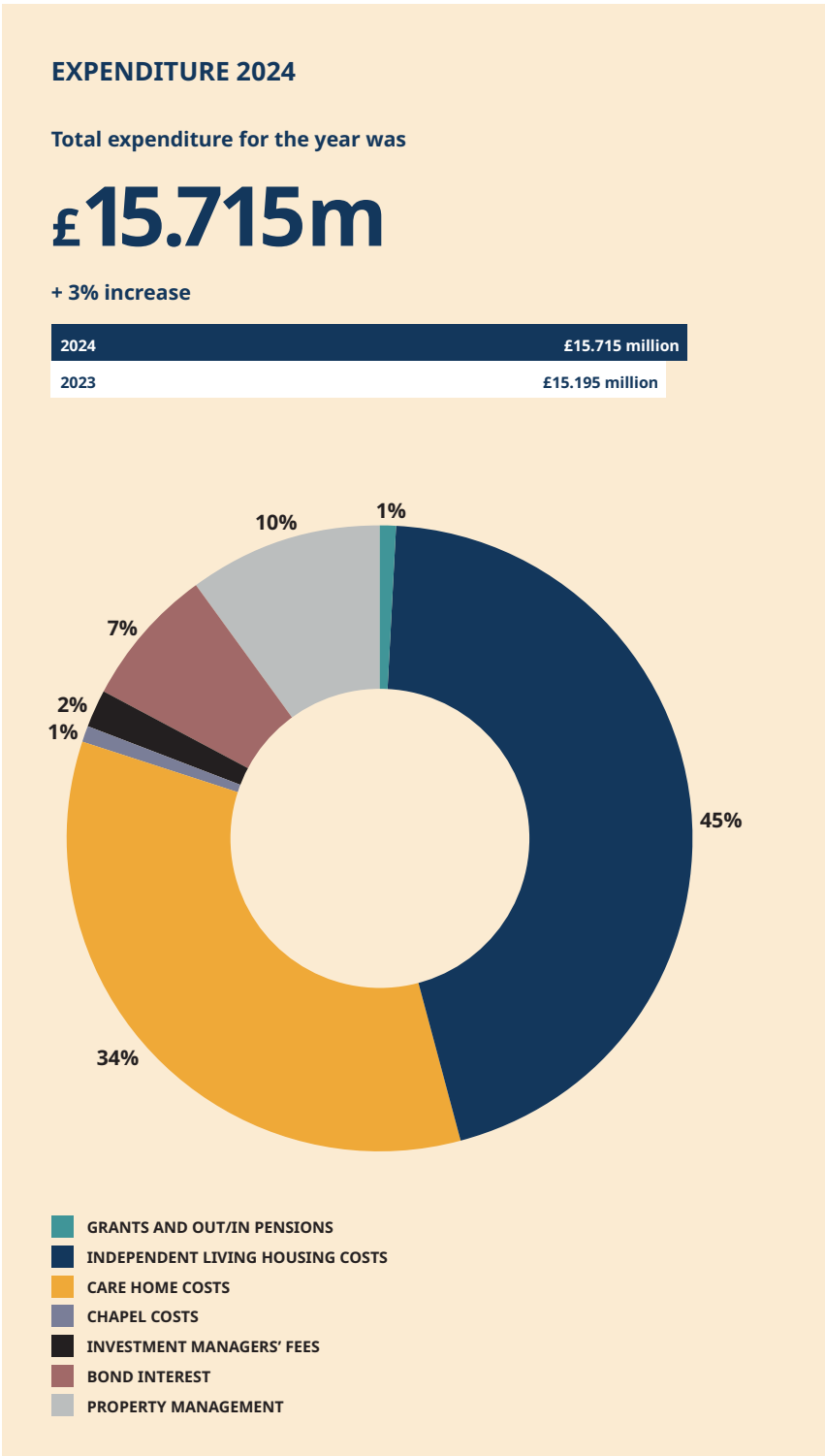
(4) Other income including donations

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.



- (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.

RISK MANAGEMENT

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.

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.	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> 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

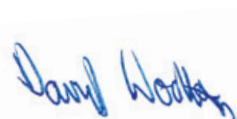
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 highlights 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:

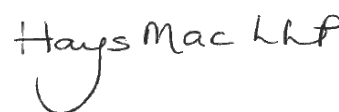
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying 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

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
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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
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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

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Morden College

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