THE ROYAL FOUNDATION OF ST KATHARINE

England & Wales · Charity number 223849

Details

Other names	THE ROYAL FOUNDATION OF ST KATHARINE, IN RATCLIFFE, THE ROYAL FOUNDATION OF ST KATHARINE
Status	Registered
Legal form	Other
Registered	1964-05-04
Register	View on the Charity Commission register

Contact

Address	Royal Foundation of St. Katharine 2 Butcher Row London E14 8DS
Phone	0300 111 1147
Email	info@rfsk.org.uk
Website	www.rfsk.org.uk

Activities

Objects: THE ADVANCEMENT OF THE CHRISTIAN RELIGION, THROUGH WORSHIP, HOSPITALITY AND SERVICE, AND THE PROMOTION OF CHRISTIAN VALUES, WITH A VIEW TO DEVELOPING AND CO-ORDINATING CHRISTIAN ACTIVITIES OF EVERY DESCRIPTION FOR THE PUBLIC BENEFIT. IN PURSUIT OF THE OBJECT, AND FOR THE BENEFIT OF THOSE OF ALL FAITHS AND NONE, THE ROYAL FOUNDATION WILL: A) PROVIDE AND MAINTAIN A CHRISTIAN CONFERENCE AND RETREAT CENTRE IN EAST LONDON (WITH EXTENSION ELSEHWERE IF WORK SO REQUIRES); B) PROVIIDE A PLACE OF SANCTUARY, PEACE AND REFLECTION, IN WHICH ALL MAY WORSHIP; C) SERVE LOCAL COMMUNITIES THROUGH OUTREACH, SUPPORT AND ENGAGEMENT; AND D) UNDERTAKE SUCH OTHER EXCLUSIVELY CHARITABLE ACTIVITIES AS THE COURT MAY IN ITS DISCRETION DETERMINE.

Activities: The object of the Royal Foundation is the advancement of the Christian religion through worship, hospitality and service, and the promotion of Christian values. The Foundation provides and maintains a Christian conference and retreat centre in East London, provides a place of sanctuary, peace and reflection for worship and serves local communities through outreach, support and engagement.

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Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** EAST END OF LONDON
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,099,587	£4,053,998	£13,061,404	60
2024-03-31	£3,187,696	£3,534,536	£14,307,071	58
2023-03-31	£3,028,116	£3,353,709	£14,044,940	65
2022-03-31	£2,140,965	£2,917,782	£14,703,741	65
2021-03-31	£1,629,736	£2,319,928	£14,881,427	57

Trustees

Name	Role	Appointed
Andrew Peter Grigson		2014-02-28
DAVID SWANNEY		2012-12-17
Diana Jane Banks		2018-09-12
Dr JOY PATRICIA HINSON PHD		2016-09-24
GEOFFREY WILLIAM RICHARDS		2007-12-12
JOHN JAMES O'BRIEN		2021-07-12
Mary Cicely Florence Monfries		2026-03-10
Rev Roger Martin Howell Preece		2019-09-30
Sheryl Arlene Frances LAWRENCE FCA		2024-01-26
Sophia Louisa Densham CVO		2021-03-22

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THE ROYAL FOUNDATION OF ST KATHARINE

England & Wales - Charity number 223849

Accounts

THE ROYAL FOUNDATION OF ST. KATHARINE

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2025

Registered Charity No. 223849

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THE ROYAL FOUNDATION OF ST KATHARINE

PATRON
Her Majesty Queen Camilla

MEMBERS OF THE COURT
John O'Brien (Chairman)
David Swanney CA (Treasurer to 31 December 2024 and Vice-Chairman)
Geoffrey Richards
Diana Banks
Kay Brock CBE LVO DL (Retired 17 December 2024)
Sophie Densham CVO
Andrew Grigson
Professor Joy Hinson
Sheryl Lawrence FCA (Treasurer from 1 January 2025)
Elizabeth Marshall MBE
The Rt Rev. & Rt Hon. Dame Sarah Mullally DBE, Bishop of London, ex officio
The Venerable Roger Preece, *ex officio*

MASTER
The Venerable Roger Preece

SECRETARY
Michele Price

SOLICITORS
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66 Lincoln's Inn Fields
London WC2A 3LH

AUDITORS
Saffery LLP
71 Queen Victoria Street
London EC4V 4BE

BANKERS
Lloyds Bank plc
210 Commercial Road
London E1 2JR

REGISTERED ADDRESS
The Royal Foundation of St Katharine
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E14 8DS

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Email	info@rfsk.org.uk
Website	www.rfsk.org.uk

THE ROYAL FOUNDATION OF ST KATHARINE
CHAIR'S STATEMENT

On behalf of the Court, I am delighted to present the 2025 Annual Report and Accounts. The Object of St Katharine's remains the same: the promotion of Christian values, through worship, hospitality and service, and with a view to developing and coordinating Christian activities of every description for the public benefit, for those of all faiths and none.

The year has been challenging for the Foundation in terms of generating sufficient hospitality business to fund its retreat and charity work. While our hospitality guests continue to value the calm, peace and serenity offered by St Katharine's, event revenue was impacted by the challenging and uncertain economic environment. The staff have worked very hard in trying to close the gap, and I greatly appreciate all that they have done. Recruitment of a new General Manager is underway, which will bring a fresh perspective and energy to this work.

Over the past year our retreat and community work has enjoyed strong demand. The Master's report outlines the range of activities we deliver and support. Funding this work remains a challenge and further changes are underway to establish business and operational models that are financially sustainable in the long-term and that will enable us to continue the public benefit we provide. Following a review of operations, certain central support roles have been consolidated and the resulting reduction in overhead costs, as well as the revenue generation and efficiencies in hospitality noted above, should allow the possibility for a lower deficit in 2025-2026 and for breaking even in 2026-2027.

We still await a decision from the local authority on the planning application for the Northern Site, on which the Master reports more fully. As he notes, our development partners informed us that they do not wish to continue, and this withdrawal will inevitably create a much longer delay in realizing our vision for the Northern Site. Our focus for the next year or two will therefore be on rebuilding our business model and achieving sustainable profitability.

During the year, Kay Brock stood down as a trustee; someone whose experience and insightful contributions will be greatly missed. We thank Kay for her invaluable advice over her period of office. We also said farewell to Thomas Slater, who was our commercial director, and take this opportunity to thank him for his service to St Katharine's and wish him well in his new role at the Horniman Museum.

We continue to firmly believe that the Foundation remains as a constant presence for good, both in Limehouse and more widely, and all of us look forward to taking the Christian message embodied in St Katharine's forward into 2025 and 2026.



John O'Brien
Chair of the Court
15 September 2025

Overall, St Katharine's key strategy remains unchanged and we continue to work in the following areas:

A Retreat House in East London
The provision of a Retreat House is at the heart of St Katharine's charitable objectives and for guests to be able to experience a place of peace and tranquillity in the heart of the busyness of London life is often commented on positively by guests in their feedback.

Some come to experience the guided, led retreats with inspirational writers, poets, artist or theologians. Others might come to the Open Reflective Days to enjoy a day of shared silence with others along with good hospitality.

Others may discover St Katharine's via online travel agents; when they arrive, they realise they are in a very different setting from a normal hotel. The green space, ancient trees, historic Georgian house and the chapel with its medieval furnishings all create an extraordinary setting to be a place of peace.

The daily pattern of prayer is open to all and includes morning and midday prayer that is led by the chaplain and the prayer team. This spiritual underpinning is a key part of St Katharine's life.

The RFSK led retreat offer for 2024/25 included speakers such as Richard Carter, Dan Bilbrough, Mark Oakley, Jonny Baker, Paula Gooder and Brian Draper. Over 380 attended Open Reflective Days and many stayed over on the previous Sunday to enjoy more time at the centre.

We continue to host the London Diocese ordination retreat for all those who are about to be ordained at St Paul's Cathedral. The four days spent at St Katharine's are a special part of their final preparation that marks the start of a new ministry.

Over 12,500 bedroom-nights were used by our guests during the year all enjoying this unique urban oasis. Their feedback confirms that people experience something very special during their stay with us, often describing feelings of being rested, renewed and encouraged in their faith journey.

Partnerships to support the work this year included St Pauls Cathedral Institute, Crossroads Counselling and The Spirituals Gospel Choir, our "Choir in Residence" bringing their vibrant, energy-filled inspirational worship to the chapel. In addition, McCabe Pilgrimage developed a residential London pilgrimage which was well received.

A meeting and event space for transforming organisations
The charities, missions and not-for-profit groups that use St Katharine's for their trustee meetings, management retreats or training sessions comprise many of the most significant charities in the UK and internationally. St Katharine's high standard of catering, combined with rooms that are light and look onto the peaceful gardens, with the benefit of advanced audio-visual equipment, continue to be an attractive offer. In this context St Katharine's offers our location to allow other organisations to have space to do their transforming work.

During the year we hosted over 1,000 different events with over 10,000 delegates spending time with us.

Promoting Retreats
Part of the Trustees' strategic vision for RFSK is to raise national awareness of retreats with RFSK as a centre of excellence – encouraging retreats for all and promoting retreats around the country. The National Retreat Week – **renew:all** took place from 23rd – 30th September 2024, continuing the initiative to introduce new audiences to the benefits of contemplation, prayer and retreat activities rooted in ancient and contemporary Christian traditions.

Through the online resources, web sites, blogs and other media. We managed to see over 915,000 people connected to the message, with over 50,000 people actively engaging with content. There were around 15,000 connections related to retreat, with around 11,000 active participants. 40 retreat houses took part in 2024 and

respected retreat leaders such as John Bell, Muyiwa Olarewaju, Chine McDonald, Danny Curtin, Dr Roger Bretherton and Kemi Bamgbose all contributed content.

renew:all continues to develop for 2025 and is intended to develop more content and reach leading up to 21-27th September 2025 as the next National Retreat Week. So far RFSK has itself invested all the funds to create this national event (c£27K) but is looking for grants or strategic partnerships to cover costs in the future.

Serve the Local Community

The Yurt Community Café continues to be a significant public face of the St Katharine's, open seven days a week and hosting a variety of community activities. During the year, we served 146,000 items, that represents over 67,800 individual visits.

Community activities are diverse in reach and varied in content. A weekly lunch club, in partnership with the Limehouse Project, provides a nutritious meal at no charge to isolated residents living nearby. Links with the NHS-funded social prescribing network has allowed individuals to find a place of support and wellbeing in the St Katharine's community work.

Workshops around photography, poetry, knitting, and community gardening are all reaching different people with activities that support mental health and wellbeing. There is also a group providing drama for adults with learning difficulties who are able to use our community space. Thanks to a generous donation last year, we were able to design and build an outdoor meditation garden, inspired by monastic medicinal gardens. This is now open to the general public using the area around the Yurt.

Music and Arts continue to bring people together, and along with an outdoor music festival by the Yurt, there has been a programme of music of different styles in the chapel.

We are delighted to have been selected, in the year, as Tower Hamlets Large Charity of the Year.

Connect and Change

RFSK continues to work on the area of food poverty following the conference we hosted in May 2023. We currently support 43-50 families each week through our food partnership with Cyril Jackson primary school with 600 hours of time given by some 30 local volunteers. Our lunch club in partnership with the Limehouse Project served over 2100 nutritious lunches to vulnerable elderly residents from the neighbourhood. We have actively supported the Tower Hamlets Food Poverty Group to advocate for key resources needed for the Borough.

Our Health and Well-being programme has resulted in a partnership with around 10 different community groups that have supported 419 people in their journey of health. Our links with Social Prescribers have allowed individuals to find groups that can support their mental and physical health at the Foundation.

Sustainability has been a focus this year and the Repair café has allowed local people to bring items for repair and restoration, that would have been thrown into a landfill. It has also connected local skilled people to the wider community sharing learning and experience.

The new meditation garden and Honeysuckle Trellis avenue near the Yurt has been the highlight of the year in terms of improving a barren piece of land and making it another mini oasis of calm in our public space. Over 300 volunteers from local groups contributed to this work.

Recognising the significant personal challenges that Charity Leaders face in their work, St Katharine's is in the third year of our leadership development programme to support senior leaders of charitable organisations with a two- day retreat led by clinical psychologist, Dr Roger Bretherton of Lincoln University. This was preceded by a reunion of those who had previously participated in the programme. RFSK wants to support and recognise the challenges senior leaders experience and invest in Strength Based resources to help.

Developing the Northern Site

After more than two years since submission, we are still waiting for a determination from Tower Hamlets Local Authority for planning permission. During the year, however, our development partners decided no longer to proceed with the project. In accordance with generally accepted accounting principles, the uncertainty following the withdrawal of our development partners requires the Foundation to write off its own costs in relation to the application that had been capitalised.

The Need for Generous Giving

St Katharine's benefits from a permanent endowment which is represented by the land and buildings on which it sits and an investment portfolio which generated £203,000 in the year (2024 £209,000) to be used for charitable purposes. Over past years, as local needs are so great, the charitable (including community) work of St Katharine's has been further encouraged and enabled through generous giving, including legacies.

RFSK also grants Charities and Non-Profits access to its facilities at a subsidised cost. In this year, this subsidy was in the region of £250,000. The investment in community and retreat work was approximately £87,000.

Despite our best efforts, the surplus from Bed and Breakfast, Events and the Yurt Café continues to be insufficient to cover the increasing demand for charitable and community work. The Trustees have identified, therefore, the importance of active fund raising to maintain the current level of community and charitable investment and work is ongoing to identify the best way of encouraging giving to RFSK including:

General Membership and Belonging

The Membership scheme is now being actively promoted as a way of supporting the charitable objectives of RFSK.

Legacy Income

Over the years RFSK has received several legacies, some very generous, which serve to support our charitable work.

Point of Sale Donations

There is a donations (tap and go) point at Reception if guests wish to make donations.

Trust and Individual Donations

We have received donations of around £44,000 this year, which have enabled RFSK to deliver a significant part of its charitable work. The charity will be actively continuing to fund raise through application to Trusts and from individuals that might have a link to St Katharine's as well as encouraging people to consider the possibility of legacies.

The combination of our own retreat programme and community work alongside supporting others by giving space for their work is a delightful combination. Every day is a pleasure to be part of St Katharine's as we experience the flow of inspirational organisations that are making the world a better place. In spite of all the uncertainties, the staff team remain committed and motivated to deliver a great retreat and hospitality experience for all out guests. It is a privilege to serve with them.



The Venerable Roger Preece
Master
15 September 2025

The Governing Instrument

The Governing Instrument of the Charity is the Ordinances dated 27th April 2020 granted by Her Late Majesty Queen Elizabeth II.

The Object of the Charity

The Object of the Charity is the advancement of the Christian religion through worship, hospitality and service and the promotion of Christian values, with a view to developing and promoting Christian activities of every description for the public benefit. The Charity exists for the benefit of those of all faiths and none.

The Patron

Under Queen Eleanor's charter of 1273, the Patronage of the Foundation was reserved unto the Queens of England and the Trustees were delighted that during the year HM Queen Camilla agreed to accept the role.

The Court

The governing body of the Foundation is its Court, which currently consists of 11 trustees.

The Court is assisted in its work by two committees: the Finance, Audit and Risk Committee, which comprises six Trustees, and the Operations Committee, which has seven trustees.

Under the Ordinances, the day-to-day operational responsibility for the Foundation is delegated to the Master. The Court ensures that appropriate training is available to its members and provides an induction process for new trustees.

Organisation

The Charity's work is principally to operate and manage a Conference and Retreat Centre at Butcher Row in Limehouse in East London, which is used by a wide range of local, national and overseas church and charitable bodies, as well as by individuals. The bedrooms provide residential accommodation for up to 87 guests, and the Foundation has meeting rooms for up to 175 people with full catering services in the main building, as well as for 80 people in the St Katharine's Community Centre, which has increased the capacity for the Foundation to host community and commercial events. Audio-visual, internet and conference support facilities are provided.

The Foundation also operates a Community Café, The Yurt, and provides a space for community activities in St Katharine's Precinct. The Foundation continues to fund the Limehouse Aid Foodbank, providing nutritious food to up to 50 families a week, and partners with the Limehouse Project to offer lunch and a warm welcome twice a week in the St Katharine Community Centre. Local Guide groups, a Gospel choir and other local charities continue to be regular users of the space. The Foundation also supports work with refugees by funding a conference for London churches and facilitating ESOL (English for speakers of other languages) classes in the community hub as well as running arts workshops and a community garden club to support the improvement of participants' health and well-being.

Public benefit

In determining the activities undertaken by the Foundation, the Court confirms that it has complied with the duty set out in Section 17 of the Charities Act 2011, to have due regard to Public Benefit guidance published by the Charity Commission, The Court reviews the activities of the Charity against its aims on an on-going basis and is satisfied that all activities continue to be related to the aims, which are set in such a way as to benefit society as a whole. The benefits are set out in the review of activities shown below, and in the Master's report.

Financial Review

Operating Income and Expenditure

The Foundation's Income and Expenditure is shown in the Statement of Financial Activities on page 16.

Turnover for the year reduced slightly from £3.2 million in 2024 to just under £3.1 million in 2025.

Many organisations in the not-for-profit sector are struggling with higher costs and reduced income and this was reflected in our event income which was lower than expected but was partly offset by an increase in bedroom income.

The overall financial result for the Foundation is a combination of its trading deficit (£330,516: 2024 £112,649), investment gains/losses (losses of £291,256: 2024 gains of £608,971), the amortisation of its functional assets (£221,468: 2024 £234,191) and the write off of assets under construction and other fixed asset disposals (£402,427: 2024. Nil).

The Foundation's Assets

The Foundation has wide investment powers under its Ordinances. The Endowment Fund represents its functional assets, being its buildings and Chapel in Butcher Row, the majority of its portfolio investments, and the 0.7 hectares between the Foundation's principal site and the Docklands Light Railway viaduct, known as the Northern Site. For several years the Foundation has been working with partners to develop the Northern Site and had invested expenditure of over £400,000 in the project. During the year, however, the development partners decided not to proceed and although the planning application remains under consideration by the local authority, and the intellectual property represented by this investment may therefore have a value to future partners, in accordance with generally accepted accounting principles, the uncertainty involved requires that the Foundation writes this investment off.

Additions to the fixed assets in the current year were negligible and with the write off of assets under construction, the net book value of the Foundation's Tangible Fixed Assets at year-end was £6,595,389 (2024: £7,299,153). There was also a major review of the assets held on the books and many that were no longer in use, mostly fully depreciated, were written off as a result.

The Foundation also has investments held in a range of investment funds set up for charities under Charity Commission schemes, managed by professional investment managers and regularly reviewed by the Trustees. The investments are primarily held to provide an income to finance the Foundation's activities, but in addition are expected to maintain their value in real terms.

The investment portfolio, managed by CCLA, performed strongly for most of the year but the volatility in the market meant that the value of Investments at year-end was £6,664,786 (2024: £6,956,042).

Net Current Liabilities were £198,770 (2024: Net Current Assets £51,876).

Notwithstanding the deficit in the Foundation's operations, the commercial subsidiary, RHL made a profit for the year. The directors of RHL therefore decided that they will continue to make a gift aid payment to the parent Charity.

Risk Management

The Trustees recognise their responsibility for ensuring adequate risk management and internal control; dedicating one of the Court committees to Finance Audit and Risk (FAR) reflects the importance placed on this. A risk register, incorporating control and mitigating measures, is maintained and is subject to regular review by management. The major risks to which the Foundation is exposed, in particular those related to its hospitality operations such as Health and Safety, Food Hygiene and Security, and relating to its finances, are reviewed by Trustees each quarter. New systems and processes have been implemented to monitor training and improve the management of these risks.

Independent customer satisfaction statistics are regularly reviewed at management meetings, all investment decisions are approved by the Court and individually authorised by the Chairman and Treasurer, and a business contingency plan is maintained.

The Trustees are satisfied that adequate measures are in hand to manage and minimise all significant risks.

Reserves

The Endowment Fund has been regarded as representing the original endowment to provide income for the aims of the charity. The £230,920 of unrestricted reserves is less than the three months of operating costs required by the Reserves Policy. However, the Policy allowed unrestricted reserves to fall below the target level while plans for the Northern Site were being pursued. It was intended that, once the future of the Northern Site was clear, a plan would be put in place to restore the unrestricted reserves to the target level. Progress with the Northern Site is likely to be further delayed, given the turn of events outlined in the Master's Report. The Trustees have begun the process, therefore, to refresh the Reserves Policy to direct the annual budget process towards progressive restoration of the unrestricted reserves.

Going Concern

The Court continues to strive to rebuild the Foundation's business model to reach profitability. The forecast outturn for the current financial year is still for a deficit - exacerbated by increased costs caused by the national insurance increases, and the uplift in the National Living Wage - but a restructuring towards the end of the year under review, along with new income streams and improved occupancy, mean that the deficit will be significantly lower than the outcome for 2024/25. The forecast for 2026/27 is for a balanced budget.

Although the expected deficit in 2025/26 will reduce free reserves, the Trustees believe that their considered plans for a balanced budget going forward mean that it is appropriate to prepare the accounts on a going concern basis.

Fundraising

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously. The Trustees have reviewed the Charity Commission guidance: *Charity fundraising: a guide to trustee duties (CC20)* and, having considered the Foundation's activities, are confident that trustee duties are being fulfilled. The Foundation does not work with any commercial participators or professional fundraisers. The majority of fundraising is from visitors to St Katharine's and through its website. The Foundation is currently developing a fundraising strategy but this will not involve actively soliciting donations from the general public more widely. The Trustees are not aware of any complaints made in respect of fundraising during the period under review.

Future Plans

The Northern Site is discussed more fully in the Master's Report but it is highly unlikely that any work will commence in the near future. The Court's future plans therefore focus on the development of a sustainable business and operating model, and the development of the area to the north of the current buildings currently occupied by the Yurt Café and the St Katharine's Precinct.

Remuneration of Key Management Personnel

The levels of remuneration of all key personnel are reviewed annually in the context of similar roles in the Charity Sector or Hospitality industry according to the position.

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 income and expenditure of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);

- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping 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 the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and with the Royal Foundation of St Katharine's Ordinances dated 27 April 2020. 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.

Approved by the Court on 15 September 2025 and signed on its behalf by:

John o'Brien
John o'Brien (Oct 23, 2025 17:42:42 GMT+1)

John O'Brien (Chairman)

Lawrence

Sheryl Lawrence FCA (Treasurer)

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF THE ROYAL FOUNDATION OF ST KATHARINE

Opinion

We have audited the financial statements of the Royal Foundation of St Katharine (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, Balance Sheets, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 and parent charity's affairs as at 31 March 2025 and of the group's and the parent charity's incoming resources and application of resources 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 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 and parent 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 group or the parent 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 annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

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:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity's 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

As explained more fully in the Trustees' Responsibilities Statement set out on pages 10 and 11, 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 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees and management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with Trustees and updating our understanding of the sector in which the group and parent charity operate.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF THE ROYAL FOUNDATION OF ST KATHARINE

Use of our report

This report is made solely to the parent charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the parent charity 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 parent charity and the parent charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery LLP

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Saffery LLP
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 24 October 2025

Saffery 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 2025

	Note	Endowment Fund £	Restricted Funds £	Unrestricted Fund £	Total 2025 £	Total 2024 £
Income						
Donations and legacies		-	22,500	50,241	72,741	208,111
Charitable activities		-	-	1,689,948	1,689,948	1,676,123
Trading activities		-	-	1,133,657	1,133,657	1,094,671
Grants		-	-	-	-	-
Investments		-	7,915	195,326	203,241	208,791
Total income	2	-	30,415	3,069,172	3,099,587	3,187,696
Expenditure on						
Provision and maintenance of the Christian Centre						
Operating costs and maintenance		-	30,415	2,095,133	2,125,548	2,028,798
Depreciation		221,468	-	178,021	399,489	401,031
Disposal of Fixed Assets	4	400,929		1,498	402,427	-
Professional fees		-	-	47,667	47,667	25,671
Trading costs		-	-	1,078,867	1,078,867	1,079,036
Total expenditure	3	622,397	30,415	3,401,186	4,053,998	3,534,536
Net income/(expenditure) before investment gains		(622,397)	-	(332,014)	(954,411)	(346,840)
Gains/(losses) on investments						
Unrealised		(249,904)	(11,845)	(29,507)	(291,256)	590,908
Realised		-	-	-	-	18,063
Net income/expenditure and Net movement in funds		**(872,301)**	**(11,845)**	**(361,521)**	**(1,245,667)**	**262,131**
Funds brought forward		13,373,972	340,658	592,441	14,307,071	14,044,940
Funds carried forward		**12,501,671**	**328,813**	**230,920**	**13,061,404**	**14,307,071**

The notes on pages 19 to 29 form part of these financial statements.

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

A comparable statement of financial activities is provided in note 14.

BALANCE SHEETS AS AT 31 MARCH 2025

	Notes	Group 2025 £	*Group 2024 £*	Charity 2025 £	*Charity 2024 £*
Fixed assets					
Tangible fixed assets	4	6,595,389	*7,299,153*	6,595,389	*7,299,153*
Investments	6	6,664,785	*6,956,042*	6,664,885	*6,956,142*
		13,260,174	*14,255,195*	13,260,274	*14,255,295*
Current assets					
Debtors	7	103,777	*82,928*	103,777	*82,928*
Stock		17,582	23,526	17,582	23,526
Cash at bank		211,687	*360,929*	197,751	*297,857*
		333,046	467,383	319,110	*404,311*
Current liabilities					
Creditors under one year	8	(531,816)	*(415,507)*	(747,056)	*(544,186)*
Net current assets		**(198,770)**	**51,876**	**(427,946)**	***(139,875)***
Defined benefit pension scheme liability	11	-	-	-	-
Net assets		**13,061,404**	**14,307,071**	**12,832,328**	***14,115,420***
Funds					
Endowment		12,501,671	13,373,972	12,501,671	13,373,972.00
Restricted		328,813	340,658	328,812	340,657.00
Unrestricted		230,920	592,441	1,845	400,791.00
	10	**13,061,404**	**14,307,071**	**12,832,328**	***14,115,420***

The financial statements were approved by the Court of Trustees on 15 September 2025 and signed on its behalf by:

John o'Brien
John o'Brien (Oct 23, 2025 17:42:42 GMT+1)

John O'Brien
Chair

Lawrence

Sheryl Lawrence
Treasurer

The notes on pages 19 to 29 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

		2025		2024
	£	£	£	£
Cash flows from operating activities				
Net income / (expenditure)	(1,245,667)		262,131	
Adjustments for:				
Depreciation	401,489		401,031	
Loss/(Gain) on investments	291,256		(608,971)	
Loss on disposal of fixed assets	404,632			
Investment income	(203,241)		(208,791)	
(Increase)/decrease in Trade and other receivables	(20,849)		121,933	
(Increase)/decrease in Stock	5,944		(6,050)	
Increase/(decrease) in Trade and other payables	114,309		(106,111)	
Net cash used in operating activities		(252,128)		(144,828)
Cash flows from investing activities				
Purchase of property plant and equipment	(100,356)		(188,913)	
Proceeds on disposal of investments	-		100,331	
Investment income	203,241		208,791	
Net cash provided by investing activities		102,885		120,209
Net (decrease)/ increase in cash and cash equivalents		£ (149,243)		£ (24,619)
Cash and equivalents brought forward		360,929		385,548
Cash and equivalents carried forward		£ 211,686		£ 360,929

Components of cash and cash equivalents:	2025	2024
Cash at bank and in hand	£ 211,687	£ 360,929

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 2nd Edition, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(a) Going Concern

The forecast outturn for the current financial year, was for a deficit but as explained in the trustees' report some restructuring and new income streams will reduce the deficit in the current year and allow the Foundation to return to a break even in the following year in accordance with the trustees stated aim to have taken steps to balance the books on a year-by-year basis.

The trustees feel it is right to prepare the accounts on a going concern basis.

(b) Income

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

(c) Expenditure

All expenditure is accounted for on an accruals basis and, where possible, directly allocated to the related activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure consists of all expenditure directly relating to the objects of the Charity. Governance costs include expenditure on compliance with statutory requirements.

The Foundation is partially exempt for VAT purposes. Irrecoverable VAT, which cannot be directly attributed to specific purchases and varies from period to period, is included within overhead.

(d) Tangible Fixed Assets

Prior to 31 March 1996 expenditure on fixtures and fittings was written off as incurred. As at that date the Trustees estimated the current value required to be shown in the balance sheet. Subsequent acquisitions or improvements are capitalised at cost when their purchase price exceeds £2,000. The classification of fixed assets in the financial statements was amended in 2025 to provide greater analysis. Depreciation of tangible fixed assets held for charitable use is calculated by the straight-line method to write off the cost/value over the expected useful lives of the assets as follows:

Freehold buildings	25 to 50 years
Temporary buildings	3 to 10 years
Furniture fixtures and fittings	3 to 10 years
IT, plant and equipment	3 to 10 years

Assets in the course of construction are not depreciated until brought into use.

(e) Investments

Investments are stated at market value.

Surpluses or deficits (realised or unrealised) are allocated to the appropriate Fund.

(f) Subsidiary

The charity holds 100 ordinary £1 shares in a wholly owned subsidiary company, Ratcliffe Hospitality Limited, which were valued at cost.

The Statement of Financial Activity on page 16 and Balance Sheet on page 17 incorporate the results and assets and liabilities of Ratcliffe Hospitality respectively.

(g) Funds

The Charity's Funds comprise the following:

Endowment Fund

The Endowment Fund has been regarded as representing the original endowment to provide income for the aims of the charity.

Ardingly Mission Fund

The Ardingly College Mission Fund consists of investments and cash transferred to the Foundation as Endowment Funds for administration on 1 April 2007. Under the terms of the transfer, the income from the fund is available for the charitable objectives of the Foundation.

Limehouse Aid

The Foundation holds funds donated for the community work of Limehouse Aid.

Other Restricted Funds

Any funds where the donor specifies the intended future use of their donation are held separately as restricted funds and future expenditure recorded against those funds.

Unrestricted Funds

These funds are available to spend on the general charitable purposes of the Foundation.

(h) Financial instruments

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. At present the charity does not have any bank loans.

(i) Key judgements and uncertainties

In application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees consider the main area of judgement to be the assessment of the useful economic life of fixed assets utilised in delivering the charity's objects, in particular, that of the freehold buildings.

(j) Taxation

The Foundation is a registered charity and as such is not liable to tax on income derived wholly from charitable activities. The wholly owned subsidiary, Ratcliffe Hospitality Limited which is the commercial arm of the Foundation remits the entirety of its profits to the Foundation with the benefit of gift aid so as to reduce the taxable profits to nil.

2 INCOME

	2025 £	2024 £
Donations and legacies		
Gifts and donations	72,741	58,111
Grants received	-	150,000
	72,741	208,111
Income from charitable activites		
Overnight accommodation	253,320	187,442
Conference income	244,687	322,361
Food and beverages	610,234	651,472
Rental and other income	88,979	53,218
Yurt café	492,728	461,630
	1,689,948	1,676,123
Income from trading activities		
Overnight accommodation	1,133,657	1,094,671
	1,133,657	1,094,671
Investment income		
Dividends	203,241	208,791
Interest receivable	-	-
	203,241	208,791
Income Total	3,099,587	3,187,696

Income includes £7,915 dividend income attributable to the Ardingly Mission Fund (2024 £8,148).

3 EXPENDITURE

	Depreciation	Staff costs	Other costs	Total 2025	Total 2024
	£	£	£	£	£
Charitable activities					
Endowment Funds	221,468	-	-	221,468	234,191
Restricted Funds	-	-	-	-	-
Unrestricted Funds	178,021	1,145,413	1,027,802	2,351,236	2,221,309
	399,489	1,145,413	1,027,802	2,572,704	2,455,500
Trading costs	-	676,412	402,455	1,078,867	1,079,036
	399,489	**1,821,825**	**1,430,257**	**3,651,571**	**3,534,536**

	Depreciation	Staff costs	Other costs	Total 2024
	£	£	£	£
Charitable activities				
Endowment Funds	199,509	-	-	234,191
Restricted Funds	-	-	32,508	-
Unrestricted Funds	186,836	1,168,589	796,717	2,221,309
	386,345	1,168,589	829,225	2,455,500
Trading costs	-	576,609	392,942	1,079,036
	386,345	**1,745,198**	**1,222,167**	**3,534,536**

	Total 2025	Total 2024
Staff Costs	£	£
Wages and salaries	1,550,247	1,462,177
Social security costs	133,777	128,025
Pension costs (Defined Benefit Scheme)	9,009	8,836
Pension costs (Defined Contribution Scheme)	128,792	115,636
	1,821,825	£1,714,674
Other Costs		
Visitor catering	373,032	393,612
Housekeeping	101,536	114,935
Property costs	327,644	342,330
Centre administration	161,365	164,298
Sales commission	197,685	168,689
General costs	104,338	131,654
Grants	-	-
Governance	30,433	31,391
Professional fees and consultancy	47,667	25,671
Charitable activities	86,557	46,251
Depreciation	399,489	401,031
	£1,829,746	**£1,819,862**
Total Costs	**£3,651,571**	**£3,534,536**

	Number 2025	Number 2024
The average number of employees was	60	58
The average number of Full Time Equivalent employees was	35	39

Due to settlements arranged at the end of the financial year, two employees received total remuneration exceeding £60,000 during the year compared to last year:

	2025	2024
£60,000 to £69,999	1	-
£70,000 to £79,999	1	-

In addition, the only trustee to receive remuneration is The Venerable Roger Preece for his services as Master to The Foundation for which he was paid a salary of £70,652 and pension contributions of £9,009. In addition, The Master is required to live on site and an apartment is provided by The Foundation.

No other trustee received any benefits, or remuneration in either year.

Key Management Personnel have been redefined as the four members of the Senior Management Team who collectively received total remuneration of £256,198 (2024: £ 227,419).

As mentioned in the Trustees' Report, in an effort to save costs and balance the budget, the Foundation undertook some restructuring during the year and those leaving collectively received £ 68,013 in compensation.

4 Fixed Assets

Group & Charity

	Freehold Land and Buildings	Temporary Buidings	Furniture, Fixtures and Fittings	IT Plant and Equipment	Assets under construction	Total
	£	£	£		£	
Cost						
At 1 April	10,540,815	259,820	740,783	498,058	464,351	12,503,827
Additions	71,492	-	-	28,864	-	100,356
Transfers	30,136	-	32,869	-	(63,005)	-
Written off	-	(2,977)	(113,612)	(349,871)	(401,346)	(867,806)
At 31 March	10,642,443	256,843	660,040	177,051	-	11,736,377
Depreciation						
At 1 April	4,093,391	245,868	443,778	421,637	-	5,204,674
On assets:						-
Transferred	3,322	-	(3,322)	-	-	-
Written off	-	(2,977)	(113,612)	(345,086)	-	(461,675)
Charge in the year	221,468	12,030	112,412	52,079	-	397,989
At 31 March	4,318,181	254,921	439,256	128,630	-	5,140,988
NBV						
At 31 March 2025	6,324,262	1,922	220,784	48,421	-	6,595,389
At 31 March 2024	6,447,424	13,952	297,005	76,421	464,351	7,299,153

All fixed assets are held for charitable use.

The 'Asset Under Construction' written off is primarily the Northern Site development mentioned in the Master's Report and includes the cost of professional fees incurred in negotiating with developers and formulating initial, outline plans for the site.

5 Capital Commitments

At 31 March 2025 there were no capital commitments (2024, none).

6 Investments

	Common Investment Funds	Investments in subsidiary	Charity total	Total 2024
	£	£	£	
Valuation at 1 April 2024	6,956,042	100	6,956,142	6,447,502
Disposals	-		-	(100,331)
Realised gains	-		-	18,063
Unrealised gains/(losses)	(291,257)		(291,257)	590,908
Valuation at 31 March 2025	**6,664,785**	**100**	**6,664,885**	**6,956,142**

The market value of the Common Investment Funds held are:	Restricted Endowment Fund	Unrestricted Fund	2025	2024
			£	£
Restricted Endowment Fund				
COIF Charities Global Equity Fund Income Units	562.694	66.438	629.132	669.822
COIF Charities Property Fund Income Units	258,411	30,511	288,922	284,904
COIF Charities Ethical Investment Income Units	4,900,717	578,635	5,479,351	5,722,090
	5,721,822	675,584	6,397,405	6,676,816
Ardingly Mission Fund				
COIF Charities Ethical Investment Income Units			267,380	279,226
Total			**6,664,785**	**6,956,042**

The historical cost of the investments is £ 5,018,351 (no change from 2024: £5,018,351)

The Charity holds shares in Ratcliffe Hospitality Limited, a wholly owned subsidiary company with a value of £100 (2024: £100)

7 Debtors

	Group 2025	Group 2024	Charity 2025	Charity 2024
	£	£	£	£
Trade debtors	67,402	47,065	67,402	47,065
Other debtors	21,665	23,501	21,665	23,501
Prepayments	14,710	12,362	14,710	12,362
	103,777	**82,928**	**103,777**	**82,928**

8 Creditors

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Deposits for advance bookings	247,159	180,558	49,235	3,554
Intercompany account	-	-	418,201	360,296
Trade creditors	60,459	55,575	60,459	54,535
Other creditors and accrued expenses	167,989	97,654	160,488	93,154
Taxation and social security	56,209	81,720	58,673	32,647
	531,816	**415,507**	**747,056**	**544,186**

9 Analysis of Net Assets between Funds

Fund balances at 31 March 2025 are represented by:	Endowment fund	Restricted funds	Limehouse Aid	Total Unrestricted Funds	Total 2025
Tangible fixed assets	6,595,389	-	-	-	6,595,389
Investments	5,721,822	267,380	-	675,584	6,664,786
Net current assets/(liabilities)	184,460	61,433	-	(444,663)	(198,770)
Defined benefit pension scheme liability	-	-	-	-	-
	12,501,671	**328,813**	**-**	**230,921**	**13,061,405**

Fund balances at 31 March 2024 are represented by:	Endowment fund	Ardingly fund	Limehouse Aid	Total Unrestricted Funds	Total 2024
Tangible fixed assets	6,911,775	-	-	387,378	7,299,153
Investments	5,971,725	279,226	-	705,091	6,956,042
Net current assets/(liabilities)	490,471	60,385	1,048	(500,028)	51,876
Defined benefit pension scheme liability	-	-	-	-	-
	13,373,971	**339,611**	**1,048**	**592,441**	**14,307,071**

10 Summary of Fund Movements

	Balance at 31 March 2024	Income	Expenditure	Investment gains/(losses)	Fixed Assets written off	Balance at 31 March 2025
Endowment fund	13,373,972	-	(221,468)	(249,904)	(400,929)	12,501,671
Ardingly Mission Fund	339,610	7,915	(6,867)	(11,845)	-	328,813
Community Restricted Funds	-	22,500	(22,500)	-	-	-
Limehouse Aid	1,048	-	(1,048)	-	-	-
Unrestricted General Funds	592,441	3,069,173	(3,402,685)	(29,507)	1,498	230,920
	14,307,071	**3,099,587**	**(3,654,568)**	**(291,256)**	**(399,431)**	**13,061,404**

	Balance at 31 March 2023	Income	Expenditure	Unrealised investment gain	Transfer	Balance at 31 March 2024
Endowment fund	14,786,717	-	(234,191)	521,446	(1,700,000)	13,373,972
Ardingly Mission Fund	314,631	8,148	(8,148)	24,979	-	339,610
Limehouse Aid	1,048	20,818	(20,818)	-		1,048
Unrestricted General Funds	(1,057,456)	3,158,730	(3,271,379)	62,546	1,700,000	592,441
	14,044,940	**3,187,696**	**(3,534,536)**	**608,971**	**-**	**14,307,071**

11 Pension Liability

The Foundation participates in the Church of England Funded Pensions Scheme for stipendiary clergy in respect of The Master. This is a defined benefit pension scheme administered by the Church of England Pensions Board and each participating Responsible Body pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in section 28 of FRS102. This means that it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and so contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged in the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year and amount to £9,009 (2024: £8,836).

12 Operating Lease Commitments

At the reporting date the Foundation had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025	2024
	£	£
Within one year	8,384	8,384
Between two and five years	16,157	18,501
Over five years	-	-
	£24,541	**£26,885**

13 Financial Instruments

	2025	2024
Financial assets measured at fair value		
Investments	6,664,785	6,956,042

14 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2024

	Note	Endowment Fund	Restricted Funds	Unrestricted Fund	Total 2024
		£	£	£	£
Income					
Donations and legacies		-	20,818	187,293	208,111
Charitable activities		-	-	1,676,123	1,676,123
Trading activities		-	-	1,094,671	1,094,671
Grants		-	-	-	-
Investments		-	8,148	200,643	208,791
Total income	**2**	-	28,966	3,158,730	3,187,696
Expenditure on					
Provision and maintenance of the Christian Centre					
Operating costs and maintenance		-	28,966	1,999,832	2,028,798
Depreciation		234,191	-	166,840	401,031
Professional fees		-	-	25,671	25,671
Trading costs		-	-	1,079,036	1,079,036
Total expenditure	**3**	234,191	28,966	3,271,379	3,534,536
Net income/(expenditure) before investment gains		(234,191)	-	(112,649)	(346,840)
Gains/(losses) on investments					
Unrealised		503,383	24,979	62,546	590,908
Realised		18,063	-	-	18,063
Fund transfers	**10**	(1,700,000)		1,700,000	-
Net movements in funds before taxation		**(1,412,745)**	**24,979**	**1,649,897**	**262,131**
Tax rebate/(charge)		-	-	-	-
Net movements in funds after taxation		**(1,412,745)**	**24,979**	**1,649,897**	**262,131**
Funds brought forward		14,786,717	315,679	(1,057,456)	14,044,940
Funds carried forward		**13,373,972**	**340,658**	**592,441**	**14,307,071**

15 Ratcliffe Hospitality Limited

RHL NOTE

	2025	2024
Share Capital and Reserves		
Share Capital	100	100
Reserves	229,076	191,647
Total Capital	229,176	191,747

Profit and Loss Account

	2025	2024
Income	1,133,657	1,096,397
Less: Cost of Sales	(149,096)	(415,038)
Gross Profit	984,561	681,359
Administration and Overheads	(912,410)	(663,998)
Gift Aid	(34,722)	-
Taxation	-	-
Net Profit	37,429	17,361

16 Related Party Transactions

The charity had the following transactions with its trading subsidiary Ratcliffe Hospitality Limited:

RELATED PARTY TRANSACTIONS

	2025	2024
Charges by the Charity to Ratcliffe Hospitality Ltd (RHL)		
Allocation of overheads for shared expenses	231,663	415,038
Gift Aid donation by RHL to the charity	34,722	-
Debtor due by the charity to RHL	418,201	360,296

There were no other related party transactions in the year.

THE ROYAL FOUNDATION OF ST KATHARINE

England & Wales - Charity number 223849

Accounts

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THE ROYAL FOUNDATION OF ST. KATHARINE

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2024

Registered Charity No. 223849

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THE ROYAL FOUNDATION OF ST KATHARINE

PATRON

Her Majesty Queen Camilla

MEMBERS OF THE COURT

John O'Brien (Chairman)
David Swanney CA – (Treasurer and Vice-Chairman)
Geoffrey Richards
Diana Banks
Kay Brock CBE LVO DL
Sophie Densham CVO
Andrew Grigson
Professor Joy Hinson
Sheryl Lawrence FCA (from 26 January 2024)
Elizabeth Marshall MBE
The Rt Rev. & Rt Hon. Dame Sarah Mullally DBE, Bishop of London, *ex officio*
The Ven Roger Preece, *ex officio*

MASTER

The Venerable Roger Preece

REGISTERED ADDRESS

The Royal Foundation of St Katharine
2 Butcher Row
London
E14 8DS

Telephone	0300 111 1147
Fax	020 7702 7603
Email	info@rfsk.org.uk
Website	www.rfsk.org.uk

SECRETARY : Michele Price (from 1 January 2024)
Graham Cooper (retired 31 December 2023)

SOLICITORS	**AUDITORS**	**BANKERS**
Farrer & Co.	Saffery LLP	Lloyds Bank plc
66 Lincoln's Inn Fields	71 Queen Victoria Street	210 Commercial Road
London WC2A 3LH	London EC4V 4BE	London E1 2JR

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THE ROYAL FOUNDATION OF ST KATHARINE
CHAIR'S STATEMENT

We were delighted to hear this year that Her Majesty, Queen Camilla has agreed to become the Patron of St Katharine's, thus continuing the line of succession since the Royal Foundation of St Katharine was established nearly 900 years ago.

I said in my statement last year that we continue to live in challenging times, and this has continued to be the case in the year under review. Although the economy seems slowly to be improving, the hospitality sector has perhaps been slower than most to respond. Nevertheless, the Object of St Katharine's remains the same: the promotion of Christian values, through worship, hospitality and service, and with a view to developing and coordinating Christian activities of every description for the public benefit, for those of all faiths and none.

The Master's report again outlines how the Foundation has continued to fulfil its Object, and how the range of activities of St Katharine's continues to extend.

We were glad when the Charity Commission last year approved our application to make a transfer from our endowment fund to free reserves, allowing us to make good the accumulated deficit at the end of the financial year which had arisen largely in the wake of the Covid pandemic.

Funding the work of the charity through rebuilding our business model profitably has continued to be a challenge. Good progress though has been made and we have seen an improvement in our financial performance on the previous year (outside our endowment fund). The staff have continued to work very hard in trying to close the gap, and I greatly appreciate all that they have done. Work continues on developing our business model with the aim of delivering a long-term financially sustainable approach that would enable us to continue and grow all that we aim to do.

The trustees are pleased that our hospitality offering continues to be applauded by our guests, who value the calm, peace and safety that is St Katharine's. Our Retreat and community work continues to grow and expand.

We still await a decision from the local authority on the planning application for the Northern Site, on which the Master reports more fully.

During the year, we said goodbye to Dame Anabel Whitehead, a former Lady in Waiting to Her Majesty Queen Elizabeth II, as a trustee and welcomed Sheryl Lawrence, who has extensive finance and board level experience with a number of posts, as non-executive director and a charity trustee.

We firmly believe that the Foundation continues a constant presence for good, both in Limehouse and more widely, and all of us look forward to taking the Christian message embodied in St Katharine's forward into 2025.

John O'Brien
Chair of the Court
September 2024

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THE ROYAL FOUNDATION OF ST KATHARINE
MASTER'S REPORT

2023-24 has been a year of building capacity and resilience in the management and staff of RFSK and continuing the strategic direction set by the trustees post COVID of restoring and developing the RFSK offer. The main areas of work are outlined as follows.

A Retreat House in East London

The provision of a Retreat House is at the heart of St Katharine's charitable objectives and for guests to be able to experience a place of peace and tranquillity in the heart of the busyness of London life is often commented on by guests in their feedback.

Some come to experience the guided, led retreats with inspirational writers, poets, artist or theologians. Others might come to the Open Reflective Days to enjoy a day of shared silence with others along with good hospitality.

Others may discover St Katharine's via the online travel agents. And when they arrive, they realise they are in a very different setting to a normal hotel. The green space, ancient trees, historic Georgian house and the chapel with the medieval furnishings all create an extraordinary setting to be a place of peace.

The daily pattern of prayer is open to all and includes morning and midday prayer that is led by the chaplain and the prayer team. This spiritual underpinning is a key part of St Katharine's life.

The RFSK led retreat offer for 2024 included speakers such as Richard Carter, Christopher Chapman, Mark Oakley, Jonny Baker and Brian Draper. Over 340 attended Open Reflective Days and many stayed over on the Sundy to enjoy more time at the centre.

We continue to host the London Diocese ordination retreat for all those who are about to be ordained at St Paul's Cathedral. The four days spent at St Katharine's are a special part of their final preparation that marks the start of a new ministry.

The feedback received from our numerous guests confirms that people do experience something very special during their stay, often describing feelings of being rested, renewed and encouraged in their faith journey through their time here with us.

Over 12,000 bedroom-nights were used by our guests during the year all enjoying this unique urban oasis.

Partnerships to support the work this year included St Pauls Cathedral Institute, CrossRoads Counselling and The Spirituals Gospel Chor, which was appointed as "Choir in Residence" bringing their vibrant, energy filled inspirational worship to the chapel. McCabe Pilgrimage have brought their expertise in pilgrimage programmes and have developed a residential London pilgrimage for 2025.

A meeting and event space for transforming organisations

The charities, missions and not-for-profit groups that use St Katharine's for their trustee meetings, management retreats or training sessions comprise many of the most significant charities in the UK and Internationally. St Katharine's high standard of catering, combined with rooms that are light and looking onto the peaceful gardens, complete with advanced audio visual equipment, continues to be an attractive offer. In this context St Katharine's exists to allow other organisations to have space to do their transforming work at our location.

During the year we hosted over 1500 different events with 18,000 delegates spending time with us.

Promoting Retreats

As part of the Trustees strategic vision for RFSK to raise National awareness of retreats with RFSK as a centre of excellence – encouraging Retreats for all and promoting retreats around the country. The inaugural National Retreat Week – **renew:all** took place from 23rd – 30th September 2023, launching the initiative to introduce new audiences to the benefits of contemplation, prayer and retreat activities rooted in ancient and contemporary Christian traditions.

Through the online resources, web sites, blogs and other media. We managed to see over 280,000 people connected to the message, with over 100,000 people actively engaging with content. There were around 4000 connections with related

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to retreat, with around 1200 active participants. 40 retreat houses took part in the launch and respected retreat leaders such as Archbishop of York, Malcolm Guite, John Bell, Richard Carter and Brian Draper all contributed content.

renew:all continues to develop for 2024 and is intended to develop more content and reach leading up to 21-27th September 2024 as the next National Retreat Week. So far RFSK has invested all the funds to create this national project (c£50K) and is looking for Grants to cover the future costs.

Serve the Local Community

The Yurt Community Café continues to be a significant public face of the Royal Foundation open seven days a week and hosting a variety of community activities. During the year, we served 282,000 items, that represents over 64,300 individual visits.

Community activities are diverse in reach and varied in content. A weekly lunch club, in partnership with the Limehouse Project, provides a nutritious meal at no charge to isolated residents living nearby. Links with the NHS-funded social prescribing network has allowed individuals to find a place of support and wellbeing in the St Katharine's community work.

Workshops around photography, poetry, knitting, and community gardening are all reaching different people with activities that support mental health and wellbeing. There is also a group providing drama for adults with learning difficulties that are able to have to use our community space. Thanks to a generous donation, we were able to design and build an outdoor meditation garden, inspired by monastic gardens. This is now open to the general public using the area around the Yurt.

Music and Arts continue to bring people together, and along with an outdoor music festival by the Yurt, there has been a programme of music of different styles in the chapel. Candlemas 2024, saw the Yurt, Precinct and Chapel bathed in an immersive light show, along with ambient music and meditations to help people understand the Christian Festival of Candlemas.

Connect and Change

RFSK continues to work on the area of food poverty following the conference we hosted in May 2023. From the conference, the Tower Hamlets Food Poverty Strategy Group emerged. Elizabeth Marshall Founder of Bow Foodbank and Court Trustee chairs this meeting supported by a secretariat from University College London. The participants are from local organisations some providing food aid through foodbanks, some food security advocacy and faith groups.

We are supporting various other Food Poverty fora in the Borough including Fair Food Futures UK - joint research between UCL and University of York comparing and contrasting food poverty in Tower Hamlets and Bradford and proposing innovative and effective models of practice.

We hosted the Felix Project teams here at RFSK. It is the first time their chefs and depots teams have had an awayday. They were delighted with our support for their work. The Felix project provide food for our Limehouse Aid foodbank.

Recognising the significant personal challenges that Charity Leaders face in their work, St Katharine's is in the third year of our leadership development programme to support senior leaders of charitable organisations with a two- day retreat led by clinical psychologist, Dr Roger Bretherton of Lincoln University. This was preceded by a reunion of those who had participated in the programme before. RFSK wants to support and recognise the challenges senior leaders experience and invest in Strength Based resources to help.

Developing the Northern Site

After more than two years since submission, we are still waiting for a determination from Tower Hamlets Local Authority for planning permission. Our scheme, will bring much needed permanent community facilities, along with residential accommodation, one third of which will be affordable and social housing. More guest bedrooms around a new attractive courtyard will allow more guests to enjoy the facilities that St Katharine's offers. There will also be an extensive package of community benefits and space including a double height permanent community café to replace the temporary Yurt tent.

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THE ROYAL FOUNDATION OF ST KATHARINE
MASTER'S REPORT

The Need for Generous Giving

The charitable work of St Katharine's has been encouraged and facilitated through generous giving which has supported the work. This will be more of a priority in the future as the local needs are so great and the current resources are stretched. Legacy giving will also be an important component of supporting the charitable work.

RFSK provides generous subsidies to Charities and Non-Profits to allow them to use the facilities. In this year, these were in the region of £200,000. The investment in community and retreat work as in the region of £160,000

Despite our best efforts, the surplus from Bed and Breakfast, Events and the Yurt Café has not been sufficient to cover all the running costs and charitable work. The deficit on our unrestricted fund in the year under review was £50k (before fund transfers), down from £127k in the previous year However, this represents a further drain on our unrestricted reserves which, at £592k represent only slightly more than the level of free reserves that the trustees want to maintain as a prudent level of three months' of operating costs. Although the deficit represent only 3% of turnover, it needs to be reduced to allow financial stability and ongoing investment in the charitable work. Senior management continue to work towards this goal.

St Katharine's benefits from a permanent endowment which is represented by the land and buildings on which it sits and an investment portfolio which generates around £200,000 per year to be used for charitable purposes.

The Trustees have identified the importance of active fund raising to support the current level of charitable work and work is ongoing to identify the best way of encouraging giving to RFSK.

The following giving streams are being developed.

General Membership and Belonging

The Membership scheme is now being actively promoted as a way of supporting the charitable objectives of RFSK as well as receiving some membership benefits related to discount on accommodation and priority booking for retreats. Communication around the scheme includes regular newsletters as well as information available on check out. As at the end of March there were 200 members, including those who have transferred from the Penn Club in 2022.

Legacy Income

During the year RFSK received a generous legacy of £150,000 which is being used for repairs to the building to benefit all members and guests.

Point of Sale Donations

There is now a donations (tap and go) point at Reception if guests wish to make donations.

Trust and Individual Donations

We have received donations of around £50,000 this year. These donations and the legacy have enabled RFSK to deliver a significant part of its charitable work.

The charity will be actively continuing to fund raise through application to Trusts and from individuals that might have a link to St Katharine's as well as encouraging people to consider the possibility of legacies.

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THE ROYAL FOUNDATION OF ST KATHARINE
MASTER'S REPORT

All the work that is delivered over the year is through the excellent staff team who are committed to giving guests the best experience possible. The regular positive feedback that is received confirms that this is being delivered. However, the managers and staff are always looking to improve and ensure that St Katharine's delivers what is needed to give people a feeling of being cared for in a pleasant and beautiful environment to help them to rest, meet and to do their best work.

The Venerable Roger Preece
Master
September 2024

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REPORT OF THE TRUSTEES

The Governing Instrument

The Governing Instrument of the Charity is the Ordinances dated 27th April 2020 granted by Her Late Majesty Queen Elizabeth II.

The Object of the Charity

The Object of the Charity is the advancement of the Christian religion through worship, hospitality and service and the promotion of Christian values, with a view to developing and promoting Christian activities of every description for the public benefit.

The Patron

Under Queen Eleanor's charter of 1273, the Patronage of the Foundation was reserved unto the Queens of England and the Trustees were delighted that HM The Queen agreed to accept the role.

The Court

The governing body of the Foundation is its Court, which currently consists of 12 trustees.

The Court is assisted in its work by two committees: the Finance, Audit and Risk Committee, which comprises six Trustees, and the Operations Committee, which has seven members.

Day to day operational responsibility for the Foundation is delegated to the Master. The Court ensures that appropriate training is available to its members and provides an induction process for new trustees.

Organisation

The Charity's work is principally to operate and manage a Conference and Retreat Centre at Butcher Row in Limehouse in East London, which is used by a wide range of local, national and overseas church and charitable bodies, as well as by individuals. The bedrooms provide residential accommodation for up to 87 guests, and the Foundation has meeting rooms for up to 175 people with full catering services in the main building as well as for 80 people in the St Katharine's Community Centre. Audio-visual, internet and conference support facilities are provided.

The Foundation also operates a Community Café, The Yurt, and provides a space for community activities in St Katharine's Precinct. St Katharine's Community Centre has increased the capacity for the Foundation to host community and commercial events. The Foundation continues to fund the Limehouse Aid Foodbank, providing nutritious food to more than 50 families a week, and partners with the Limehouse Project to offer lunch and a warm welcome twice a week in the St Katharine Community Centre. Local Rainbow groups, a Gospel choir and other local charities are now regular users of the space. The Foundation also supports work with refugees by funding a conference for London churches and facilitating ESOL (English for speakers of other languages) classes in the community hub as well as running arts workshops and a community garden club to support the improvement of participants health and well-being. The event offer has been expanded to include a light show and other performance art, in addition to music evenings in The Yurt and concerts in the chapel featuring local artists.

Public benefit

The Court confirms that it has complied with the duty set out in Section 17 of the Charities Act 2011, to have due regard to Public Benefit guidance published by the Charity Commission, in determining the activities undertaken by the Foundation. The Court reviews the activities of the Charity against its aims on an on-going basis and is satisfied that all activities continue to be related to the aims, which are set in such a way as to benefit society as a whole. The benefits are set out in the review of activities shown below, and in the Master's report.

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Review of Activities

In the year to 31 March 2024, the Foundation aimed to return to break-even, but for a number of reasons, outlined below, this aim was not realised.

Financial Review

Operating Income and Expenditure

The Foundation's Income and Expenditure is shown in the Statement of Financial Activities on page 17.

Turnover for the year increased from £3 million in 2023 to just under £3.2 million in 2024.

Inflation has been a major issue in many businesses in the last year, and hospitality has been particularly hard hit. Utility bills continued to be particularly high and although during the period covered by these financial statements inflation was down from its peak, the Foundation again implemented a generous pay increase to all staff as part of its ethical approach to looking after its staff and to acknowledge that the low-paid suffered more in periods of high inflation.

The Foundation's Assets

The Foundation has wide investment powers under its Ordinances. The Endowment Fund represents its functional assets, being its buildings and Chapel in Butcher Row, the majority of its portfolio investments, and the 0.7 hectares between the Foundation's principal site and the Docklands Light Railway viaduct, known as the Northern Site.

Its portfolio investments are held in a range of investment funds set up for charities under Charity Commission schemes, managed by professional investment managers and regularly reviewed by the Trustees. The investments are primarily held to provide an income to finance the Foundation's activities but in addition are expected to maintain their value in real terms.

Additions to the fixed assets in the current year were negligible and the largest component was the replacement of two parts of the roof. The net book value of the Foundation's Tangible Fixed Assets at year-end was £ 7,299,153 (2023: £ 7,511,271).

The investment portfolio, managed by CCLA, performed strongly and the value of Investments at year-end was £ 6,956,042 (2023: £ 6,447,402) including a disposal of £100,000 from the CCLA Ethical Fund early in the year.

Net Current Assets were £ 51,876 (2023: £ 86,267) including cash at bank of £ 360,929 (2023: £ 385,548). The majority of the creditor balance is deposits for future bookings.

Notwithstanding the deficit in the Foundation's operations, the commercial subsidiary, RHL made a profit for the year. The directors of RHL therefore decided that they will continue to make a gift aid payment to the parent Charity.

Risk Management

The Trustees recognise their responsibility for ensuring adequate risk management and internal control; dedicating one of the Court committees to Finance Audit and Risk (FAR) reflects the importance placed on this. A risk register, incorporating control and mitigating measures, is maintained and is subject to regular review by management. The major risks to which the Foundation is exposed, in particular those related to its hospitality operations such as Health and Safety, Food Hygiene and Security, and to its finances are reviewed by Trustees each quarter. Following a review of the risks facing the Foundation the Court has asked the FAR committee to undertake a wholesale review of the risks in conjunction with management.

Independent customer satisfaction statistics are regularly reviewed at management meetings, all investment decisions are authorised by the Chairman and Treasurer, and a business contingency plan is maintained.

The Trustees are satisfied that adequate measures are in hand to manage and minimise all significant risks.

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Reserves

The Endowment Fund has been regarded as representing the original endowment to provide income for the aims of the charity. The Charity Commission has made an order under section 105 of the Charities Act 2011 to treat a part of the Endowment as being available for general, ie unrestricted, purposes. This is reflected on the statement of financial activities on page 17 and in the funds note on page 26.

Going Concern

The forecast outturn for the current financial year, and for the 2025/26 preliminary forecast, is for a deficit in both years.

The s105 Order from the Charity Commission dated 25 September 2023 eliminated the accumulated deficit on free reserves, and created a positive balance on free reserves at that date. Although the deficit in the year under review, and the expected deficits in the current financial year and in 2025/26 will reduce this balance, the trustees have taken steps to ensure that measures are taken to balance the books on a year-by-year basis by the end of 2025.

The trustees feel is right to prepare the accounts on a going concern basis.

Fundraising

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously. The Trustees have reviewed the Charity Commission guidance: *Charity fundraising: a guide to trustee duties (CC20)* and, having considered the Foundation's activities, are confident that trustee duties are being fulfilled. The Foundation does not work with any commercial participators or professional fundraisers. The majority of fundraising is from visitors to St Katharine's and through its website. The Foundation is currently developing a fundraising strategy but this will not actively solicit donations from the general public more widely. The Trustees are not aware of any complaints made in respect of fundraising during the period under review.

Future Plans

The future plans are in two parts – the development of a sustainable business operating model post pandemic, and the development of the area to the north of the current buildings currently occupied by the Yurt Café and the St Katharine's Precinct. The Northern Site project is more fully detailed in the Master's Report.

Remuneration of Key Management Personnel

The levels of remuneration of all key personnel are reviewed annually in the context of similar roles in the Charity Sector or Hospitality industry according to the position.

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 income and expenditure of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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THE ROYAL FOUNDATION OF ST KATHARINE
TRUSTEES' REPORT

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 the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and with the Royal Foundation of St Katharine's Ordinances dated 27 April 2020. 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.

Approved by the Court on 25 September 2024 and signed on its behalf by:

Signed by:
John O'Brien
C990C86309FB413...

John O'Brien (Chairman)

Signed by:
David Swanney
737E60898F054D1...

David Swanney CA (Treasurer)

On 9 November 2024

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REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF THE ROYAL FOUNDATION OF ST KATHARINE

Opinion

We have audited the financial statements of the Royal Foundation of St Katharine (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, Balance Sheets, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 and parent charity's affairs as at 31 March 2024 and of the group's and the parent charity's incoming resources and application of resources 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 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 and parent 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 group or the parent 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 annual report, other than the financial statements and our auditor's report thereon. 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.

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Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

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:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity's 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

As explained more fully in the Trustees' Responsibilities Statement set out on pages 11 and 12, 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 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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

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irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees and management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with Trustees and updating our understanding of the sector in which the group and parent charity operate.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the parent charity Trustees those matters we are required to state to them in an auditor's report and for no other

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purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery LLP

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Saffery LLP
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 18 November 2024

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

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Endowment Fund	Restricted Funds	Unrestricted Fund	Total 2024	Total 2023
		£	£	£	£	£
Income						
Donations and legacies		-	20,818	187,293	208,111	105,335
Charitable activities		-	-	1,676,123	1,676,123	1,563,176
Trading activities		-	-	1,094,671	1,094,671	1,155,349
Grants		-	-	-	-	-
Investments		-	8,148	200,643	208,791	204,256
Total income	2	-	28,966	3,158,730	3,187,696	3,028,115
Expenditure on						
Provision and maintenance of the Christian Centre						
Operating costs and maintenance		-	28,966	1,999,832	2,028,798	1,966,041
Depreciation		234,191	-	166,840	401,031	386,345
Professional fees		-	-	25,671	25,671	31,772
Trading costs		-	-	1,079,036	1,079,036	969,550
Total expenditure	3	234,191	28,966	3,271,379	3,534,536	3,353,709
Net income/(expenditure) before investment gains		(234,191)	-	(112,649)	(346,840)	(325,593)
Gains/(losses) on investments						
Unrealised		503,383	24,979	62,546	590,908	(416,130)
Realised		18,063	-	-	18,063	41,812
Fund transfers	10	(1,700,000)		1,700,000	-	-
Net movements in funds before taxation		**(1,412,745)**	**24,979**	**1,649,897**	**262,131**	**(699,911)**
Tax rebate/(charge)		-	-	-	-	**41,110**
Net movements in funds after taxation		**(1,412,745)**	**24,979**	**1,649,897**	**262,131**	**(658,801)**
Funds brought forward		14,786,717	315,679	(1,057,456)	14,044,940	14,703,741
Funds carried forward		**13,373,972**	**340,658**	**592,441**	**14,307,071**	**14,044,940**

The notes on pages 20 to 29 form part of these financial statements.

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

A comparable statement of financial activities is provided in note 14

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BALANCE SHEETS AS AT 31 MARCH 2024

	Notes	Group 2024 £	*Group 2023 £*	Charity 2024 £	*Charity 2023 £*
Fixed assets					
Tangible fixed assets	**4**	7,299,153	*7,511,271*	7,299,153	*7,511,271*
Investments	**6**	6,956,042	*6,447,402*	6,956,142	*6,447,502*
		14,255,195	13,958,673	14,255,295	*13,958,773*
Current assets					
Debtors	**7**	82,928	*204,861*	82,928	*163,751*
Stock		23,526	17,476	23,526	17,475
Cash at bank		360,929	*385,548*	297,857	*324,473*
		467,383	607,885	404,311	*505,699*
Current liabilities					
Creditors under one year	**8**	(415,507)	*(521,618)*	*(544,186)*	*(593,820)*
Net current assets		**51,876**	**86,267**	***(139,875)***	***(88,121)***
Defined benefit pension scheme liability	**11**	-	-	-	-
Net assets		**14,307,071**	**14,044,940**	**14,115,420**	***13,870,652***
Funds					
Endowment		13,373,972	*14,786,717*	13,373,972	*14,786,717*
Restricted		340,658	*315,679*	340,657	*315,679*
Unrestricted		592,441	*(1,057,456)*	400,791	*(1,231,745)*
	10	**14,307,071**	**14,044,940**	**14,115,420**	***13,870,652***

The financial statements were approved by the Court of Trustees on 25 September 2024 and signed on its behalf by:

Signed by:
John O'Brien
C990C86309FB413...

John O'Brien
Chair

Signed by:
David Swanney
737E60898F054D1...

David Swanney
Treasurer

On 9 November 2024

The notes on pages 20 to 29 form part of these financial statements.

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THE ROYAL FOUNDATION OF ST KATHARINE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

		2024		2023
	£	£	£	£
Cash flows from operating activities				
Net income / (expenditure)	262,131		(658,801)	
Adjustments for:				
Depreciation	401,031		386,345	
Loss/(Gain) on investments	(608,971)		374,318	
Investment income	(208,791)		(204,256)	
Trade and other receivables	121,933		(49,430)	
Stock	(6,050)		(17,476)	
Trade and other payables	(106,111)		82,013	
Net cash used in operating activities		(144,828)		(87,288)
Cash flows from investing activities				
Purchase of property plant and equipment	(188,913)		(168,309)	
Proceeds on disposal of investments	100,331		200,000	
Investment income	208,791		204,256	
Net cash provided by investing activities		120,209		235,947
Net (decrease)/ increase in cash and cash equivalents		(24,619)		148,659
Cash and equivalents brought forward		385,548		236,889
Cash and equivalents carried forward		360,929		385,548

Components of cash and cash equivalents:	2024	2023
Cash at bank and in hand	360,929	385,548

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1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 2nd Edition, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(a) Going Concern

The forecast outturn for the current financial year, and for the 2025/26 preliminary forecast, is for a deficit in both years.

The s105 Order from the Charity Commission dated 25 September 2023 referred to in the trustees' report eliminated the accumulated deficit on free reserves, and created a positive balance on free reserves at that date. Although the deficit in the year under review, and the expected deficits in the current financial year and in 2025/26 will reduce this balance, the trustees have taken steps to ensure that measures are taken to balance the books on a year-by-year basis by the end of 2025.

The trustees feel is right to prepare the accounts on a going concern basis.

(b) Income

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

(c) Expenditure

All expenditure is accounted for on an accruals basis and, where possible, directly allocated to the related activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure consists of all expenditure directly relating to the objects of the Charity. Governance costs include expenditure on compliance with statutory requirements.

Irrecoverable VAT is included with the category of expense to which it relates.

(d) Tangible Fixed Assets

Prior to 31 March 1996 expenditure on fixtures and fittings was written off as incurred. As at that date the Trustees estimated the current value required to be shown in the balance sheet. Subsequent acquisitions or improvements are capitalised at cost when their purchase price exceeds £2,000. The classification of fixed assets in the financial statements has been amended in 2024 to provide greater analysis. Depreciation of tangible fixed assets held for charitable use is calculated by the straight-line method to write off the cost/value over the expected useful lives of the assets as follows:

Freehold buildings	25 to 50 years
Temporary buildings	3 to 10 years
Furniture fixtures and fittings	3 to 10 years
IT, plant and equipment	3 to 10 years

Assets in the course of construction are not depreciated until brought into use.

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(e) Investments

Investments are stated at market value.

Surpluses or deficits (realised or unrealised) are allocated to the appropriate Fund.

(f) Subsidiary

The charity holds 100 ordinary £1 shares in a wholly owned subsidiary company, Ratcliffe Hospitality Limited, which were valued at cost.

The Statement of Financial Activity on page 16 and Balance Sheet on page 17 incorporate the results and assets and liabilities of Ratcliffe Hospitality respectively.

(g) Funds

The Charity's Funds comprise the following:

Endowment Fund

The Endowment Fund has been regarded as representing the original endowment to provide income for the aims of the charity.

Ardingly Mission Fund

The Ardingly College Mission Fund consists of investments and cash transferred to the Foundation as Endowment Funds for administration on 1 April 2007. Under the terms of the transfer, the income from the fund is available for the charitable objectives of the Foundation.

Limehouse Aid: The Foundation holds funds donated for the community work of Limehouse Aid.

Unrestricted Funds

The order made by the Charity Commission under s151 of the Charities Act (2002) means that the Foundation now has positive unrestricted funds. These funds are available to spend on the general charitable purposes of the Foundation.

(h) Financial instruments

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. At present the charity does not have any bank loans.

(i) Key judgements and uncertainties

In application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees consider the main area of judgement to be the assessment of the useful economic life of fixed assets utilised in delivering the charity's objects, in particular, that of the freehold buildings.

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(j) Taxation

The Foundation is a registered charity and as such is not liable to tax on income derived wholly from charitable activities. The wholly owned subsidiary, Ratcliffe Hospitality Limited which is the commercial arm of the Foundation remits the entirety of its profits to the Foundation with the benefit of gift aid so as to reduce the taxable profits to nil.

2 INCOME

	Total 2024	Total 2023
	£	£
Donations and legacies		
Gifts and donations	58,111	105,335
Legacies	150,000	-
	208,111	105,335
Income from charitable activites		
Overnight accommodation	187,442	128,310
Conference income	322,361	310,387
Food and beverages	651,472	644,800
Rental and other income	53,218	47,559
Yurt café	461,630	432,119
	1,676,123	1,563,176
Income from trading activities		
Overnight accommodation	1,094,671	1,155,349
	1,094,671	1,155,349
Investment income		
Dividends	208,791	202,203
Interest receivable	-	2,053
	208,791	204,256
Income Total	3,187,696	3,028,116

Income includes £ 8,148 dividend income attributable to the Ardingly Mission Fund (2023 £ 7,762).

3 EXPENDITURE

	Depreciation	Staff costs	Other costs	Total 2024	Total 2023
	£	£	£	£	£
Charitable activities					
Endowment Funds	234,191	-	-	234,191	199,509
Restricted Funds	-	-	-	-	32,508
Unrestricted Funds	166,840	1,108,102	946,367	2,221,309	2,152,142
	401,031	1,108,102	946,367	2,455,500	2,384,159
Trading costs	-	606,572	472,464	1,079,036	969,550
	401,031	**1,714,674**	**1,418,831**	**3,534,536**	**3,353,709**

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THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

	Depreciation	Staff costs	Other costs	Total 2023
	£	£	£	£
Charitable activities				
Endowment Funds	199,509	-	-	199,509
Restricted Funds	-	-	32,508	32,508
Unrestricted Funds	186,836	1,168,589	796,717	2,152,142
	386,345	1,168,589	829,225	2,384,159
Trading costs	-	576,609	392,942	969,550
	386,345	**1,745,198**	**1,222,167**	**3,353,709**

	Total 2024	Total 2023
Staff Costs	£	£
Wages and salaries	1,462,177	1,483,861
Social security costs	128,025	137,566
Pension costs (Defined Benefit Scheme)	8,836	10,643
Pension costs (Defined Contribution Scheme)	115,636	113,128
	1,714,674	£1,745,198
Other Costs		
Visitor catering	393,612	373,455
Housekeeping	114,935	113,197
Property costs	342,330	245,575
Centre administration	164,298	138,939
Sales commission	168,689	163,137
General costs	131,654	71,513
Grants	-	-
Governance	31,391	38,438
Professional fees and consultancy	25,671	31,772
Charitable activities	46,251	46,140
Depreciation	401,031	386,345
	1,819,862	**£1,608,512**
Total Costs	**3,534,536**	**£3,353,709**

	Number 2024	Number 2023
The average number of employees was	58	65
The average number of Full Time Equivalent employees was	39	47

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The number of employees who received remuneration during the year above £60,000 was:

	Number 2024	Number 2023
£60,000 to £69,999	-	-
£70,000 to £79,999	-	1

The only trustee to receive remuneration is The Venerable Roger Preece for his services as Master to The Foundation for which he was paid a salary of £68,594 and pension contributions of £8,836. In addition, The Master is required to live on site and an apartment is provided by The Foundation.
No other trustee received any benefits, or remuneration in either year.

Key Management Personnel are: The Master, Lay Chaplain, Commercial Director, Lead Chefs, Housekeeping Manager, Yurt Manager, Events Manager, Finance Director and Finance Manager who collectively received total remuneration of £ 418,058 (2023: £ 333,932). The staff included as 'key personnel' have changed since 2023 as management structures have changed.

4 Fixed Assets

Group & Charity

	Freehold Land and Buildings	Temporary Buidings	Furniture, Fixtures and Fittings	IT Plant and Equipment	Assets under construction	Total
	£	£	£		£	
Cost						
At 1 April 2023	10,454,791	259,820	740,783	475,674	383,846	12,314,914
Additions	86,024	-	-	22,384	80,505	188,913
At 31 March 2024	10,540,815	259,820	740,783	498,058	464,351	12,503,827
Depreciation						
At 1 April 2023	3,859,200	223,654	327,182	393,607	-	4,803,643
Charge in the year	234,191	22,214	116,596	28,030	-	401,031
At 31 March 2024	4,093,391	245,868	443,778	421,637	-	5,204,674
NBV						
At 31 March 2024	6,447,424	13,952	297,005	76,421	464,351	7,299,153
At 31 March 2023	6,595,591	36,166	413,601	82,067	383,846	7,511,271

All fixed assets are held for charitable use.

The 'Asset Under Construction' is primarily the Northern Site development mentioned in the Master's Report and includes the cost of professional fees incurred in negotiating with developers and formulating initial, outline plans for the site. The Trustees are confident that even though the development is at an early stage, the value of the work done exceeds the valuation in these financial statements. There are also included some costs associated with the replacement of part of the roof that had not been completed at year end.

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5 Capital Commitments

At 31 March 2024 there were no capital commitments (2023, none). The Foundation continues to incur expenditure in connection with development of the Northern Site, mainly professional fees for preparing the submission of a planning application. These costs are capitalised as Assets Under Construction.

6 Investments

	Common Investment Funds	Investments in subsidiary	Charity total
	£	£	£
Valuation at 1 April 2023	6,447,402	100	6,447,502
Disposals	(100,331)		(100,331)
Realised gains	18,063		18,063
Unrealised gains	590,908		590,908
Valuation at 31 March 2024	**6,956,042**	**100**	**6,956,142**

The market value of the Common Investment Funds held are:	Restricted Endowment Fund	Unrestricted Fund	2024	2023
			£	£
Restricted Endowment Fund				
COIF Charities Global Equity Fund Income Units	599,087	70,735	669,822	581,449
COIF Charities Property Fund Income Units	254,817	30,087	284,904	300,400
COIF Charities Ethical Investment Income Units	5,117,821	604,269	5,722,090	5,310,976
COIF Charities Deposit Fund	-	-	-	331
	5,971,725	705,091	6,676,816	6,193,156
Ardingly Mission Fund				
COIF Charities Ethical Investment Income Units			279,226	254,246
Total			**6,956,042**	**6,447,402**

The historical cost of the investments is £ 5,018,351 (2023: £5,100,619)

The Charity holds shares in Ratcliffe Hospitality Limited, a wholly owned subsidiary company with a value of £100 (2023: £100)

7 Debtors

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Trade debtors	47,065	124,379	47,065	124,379
Other debtors	23,501	18,677	23,501	18,677
Prepayments	12,362	20,695	12,362	20,695
Taxation and social security	-	41,110	-	-
	82,928	**204,861**	**82,928**	**163,751**

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8 Creditors

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Deposits for advance bookings	180,558	316,334	3,554	118,409
Intercompany account	-	-	360,296	273,811
Trade creditors	55,575	41,167	54,535	41,167
Other creditors and accrued expenses	97,654	122,778	93,154	118,279
Taxation and social security	81,720	41,339	32,647	42,154
Corporation Tax	-	-	-	-
	415,507	**521,618**	**544,186**	**593,820**

9 Analysis of Net Assets between Funds

Fund balances at 31 March 2024 are represented by:	**Endowment fund**	**Ardingly fund**	**Limehouse Aid**	**Total Unrestricted Funds**	**Total 2024**
Tangible fixed assets	6,911,775	-	-	387,378	7,299,153
Investments	5,971,725	279,226	-	705,091	6,956,042
Net current assets/(liabilities)	490,471	60,385	1,048	(500,028)	51,876
	13,373,971	**339,611**	**1,048**	**592,441**	**14,307,071**

Fund balances at 31 March 2023 are represented by:	**Endowment fund**	**Ardingly fund**	**Limehouse Aid**	**Total Unrestricted Funds**	**Total 2023**
Tangible fixed assets	6,658,018	-	-	853,252	7,511,271
Investments	6,193,156	254,246	-	-	6,447,402
Net current assets/(liabilities)	1,935,543	60,385	1,048	(1,910,709)	86,267
Defined benefit pension scheme liability	-	-	-	-	-
	14,786,717	**314,631**	**1,048**	**(1,057,456)**	**14,044,940**

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10 Summary of Fund Movements

	Balance at 31 March 2023	Income	Expenditure	Investment gains/(losses)	Transfer	Balance at 31 March 2024
Endowment fund	14,786,717	-	(234,191)	521,446	(1,700,000)	13,373,972
Ardingly fund	314,631	8,148	(8,148)	24,979	-	339,610
Limehouse Aid	1,048	20,818	(20,818)	-		1,048
Unrestricted general fund	(1,057,456)	3,158,730	(3,271,379)	62,546	1,700,000	592,441
	14,044,940	**3,187,696**	**(3,534,536)**	**608,971**	**-**	**14,307,071**

	Balance at 31 March 2022	Income	Expenditure	Investment gains/(losses)	Tax Charge	Balance at 31 March 2023
Endowment fund	15,347,202	-	(199,509)	(360,976)	-	14,786,717
Ardingly fund	320,391	7,762	(180)	(13,342)	-	314,631
Master's Charity Account	6,678	21,023	(27,702)	-	-	-
Limehouse Aid	483	5,190	(4,625)	-	-	1,048
Unrestricted general fund	(971,014)	2,994,141	(3,121,693)	-	41,110	(1,057,456)
	14,703,740	**3,028,116**	**(3,353,709)**	**(374,318)**	**41,110**	**14,044,940**

11 Pension Liability

The Foundation participates in the Church of England Funded Pensions Scheme for stipendiary clergy in respect of The Master. This is a defined benefit pension scheme administered by the Church of England Pensions Board and each participating Responsible Body pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in section 28 of FRS102. This means that it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and so contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged in the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year and amount to £8,836 (2023: £10,643).

	2024	2023
Movement in pension provision	£	£
Balance sheet liability at 1 January	-	2,000
Deficit contributions paid	-	(2,000)
Balance sheet liability at 31 December	£ -	£ -

12 Operating Lease Commitments

At the reporting end date the Foundation had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	8,384	4,022
Between two and five years	18,501	4,266
Over five years	-	108
	£26,885	**£8,396**

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13 Financial Instruments

	2024	2023
Financial assets measured at fair value		
Investments	6,956,042	6,447,502

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14 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2023

	Note	Endowment Fund	Restricted Funds	Unrestricted Fund	Total 2023
		£	£	£	£
Income					
Donations and legacies		-	26,181	79,154	105,335
Charitable activities		-	-	1,563,176	1,563,176
Trading activities		-	-	1,155,349	1,155,349
Grants		-	-	-	-
Investments		-	7,794	196,462	204,256
Total income	**2**	-	33,975	2,994,141	3,028,115
Expenditure on					
Provision and maintenance of the Christian Centre					
Operating costs and maintenance		-	32,508	1,933,533	1,966,041
Depreciation		199,509	-	186,836	386,345
Professional fees		-	-	31,772	31,772
Trading costs		-	-	969,550	969,550
Total expenditure	**3**	199,509	32,508	3,121,692	3,353,709
Net income/(expenditure) before investment gains		(199,509)	1,467	(127,551)	(325,593)
Gains/(losses) on investments					
Unrealised		(402,788)	(13,342)	-	(416,130)
Realised		41,812	-	-	41,812
Net movements in funds before taxation		**(560,485)**	**(11,875)**	**(127,551)**	**(699,911)**
Tax rebate/(charge)		-	-	41,110	**41,110**
Net movements in funds after taxation		**(560,485)**	**(11,875)**	**(86,441)**	**(658,801)**
Funds brought forward		15,347,202	327,554	(971,015)	14,703,741
Funds carried forward		**14,786,717**	**315,679**	**(1,057,456)**	**14,044,940**

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15 Ratcliffe Hospitality Limited

	2024	2023
Share Capital and Reserves		
Share Capital	100	100
Reserves	191,647	174,286
Total Capital	191,747	174,386

Profit and Loss Account

	2024	2023
Income	1,096,397	1,155,349
Less: Cost of Sales	(415,038)	(385,188)
Gross Profit	681,359	770,161
Administration and Overheads	(663,998)	(584,364)
Gift Aid	-	(226,907)
Taxation	-	41,110
Net Profit	17,361	-

16 Related Party Transactions

The charity had the following transactions with its trading subsidiary Ratcliffe Hospitality Limited:

	2024	2023
Charges by the Charity to Ratcliffe Hospitality Ltd (RHL)		
Allocation of overheads for shared expenses	415,038	576,609
Gift Aid donation by RHL to the charity	-	226,907
Debtor due by the charity to RHL	360,296	273,811

There were no other related party transactions in the year.

THE ROYAL FOUNDATION OF ST KATHARINE

England & Wales - Charity number 223849

Accounts

THE ROYAL FOUNDATION OF ST. KATHARINE

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2023

Registered Charity No. 223849

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THE ROYAL FOUNDATION OF ST KATHARINE

PATRON

MEMBERS OF THE COURT

John O'Brien (Chairman)
David Swanney CA – (Treasurer and Vice-Chairman)
Geoffrey Richards
Diana Banks
Kay Brock CBE LVO
Sophie Densham LVO
Andrew Grigson
Professor Joy Hinson
Elizabeth Marshall MBE
The Rt Rev. & Rt Hon. Dame Sarah Mullally DBE, Bishop of London, *ex officio*
The Ven Roger Preece, *ex officio*
Dame Annabel Whitehead DCVO (retired 9 November 2022)

MASTER

The Venerable Roger Preece,

REGISTERED ADDRESS

The Royal Foundation of St Katharine
2 Butcher Row
London
E14 8DS

Telephone	0300 111 1147
Fax	020 7702 7603
Email	info@rfsk.org.uk
Website	www.rfsk.org.uk

SECRETARY : Graham Cooper

SOLICITORS	**AUDITORS**	**BANKERS**
Farrer & Co.	Saffery LLP	Lloyds Bank plc
66 Lincoln's Inn Fields	71 Queen Victoria Street	210 Commercial Road
London WC2A 3LH	London EC4V 4BE	London E1 2JR

THE ROYAL FOUNDATION OF ST KATHARINE
CHAIR'S STATEMENT

Although we continue to live in challenging times, the object of the Royal Foundation of St Katharine remains clear: the promotion of Christian values, through worship, hospitality and service, and, with a view to developing and coordinating Christian activities of every description for the public benefit, for those of all faiths and none.

The Master's report outlines how the Foundation has continued to fulfil its Object, and how the range of activities of St Katharine's has been rebuilt, and indeed extended, over the period since the ravages of the pandemic were brought under control through the use of vaccines. The challenges facing the hospitality sector are well known, and St Katharine's has not been immune to them. As well as the difficulties - common across the sector - in recruiting staff, our hospitality and catering services have suffered from the increasing level of costs that to an extent have had to be absorbed.

Funding the work of the charity through rebuilding the business profitably has proved to be challenging and, although we have made good progress this year, we have not yet managed to balance the books year on year. The staff have all worked extremely hard to continue to close the gap, and they are to be commended for their efforts, which I am confident will bear fruit in due course.

Work continues on reviewing our operating model for the post pandemic world, assisted by the additional information and data benefits flowing from our new accounting system which are being realised.

For another year, though, we have had to rely on our historic endowment to help us. As I mentioned last year, this reliance is not something can continue indefinitely. Therefore, we made an application under s105 of the Charity Act 2011 to make a compensating transfer from our endowment to our free reserves, to make good the deficit accumulated over the past two years which was approved by the Charity Commission in September 2023.

Our ability to make a Christian difference remains significant. Our hospitality offering is constantly applauded by our guests, who also hugely value the oasis of calm, peace and safety that St Katharine's embodies. Our Retreat work goes from strength to strength, and we have taken the lead in working with other retreat houses in this area. Our community work continues to expand, and we recently hosted an important conference on combating food poverty, bringing together many foodbanks, groups and political leaders from our part of London, all looking to see what can be done to improve the lot of so many people in this deprived neighbourhood.

On the property front, we await the views of the local authority on our planning application in respect of the Northern Site, which the Master reports on more fully; once underway, this development should deliver a substantial increase on the facilities available to the Foundation.

The Foundation continues to be a constant presence for good in our society, both in Limehouse and more widely, and we all, staff and trustees, look forward to taking the Christian message of hospitality, worship and service forward into the new year.

John O'Brien
Chair of the Court
November 2023

THE ROYAL FOUNDATION OF ST KATHARINE
MASTER'S REPORT

St Katharine's has had its most active year ever in terms of increased use of our remarkable facilities in East London.

A Retreat House in East London

One of the joys of RFSK is the variety of guests and meetings who come and spend time with us. We like to say that everyone who comes to St Katharine's is on retreat, but that not everyone realises that, until they come.

The RFSK led retreat offer continued to develop during 2023. New speakers included Mark Oakley, Chine Macdonald and Dave Tomlinson. We welcomed over 300 retreatants to our led quiet days and residentials. In addition, our monthly Open Reflective Days continued to be oversubscribed with over 350 attending. Many have started to extend their stay by coming on the Sunday night before to have extra quiet time.

We continue to host the London Diocese ordination retreat for all those who are about to be ordained at St Pauls Cathedral. The four days spent at St Katharine's are a special part of their final preparation that marks the start of a new ministry.

The feedback received from our numerous guests confirms that people do experience something very special during their stay, often describing feelings of being rested, renewed and encouraged in their faith journey through their time here with us.

Over 19,000 bedroom-nights were used by our guests during the year all enjoying this unique urban oasis.

"St Katharine's is utterly unique, a modern Christian haven in our capital. Then to cap it all your chapel provides a wonderful space to spend quiet time with God". – visitor Jan 2023

"The quiet day was wonderful. Beyond expectation" – open reflective day – March 2023

A meeting and event space for transforming organisations

The charities, missions and not-for-profit groups that use St Katharine's for their trustee meetings, management retreats or training sessions comprise many of the most significant charities in the UK and Internationally. St Katharine's high standard of catering, combined with rooms that are light and looking onto the peaceful gardens, complete with advanced audio visual equipment, continues to be an attractive offer. In this context St Katharine's exists to allow other organisations to have space to do their transforming work at our location.

During the year we hosted over 1,500 different events with 17,500 delegates spending time with us.

The new Community Centre rooms have added capacity, slightly removed from the main house, to allow different groups to come and enjoy the space at the same time.

Promoting Retreats

A key strategic direction set by the trustees has been RFSK's new role in promoting and encouraging people to go on a retreat. The first National Retreat Week was planned during this year - RFSK hosted a meeting with 40 retreat house leaders in March 2023 to plan this work - and will be launched in September 2023. This will be a national campaign backed up by a network of retreat houses and key Christian leaders and retreat directors. A library of digital resources has been developed along with a dedicated website that will be at the heart of this new initiative. Support has been received from the Archbishop of York, Malcolm Guite, John Bell, Richard Carter and Brian Draper, all highly respected in the retreatant community.

A Royal Charity

As a Royal charity that has had the Queens of England as our patrons since 1147, it was significant and very meaningful for us that our Chapel service held for Her Majesty Queen Elizabeth's II Jubilee in February 2022 was broadcast on the

THE ROYAL FOUNDATION OF ST KATHARINE
MASTER'S REPORT

Jubilee Day on the BBC news at midday, 6pm and 10pm. The death of Her Majesty in September 2022 was remembered with sadness as we recalled her Royal Visit in 2012 and gathered in the chapel to watch the funeral ceremonies and to give thanks for her care and interest in St Katharine's over so many years.

Serve the Local Community

When Queen Mary gave instructions to Rev St John Groser to take St Katharine's back to the East End of London in 1948 there was a clear mandate to serve the community, which then, and as now, has significant needs.

The Yurt Community Café continues to be a significant public face of the Royal Foundation open seven days a week and hosting a variety of community activities. During the year, we served 64,000 items, that represents over 25,000 individual visits. Our new "Pay it Forward" facility allows guests to buy food and drink for another guest who cannot afford to pay.

Community activities are diverse in reach and varied in content. A weekly lunch club, in partnership with the Limehouse Project, provides a nutritious meal at no charge to isolated residents living nearby. During the winter, given the energy crisis, we offered a "Warm Space" to those who were struggling to heat their own homes. Links with the NHS-funded social prescribing network has allowed individuals to find a place of support and wellbeing in the St Katharine's community work.

Workshops around photography, poetry, knitting, and community gardening are all reaching different people with activities that support mental health and wellbeing. Significant media figures, such as Peter Dench, a Sunday Times Picture editor and photographer have supported our projects. There is also a group providing drama for adults with learning difficulties that are able to have to use our community space.

Music and Arts continue to bring people together, and along with an outdoor music festival by the Yurt, there has been a programme of music of different styles in the chapel. Candlemas 2023, saw the Yurt, Precinct and Chapel bathed in an immersive light show, along with ambient music and meditations to help people understand the Christian Festival of Candlemas in a new way.

Connect and Change

St Katharine's is well known as a venue for charities that are making a difference. RFSK in 2022/23 has been exploring how it can also be more than a venue and use its unique position, history and facilities to bring people together around key themes to support positive change. This year, our first initiative was to host an event for 40 charity leaders who are engaged in supporting refugees in Tower Hamlets. We then put together a conference in May 2023 that brought together organisations that were all working with the consequences of Food Poverty. Through this conference, significant links and collaboration between separate charities, Food banks and institutions has started to take place.

Recognising the significant personal challenges that Charity Leaders face in their work, St Katharine's invited 25 senior leaders of charitable organisations to a two- day retreat led by clinical psychologist, Dr Roger Bretherton of Lincoln University.

Developing the Northern Site

The long-term project to develop new facilities in the land around the Yurt continues to progress, albeit slowly. Continuously changing planning guidance and regulation means we have had to make many new submissions to our planning application, just when we had thought we had provided everything that was required. We are therefore still waiting for planning approval for our scheme, which will bring much needed permanent community facilities, along with residential accommodation, one third of which will be affordable and social housing. More guest bedrooms around a new attractive courtyard will allow more guests to enjoy the facilities that St Katharine's offers.

Generous Giving

The charitable work of St Katharine's has been encouraged and facilitated through generous giving which has supported the work. This will be more of a priority in the future as the local needs are so great and the current resources are stretched. Legacy giving will also be an important component of supporting the charitable work.

THE ROYAL FOUNDATION OF ST KATHARINE
MASTER'S REPORT

All that we do is delivered by our professional staff who together are able to deliver the high standard of service that delights our guests. As Master, I am very grateful to them and recognise their commitment and hard work in keeping everything working so smoothly.

Overall, it has been an honour to serve the Royal Foundation of St Katharine over the past year and we have so much to be thankful for. We look forward to continuing to offer peace and tranquillity to those who pass through our gates.

The Venerable Roger Preece
Master
November 2023

REPORT OF THE TRUSTEES

The Governing Instrument

The Governing Instrument of the Charity is the Ordinances dated 27th April 2020 granted by Her Late Majesty Queen Elizabeth II.

The Object of the Charity

The Object of the Charity is the advancement of the Christian religion through worship, hospitality and service and the promotion of Christian values, with a view to developing and promoting Christian activities of every description for the public benefit.

The Patron

Her Majesty Queen Elizabeth II was the Patron of The Royal Foundation of St. Katharine until her death on 8 September 2022. The Foundation was deeply saddened at her death; her invaluable contribution as Patron will be sorely missed. Under Queen Eleanor's charter of 1273, the Patronage of the Foundation was reserved unto the Queens of England and the Trustees are taking appropriate steps in relation to a new appointment as Patron.

The Court

The governing body of the Foundation is its Court, which currently consists of eleven trustees.

The Court is assisted in its work by two committees: the Finance, Audit and Risk Committee, which comprises six Trustees, and the Operations Committee, which has seven members.

Day to day operational responsibility for the Foundation is delegated to the Master. The Court ensures that appropriate training is available to its members and provides an induction process for new trustees. Trustees may be nominated by the Patron, the Lord Chancellor, the Bishop of Stepney or by the Court, and their appointment is then subject to the approval of the Patron.

Organisation

The Charity's work is principally to operate and manage a Conference and Retreat Centre at Butcher Row in Limehouse in East London, which is used by a wide range of local, national and overseas church and charitable bodies, as well as by individuals. The bedrooms provide residential accommodation for up to 87 guests, and the Foundation has meeting rooms for up to 175 people with full catering services in the main building as well as for 80 people in the St Katharine's Community Centre. Audio-visual, internet and conference support facilities are provided.

The commercial business of the Foundation is undertaken through a wholly-owned subsidiary, Ratcliffe Hospitality Limited, (RHL) the results of which are consolidated in these financial statements.

The Foundation also operates a Community Café, The Yurt, and provides a space for community activities in St Katharine's Precinct. The refurbished St Katharine's Community Centre has increased the capacity for the Foundation to host community and commercial events. The Foundation continues to support the Limehouse Aid Foodbank, providing nutritious food to more than 50 families a week, and partners with the Limehouse Project to offer lunch and a warm welcome twice a week in the St Katharine Community Centre. Local Rainbow groups, a Gospel choir and other local charities are now regular users of the space. The Foundation also supports work with refugees by funding a conference for London churches and facilitating ESOL (English for speakers of other languages) classes in the community hub as well as running arts workshops and a community garden club to support the improvement of participants health and well-being. The event offer has been expanded to include a light show and other performance art, in addition to music evenings in The Yurt and concerts in the chapel featuring local artists.

Public benefit

The Court confirms that it has complied with the duty set out in Section 17 of the Charities Act 2011, to have due regard to Public Benefit guidance published by the Charity Commission, in determining the activities undertaken by the

Foundation. The Court reviews the activities of the Charity against its aims on an on-going basis and is satisfied that all activities continue to be related to the aims, which are set in such a way as to benefit society as a whole. The benefits are set out in the review of activities shown below, and in the Master's report.

Review of Activities

In the year to 31 March 2023, the Foundation aimed to return to break-even, but for a number of reasons, outlined below, this aim was not realised.

Financial Review

Operating Income and Expenditure

The Foundation's Income and Expenditure is shown in the Statement of Financial Activities on page 16.

Turnover for the year increased by nearly 50 per cent from £2.1 million in 2022 to just over £3 million in 2023.

As business picked up so did inflationary pressures. These have been well documented in the media but recruitment challenges in the hospitality sector have seen wage increases across all areas of business and as part of the ethical approach to looking after our staff, the pay increase awarded from 1st April 2022 sought to be generous and acknowledge that the low-paid suffered more in periods of high inflation. The trustees additionally authorised a cost-of-living payment of £700 to all staff.

One of the biggest cost increases is the charge to depreciation which reflects the large investments made in the previous year in bedroom refurbishment and the modernisation of the Community Centre, which came into use at the start of the year, both of which were subject to a full-year's depreciation for the first time. A significant proportion of the cost base is fixed, and inflation, especially for food and utilities, has squeezed the margin, which has also contributed to the deficit.

The Foundation's Assets

The Foundation has wide investment powers under its Ordinances. The Endowment Fund represents its functional assets, being its buildings and Chapel in Butcher Row, the majority of its portfolio investments, and the 0.7 hectares between the Foundation's principal site and the Docklands Light Railway viaduct, known as the Northern Site.

Its portfolio investments are held in a range of investment funds set up for charities under Charity Commission schemes, managed by professional investment managers and regularly reviewed by the Trustees. The investments are primarily held to provide an income to finance the Foundation's activities but in addition are expected to maintain their value in real terms.

Additions to the fixed assets in the current year were mainly items that had been started previously and were brought into use, such as the Community Centre refurbishment and the new accounting system. Other additions were mostly items that needed to be replaced such as the central heating boilers. The net book value of the Foundation's Tangible Fixed Assets at year-end was £ 7,511,271 (2022: £ 7,729,307).

The value of Investments at year-end was £ 6,447,402 (2022: £ 7,021,720) including a disposal of £200,000 from the CCLA Ethical Fund early in the year. Generally, international markets have yet to recover to the levels they were at before the Russian invasion of Ukraine.

Net Current Assets were £86,267 (2022: £(45,286)) including cash at bank of £ 385,548 (2022: £236,889). The majority of the creditor balance is deposits for future bookings.

Notwithstanding the deficit in the Foundation's operations, the commercial subsidiary, RHL made a profit for the year. The directors of RHL therefore decided that they were able to resume making a gift aid payment to the parent Charity.

Risk Management

The Trustees recognise their responsibility for ensuring adequate risk management and internal control; dedicating one of the Court committees to Finance Audit and Risk (FAR) reflects the importance placed on this. A risk register, incorporating control and mitigating measures, is maintained and is subject to regular review by management. The major risks to which the Foundation is exposed, in particular those related to its hospitality operations such as Health and Safety, Food Hygiene and Security, and to its finances are reviewed by Trustees each quarter. Following a review of the risks facing the Foundation the Court has asked the FAR committee to undertake a wholesale review of the risks in conjunction with management.

Independent customer satisfaction statistics are regularly reviewed at management meetings, all investment decisions are authorised by the Chairman and Treasurer, and a business contingency plan is maintained.

The Trustees are satisfied that adequate measures are in hand to manage and minimise all significant risks.

Reserves

The loss for the year means that The Foundation's free reserves continue to be negative as trading conditions continue to be difficult, but, because of an unexpected legacy since the year end, the Foundation is expected to show a surplus in the current year.

The Endowment Fund is regarded as representing the original endowment to provide income for the aims of the charity. However, on application by the Trustees, the Charity Commission has made an under section 105 of the Charities Act 2011 to treat a part of the Endowment as being available for general, ie unrestricted, purposes.

Going Concern

The forecast for the current year, and for the 2024-25 preliminary forecast, is for a surplus in both years.

Furthermore, the s105 Order from the Charity Commission referred to above will eliminate the deficit on free reserves and ensure that there are sufficient free reserves available for the foreseeable future. The trustees are therefore confident that these financial statements should be prepared on a 'going-concern basis'.

Fundraising

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously. The Trustees have reviewed the Charity Commission guidance: *Charity fundraising: a guide to trustee duties (CC20)* and, having considered the Foundation's activities, are confident that trustee duties are being fulfilled. The Foundation does not work with any commercial participators or professional fundraisers. The majority of fundraising is from visitors to St Katharine's and through its website. The Foundation is currently developing a fundraising strategy but this will not actively solicit donations from the general public more widely. The Trustees are not aware of any complaints made in respect of fundraising during the period under review.

Future Plans

The future plans are in two parts – the development of a sustainable business operating model post pandemic, and the development of the area to the north of the current buildings currently occupied by the Yurt Café and the St Katharine's Precinct. The Northern Site project is more fully detailed in the Master's Report.

Remuneration of Key Management Personnel

The levels of remuneration of all key personnel are reviewed annually in the context of similar roles in the Charity Sector or Hospitality industry according to the position.

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 ROYAL FOUNDATION OF ST KATHARINE
TRUSTEES' REPORT

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 income and expenditure of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose w·1th reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and with the Royal Foundation of St Katharine's Ordinances dated 27 April 2020. 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.

Approved by the Court and signed on its behalf by:

John O'Brien {Chairman)
20 November 2023

David Swanney CA (Treasurer)

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF THE ROYAL FOUNDATION OF ST KATHARINE

Opinion

We have audited the financial statements of the Royal Foundation of St Katharine (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, Balance Sheets, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 and parent charity's affairs as at 31 March 2023 and of the group's and the parent charity's incoming resources and application of resources 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 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 and parent 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 group or the parent 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 annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

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:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity's 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

As explained more fully in the Trustees' Responsibilities Statement set out on pages 10 and 11, 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 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees and management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with Trustees and updating our understanding of the sector in which the group and parent charity operate.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the parent charity 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 parent charity and the parent charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery LLP .....

Saffery LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 4 December 2023

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

THE ROYAL FOUNDATION OF ST KATHARINE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Endowment Fund	Restricted Funds	Unrestricted Fund	Total 2023	Total 2022
		£	£	£	£	£
Income						
Donations and legacies		-	26,181	79,154	105,335	63,543
Charitable activities		-	-	1,563,176	1,563,176	1,278,544
Trading activities		-	-	1,155,349	1,155,349	531,867
Grants		-	-	-	-	43,368
Investments		-	7,794	196,462	204,256	223,643
Total income	2	-	33,975	2,994,141	3,028,115	2,140,965
Expenditure on						
Provision and maintenance of the Christian Centre						
Operating costs and maintenance		-	32,508	1,933,533	1,966,041	1,996,192
Depreciation		199,509	-	186,836	386,345	319,647
Professional fees		-	-	31,772	31,772	29,566
Trading costs		-	-	969,550	969,550	572,378
Total expenditure	3	199,509	32,508	3,121,692	3,353,709	2,917,782
Net income/(expenditure) before investment gains		(199,509)	1,467	(127,551)	(325,593)	(776,817)
Gains/(losses) on investments						
Unrealised		(402,788)	(13,342)	-	(416,130)	565,696
Realised		41,812	-	-	41,812	74,547
Net movements in funds before taxation		**(560,485)**	**(11,875)**	**(127,551)**	**(699,911)**	**(136,575)**
Tax rebate/(charge)		-	-	41,110	**41,110**	**(41,110)**
Net movements in funds after taxation		**(560,485)**	**(11,875)**	**(86,441)**	**(658,801)**	**(177,685)**
Funds brought forward		15,347,202	327,554	(971,015)	14,703,741	14,881,426
Funds carried forward		**14,786,717**	**315,679**	**(1,057,456)**	**14,044,940**	**14,703,741**

The notes on pages 19 to 30 form part of these financial statements.

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

A comparable statement of financial activities is provided in note 14

BALANCE SHEETS AS AT 31 MARCH 2023

	Notes	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Fixed assets					
Tangible fixed assets	4	7,511,271	*7,729,307*	7,511,271	*7,729,307*
Investments	6	6,447,402	*7,021,720*	6,447,502	*7,021,820*
		13,958,673	*14,751,027*	13,958,773	*14,751,127*
Current assets					
Debtors	7	204,861	*155,431*	163,751	*145,756*
Stock		17,476	-	17,475	-
Cash at bank		385,548	*236,889*	324,473	*164,702*
		607,885	*392,320*	505,699	*310,458*
Current liabilities					
Creditors under one year	8	(521,618)	*(437,606)*	(593,820)	*(530,369)*
Net current assets		**86,267**	***(45,286)***	**(88,121)**	***(219,912)***
Defined benefit pension scheme liability	11	-	*(2,000)*	-	*(2,000)*
Net assets		**14,044,940**	***14,703,741***	**13,870,652**	***14,529,216***
Funds					
Endowment		14,786,717	*15,347,202*	14,786,717	*15,347,203*
Restricted		315,679	*327,554*	315,679	*327,554*
Unrestricted		(1,057,456)	*(971,015)*	(1,231,745)	*(1,145,541)*
	10	**14,044,940**	***14,703,741***	**13,870,652**	***14,529,216***

The financial statements were approved by the Court and signed on its behalf on 20 November 2023 by:

John O'Brien
Chair

David Swanney
Treasurer

The notes on pages 19 to 30 form part of these financial statements.

THE ROYAL FOUNDATION OF ST KATHARINE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022
	£	£	£	£
Cash flows from operating activities				
Net income / (expenditure)	(658,801)		(177,686)	
Adjustments for:				
Depreciation	386,345		319,647	
Loss/(Gain) on investments	374,318		(640,242)	
Investment income	(204,256)		(223,643)	
Trade and other receivables	(49,430)		(71,420)	
Stock	(17,476)			
Trade and other payables	82,013		142,870	
Net cash used in operating activities		(87,288)		(650,474)
Cash flows from investing activities				
Purchase of property plant and equipment	(168,309)		(834,817)	
Proceeds on disposal of investments	200,000		1,050,000	
Investment income	204,256		223,643	
Net cash provided by investing activities		235,947		438,826
Net (decrease)/ increase in cash and cash equivalents		£ 148,659		£ (211,648)
Cash and equivalents brought forward		236,889		448,537
Cash and equivalents carried forward		£ 385,548		£ 236,889

Components of cash and cash equivalents:	2023	2022
Cash at bank and in hand	£ 385,548	£ 236,889

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 2nd Edition, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(a) Going Concern

The financial statements have been prepared on the basis that the Charity is a going concern despite the operating loss for the year of £86,441 and the accumulated deficit of £1,057,456. The current year deficit represents an improvement on the previous year and the trustees believe that the results for the current year will show a surplus (before movements on investments). As reported in the Trustees' Report, the Charity Commission has agreed an order under section 105 of the Charities Act 2011 to treat a part of the Endowment as being available for unrestricted purposes. The Trustees are confident that it is correct to prepare the financial statements on a going-concern basis.

(b) Income

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

(c) Expenditure

All expenditure is accounted for on an accruals basis and, where possible, directly allocated to the related activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure consists of all expenditure directly relating to the objects of the Charity. Governance costs include expenditure on compliance with statutory requirements.

Irrecoverable VAT is included with the category of expense to which it relates.

(d) Tangible Fixed Assets

Prior to 31 March 1996 expenditure on fixtures and fittings was written off as incurred. As at that date the Trustees estimated the current value required to be shown in the balance sheet. Subsequent acquisitions or improvements are capitalised at cost when their purchase price exceeds £2,000. Depreciation of tangible fixed assets held for charitable use is calculated by the straight-line method to write off the cost/value over the expected useful lives of the assets as follows:

Freehold buildings	25 to 50 years
Furniture, equipment and temporary buildings	3 to 10 years

Assets in the course of construction are not depreciated until brought into use.

(e) Investments

Investments are stated at market value.

Surpluses or deficits (realised or unrealised) are allocated to the appropriate Fund.

(f) Subsidiary

The charity holds 100 ordinary £1 shares in a wholly owned subsidiary company, Ratcliffe Hospitality Limited, which were valued at cost.

The Statement of Financial Activity on page 16 and Balance Sheet on page 17 incorporate the results and assets and liabilities of Ratcliffe Hospitality respectively.

(g) Funds

The Charity's Funds comprise the following:

Endowment Fund

The Endowment Fund has been regarded as representing the original endowment to provide income for the aims of the charity.

Ardingly Mission Fund

The Ardingly College Mission Fund consists of investments and cash transferred to the Foundation as Endowment Funds for administration on 1 April 2007. Under the terms of the transfer, the income from the fund is available for the charitable objectives of the Foundation.

Other Restricted Funds:

Limehouse Aid: The Foundation holds funds donated for the community work of Limehouse Aid.

Master's Charity Fund: In the course of the year "The Master's Charity Account" was discontinued with the bank account now being used to segregate donations to ensure that they are properly applied in accordance with any restrictions placed on the gifts. At the yearend there were no funds held on this basis.

Unrestricted Funds

The Fund is currently in deficit and comprises accumulated losses. The Trustees plan to eliminate this deficit over time so that these funds will be available to spend on the general charitable purposes of the Foundation without further restriction.

(h) Financial instruments

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. At present the charity does not have any bank loans.

(i) Stock

The trustees decided that as stock levels had increased and were now material, the value should be included on the balance sheet. Stock comprises food and beverage items in the kitchen and the Yurt Café, and drinks and snacks, postcards and sundry toiletries for sale in reception. All stock items are counted at year end and valued at cost less a provision for any potential waste.

(j) Key judgements and uncertainties

In application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees consider the main area of judgement to be the assessment of the useful economic life of fixed assets utilised in delivering the charity's objects, in particular, that of the freehold buildings.

(k) Taxation

The Foundation is a registered charity and as such is not liable to tax on income derived wholly from charitable activities. The wholly owned subsidiary, Ratcliffe Hospitality Limited which is the commercial arm of the Foundation donates any profit to the Foundation under a deed of covenant and therefore benefits from Gift Aid.

2 INCOME

	Total 2023	Total 2022
	£	£
Donations and legacies		
Gifts and donations	105,335	63,543
Grants received	-	43,367
	105,335	106,910
Income from charitable activites		
Overnight accommodation	128,310	63,975
Conference income	310,387	186,199
Food and beverages	644,800	378,319
Rental and other income	47,559	28,802
Yurt café	432,119	621,249
	1,563,176	1,278,544
Income from trading activities		
Overnight accommodation	1,155,349	531,867
	1,155,349	531,867
Investment income		
Dividends	202,203	223,616
Interest receivable	2,053	27
	204,256	223,643
Income Total	3,028,116	2,140,965

Income includes £ 7,762 dividend income attributable to the Ardingly Mission Fund (2022 £ 5,037).

3 EXPENDITURE

	Depreciation	Staff costs	Other costs	Total 2023	Total 2022
	£	£	£	£	£
Charitable activities					
Endowment Funds	199,509	-	-	199,509	266,275
Restricted Funds	-	-	32,508	32,508	23,594
Unrestricted Funds	186,836	1,168,589	796,717	2,152,142	2,055,536
	386,345	1,168,589	829,225	2,384,159	2,345,405
Trading costs	-	576,609	392,942	969,550	572,378
	386,345	**1,745,198**	**1,222,167**	**3,353,709**	**2,917,782**

	Depreciation	Staff costs	Other costs	Total 2022
	£	£	£	£
Charitable activities				
Endowment Funds	266,275			266,275
Restricted Funds			23,594	23,594
Unrestricted Funds	53,372	1,495,236	506,928	2,055,536
	319,647	1,495,236	530,523	2,345,405
Trading costs			572,378	572,378
	319,647	**1,495,236**	**1,102,900**	**2,917,782**

	Total 2023	Total 2022
Staff Costs	£	£
Wages and salaries	1,483,861	1,273,857
Social security costs	137,566	109,034
Pension costs (Defined Benefit Scheme)	10,643	12,506
Pension costs (Defined Contribution Scheme)	113,128	99,838
	1,745,198	£1,495,236
Other Costs		
Visitor catering	373,455	412,467
Housekeeping	113,197	84,165
Property costs	245,575	232,719
Centre administration	138,939	134,761
Sales commission	163,137	64,688
General costs	71,513	94,930
Grants	-	700
Governance	38,438	22,490
Professional fees and consultancy	31,772	37,877
Charitable activities	46,140	18,103
Depreciation	386,345	319,647
	1,608,512	£1,422,547
Total Costs	3,353,709	£2,917,782

Governance costs includes audit fees of £19,950 for the Foundation and £3,150 for RHL.

	Number 2023	Number 2022
The average number of employees was	65	65
The average number of Full Time Equivalent employees was	47	34

The number of employees who received remuneration during the year above £60,000 was:

	Number 2023	Number 2022
£60,000 to £69,999	-	-
£70,000 to £79,999	1	-

The only trustee to receive remuneration is The Venerable Roger Preece for his services as Master to The Foundation for which he was paid a salary of £61,600. In addition, The Master is required to live on site and an apartment is provided by The Foundation including running costs normal for clergy housing.

No other trustee received any benefits, or remuneration in either year.

Key Management Personnel are: The Master, Lay Chaplain, Commercial Director, Lead Chefs, Housekeeping Manager, Yurt Manager, Finance Director and Finance Manager who collectively received total remuneration of £ 346,269 (2022: £ 423,745). The staff included as 'key personnel' have changed since 2022 as management structures have changed.

During the year the Foundation made termination payments were made which were covered by non-disclosure agreements.

4 Fixed Assets

Group & Charity

	Freehold Land & Buildings £	Fixtures & Fittings, Temporary Buildings £	Assets Under Construction £	Total £
Cost				
At 1 April	10,081,456	1,627,290	437,859	12,146,605
Additions	-	165,773	2,536	168,309
At 31 March	10,081,456	1,793,063	440,395	12,314,914
Depreciation				
At 1 April	3,664,324	752,974	-	4,417,298
Charge in the year	199,509	186,836	-	386,345
At 31 March	3,863,833	939,810	-	4,803,643
NBV				
At 31 March 2023	6,217,623	853,253	440,395	7,511,271
At 31 March 2022	6,417,132	874,316	437,859	7,729,307

All fixed assets are held for charitable use.

The 'Asset Under Construction' is the Northern Site development mentioned in the Master's Report and includes the cost of professional fees incurred in negotiating with developers and formulating initial, outline plans for the site. The Trustees are confident that even though the development is at an early stage, the value of the work done exceeds the valuation in these financial statements.

5 Capital Commitments

At 31 March 2023 there were no capital commitments (2022, none). The Foundation continues to incur expenditure in connection with development of the Northern Site, mainly professional fees for preparing the submission of a planning application. These costs are capitalised as Assets Under Construction.

6 Investments

	Common Investment Funds	Investments in subsidiary	Charity total	Total 2022
	£	£	£	
Valuation at 1 April 2022	7,021,720	100	7,021,820	7,431,578
Disposals	(200,000)		(200,000)	(1,050,000)
Realised gains	41,812		41,812	74,547
Unrealised gains	(416,130)		(416,130)	565,696
Valuation at 31 March 2023	**6,447,402**	**100**	**6,447,502**	**7,021,820**

The market value of the Common Investment Funds held are:	2023	2022
	£	£
Restricted Endowment Fund		
COIF Charities Global Equity Fund Income Units	581,449	602,314
COIF Charities Property Fund Income Units	300,400	357,045
COIF Charities Ethical Investment Income Units	5,310,976	5,794,442
COIF Charities Deposit Fund	331	331
	6,193,156	6,754,132
Ardingly Mission Fund		
COIF Charities Ethical Investment Income Units	254,246	267,588
Total	**6,447,402**	**7,021,720**

The historical cost of the investments is £ 5,100,619 (2021: £5,258,476)

The Charity holds shares in Ratcliffe Hospitality Limited, a wholly owned subsidiary company with a value of £100 (2021: £100)

7 Debtors

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Trade debtors	124,379	99,800	124,379	90,125
Other debtors	18,677	-	18,677	-
Prepayments	20,695	8,787	20,695	8,787
Taxation and social security	41,110	46,845	-	46,845
	204,861	**155,431**	**163,751**	**145,756**

8 Creditors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Deposits for advance bookings	316,334	178,172	118,409	96,951
Intercompany account	-	-	273,811	217,495
Trade creditors	41,167	101,037	41,167	101,037
Other creditors and accrued expenses	122,778	67,483	118,279	65,083
Taxation and social security	41,339	49,803	42,154	49,803
Corporation Tax	-	41,110	-	-
	521,618	**437,606**	**593,820**	**530,369**

9 Analysis of Net Assets between Funds

Fund balances at 31 March 2023 are represented by:	Endowment fund	Ardingly fund	Master's Charity Account	Limehouse Aid	Total Unrestricted Funds	Total 2023
Tangible fixed assets	6,658,018	-	-	-	853,252	7,511,271
Investments	6,193,156	254,246	-	-	-	6,447,402
Net current assets/(liabilities)	1,935,543	60,385	-	1,048	(1,910,709)	86,267
Defined benefit pension scheme liability	-	-	-	-	-	-
	14,786,717	**314,631**	**-**	**1,048**	**(1,057,456)**	**14,044,940**

Fund balances at 31 March 2022 are represented by:	Endowment fund	Ardingly fund	Master's Charity Account	Limehouse Aid	Total Unrestricted Funds	Total 2022
Tangible fixed assets	6,854,991				874,316	7,729,307
Investments	6,754,132	267,588				7,021,720
Net current assets/(liabilities)	1,738,079	52,804	6,679	483	(1,843,331)	(45,286)
Defined benefit pension scheme liability					(2,000)	(2,000)
	15,347,202	**320,392**	**6,679**	**483**	**(971,015)**	**14,703,740**

10 Summary of Fund Movements

	Balance at 31 March 2022	Income	Expenditure	Investment gains/(losses)	Tax Charge	Balance at 31 March 2023
Endowment fund	15,347,202	-	(199,509)	(360,976)	-	14,786,717
Ardingly fund	320,391	7,762	(180)	(13,342)	-	314,631
Master's Charity Account	6,678	21,023	(27,702)	-	-	(0)
Limehouse Aid	483	5,190	(4,625)	-	-	1,048
Unrestricted general fund	(971,014)	2,994,141	(3,121,693)	-	41,110	(1,057,456)
	14,703,740	**3,028,116**	**(3,353,709)**	**(374,318)**	**41,110**	**14,044,940**

	Balance at 31 March 2021	Income	Expenditure	Unrealised investment gain	Tax Charge	Balance at 31 March 2022
Endowment fund	14,994,120	-	(266,275)	619,357	-	15,347,202
Ardingly fund	294,471	5,035	-	20,886	-	320,391
Master's Charity Fund	13,619	12,760	(19,701)	-	-	6,678
Limehouse Aid	1,244	3,130	(3,890)	-	-	483
Unrestricted general fund	(422,029)	2,120,038	(2,627,914)	-	(41,110)	(971,015)
	14,881,425	**2,140,963**	**(2,917,780)**	**640,242**	**(41,110)**	**14,703,740**

11 Pension Liability

The Foundation participates in the Church of England Funded Pensions Scheme for stipendiary clergy in respect of The Master. This is a defined benefit pension scheme administered by the Church of England Pensions Board and each participating Responsible Body pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in section 28 of FRS102. This means that it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and so contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged in the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year and amount to £10,643 (2022: £12,506).

As these amounts are not material the assumptions are not reproduced here but are available on request.

	2023	2022
Movement in pension provision	£	£
Balance sheet liability at 1 January	2,000	4,000
Deficit contributions paid	(2,000)	(2,000)
Balance sheet liability at 31 December	£0	£2,000

12 Operating Lease Commitments

At the reporting end date the Foundation had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	4,022	2,103
Between two and five years	4,266	-
Over five years	108	-
	£8,396	**£2,103**

13 Financial Instruments

	2023	2022
Financial assets measured at fair value		
Investments	6,447,402	7,021,820
Financial liabilities measured at fair value		
Provision for defined benefit pension scheme	-	2,000

14 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2022

	Note	Endowment Fund	Restricted Funds	Unrestricted Fund	Total 2022	Total 2021
		£	£	£	£	£
Income						
Donations and legacies			12,890	50,653	63,543	38,235
Charitable activities				1,278,544	1,278,544	595,410
Trading activities				531,867	531,867	668,842
Grants			3,000	40,368	43,368	90,989
Investments			5,037	218,607	223,643	236,260
Total income	2	-	20,927	2,120,038	2,140,965	1,629,736
Expenditure on						
Provision and maintenance of the Christian Centre						
Operating costs and maintenance			23,594	1,972,598	1,996,192	1,354,923
Depreciation		266,275		53,372	319,647	295,135
Professional fees				29,566	29,566	11,027
Trading costs				572,378	572,378	658,842
Total expenditure	3	266,275	23,594	2,627,914	2,917,782	2,319,928
Net income/(expenditure) before investment gains		(266,275)	(2,667)	(507,875)	(776,817)	(690,192)
Gains/(losses) on investments						
Unrealised		544,810	20,886		565,696	1,223,139
Realised		74,547			74,547	98,159
Net movements in funds before taxation		**353,082**	**18,218**	**(507,875)**	**(136,575)**	**631,106**
Tax charge				**41,110**	**41,110**	
Net movements in funds after taxation		**353,082**	**18,218**	**(548,985)**	**(177,685)**	**631,106**
Funds brought forward		14,994,120	309,335	(422,029)	14,881,426	14,250,321
Funds carried forward		**15,347,202**	**327,554**	**(971,015)**	**14,703,741**	**14,881,427**

15 Ratcliffe Hospitality Limited

	2023	2022
Share Capital and Reserves		
Share Capital	100	100
Reserves	174,286	174,286
Total Capital	174,386	174,386

Profit and Loss account:

	2023	2022
Income	1,155,349	531,867
Less: Cost of Sales	(385,188)	(297,039)
Gross Profit	770,161	234,828
Administration and Overheads	(584,364)	(275,339)
Gift Aid	(226,907)	-
Taxation	41,110	(41,110)
Net Profit	-	(81,620)

16 Related Party Transactions

The charity had the following transactions with its trading subsidiary Ratcliffe Hospitality Limited:

	2023	2022
Charges by the Charity to Ratcliffe Hospitality Ltd (RHL)		
Allocation of overheads for shared expenses	576,609	536,081
Gift Aid donation by RHL to the charity	226,907	-
Debtor due by the charity to RHL	273,811	217,495

There were no other related party transactions in the year.

THE ROYAL FOUNDATION OF ST KATHARINE

England & Wales - Charity number 223849

Accounts

THE ROYAL FOUNDATION OF ST. KATHARINE

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2022

Registered Charity No. 223849

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THE ROYAL FOUNDATION OF ST KATHARINE

PATRON

MEMBERS OF THE COURT

Mr John O'Brien (from 10 July 2021) – Chairman (from 16 December 2021)
The Rev. Canon John Tattersall LVO FCA (retired 12 July 2021, Chairman until 12 July 2021)
Mr David Swanney CA – Interim Chairman (from 12 July 2021 to 16 December 2021) Treasurer (until 11 July 2021) and Treasurer and Vice-Chairman from 16 December 2021.
Mr Geoffrey Richards - Vice-Chairman (to 16 December 2021)
Mrs Diana Banks
Ms Kay Brock CBE LVO (from 1 January 2022)
Ms Sophie Densham LVO
Mr Andrew Grigson
Professor Joy Hinson
Sir Stephen Lamport GCVO DL (retired 31 December 2021)
Mrs Elizabeth Marshall MBE – Interim Treasurer (from 12 July 2021 until 16 December 2021)
The Rt Rev. & Rt Hon. Dame Sarah Mullally DBE, Bishop of London, *ex officio*
The Ven Roger Preece, *ex officio*
Dame Annabel Whitehead DCVO

MASTER

The Venerable Roger Preece,

REGISTERED ADDRESS

The Royal Foundation of St Katharine
2 Butcher Row
London
E14 8DS

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SECRETARY : Mr Graham Cooper

SOLICITORS	**AUDITORS**	**BANKERS**
Farrer & Co.	Saffery Champness LLP	Lloyds Bank plc
66 Lincoln's Inn Fields	71 Queen Victoria Street	210 Commercial Road
London WC2A 3LH	London EC4V 4BE	London E1 2JR

THE ROYAL FOUNDATION OF ST KATHARINE
CHAIR'S STATEMENT

The Trustees of the Foundation were deeply saddened at the death of Her Majesty Queen Elizabeth II, our Patron, on 8 September 2022. Our deepest condolences were sent to His Majesty King Charles III. Her invaluable contribution to our national life will be sorely missed.

Over the centuries since the Foundation came into being nearly nine hundred years ago, it has reinvented itself many times to be relevant to the world in which it found itself. We are living in another such time right now.

Nevertheless, no matter its outward expression, the overall object of the Foundation is clear: the advancement of the Christian religion, through worship, hospitality and service, and the promotion of Christian values, with a view to developing and co-ordinating Christian activities of every description for the public benefit, for those of all faiths and none.

Over the last two years, in line with so much of society more generally, the Covid pandemic has presented huge challenges to the Foundation. As the Master notes in his report, March 2022 was the first month in nearly two years with no covid related restrictions in place. The nature of the restrictions during the 11 months to March was somewhat different than the previous year. A full return to 'business as usual' had been planned for many times but had to be put on hold each time in the light of updated advice from Government as it too grappled with the potential impact of latest variants of the virus.

Managing in such a rapidly changing environment was very difficult, and the whole team are to be commended on navigating the Foundation through such a tricky time. However, given that the Foundation is so involved in the hospitality industry through the provision of accommodation and catering services, it is not surprising that our financial results were badly affected, resulting in a further substantial operating loss for the year.

So, we are once again very fortunate in being able to rely on our historic endowment which has helped us through the year. We cannot though expect to do so indefinitely, and therefore re-establishing a viable operating model in our new situation is one our key challenges. Work has already started on this.

We are surrounded by opportunities to make a Christian difference. We have an excellent hospitality offering, exemplified not only by the quality of the service and accommodation we provide, but also by the pervading sense of calm, peace and safety that we are told by our guests permeates our home. The development of our Retreat work, incorporating 'Quiet' Days, continues apace, and we are exploring how we might elevate this beyond the borders of our centre in Limehouse. We are rapidly increasing our involvement within our local community, and it is very evident that we can positively impact not only those groups with whom we are in direct contact, but also use our knowledge and credibility as a reliable partner to have a wider impact for good.

On the property front, in conjunction with our development partners, we have now, after many years of preparation, submitted a planning application for what we refer to as the Northern Site. The Master's Report provides more details, but this is a longer-term project that should result in a substantial increase in facilities available to the Foundation. We await to hear the outcome to our application. We also acquired from the local Council, during the year, a building immediately adjacent to our property which is now partly being used as a Community Centre in our engagement with the local community.

So, we do not lack for opportunities in seeking to promote Christian values. The resources at our disposal means that we can be optimistic as we develop a reliable and sustainable operating model which enables us to fund our plans without having to rely continually on the support of our historic endowment. As our levels of activity are now increasing, this is a major challenge that the Foundation needs to address and to which it must find a solution.

The good news is that our hospitality offering is highly regarded by guests, and this gives us a strong base on which to build.

This is my first statement as Chair of Trustees at the Royal Foundation of St Katharine. My predecessors were the Reverend John Tattersall, a member of Court for 12 years and Chair for nine of them, who stood down in July 2021; and David Swanney, also a member of Court for 10 years, who also took up the reins as interim Chair in July 2021 until I assumed the post in late December, and who continues as Treasurer. These are two long-standing and stalwart friends of

the Foundation to whom I express the appreciation of the many people with whom they have come into contact during their long tenures. They are both a hard act to follow.

It is self-evident that this country is currently facing a turbulent economic future, and the Foundation cannot be immune to this challenge. Nevertheless, it has been a constant presence for good in our society over the last 900 years and will no doubt continue to be so. I and all my colleagues in the Court are looking forward to facing the challenge.

John O'Brien, Chair of the Court
September 2022

THE ROYAL FOUNDATION OF ST KATHARINE
MASTER'S REPORT

During the financial year under review, March 2022 was the only month with no restrictions in place in relationship to the COVID-19 pandemic. The COVID shadow has had a significant impact on our finances - not only having a revenue impact but also an impact on the resulting increased costs and challenges of recruiting in the London hospitality sector.

The financial challenges are illustrated starkly in the losses for the year. However, even the first quarter of 2022/23 has been loss-making in spite of a strong level of business. This has accelerated the Trustees' desire to explore active fund-raising to allow the Foundation to continue to deliver the charitable benefits for which it was established.

A Retreat House in East London

As the UK's only retreat house in an urban setting, we have been pleased to host a number of Retreats and Open Reflective Days. The need for retreats by society as a whole has never been greater, as people need time to be able to reflect and to consider their lives and their direction. Over 500 people attended our own events over the year, and the leaders were popular spiritual writers, theologians and poets such as John Bell, Brother Sam SSF, Sophie Hacker, Christopher Chapman and Richard Carter. We have developed the skills to be able to offer both in person and online events.

St Katharine's relationship with London Diocese remains strong and it was a privilege to continue to welcome all the London ordinands to their 3-day retreat in preparation for their ordination service at St Pauls Cathedral.

Many other charities and church-related groups like to host their own retreats at St Katharine's and many individuals book a regular personal quiet day or residential retreat with us.

The Compass Rose marble in the floor of the chapel is an image about finding direction, inspired by the nautical history of the docks and the river. "We do not come to God by Navigation but by Love" is the inscription attributed to St Augustine, the 4th Century Theologian, Philosopher and Bishop of Hippo in North Africa. We hope that love is at the heart of our work of caring for our guests and helping them feel inspired by God's love for each of us and the world. The daily pattern of prayer in the chapel is another sign of this love, and many guests appreciate the rhythm of prayer that they can join in with as they wish.

Supporting Charities, Churches and Not for Profit organisations

In the last year we hosted over 1000 meetings for organisations that exist for a purpose and not for profit. This is a key part of St Katharine's work, in that we provide a meeting place for organisations who are themselves making the world a better place through their own charitable work. Organisations appreciate the chance to get people to spend time together in a comfortable, hospitable setting where they feel cared for and can meet in rooms that all look out onto greenery with excellent daylight. This is very different from the typical London hotel meeting room! For many organisations, coming to St Katharine's after COVID was in some cases the first time they had met in person for two years.

Strengthening Community

As well as our retreat and events work, St Katharine's also exists to serve our local community. It was a joy to host the first celebration Gala Dinner to mark St Katharine's day in November and we also held an uplifting Carol Concert in our Chapel, with over 70 joining us. Many local charities now have found a home at St Katharine's to support them in their meetings and events. The music/arts programme is another source of community life involving concerts in the chapel, regular evenings at the Yurt or the outdoor stage and shows for local artists to display their work. The Yurt Community Café is a real social contributor to the area and attracts many local people from our very diverse community. People come to work, socialise or just to enjoy the indoor or the outdoor garden space.

A High Standard of Hospitality

All our bedrooms were completely refurbished during the year with either a nature style design or a William Morris style with a more autumnal palette. There has been very positive feedback from guests staying in the new rooms and especially the high-quality beds. Quality sleep is an important part of being on a retreat and this has been a good investment. We have had over 8,300 bedroom nights used this year which is about 50% occupancy, which contrasts with 4,500 in the previous year. Given the COVID restrictions and caution in place for some of the year this level of occupancy overall was a good result.

THE ROYAL FOUNDATION OF ST KATHARINE
MASTER'S REPORT

The Northern Site

St Katharine's has been working for several years with our development partners on a building scheme for the land next to the retreat house. We were finally able to submit a very comprehensive planning application to the local authority in December. This application is for a new garden Courtyard joining on to the current RFSK buildings; the ground and first floor and the Courtyard will be for the Foundation's charity and community use. It will provide a permanent café, a new attractive access between Butcher Row and the DLR station, community meeting rooms and affordable workspaces. There will also be 25 new bedrooms to support St Katharine's charitable work. The development will be funded by the apartments that will be built above, one third of which will be social/affordable housing. There will be 114 new homes in total, with a residents' roof garden and community play and amenity areas. The developers will own and sell the leases on the apartments.

A decision is anticipated in early 2023. Although the initial response from the local community has been positive, the planning authority have expressed some reservations and RFSK is waiting for a formal response.

A new community centre

The purchase and refurbishment of the former council-owned John Scurr centre to create the new RFSK Community centre provides two new large rooms with plenty of light, access to green spaces and with good audio visual facilities. The buildings are adjacent to the Foundation's land and a new accessible footpath has been laid to provide access from the main reception. These rooms are already proving their value in that they allow St Katharine's to take additional meetings when our existing rooms are being used, to have groups that want more quiet to be separated from those who want to have more noisy activities, and to provide space for community groups and parties. One room has been earmarked for a temporary Yurt café during the build, once the main construction work eventually starts.

A new updated strategy

During the year, the Court (our governing body of Trustees) met a number of times to think about the long-term strategy for St Katharine's. As well as all our current activities, and the urgency of re-establishing a viable business operating model to recoup past losses, we agreed a focus on:

- **Serving the Local Community**

There is a renewed commitment to community activities, with the appointment of a lead for community work; this post was filled and the level of community activity has increased. With new partnerships with local charities, lunch clubs for vulnerable, more elderly, people, community gardening projects and various creative arts initiatives, St Katharine's is seen as a real contributor to East London life.

- **Promoting Retreats**

St Katharine's is leading a major national initiative to promote the idea of retreats as something that are open to all and to encouraging people to try a retreat, even for the first time. The first stage of this will be the developing of a general web site to promote and educate about the availability and value of retreats. We will be seeking to partner with other national retreat centres and St Katharine's contribution to a national campaign will also help people to discover what St Katharine's offers.

- **Connect and Change**

St Katharine's hosts some of the major charities internationally that are contributing to significant positive social change. The Trustees want to be able to provide more support especially to the leaders of these organisations by offering leaders' retreats. Over the next few years we will be reflecting on major themes requiring social change and looking at how St Katharine's might use its role as a neutral convenor to bring together key individuals and organisations around a key national or international issue.

This work represents St Katharine's desire to be of greater service to the charity/not for profit sector as a charity that enables other charities to do extraordinary work.

THE ROYAL FOUNDATION OF ST KATHARINE
MASTER'S REPORT

A bright future

With the ending of Covid restrictions and a steady return to growth in the hospitality and event business, the expansion of our community and retreat work and the proposed development of the Northern Site, St Katharine's has a bright future as the country emerges from the ravages of the last two years.

The Venerable Roger Preece
Master
September 2022

REPORT OF THE TRUSTEES

The Governing Instrument

The Governing Instrument of the Charity is the Ordinances dated 27th April 2020 granted by Her Late Majesty Queen Elizabeth II, which replaced the 1993 Ordinances of her late Majesty Queen Elizabeth, The Queen Mother, as amended.

The Object of the Charity

The Object of the Charity is the advancement of the Christian religion through worship, hospitality and service and the promotion of Christian values, with a view to developing and promoting Christian activities of every description for the public benefit.

The Patron

Her Majesty Queen Elizabeth II was the Patron of The Royal Foundation of St. Katharine until her death on 8 September 2022. The Trustees were deeply saddened to learn of her death; her invaluable contribution as Patron will be sorely missed. Under Queen Eleanor's charter of 1273, the Patronage of the Foundation was reserved unto the Queens of England. The Trustees will in due course be taking appropriate steps in relation to a new appointment as Patron being made.

The Court

The governing body of the Foundation is its Court, which currently consists of twelve Trustees.

The Court is assisted in its work by two committees, each comprising a number of Trustees: the Finance, Audit and Risk Committee and the Operations Committee.

Day to day operational responsibility for the Foundation is delegated to the Master. The Court ensures that appropriate training is available to its members and provides an induction process for new Trustees.

Organisation

The Charity's work is principally to operate and manage a Conference and Retreat Centre at Butcher Row in Limehouse in East London, which is used by a wide range of local, national and overseas church and charitable bodies, as well as by individuals. The newly refurbished bedrooms provide residential accommodation for up to 87 guests, and the Foundation has meeting rooms for up to 175 people with full catering services in the main building as well as for 80 people in the recently acquired St Katharine's Community Centre. Audio-visual, internet and conference support facilities are provided.

The Foundation also operates a Community Café, The Yurt, and provides a space for community activities in St Katharine's Precinct. It increased its capacity to accommodate community-focussed events by acquiring the John Scurr Community Centre in February and refurbishing it to provide high quality spaces for both community and commercial activities. The centre was relaunched as the St Katharine's Community Centre in April. The appointment of a Community Engagement Officer in September 2021 has helped to build greater community connections through activities, events and developing partnerships with local organisations. The Foundation continues to fund the Limehouse Aid Foodbank, providing nutritious food to more than 50 families a week, and partners with the Limehouse Project to offer lunch and a warm welcome twice a week in the St Katharine Community Centre. It supports work with refugees by funding a conference for London churches and facilitating ESOL (English for speakers of other languages) classes in the community hub. The Foundation runs arts workshops and a community garden club to support the improvement of participants health and well-being and a popular series of music evenings at The Yurt and concerts in the chapel featuring local artists.

Public benefit

The Court confirms that it has complied with the duty set out in Section 17 of the Charities Act 2011, to have due regard to Public Benefit guidance published by the Charity Commission, in determining the activities undertaken by the Foundation. The Court reviews the activities of the Charity against its aims on an on-going basis and is satisfied that all activities continue to be related to the aims, which are set in such a way as to benefit society as a whole. The benefits are set out in the review of activities shown below, and in the Master's report.

Review of Activities

The year to 31 March 2022 was once again dominated by Covid, and even when infection rates were down and we were returning to the 'new normal', the threat of new variants and the possibility of restrictions made it difficult for our clients to plan events which have long lead times and for individual travellers to commit.

Our costs, as explained below, are largely fixed so the fluctuations, and overall reduction in revenue, resulted in a substantial deficit for the year.

Investment in facilities continued with the acquisition of the John Scurr Community Centre as mentioned above. This, along with the bedroom refurbishment project started last year, meant that we spent over £800k on fixed asset additions and therefore had to draw down on some of our investment holdings to pay for this as well as to fund the deficit. Investment performance was such that despite withdrawing £1million from the CCLA Investment Fund the net drop in value was just over £400k.

Financial Review

Operating Income and Expenditure

The Foundation's Income and Expenditure is shown in the Statement of Financial Activities on page 17.

The year was disappointing as the effects of COVID continued to impact the business. First, the pickup at the start of the financial year was slow because of uncertainty, and then after a busy autumn when Covid appeared to be in remission, Omicron appeared and even without a formal lockdown caused an almost total shutdown, and more importantly, without the furlough scheme to soften the impact. As the Foundation seeks to treat its staff fairly with a higher proportion of contracted staff, and consequently fewer zero-hours staff than would be normal in the hospitality business, this presented challenges as the costs are largely fixed.

The easing of restrictions resulted in a 'bounce back' which saw turnover over the year increase from £1.6 million to £2.1 million, which is close to pre-pandemic levels (2021: £1.6m; 2020: £2.4m). Whilst the events business did pick up, the incorporation of the Penn Club into RFSK, with some attractive offers for the introductory membership period, ensured that during a summer that was difficult for many hospitality venues, the Foundation achieved good levels of occupancy. The Penn Club and St Katharine's House 'membership schemes' continue to provide a good flow of business.

The Yurt Community Café exceeded expectations by recording turnover of over £600,000 (2021: approx. £400,000) which was partly due to the longer opening hours with evening dining and music evenings becoming key features.

As business picked up at the end of the pandemic so did inflationary pressures. These have been well documented in the media but recruitment challenges in the hospitality sector have seen wage increases across all areas of business and as part of the ethical approach to looking after our staff, the pay increase awarded from 1st April 2022 sought to be generous and acknowledged that the low-paid suffered more in periods of high inflation.

The Coronavirus Job Retention Scheme (furlough) continued to operate during the first half of the year, although it was tapered. The Foundation made use of the flexible furlough but once the taper took effect it ceased to be cost effective as business levels rose. The total received under the CJRS was £40,000 against total staff costs of £1.5 million.

The Foundation's Assets

The Foundation has wide investment powers under its Ordinances. The Endowment Fund represents its functional assets, being its buildings and Chapel in Butcher Row, the majority of its portfolio investments, and the 0.7 hectares between the Foundation's principal site and the Docklands Light Railway viaduct, known as the Northern Site.

Its portfolio investments are held in a range of investment funds set up for charities under Charity Commission schemes, managed by professional investment managers and regularly reviewed by the Trustees. The investments are primarily held to provide an income to finance the Foundation's activities but in addition are expected to maintain their value in real terms.

The net book value of the Foundation's Tangible Fixed Assets at year-end was £ 7,729,307 (2021: £ 7,214,137).

The value of Investments at year-end was £ 7,021,720 (2021: £ 7,431,478) as a result of the increase in investment values mentioned earlier.

Net Current Assets were negative (£42,285) (2021: £239,813) including cash at bank of £ 236,649 (2021: £448,538). As the majority of the creditor balance is deposits for future bookings this is not a concern to the Trustees.

As a result of the deficit in the Foundation's operations, the commercial subsidiary, Ratcliffe Hospitality Limited (RHL) has also, exceptionally, made a loss for the year. The directors of RHL therefore decided that, exceptionally, they were unable to make the gift aid payment in relation to the previous financial year because, when the payment fell due, it was clear that the company was making a loss, the level of distributable reserves was not adequate and the uncertainties around the continued impact of COVID restrictions made it difficult to justify the payment of any amount under the deed of covenant. However, the directors of RHL have committed to resuming gift aid payments as soon as possible.

Risk Management

The Trustees recognise their responsibility for ensuring adequate risk management and internal control; dedicating one of the Court committees to Finance Audit and Risk (FAR) reflects the importance placed on this. A risk register, incorporating control and mitigating measures, is maintained and is subject to regular review by management. The major risks to which the Foundation is exposed, in particular those related to its hospitality operations such as Health and Safety, Food Hygiene and Security, and to its finances are reviewed by Trustees each quarter. Following a review of the risks facing the Foundation the Court has asked the FAR committee to undertake a wholesale review of the risks in conjunction with management. At present the risk factors are dominated by the recovery plan subsequent to the COVID-19 pandemic and the challenges of staff recruitment and retention in the hospitality business.

Independent customer satisfaction statistics are regularly reviewed at management meetings, all investment decisions are authorised by the Chairman and Treasurer, and a business contingency plan is maintained.

The Trustees are satisfied that adequate measures are in hand to manage and minimise all significant risks, especially in respect to the precautions surrounding the prevention of transmission of COVID-19.

Reserves

The loss for the year means that The Foundation's free reserves continue to be negative but in approving a deficit budget last year the Court acknowledged that would be the case. At the date of signing the financial statements it is clear that the Foundation will make a further loss in the current year despite the best attempts of management to balance the budget.

The Endowment Fund has been regarded as representing the original endowment to provide income for the aims of the charity. The Trustees are conducting a review of the Endowment Fund to establish whether any part of it, especially accumulated income, is truly 'permanent', or may be used for other unrestricted purposes, whilst maintaining the financial discipline of a permanent endowment. The Ardingly College Mission Fund is similarly subject to review to ensure that the Foundation is making the best use of its resources.

The Trustees have determined that an appropriate level of free reserves would be represented by three month's costs, excluding depreciation. At present that would be around £500,000.

Fundraising

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously. The Trustees have reviewed the Charity Commission guidance: *Charity fundraising: a guide to trustee duties (CC20)* and, having considered the Foundation's activities, are confident that trustee duties are being fulfilled. The Foundation does not work with any commercial participators or professional fundraisers. The majority of fundraising is from visitors to St Katharine's and through its website. The Foundation is currently developing a fundraising strategy but this will not actively solicit donations from the general public more widely. The Trustees are not aware of any complaints made in respect of fundraising during the period under review.

Going Concern

In view of the accumulated deficit on free reserves, the Trustees specifically considered the viability of the Foundation. The Court reviewed the budget and anticipated outturn for the current year, which will be a further deficit, and a forecast covering the period to the end of November 2023. The forecast anticipates an improvement in the financial position but not to the extent that it will be in surplus. A significant proportion of the overall deficit is a result of depreciation, the vast majority of which is in respect of the land and buildings that are appreciating in value. In addition, the Trustees note that on the basis of the cashflow forecast, the Foundation is likely to generate an operating cash surplus in the current year and in the period to the end of November 2023. On this basis the Trustees are of the opinion that the Foundation will continue to meet its obligations as they fall due and that it is correct to work on the basis that the Foundation is a going concern.

Future Plans

The future plans are in two parts – the development of a sustainable business operating model post Covid, and the development of the area to the north of the current buildings currently occupied by the Yurt Café and the St Katharine's Precinct. The Northern Site project is more fully detailed in the Master's Report.

Remuneration of Key Management Personnel

The levels of remuneration of all key personnel are reviewed annually in the context of similar roles in the Charity Sector or Hospitality industry according to the position.

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 income and expenditure of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping 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 the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and with the Royal Foundation of St Katharine's Ordinances dated 27 April 2020. 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.

Approved by the Court on 28 September 2022 and signed on its behalf by:





Mr John O'Brien
Chair

Mr David Swanney
Treasurer

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF THE ROYAL FOUNDATION OF ST KATHARINE

Opinion

We have audited the financial statements of the Royal Foundation of St Katharine (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, Balance Sheets, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 and parent charity's affairs as at 31 March 2022 and of the group's and the parent charity's incoming resources and application of resources 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 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 and parent 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 group or the parent 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 annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

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:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity's 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

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, 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 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees and management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with Trustees and updating our understanding of the sector in which the group and parent charity operate.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the parent charity 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 parent charity and the parent charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

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Saffery Champness LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 10 December 2022

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

THE ROYAL FOUNDATION OF ST KATHARINE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Endowment Fund	Restricted Funds	Unrestricted Fund	Total 2022	Total 2021
		£	£	£	£	£
Income						
Donations and legacies			12,890	50,653	63,543	38,235
Charitable activities				1,278,544	1,278,544	595,410
Trading activities				531,867	531,867	668,842
Grants			3,000	40,368	43,368	90,989
Investments			5,037	218,607	223,643	236,260
Total income	**2**	-	20,927	2,120,038	2,140,965	1,629,736
Expenditure on						
Provision and maintenance of the Christian Centre						
Operating costs and maintenance			23,594	1,972,598	1,996,192	1,354,923
Depreciation		266,275		53,372	319,647	295,135
Professional fees				29,566	29,566	11,027
Trading costs				572,378	572,378	658,842
Total expenditure	**3**	266,275	23,594	2,627,914	2,917,782	2,319,928
Net income/(expenditure) before investment gains		(266,275)	(2,667)	(507,875)	(776,817)	(690,192)
Gains/(losses) on investments						
Unrealised		544,810	20,886		565,696	1,223,139
Realised		74,547			74,547	98,159
Net movements in funds before taxation		**353,082**	**18,218**	**(507,875)**	**(136,575)**	**631,106**
Tax charge				**41,110**	**41,110**	
Net movements in funds after taxation		**353,082**	**18,218**	**(548,985)**	**(177,685)**	**631,106**
Funds brought forward		14,994,120	309,335	(422,029)	14,881,426	14,250,321
Funds carried forward		**15,347,202**	**327,554**	**(971,015)**	**14,703,741**	**14,881,427**

BALANCE SHEET AS AT 31 MARCH 2022

	Notes	Group 2022 £	*Group 2021 £*	*Charity 2022 £*	Charity 2021 £
Fixed assets					
Tangible fixed assets	**4**	7,729,307	*7,214,137*	*7,729,307*	*7,214,137*
Investments	**6**	7,021,720	*7,431,478*	*7,021,820*	*7,431,578*
		14,751,027	*14,645,614*	*14,751,127*	*14,645,714*
Current assets					
Debtors	**7**	155,431	*84,011*	*145,756*	*95,706*
Cash at bank		236,889	*448,537*	*164,702*	*442,598*
		392,320	*532,548*	*310,458*	*538,304*
Current liabilities					
Creditors under one year	**8**	(437,606)	*(292,735)*	*(530,369)*	*(298,591)*
Net current assets		(45,286)	*239,813*	*(219,912)*	*239,713*
Defined benefit pension scheme liability	**11**	(2,000)	*(4,000)*	*(2,000)*	*(4,000)*
Net assets		14,703,741	*14,881,427*	*14,529,216*	*14,881,427*
Funds					
Endowment		15,347,202	*14,994,120*	*15,347,203*	*15,035,416*
Restricted		327,554	*309,335*	*327,554*	*268,040*
Unrestricted		(971,015)	*(422,029)*	*(1,145,541)*	*(422,029)*
	10	14,703,741	*14,881,427*	*14,529,216*	*14,881,427*

The notes on pages 20 to 29 form part of these financial statements.

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

A comparable statement of financial activities is provided in note 14

The financial statements were approved by the Court of Trustees on 5 December 2022

and signed on its behalf by:





Mr John O'Brien
Chair

Mr David Swanney
Treasurer

The notes on pages 20 to 29 form part of these financial statements.

THE ROYAL FOUNDATION OF ST KATHARINE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

		2022		2021
	£	£	£	£
Cash flows from operating activities				
Net income / (expenditure)	(177,686)		631,106	
Adjustments for:				
Depreciation	319,647		295,136	
(Gain) / loss on investments	(640,242)		(1,321,297)	
Investment income	(223,643)		(236,260)	
Trade and other receivables	(71,420)		(14,744)	
Trade and other payables	142,870		(244,211)	
Net cash used in operating activities		(650,474)		(890,270)
Cash flows from investing activities				
Purchase of property plant and equipment	(834,817)		(76,952)	
Proceeds on disposal of investments	1,050,000		650,000	
Investment income	223,643		236,260	
Net cash provided by investing activities		438,826		809,308
Net (decrease)/ increase in cash and cash equivalents		£ (211,648)		£ (80,962)
Cash and equivalents brought forward		448,537		529,498
Cash and equivalents carried forward		£ 236,889		£ 448,536
Analysis of net debt and net funds				
Cash at bank and in hand		£ 236,889		£ 448,536

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 2nd Edition, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(a) Going Concern

The financial statements have been prepared on the basis that the Charity is a going concern despite the accumulated deficit of £971,015 and the loss for the year of £548,985. It is unlikely that the Foundation will be able to make good the accumulated deficit in a reasonable period because of the nature of the operations which are primarily serving the church and not for profit sectors and the provision of a Christian retreat house none of which provides the opportunity to increase operating margins by a significant amount. The Trustees are of the opinion that as the Foundation is predicted to make a cash surplus, it will be able to meet its obligations as they fall due and therefore that it is correct to prepare the financial statements on this basis.

(b) Income

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

(c) Expenditure

All expenditure is accounted for on an accruals basis and, where possible, directly allocated to the related activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure consists of all expenditure directly relating to the objects of the Charity. Governance costs include expenditure on compliance with statutory requirements.

Irrecoverable VAT is included with the category of expense to which it relates.

(d) Tangible Fixed Assets

Prior to 31 March 1996 expenditure on fixtures and fittings was written off as incurred. As at that date the Trustees estimated the current value required to be shown in the balance sheet. Subsequent acquisitions or improvements are capitalised at cost when their purchase price exceeds £2,000. Depreciation of tangible fixed assets held for charitable use is calculated by the straight-line method to write off the cost/value over the expected useful lives of the assets as follows:

Freehold buildings	25 to 50 years
Furniture, equipment and temporary buildings	3 to 10 years

Assets in the course of construction are not depreciated until brought into use.

(e) Investments

Investments are stated at market value.

Surpluses or deficits (realised or unrealised) are allocated to the appropriate Fund.

(f) Subsidiary

The charity holds 100 ordinary £1 shares in a wholly owned subsidiary company, Ratcliffe Hospitality Limited, which were valued at cost.

The Statement of Financial Activity on page 18 and Balance Sheet on page 19 incorporate the results and assets and liabilities of Ratcliffe Hospitality respectively.

(g) Funds

The Charity's Funds comprise the following:

Endowment Fund

The Endowment Fund has been regarded as representing the original endowment to provide income for the aims of the charity. Considering the long history of the charity the Trustees have decided to conduct a review of the Endowment Fund to establish whether any part of the fund, especially accumulated income, may be used for other purposes.

Ardingly Mission Fund

The Ardingly College Mission Fund consists of investments and cash transferred to the Foundation as Endowment Funds for administration on 1 April 2007. Under the terms of the transfer, the income from the fund is available for the charitable objectives of the Foundation but appears to have been designated for educational purposes. The use and designation of these funds is included in the wider review of the Endowment Fund as above.

Other Restricted Funds:

Limehouse Aid: The Foundation holds funds donated for the community work of Limehouse Aid.

Master's Charity Fund: RFSK in the process of building up its fund-raising capacity. To support this, a bank account exists called "The Master's Charity Account". This is RFSK money that has been donated from different sources. The Master is currently overseeing the fund-raising initiatives and this account is used to help track donations and ensure they are used for the purposes given within RFSK's charitable objectives and the current strategy as set by the Court.

Unrestricted Funds

The Fund is currently in deficit and comprises accumulated losses. The Trustees plan to eliminate this deficit over time so that these funds will be available to spend on the general charitable purposes of the Foundation without further restriction.

(h) Financial instruments

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. At present the charity does not have any bank loans.

(i) Key judgements and uncertainties

In application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees consider the main area of judgement to be the assessment of the useful economic life of fixed assets utilised in delivering the charity's objects, in particular, that of the freehold buildings.

(j) Taxation

The Foundation is a registered charity and as such is not liable to tax on income derived wholly from charitable activities. The wholly owned subsidiary, Ratcliffe Hospitality Limited which is the commercial arm of the Foundation made a significant profit in the year ended 31 March 2021 on which tax is due.

2 INCOME

	Total 2022	Total 2021
	£	£
Donations and legacies		
Gifts and donations	63,543	26,235
Grants received	43,368	102,989
	106,911	129,224
Income from charitable activites		
Overnight accommodation	63,975	25,617
Conference income	186,199	30,817
Food and beverages	378,319	68,674
Rental income	1,350	38,069
Yurt café	621,249	411,570
Other	27,452	20,663
	1,278,544	595,410
Income from trading activities		
Overnight accommodation	451,809	642,653
Conference income	80,058	26,189
	531,867	668,842
Investment income		
Dividends	223,616	236,161
Interest receivable	27	98
	223,643	236,260
Income Total	2,140,966	1,629,736

Income includes £ 5,037 dividend income attributable to the Ardingly Mission Fund (2021 £ 7,509).

Unrestricted Government Grants of £40,368 (2021: £90,989) relate to the Coronavirus Job Retention Scheme.

3 EXPENDITURE

	Depreciation	Staff costs	Other costs	Total 2022	Total 2021
	£	£	£	£	£
Charitable activities					
Endowment Funds	266,275			266,275	215,759
Restricted Funds			23,594	23,594	13,487
Unrestricted Funds	53,372	1,495,236	506,928	2,055,536	1,431,839
	319,647	1,495,236	530,523	2,345,405	1,661,086
Trading costs			572,378	572,378	658,842
	£319,647	**£1,495,236**	**£1,102,900**	**£2,917,782**	**£3,322,172**

	Total 2022	Total 2021
Staff Costs		
Wages and salaries	1,273,857	1,051,564
Social security costs	109,034	83,271
Pension costs (Defined Benefit Scheme)	12,506	12,261
Pension costs (Defined Contribution Scheme)	99,838	40,999
	1,495,236	1,188,095
Other Costs		
Visitor catering	412,467	223,017
Housekeeping	84,165	60,393
Property costs	232,719	245,338
Centre administration	134,761	148,233
Consultancy	8,311	23,257
Sales commission	64,688	9,900
General costs	94,930	98,204
Grants	700	379
Governance - Auditors' remuneration	22,490	16,950
Professional fees	29,566	11,027
Charitable activities	18,103	-
Depreciation	319,647	295,135
	1,422,547	**1,131,834**
	2,917,782	**2,319,929**

	Number 2022	Number 2021
The average number of employees was	65	57
The average number of Full Time Equivalent employees was	34	38

No employee earned £60,000 per annum or more in either year.

The only trustee to receive remuneration is The Venerable Roger Preece for his services as Master to The Foundation for which he was paid a salary of £58,000 and pension contributions of £12,506. In addition, The Master is required to live on site and an apartment is provided by The Foundation including running costs normal for clergy housing.

No other trustee received any benefits, remuneration or expense reimbursement in either year.
Key Management Personnel are: The Master, Lay Chaplain, Operations Director, Head of Guest Services & Events, Lead Chefs, Housekeeping Manager, Yurt Manager, Finance Director and Finance Manager who collectively received total remuneration of £423,745 (2021: £426,471). The staff included as 'key personnel' have changed since 2021 as management structures have changed.

4 Fixed Assets

Group & Charity

	Freehold Land & Buildings	Fixtures & Fittings, Temporary Buildings	Assets Under Construction	Total
	£	£	£	£
Cost				
At 1 April	9,809,618	1,064,312	437,859	11,311,788
Additions	271,838	562,979	-	834,817
At 31 March	10,081,456	1,627,291	437,859	12,146,605
Depreciation				
At 1 April	3,398,049	699,602	-	4,097,651
Charge in the year	266,275	53,372	-	319,647
At 31 March	3,664,324	752,974	-	4,417,298
NBV				
At 31 March 2022	6,417,132	874,316	437,859	7,729,307
At 31 March 2021	£ 6,411,569	£ 364,710	£ 437,859	£ 7,214,137

All fixed assets are held for charitable use.
The 'Asset Under Construction' is the Northern Site development mentioned in the Master's Report and includes the cost of professional fees incurred in negotiating with developers and formulating initial, outline plans for the site. The Trustees are confident that even though the development is at an early stage, the value of the work done exceeds the valuation in these financial statements.

5 Capital Commitments

At 31 March 2022 there were no capital commitments (2021, none). The Foundation continues to incur expenditure in connection with development of the Northern Site, mainly professional fees for preparing the submission of a planning application. These costs are capitalised as Assets Under Construction.

6 Investments

	Common Investment Funds	Investments in subsidiary	Charity total	Total 2021
	£	£	£	
Valuation at 1 April 2021	7,431,478	100	7,431,578	6,760,280
Additions	-	-	-	-
Disposals	(1,050,000)		(1,050,000)	(650,000)
Realised gains	74,547		74,547	139,454
Unrealised gains	565,696		565,696	1,181,843
Valuation at 31 March 2022	**7,021,720**	**100**	**7,021,820**	**7,431,578**

The market value of the Common Investment Funds held are:	2022	2021
	£	£
Restricted Endowment Fund		
COIF Charities Global Equity Income Fund	602,314	556,171
COIF Charities Property Fund Income Units	357,045	310,667
COIF Charities Ethical Investment Income Units	5,794,442	6,317,608
COIF Charities Deposit Fund	331	331
	6,754,132	7,184,777
Ardingly Mission Fund		
COIF Charities Ethical Investment Income Units	267,588	246,701
Total	7,021,720	7,431,478

The historical cost of the investments is £5,258,476 (2021: £6,135,045)

The Charity holds shares in Ratcliffe Hospitality Limited, a wholly owned subsidiary company with a value of £100 (2021: £100)

7 Debtors

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Trade debtors	99,800	17,654	90,125	29,349
Other debtors	-	240	38,411	240
Prepayments	8,787	12,810	8,787	12,810
Taxation and social security	46,845	53,308	46,845	53,308
	£155,431	**£84,011**	**£184,167**	**£95,706**

8 Creditors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Deposits for advance bookings	178,172	113,173	96,951	113,173
Intercompany account	-	-	217,495	7,976
Trade creditors	101,037	68,098	101,037	68,078
Other creditors and accrued expenses	67,483	91,441	65,083	89,341
Taxation and social security	49,803	20,024	49,803	20,024
Corporation Tax	41,110	-	-	-
	£437,606	**£292,735**	**£530,369**	**£298,591**

9 Analysis of Net Assets between Funds

	Endowment fund	Ardingly fund	Master's Charity Account	Limehouse Aid	Total Unrestricted Funds	Total 2022
Tangible fixed assets	6,854,991				874,316	7,729,307
Investments	6,754,132	267,588				7,021,720
Net current assets/(liabilities)	1,738,080	52,804	6,679	483	(1,766,536)	31,509
Defined benefit pension scheme liability					(2,000)	(2,000)
	£ 15,347,203	**£ 320,392**	**£ 6,679**	**£ 483**	**£ (894,220)**	**£ 14,780,537**

10 Summary of Fund Movements

	Balance at 31 March 2021	Income	Expenditure	Unrealised investment gain	Tax Charge	Balance at 31 March 2022
ıdowment fund	14,994,120	-	(266,275)	619,357	-	£ 15,347,202
dingly fund	294,471	5,035	-	20,886	-	£ 320,392
aster's Charity Account	13,619	12,760	(19,701)	-	-	£ 6,678
nehouse Aid	1,244	3,130	(3,890)	-	-	£ 483
ırestricted general fund	(422,029)	2,120,038	(2,627,914)	-	(41,110)	£ (971,015)
	£ 14,881,426	**£ 2,140,963**	**£ (2,917,780)**	**£ 640,242**	**£ (41,110)**	**£ 14,703,741**

	Balance at 31 March 2020	Income	Expenditure	Unrealised investment gain	Tax Charge	Balance at 31 March 2021
Endowment fund	13,929,878	-	(215,759)	1,280,002	-	£ 14,994,120
Ardingly fund	249,758	5,509	(2,091)	41,296	-	£ 294,471
Master's Charity Fund	-	19,429	(5,809)	-	-	£ 13,619
Limehouse Aid	-	6,831	(5,587)	-	-	£ 1,244
Unrestricted general fund	70,685	1,597,967	(2,090,681)	-	-	£ (422,029)
	£ 14,250,321	**£ 1,629,736**	**£ (2,319,928)**	**£ 1,321,297**	**£ 1,321,297**	**£ 14,881,426**

11 Pension Liability

The Foundation participates in the Church of England Funded Pensions Scheme for stipendiary clergy in respect of The Master. This is a defined benefit pension scheme administered by the Church of England Pensions Board and each participating Responsible Body pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in section 28 of FRS102. This means that it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and so contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged in the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year (2022: £12,506 2021: £12,261).

As these amounts are not material the assumptions are not reproduced here but are available on request.

	2022	2021
Movement in pension provision	**£**	**£**
Balance sheet liability at 1 January	4,000	8,000
Deficit contributions paid	(2,000)	(4,000)
Balance sheet liability at 31 December	**£2,000**	**£4,000**

12 Operating Lease Commitments

At the reporting end date the Foundation had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	**£**
Within one year	2,103	2,103
Between two and five years	-	4,050
Over five years	-	-
	£2,103	**£6,153**

13 Financial Instruments

	2022	2021
Financial assets measured at fair value	**£**	**£**
Investments	7,021,720	7,431,478
Financial liabilities measured at fair value		
Provision for defined benefit pension scheme	2,000	4,000

14 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2021

	Note	Endowment Fund £	Restricted Funds £	Unrestricted Fund £	Total 2021 £
Income					
Donations and legacies			24,260	13,975	38,235
Charitable activities				595,410	595,410
Trading activities				668,842	668,842
Government grants				90,989	90,989
Investments			7,509	228,751	236,260
Total income	**2**	-	31,769	1,597,967	1,629,736
Expenditure on					
Provision and maintenance of the Christian Centre					
Operating costs and maintenance			13,487	1,341,436	1,354,923
Depreciation		215,759	-	79,376	295,135
Professional fees				11,027	11,027
Trading costs				658,842	658,842
Total expenditure	**3**	215,759	13,487	2,090,681	2,319,928
Net income/(expenditure) before investment gains		(215,759)	18,282	(492,714)	(690,192)
Gains/(losses) on investments					
Unrealised		1,181,843	41,296		1,223,139
Realised		98,159			98,159
Net movements in funds		**1,064,242**	**59,577**	**(492,714)**	**631,106**
Funds brought forward		13,929,878	249,758	70,685	14,250,321
Funds carried forward		**14,994,120**	**309,335**	**(422,029)**	**14,881,427**

15 Ratcliffe Hospitality Limited

	2022	2021
Share Capital and Reserves		
Share Capital	100	100
Reserves	174,286	-
Total Capital	174,386	100

Profit and Loss account:

	2022	2021
Income	531,867	668,842
Less: Cost of Sales	(297,039)	(204,904)
Gross Profit	234,828	463,938
Administration and Overheads	(275,339)	(208,032)
Gift Aid		(255,906)
Taxation	(41,110)	
Net Profit	(81,620)	-

16 Related Party Transactions

The charity had the following transactions with its trading subsidiary Ratcliffe Hospitality Limited:

	2022	2021
Charges by the Charity to Ratcliffe Hospitality Ltd (RHL)		
Recharge cost of staff assigned to RHL operations	264,151	205,649
Allocation of overheads for shared expenses	271,930	204,904
Gift Aid donation by RHL to the charity	-	255,906
Gift Aid donation by RHL to the charity (not paid)	255,906	
Debtor due by the charity to RHL	217,295	7,976

There were no other related party transactions in the year.

THE ROYAL FOUNDATION OF ST KATHARINE

England & Wales - Charity number 223849

Accounts





The Royal Foundation of St Katharine

Registered Charity
No. 223849

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2021









Supporting the local community throughout the pandemic:

Above: Limehouse Aid Foodbank

Left: The Yurt Essentials Shop

Below: Takeaway food from the Yurt



THE ROYAL FOUNDATION OF ST KATHARINE

REPORT AND ACCOUNTS YEAR ENDED 31ST MARCH 2021

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The Queen Elizabeth Conference Room

THE ROYAL FOUNDATION OF ST KATHARINE

PATRON

Her Majesty Queen Elizabeth II

MEMBERS OF THE COURT

The Rev. Canon John Tattersall LVO FCA – Chairman (retired 12 July 2021)
Mr David Swanney CA – Treasurer (to 11 July 2021) and Interim Chairman (from 12 July 2021)
Mr Geoffrey Richards - Vice-Chairman
Mrs Diana Banks
Ms Sophie Densham LVO (from 22 March 2021)
Mr Scott Furssedonn-Wood MVO (resigned 5 February 2021)
Mr Andrew Grigson
Professor Joy Hinson
Sir Stephen Lamport GCVO DL
Mrs Elizabeth Marshall MBE – Interim Treasurer (from 12 July 2021)
The Rt Rev. & Rt Hon. Dame Sarah Mullally DBE, Bishop of London, *ex officio*
John O'Brien (from 10 July 2021)
The Venerable Roger Preece
Dame Annabel Whitehead DCVO

MASTER

The Venerable Roger Preece

The Royal Foundation of St Katharine
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Email	info@rfsk.org.uk
Website	www.rfsk.org.uk

SECRETARY : Mr Graham Cooper

SOLICITORS	**AUDITORS**	**BANKERS**
Farrer & Co. 66 Lincoln's Inn Fields London WC2A 3LH	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE	Lloyds Bank plc 210 Commercial Road London E1 2JR

THE ROYAL FOUNDATION OF ST KATHARINE
CHAIRMAN'S STATEMENT

Chairman's Statement



The year ended 31 March 2021 must have been one of the most challenging in the history of the Royal Foundation of St Katharine. Hospitality lies at the heart of our object and has been seriously frustrated by three different periods of lock down, but St Katharine's has proved to be resilient in such turbulent times. This resilience is significantly due to the patient endurance of our Master, Roger Preece, and his staff who have themselves faced some of the most challenging periods of their careers. They have agreed upon and coped with swift changes of direction, as St Katharine's was made available for step down care for the NHS and provided mental health breaks for front line NHS and care workers, as the Yurt on our Northern Site became a takeaway and convenience store, and as we provided a base for Limehouse Aid, serving our local community in a rather different way from our previous forms of service. The retreat side of our activities went online very successfully. St Katharine's has continued to be a strong Christian presence providing worship, hospitality and service in East London and beyond.

Because of our generous historic endowment, we were able to fund continuing operations throughout the year, incurring a significant operating loss, but providing the opportunity for a real investment in the future of St Katharine's. The low utilisation of our bedrooms has given us the chance to refurbish the older rooms. Our investment in digital technology has brought us to the attention of a new customer base, particularly for our retreat business. We were able to respond quickly to the collapse of the Penn Club, a club formerly based in Central London, by offering its members discounted use of our bedrooms and other facilities, including use of our chapel, in return for an annual subscription. The club's Quaker heritage is a good fit with the ethos of St Katharine's, and their members will increase the number of our regular customers, who have been offered a similar opportunity to subscribe to a St Katharine's House membership scheme. On behalf of the whole Court, I am immensely grateful for all that our Master and his staff have done for us over the past year.

Court itself has taken the opportunity to focus on our strategy for the next few years as we emerge from pandemic restrictions; as always, the wisdom of its members has set us on a sensible path. Our Committee structure has been changed to reflect the needs of St Katharine's in 2021: we now have an Operations Committee chaired by Diana Banks, which has assumed the remit of the former Northern Site Steering Committee as well as responsibility for the oversight of our hospitality and service operations, while the Finance, Risk and Audit Committee, chaired by our Treasurer, David Swanney, focuses on financial affairs, ensures that the risks which we face are being properly mitigated, and takes responsibility for the relationship with our external auditors.

We have made good progress in reaching agreement with our developers for the Northern Site. I wrote in last year's statement of the frustrations that we had experienced as they sought to renegotiate the agreement that

we had signed in December 2017. I am delighted to report that an amicable agreement was reached in November 2020 which will provide us with slightly different accommodation for our own operations on the Northern Site, though its location is more convenient, while providing an increased number of flats for the developers to sell, allowing them an adequate return on their investment. The preparation of our planning application is proceeding well and we hope that it will have been successful by the end of 2021. This achievement is due to a successful negotiating team led by our Master, supported by our Northern Site Steering Committee chaired by Elizabeth Marshall. I have been particularly grateful for the advice of Gerald Allison, Chartered Surveyor, to the Court throughout these negotiations.

This will be my final Chairman's statement: after 12 years as a member of Court and nearly nine years as its Chairman, I will step down later this month. It has been a great privilege to serve the Royal Foundation of St Katharine over this period and I am incredibly grateful to the three Masters who worked with me as Chairman, the Reverend Prebendary David Paton, the Reverend Mark Aitken, and the Venerable Roger Preece, as well as to my fellow Court members over those years who have been a very valuable support and source of guidance and wisdom, and I certainly needed it at times. St Katharine's has seen significant change over my 12 years as a Court member, particularly in respect of its outreach to our local community: I have become deeply conscious over those years of how many different things St Katharine's means to so many different people. Our Nominations Committee has ably conducted a search for my successor as Chairman and I am delighted that John O'Brien will join the Court in July and will become its Chairman in January 2022. He will be a very able successor. In the meantime, the Court has appointed our Treasurer, David Swanney, who has also made a significant contribution in his leadership of our Succession and Governance Working Party, as Interim Chairman from the date of my departure until the end of 2021.

It would be inappropriate to sign off my final statement without acknowledging the continued interest which our Patron, Her Majesty The Queen, has shown in the activities of St Katharine's over my term of office. I was very honoured and humbled when she appointed me as a Lieutenant of the Royal Victorian Order in the Birthday Honours 2021 in recognition of my service to the Court of the Royal Foundation of St Katharine: the award was a recognition of all that has been achieved by Masters, staff and other Court members since I was first elected as Chairman in 2012.



The Reverend Canon John Tattersall LVO, Chairman of the Court
July 2021

Master's Report

St Katharine's has been through many challenges over its 870 years of history and has survived previous world wars and plagues – but the last year has been extraordinary at many levels. Given the Court's decision that we should stay open and serve in any way possible, we have emerged from the recent pandemic pleased that we have done the best we could and have certainly learned and grown in our capability and our reputation in East London. As at September 2021, we have seen a much faster return to booking accommodation and meetings than we expected - most likely as a result of our work during the pandemic in staying open and in building and staying connected to our community.

Accommodation and Events

Because of restrictions on travel over the year our accommodation was only 25% of the level of usage from the previous year, with 4500 nights' accommodation provided. 30% of our bedroom use that was made was NHS-related and a further 20% was subsidised for not for profit/charity related bookings. Over 400 nights of retreatants made up 9% of this total.
St Katharine's stayed open for "essential travel and meetings" and was able to be a support to a variety of key workers needing accommodation to do their necessary work.
There were just 180 events involving around 1100 delegates over the year, which is 85% lower than 2019/20. The majority were charitable or not for profit. For example, The Children's Society, St Joseph's Hospice, Barts Hospital Trust, Citizens UK, Tower Hamlets Night Shelter, Year Here, and the Diocese of London.

Providing Retreats

This is at the heart of the Foundation's mission. The last year, has created more demand for people to get away and experience a setting of peace and tranquillity. For much of last year residential retreats were not possible and we made best use of our online facilities. Over 200 people connected to our retreats online during the year.
When restrictions were released, we offered Open Reflective Days again, and these have continued to grow in popularity. Recognising the increased mental and spiritual health needs, we particularly encouraged personal retreats and 145 people took them up, which is quite close to the previous year's total of 161. We will continue to invest in this core offer of St Katharine's.

Worship at St Katharine's

The Chapel is the spiritual heart of Foundation and because the prayer team was residential, St Katharine's was able to keep a daily pattern of prayer and weekly communion going throughout the year. Prayer requests were received via email and as restrictions were lifted other individuals were able to join the chapel life. Guests staying at St Katharine's often really appreciate the blend of ancient and modern that the chapel provides. It is a beautiful place of peace at the heart of our centre.

Digital / Hybrid Events

Early in 2020 we recognised the importance of an online offering for events and retreats, and invested in our own multimedia cameras, recording and editing facilities in order to be able to record and edit high quality digital material and to be able to livestream and broadcast this content.

We have also run several hybrid events. This ability to gather delegates physically at St Katharine's but also to be able to broadcast an interactive live-feed of the event, meant that we were able to host a number of events that would have not been held or would have gone elsewhere. The most complex of these was the London Diocese Deacons' Retreat. The speaker was not able to travel, so was broadcast live to us from Birmingham. Some of the delegates wanted to fully participate at home and because of distancing, we needed

to use the chapel and our main conference room for the guests in residence. Covid-related guidance and rules were followed and all were able to participate in the event, and left joyfully for their ordination services at St Paul's cathedral.

Retreats online have also been effective and our first 100% online retreat had over 90 participants from around the UK. In addition to this we have run or hired out our equipment for Online / Hybrid events to other organisations and groups.

Impact on Staff

The challenges of the last year for management and staff have been extraordinary, and all the teams responded to the challenges and delivered outstanding service to the thousands of guests who benefited from our different work.

Guest feedback has been consistently high and the staff have put significant commitment to deliver this, at times at great personal cost to themselves. The Foundation offered all its staff wellbeing support, with the opportunity to speak confidentially, at no charge, to trained 'listeners'. There were also some well-being days offered, although these were limited because of distancing rules. Many staff learned different roles so they could serve in other departments as the need developed.

Care for Individuals

Supporting the NHS has been a significant theme in the last year. Our commissioning for convalescent care allowed guests who had been discharged from hospital to come and stay with us, if they were unable to return home. This freed up hospital beds for more urgent needs.

On top of this, we were pleased to use our spare capacity to offer free mental health breaks for NHS staff. During June and July we welcomed some 240 adults and 22 children to have a break. We then offered NHS staff heavily subsidised breaks for the rest of the summer.

We have also enabled several guests to gain respite - such as the woman and child who needed to separate from a setting of domestic abuse, who we supported with a bursary to stay with us while their house was repaired; or the elderly couple whose house was flooded and were supported by their insurer to stay with us.

Care for Local Needs

As the impact of the pandemic hit the local community in March 2020, the Foundation responded immediately by engaging with a mutual aid volunteer group Limehouse Aid. This dynamic group of 200 + local, mainly young, volunteers, enlisted through social media, supported their neighbours in practical ways. The Foundation invited them to come under the St Katharine's umbrella to benefit from the established charity structure. Those still involved form part of an active volunteer network running a range of activities, including a Foodbank that during lockdowns provided 144 vulnerable households with food each month, reaching over 700 individuals.

Creating Community and Reducing Loneliness

The Yurt Café has been, and is, an essential part of our external work. During the first lockdown, on the staff's suggestion, the café adapted to providing essential supplies and takeaway food. As soon as people were allowed to gather outside, our community garden became an essential meeting place for friends and family. The Yurt provided both practical opportunities to provide food during times of shortages, but more importantly the personal contact with local customers, which supported mental wellbeing. Many local

THE ROYAL FOUNDATION OF ST KATHARINE
MASTER'S REPORT

residents, often living in small apartments, commented that the Yurt had been a real lifesaver for them. It was a place to have human contact, as well as a decent cup of coffee.
The Eat out to Help Out Scheme was a catalyst for the Yurt Café to develop and offer an all-day dining menu that was available 9am - 9pm. This has proved very popular with our House guests, who can now receive a quality evening meal when they arrive. Friday nights and Sunday afternoons have included live music along with the dining options.

Arts and Creativity

The impact of the pandemic on creative arts has been very significant. As some of our staff have a background as artists, they prepared and performed 'Songs from the Shows', a Summer concert that was broadcast live as a fund raiser for the Foodbank and for development of the community gardens. Over £2,500 was raised.
In the past year there has been an effort to welcome creative people into the life of the St Katharine's in different ways. The Foundation has received earmarked donations and has financially supported young creatives, many of whom have performed at the Yurt outdoor stage, hosted concerts in the Chapel, created film, and choreographed and performed expressive dance. Some of these links have connected into our worship life. For example, a collective of young jazz musicians, Gracenotes, started playing at the Yurt Supper Clubs and then were able to launch a Jazz worship night in the Chapel that has continued into 2021. Other musicians collaborated in our Christmas Carol service that was recorded and broadcast online.

Supporting Leaders and Other Charities

During the year, there was an exploration of how the Foundation could support senior leaders in the charity, public sector and private sector. 140 people joined parts of the 'Soulful leadership' course and community. This was all run online and included external speakers as well as drawing on internal expertise. In July 2020 St Katharine's was invited to present to a national online conference that gathered 40 Retreat House leaders to consider ways forward during the pandemic. Because of the level of resource and experience within the St Katharine's operational team, we have been asked to give specific support and advice to other retreat houses in different areas. We also organised a training conference on "Creating Sacred Space in a Digital World", which drew together representatives from over 55 different retreat settings.

Looking Forward

Given all the good work done in 2020, the response to the re-opening of full services has been very positive. The decision to remain open and to serve has resulted in a faster recovery of accommodation and events than was expected. Investment in marketing and communication has also helped keep St Katharine's in people's minds. We are seeing a real desire from organisations to want to meet together again and the central location, quiet ambiance, wonderful food and great service offered by the Foundation makes us an attractive offer. We are very confident going in to 2021/22 that we have learned a great deal and have much to offer individuals and organisations as an urban oasis in the heart of London. The Northern Site development, providing additional facilities and resources to expand St Katharine's mission, remains the focus for the future.

The Venerable Roger Preece
Master
8 September 2021

REPORT OF THE TRUSTEES

The Governing Instrument

The Governing Instrument of the Charity is the Ordinances dated 27th April 2020 granted by Her Majesty Queen Elizabeth II. Prior to that date, the Governing Instrument was the Ordinances dated 30 March 1993 of her late Majesty Queen Elizabeth, The Queen Mother as amended by Warrants dated 11 September 2007 and 21 November 2012.

The Object of the Charity

The Object of the Charity, as modified by the 2020 Ordinances, is the advancement of the Christian religion through worship, hospitality and service and the promotion of Christian values, with a view to developing and promoting Christian activities of every description for the public benefit.

The Patron

Her Majesty Queen Elizabeth II is the Patron of The Royal Foundation of St. Katharine. Under Queen Eleanor's charter of 1273, the Patronage of the Foundation was reserved unto the Queens of England.

The Court

The governing body of the Royal Foundation is its Court, which currently consists of twelve Trustees.

The Court is assisted in its work by two committees, each comprising a number of trustees. For the first part of the year, the committees were the Finance and Planning Committee, to which detailed oversight of the Foundation's operations and finances was delegated, and the Northern Site Steering Committee, responsible for making recommendations to the Court in respect of the development of the Northern Site. The governance structure was changed from 1 January 2021 and now comprises the Finance, Audit and Risk Committee and the Operations Committee, with amended responsibilities in accordance with new terms of reference approved by the Court.

Day to day operational responsibility for the Foundation is delegated to the Master. The Court ensures that appropriate training is available to its members and provides an induction process for new Trustees.

Organisation

The Charity's work is principally to operate and manage a Conference and Retreat Centre at Butcher Row in Limehouse in East London, which is used by a wide range of local, national and overseas church and charitable bodies, as well as by individuals. There is currently residential accommodation for up to 87 guests, meeting rooms for up to 175 people and full catering services. Audio-visual, internet and conference support facilities are provided.

During the COVID pandemic the Foundation provided Limehouse Aid, a network of volunteers, with an operations centre and logistical support. This informal team has now been brought under the auspices of the Charity and represents an important part of our commitment to serving the local community.

Public benefit

The Court confirms that it has complied with the duty set out in Section 17 of the Charities Act 2011, to have due regard to Public Benefit guidance published by the Charity Commission, in determining the activities undertaken by the Foundation. The Court reviews the activities of the Charity against its aims on an on-going basis and is satisfied that all activities continue to be related to the aims, which are set in such a way as to benefit society as a whole. The benefits are set out in the review of activities shown below, and in the Master's report.

Review of Activities

The year under review was dominated by the Covid pandemic and the accompanying restrictions. As has been well documented, the hospitality industry has been exceptionally hard hit by the coronavirus, and the Foundation has not escaped unscathed, despite the mitigations put in place.

St Katharine's, however, remained open during the year as far as permitted by the regulations. In the early part of the year under review, during the first lockdown, St Katharine's provided accommodation to support local NHS services and to provide a quiet and peaceful environment for staff and their families to stay for respite. Although not at commercial rates, the contract provided the Foundation with an income during a time when many hospitality businesses were closed.

The Yurt was a real success during the year. Thanks to the inspiration and hard work of the team, the Yurt opened as a convenience store and worked with our catering suppliers to ensure that fresh fruit and vegetables and cupboard staples were available as well as operating as a takeaway café. The team then demonstrated its flexibility and adaptability during the 'Eat out to Help Out' promotion as it adapted to provide an evening meal service, which was very successful.

The lockdown opened a number of opportunities for the Foundation, including the development of an on-line and hybrid retreat programme and holding a number of concerts online and in person. The unfortunate demise of the Penn Club, based in central London, provided the Foundation with an opportunity to offer its facilities to a group of like-minded people. This resulted in a reinvention of the club as The Penn Club at St Katharine's and at the same time, our friends scheme was revamped to become the St Katharine's House membership scheme. Both offer room discounts, priority booking for certain events and other benefits.

The quieter period has allowed the Foundation to undertake a major refurbishment of the bedrooms to ensure that the offering remains at the top of its class.

The Northern Site development providing additional facilities and resources to expand its mission remains the focus for the future as is discussed in the Chairman's statement. A revised development agreement was signed by the parties in November 2020 and a preliminary planning application has been submitted to Tower Hamlets Borough Council.

Financial Review

Operating Income and Expenditure

The Foundation's Income and Expenditure is shown in the Statement of Financial Activities on page 16.

All the core activities, with the exception of the Yurt Café, were adversely impacted by the pandemic (see Note 2 on page 21). Overall, the pandemic reduced the Foundation's turnover by over £777,000, mitigated by £91,000 received from the Coronavirus Job Retention Scheme (furlough). Concerted efforts to reduce costs meant that the deficit before investment gains was £690,000 (2020: £86,331).

Operating costs before depreciation reduced slightly to £2,319,929 (2020: £2,228,072) as the cost base of the Foundation is generally fixed, and those on zero-hours were paid as normal as they were covered by CJRS payments shown as income. It was decided that except for an increase to the London Living Wage there would be no general pay rise in the year except in a few cases where there were clear anomalies or levels of responsibility had changed.

Commercial operations were particularly badly hit by the lockdown. St Katharine's conducts these operations through its trading subsidiary, Ratcliffe Hospitality Ltd (RHL) which accounted for £ 400,908 (2020: £705,654) of hospitality revenue.

The introduction of online concerts and carol service, together with other activities, increased the donations to £38,235 (2020: £6,558). The Foundation received a total of £90,898 from the government Coronavirus Job Retention Scheme (CJRS).

The COVID pandemic depressed investment valuations at the previous year-end, and there was a strong recovery during the year. The valuation at 31 March 2021 was not as high as in January 2020 but still showed an unrealised gain of £1.2 million. In order to fund the cash drain in the year some investments were sold, realising gains of £98,000. Full details are included in the notes to the financial statements.

The Trustees continue to be of the opinion that, although depreciation of freehold buildings is required by Financial Reporting Standards, operating costs before depreciation of buildings is a better measure of the cost of operating the Foundation, given the regular maintenance and refurbishment of the buildings that is undertaken, and the historic increase in the value of the buildings.

The reasons behind this result are exceptional and in themselves do not give the Trustees cause for concern. The ongoing commercial environment does present new challenges which are under constant review. The Trustees have approved a deficit budget for the current financial year (to 31 March 2022) but has mandated the management team to prepare a budget for subsequent years to eliminate the deficit

The Foundation's Assets

The Foundation has wide investment powers under its Ordinances. The Endowment Fund represents its functional assets, being its buildings and Chapel in Butcher Row, the majority of its portfolio investments, and the 0.7 hectares between the Foundation's principal site and the Docklands Light Railway viaduct, known as the Northern Site.

Its portfolio investments are held in a range of investment funds set up for charities under Charity Commission schemes, managed by professional investment managers and regularly reviewed by the Trustees.

The net book value of the Foundation's Tangible Fixed Assets at year-end was £ 7,214,137 (2020: £ 7,432,321). An increase in the threshold for capitalising expenditure, and a lack of significant progress on the Northern Site, meant that there was only £ 76,942 of additions.

The value of Investments at year-end was £ 7,431,478 (2020: £ 6,760,280) as a result of the increase in investment values mentioned earlier.

Net Current Assets amounted to £ 239,811 (2020: £65,820) including cash at bank of £ 448,538 (2020: £529,498).

Risk Management

The Trustees recognise their responsibility for ensuring adequate risk management and internal control, and the revised committee structure mentioned above reflects the importance placed on this. A risk register, incorporating control and mitigating measures, is maintained and is subject to regular review by management. The major risks to which the Foundation is exposed, in particular those related to its hospitality operations such as Health and Safety, Food Hygiene and Security, and to its finances are reviewed by Trustees each quarter. The risks facing the Foundation were last reviewed by the Court at its meeting in June 2021. At present the risk factors are dominated by the impact of COVID-19.

Independent customer satisfaction statistics are regularly reviewed at management meetings, all investment decisions are authorised by the Chairman and Treasurer, and a business contingency plan is maintained.

The Trustees are satisfied that adequate measures are in hand to manage and minimise all significant risks, especially in respect to the precautions surrounding the prevention of transmission of COVID-19.

COVID-19

The management took the decision, supported by the Trustees, that St Katharine's would remain open for business and the NHS contract provided an income stream for the first four months of the financial year, although trading in the rest of the year was much slower. Following the end of the NHS contract the Foundation was forced to furlough staff and to take advantage of the funding available under the Coronavirus Job Retention Scheme, in order to preserve jobs, and to provide some flexibility to adapt to rapidly changing circumstances.

New marketing initiatives and special offers, especially the Penn Club and St Katharine's House membership scheme, have stimulated demand and as lockdown restrictions have eased, St Katharine's has seen business return more quickly than elsewhere in the hospitality sector. Management and the Trustees continue to monitor the financial impact of the pandemic on the Foundation, and are confident that there will be a return to historic level of business, even if the timing of this cannot currently be accurately forecast and the budget for the current year does anticipate a further deficit. The Trustees are satisfied, however, that the reserves of the Foundation are sufficient to fund the inevitable shortfall in earnings during the recovery period, even if it should be prolonged. This position remains under constant review, and Trustees are

aware that, should the recovery be significantly longer than anticipated, further, more stringent measures may need to be taken to protect the Foundation's financial position.

Reserves

The loss for the year means that The Foundation's free reserves are negative and in approving a deficit budget for the coming year the Court acknowledges that this will increase. Management has been mandated to produce a budget for the year 2022-23 that at least breaks even, and from 2023 onwards the Trustees will look to eliminate the deficit in free reserves. If necessary, the Court could decide to seek Charity Commission permission to transfer funds from the Endowment Fund.

Fundraising

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously. The Trustees have reviewed the Charity Commission guidance: *Charity fundraising: a guide to trustee duties (CC20)* and, having considered the Foundation's activities, are confident that trustee duties are being fulfilled. The Foundation does not work with any commercial participators or professional fundraisers. The majority of fundraising is from visitors to St Katharine's and through its website. The Foundation does not actively solicit donations from the general public more widely. The Trustees are not aware of any complaints made in respect of fundraising during the period under review.

Going Concern

As a result of uncertainty created by the COVID-19 pandemic, the Trustees specifically considered the viability of the Foundation. The Court reviewed the budget for the current year and a forecast covering the period to the end of September 2022. The Trustees are satisfied that the deficits for the years ending 31 March 2021 and 2022 can be covered by reserves and would exceptionally request the consent of the Charity Commission to use the Endowment if necessary. In view of the current extraordinary circumstances, the Trustees are confident that consent would not be withheld. The Trustees are also of the opinion that there is no historical legal basis for the Endowment to be regarded as 'permanent', except by convention. On this basis, the Trustees believe that it is appropriate that these accounts are prepared on a going concern basis.

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).

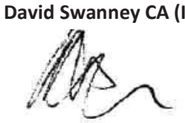
The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

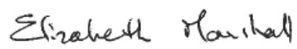
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and with the Royal Foundation of St Katharine's Ordinances dated 27 April 2020. 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.

Approved by the Court on 8 September 2021 and signed on its behalf by:

Mr. David Swanney CA (Interim Chairman)



Mrs Elizabeth Marshall MBE (Interim Treasurer)



REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF THE ROYAL FOUNDATION OF ST KATHARINE

Opinion

We have audited the financial statements of the Royal Foundation of St Katharine (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheets, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 and parent charity's affairs as at 31 March 2021 and of the group's and the parent charity's incoming resources and application of resources 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 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 and parent 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 group or the parent 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 annual report, other than the financial statements and our auditor's report thereon. 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF THE ROYAL FOUNDATION OF ST KATHARINE

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

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:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity's 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

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, 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 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees and management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with trustees and updating our understanding of the sector in which the group and parent charity operate.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the parent charity 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 parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Saffery Champness LLP

Chartered Accountants

Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 26 November 2021

Saffery Champness 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

	Note	Endowment Fund £	Restricted Funds £	Unrestricted Fund £	Total 2021 £	Total 2020 £
Income						
Donations and legacies			24,260	13,975	38,235	6,558
Charitable activities				595,410	595,410	1,448,119
Trading activities				668,842	668,842	705,654
Government grants				90,989	90,989	-
Investments			7,509	228,751	236,260	246,871
Total income	**2**	-	31,769	1,597,967	1,629,736	2,407,202
Expenditure on						
Provision and maintenance of the Christian Centre						
Operating costs and maintenance			13,487	1,341,436	1,354,923	2,222,345
Depreciation		215,759	-	79,376	295,135	265,460
Professional fees				11,027	11,027	5,728
Trading costs				658,842	658,842	-
Total expenditure	**3**	215,759	13,487	2,090,681	2,319,928	2,493,533
Net income/(expenditure) before investment gains		(215,759)	18,282	(492,714)	(690,192)	(86,331)
Gains/(losses) on investments						
Unrealised		1,181,843	41,296		1,223,139	(181,728)
Realised		98,159			98,159	-
Net movements in funds		**1,064,242**	**59,577**	**(492,714)**	**631,106**	**(268,059)**
Funds brought forward		13,929,878	249,758	70,685	14,250,321	14,518,380
Funds carried forward		**14,994,120**	**309,335**	**(422,029)**	**14,881,427**	**14,250,321**

The notes on pages 21 to 30 form part of these financial statements.

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

A comparable statement of financial activities is provided in note 14

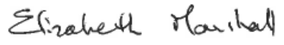
BALANCE SHEET AS AT 31 MARCH 2021

	Notes	Group 2021 £	*Group 2020* *£*	*Charity 2021* *£*	Charity *2020* *£*
Fixed assets					
Tangible fixed assets	**4**	7,214,137	*7,432,321*	*7,214,137*	*7,432,321*
Investments	**6**	7,431,478	*6,760,180*	*7,431,578*	*6,760,280*
		14,645,614	*14,192,501*	*14,645,714*	*14,192,601*
Current assets					
Debtors	**7**	84,011	*69,267*	*95,706*	*43,582*
Cash at bank		448,537	*529,498*	*442,598*	*375,379*
		532,548	*598,765*	*538,304*	*418,961*
Current liabilities					
Creditors under one year	**8**	(292,735)	*(532,946)*	*(298,591)*	*(353,241)*
Net current assets		239,812	*65,820*	*239,713*	*65,720*
Defined benefit pension scheme liability	**11**	(4,000)	*(8,000)*	*(4,000)*	*(8,000)*
Net assets		14,881,427	*14,250,321*	*14,881,427*	*14,250,321*
Funds					
Endowment		14,994,120	*13,929,878*	*15,035,416*	*13,929,878*
Restricted		309,335	*249,758*	*268,040*	*249,758*
Unrestricted		(422,029)	*70,685*	*(422,029)*	*70,685*
	10	14,881,427	*14,250,321*	*14,881,427*	*14,250,321*

The financial statements were approved by the Court of Trustees on

and signed on its behalf by:





David Swanney CA
Interim Chairman

Elizabeth Marshall MBE
Interim Treasurer

8th September 2021

The notes on pages 21 to 30 form part of these financial statements.

THE ROYAL FOUNDATION OF ST KATHARINE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

		2021		2020
	£	£	£	£
Cash flows from operating activities				
Net income / (expenditure)	631,106		(268,059)	
Adjustments for:				
Depreciation	295,136		265,460	
(Gain) / loss on investments	(1,321,297)		181,728	
Investment income	(236,260)		(246,871)	
Trade and other receivables	(14,744)		10,920	
Trade and other payables	(244,211)		44,520	
Net cash used in operating activities		(890,270)		(12,302)
Cash flows from investing activities				
Purchase of property plant and equipment	(76,952)		(193,226)	
Proceeds on disposal of investments	650,000		-	
Investment income	236,260		246,871	
Net cash provided by investing activities		809,308		53,645
Net (decrease)/ increase in cash and cash equivalents		(80,962)		41,343
Cash and equivalents brought forward		529,498		488,156
Cash and equivalents carried forward		448,536		529,499

Cash and cash equivalents are all represented by cash at bank and in hand.

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 2nd Edition, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(a) Going Concern

The financial statements have been prepared on the basis that the Charity is a going concern. As mentioned in their report, the Trustees consider that even taking into account the disruption to the Foundation's operations resulting from COVID, there are no material uncertainties that would affect the Charity's ability to continue as a going concern.

(b) Income

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

(c) Expenditure

All expenditure is accounted for on an accruals basis and, where possible, directly allocated to the related activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure consists of all expenditure directly relating to the objects of the Charity. Governance costs include expenditure on compliance with statutory requirements.

Irrecoverable VAT is included with the category of expense to which it relates.

(d) Tangible Fixed Assets and Investment Properties

Prior to 31 March 1996 expenditure on fixtures and fittings was written off as incurred. As at that date the Trustees estimated the current value required to be shown in the balance sheet. Subsequent acquisitions or improvements are capitalised at cost when their purchase price exceeds £2,000. Depreciation of tangible fixed assets held for charitable use is calculated by the straight-line method to write off the cost/value over the expected useful lives of the assets as follows:

Freehold buildings	25 to 50 years
Furniture, equipment and temporary buildings	3 to 10 years

Assets in the course of construction are not depreciated until brought into use.

(e) Investments

Investments are stated at market value.

Surpluses or deficits (realised or unrealised) are allocated to the appropriate Fund.

(f) Subsidiary

The charity holds 100 ordinary £1 shares in a wholly owned subsidiary company, Ratcliffe Hospitality Limited, which were valued at cost.

The Statement of Financial Activity on page 16 and Balance Sheet on page 17 incorporate the results and assets and liabilities of Ratcliffe Hospitality respectively.

(g) Funds

The Charity's Funds comprise the following:

Endowment Fund

The Fund consists of the original endowment to provide income for the aims of the charity.

Ardingly Mission Fund

The Fund consists of investments and cash transferred to the Foundation as Endowment Funds for administration on 1 April 2007 under the terms of a Charity Commission Letter of Concurrence (dated 5 January 2007) with the former trustees of the fund that the Foundation is better able to fulfil the intentions of the original trustees of the Ardingly College Mission.

Other Restricted Funds:

Limehouse Aid: The Foundation holds funds donated for the community work of Limehouse Aid.

Master's Charity Fund: Consists of amounts available for charitable purposes at the discretion of the Master.

Unrestricted Funds

The Fund is currently in deficit and comprises the accumulated losses over the current year. A plan to eliminate this deficit is in place so that these funds will available to spend on the general charitable purposes of the Foundation without further restriction.

(h) Financial instruments

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. At present the charity does not have any bank loans.

(i) Key judgements and uncertainties

In application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees consider the main area of judgement to be the assessment of the useful economic life of fixed assets utilised in delivering the charity's objects, in particular, that of the freehold buildings.

(j) Taxation

The Foundation is a registered charity and as such is not liable to tax on its income derived wholly from charitable activities.

2 INCOME

	Total 2021	Total 2020
	£	£
Donations and legacies		
Gifts and donations	26,235	6,558
Grants received	12,000	-
	38,235	6,558
Income from charitable activites		
Overnight accommodation	25,617	299,157
Conference income	30,817	229,641
Food and beverages	68,674	525,077
Rental income	38,069	36,397
Yurt café	411,570	326,000
Other	20,663	31,847
	595,410	1,448,119
Income from trading activities		
Overnight accommodation	642,653	662,440
Conference income	26,189	43,214
	668,842	705,654
Investment income		
Dividends	236,161	246,541
Interest receivable	98	330
	236,260	246,871
Government grants	90,989	-
	90,989	-
Income Total	1,629,736	2,407,202

Income includes £ 7,509 dividend income attributable to the Ardingly Mission Fund (2020 £ 7,323).

The restricted income from donations and legacies is broken down between the following funds:

	Limehouse Aid	Master's Charity	Total Restricted	Total Unrestricted	Total 2021
Gifts and donations	536	19,429	19,965	6,270	26,235
Grants received	4,295		4,295	7,705	12,000
	4,831	19,429	24,260	13,975	38,235

3 EXPENDITURE

	Depreciation	Staff costs	Other costs	Total 2021	Total 2020
Charitable activities					
Endowment Funds	215,759			215,759	197,078
Restricted Funds			13,487	13,487	1,088
Unrestricted Funds	79,376	969,282	383,182	1,431,840	1,650,130
	295,135	969,282	396,670	1,661,087	1,848,296
Trading costs		218,814	440,029	658,842	645,237
	295,135	**1,188,095**	**836,698**	**2,319,929**	**3,696,592**

	Total 2021	Total 2020
Staff Costs		
Wages and salaries	1,051,564	1,038,747
Social security costs	83,271	83,865
Pension costs (Defined Benefit Scheme)	40,999	2,060
Pension costs (Defined Contribution Scheme)	12,261	43,380
	1,188,094	1,168,052
Other Costs		
Visitor catering	223,017	321,240
Housekeeping	60,393	50,975
Property costs	245,338	287,487
Centre administration	148,233	98,804
Consultancy	23,257	68,548
Sales commission	9,900	126,745
General costs	98,204	87,079
Grants	379	355
Governance - Auditors' remuneration	16,950	13,060
Professional fees	11,027	5,728
Depreciation	295,135	265,461
	1,131,834	1,325,482
	2,319,928	2,493,534

For the year ended 31 March 2021, professional fees of £12,049 (2020, £145,390) have been capitalised in respect of the project to develop the Foundation's freehold premises in Limehouse, categorised as 'Assets Under Construction'.

	2021	2020
The average number of employees was	57	53
The average number of Full Time Equivalent employees was	38	38

No employee earned £60,000 per annum or more in either year.

The only trustee to receive remuneration is The Venerable Roger Preece for his services as Master to The Foundation for which he was paid a salary of £58,000 and pension contributions of £12,261. In addition, The Master is required to live on site and an apartment is provided by The Foundation.

No other trustee received any benefits, remuneration or expense reimbursement in either year.
Key Management Personnel are: The Master, Lay Chaplain, Operations Director, Head of Guest Services & Events, Food and Beverage Manager, Housekeeping Manager, Yurt Manager, HR Advisor, Finance Director and Finance Manager who collectively received total remuneration of £389,026 (2020: £323,097).

4 Fixed Assets

Group & Charity

	Freehold Land & Buildings £	Fixtures & Fittings, Temporary Buildings £	Asset Under Construction £	Total £
Cost				
At 1 April	9,796,385	1,012,641	425,810	11,234,836
Additions	13,233	51,671	12,049	76,952
At 31 March	9,809,618	1,064,312	437,859	11,311,788
Depreciation				
At 1 April	3,182,289	620,226	-	3,802,515
Charge in the year	215,760	79,376	-	295,136
At 31 March	3,398,049	699,602	-	4,097,651
NBV				
At 31 March 2020	6,614,096	392,415	425,810	7,432,321
At 31 March 2021	6,411,569	364,710	437,859	7,214,137

All fixed assets are held for charitable use.

The 'Asset Under Construction' is the Northern Site development mentioned in the Chairman's Statement and includes the cost of professional fees incurred in negotiating with developers and formulating initial, outline plans for the site. The Trustees are confident that even though the development is at an early stage, the value of the work done exceeds the valuation in these financial statements.

5 Capital Commitments

At 31 March 2021 there were no capital commitments (2020, none). The Foundation continues to incur expenditure in connection with development of the Northern Site, mainly professional fees for preparing the submission of a planning application. These costs are capitalised as Asset Under Construction. In addition, negotiations to purchase the John Scurr Community Centre for £250,000 plus costs were in an

advanced stage although contracts have yet to be exchanged. At the year end the bedroom refurbishment project (£ 318,545) was not contracted.

6 Investments

	Common Investment Funds	Total 2021 (Group)	Investments in subsidiary	Charity total	Total 2020
	£	£	£	£	
Valuation at 1 April 2020	6,760,180	6,760,180	100	**6,760,280**	6,942,008
Additions		-		**-**	
Disposals	(650,000)	(650,000)		- **650,000**	
Realised gains	98,159	98,159		**98,159**	
Unrealised gains	1,223,139	1,223,139		**1,223,139**	(181,728)
Valuation at 31 March 2021	7,431,478	7,431,478	100	**7,431,578**	**6,760,280**

The market value of the Common Investment Funds held are:

	2021	2020
	£	£
Restricted Endowment Fund		
COIF Charities Global Equity Income Fund	556,171	563,518
COIF Charities Property Fund Income Units	310,667	317,685
COIF Charities Ethical Investment Income Units	6,317,608	5,673,240
COIF Charities Deposit Fund	331	331
	7,184,777	6,554,774
Ardingly Mission Fund		
COIF Charities Ethical Investment Income Units	246,701	205,406
Total	7,431,478	6,760,180

The historic cost of the Common Investment Funds was £6,135,045 (2020: £6,785,045)

Investment in subsidiary	2021	2020
	£	£
100 £1 shares held in Ratcliffe Hospitality Limited, a wholly owned subsidiary company.	100	100

7 Debtors

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Trade debtors	17,654	52,422	29,349	52,422
Other debtors	240	1,422	240	1,422
Prepayments	12,810	15,423	12,810	15,423
Taxation and social security	53,308		53,308	
	84,011	69,267	95,706	69,267

8 Creditors

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Deposits for advance bookings	113,173	89,215	113,173	46,923
Intercompany account	-	-	7,976	25,685
Trade creditors	68,098	157,702	68,078	157,689
Other creditors and accrued expenses	91,441	92,612	89,341	90,212
Deferred income		135,000		-
Taxation and social security	20,024	58,417	20,024	58,417
	292,735	532,946	298,591	378,926

9 Analysis of Net Assets between Funds

	Endowment fund	Ardingly fund	Master's Charity Fund	Limehouse Aid	Unrestricted fund	Total
	£	£			£	£
Fund balances at 31 March 2021 are represented by:						
Tangible fixed assets	6,849,427				364,710	7,214,137
Investments	7,184,777	246,701				7,431,478
Net current (liabilities)/assets	959,916	62,634	13,620	1,244	(797,602)	239,812
Long term (liabilities)					(4,000)	(4,000)
	14,994,120	309,335	13,620	1,244	(436,893)	14,881,427

2020	Endowment fund	Ardingly fund	Unrestricted fund	Total
	£	£	£	£
Fund balances at 31 March 2020 were represented by:				
Tangible fixed assets	7,039,906	-	392,415	7,432,321
Investments	6,554,774	205,406	-	6,760,180
Net current (liabilities)/assets	335,198	44,352	(313,730)	65,820
Long term (liabilities)	-	-	(8,000)	(8,000)
	13,929,878	249,758	70,685	14,250,321

10 Summary of Fund Movements

	Balance at year start	Income	Expenditure	Gains and (losses)	Balance at year end
Endowment fund	13,929,878	-	(215,759)	1,280,002	14,994,120
Ardingly fund	249,758	5,509	(2,091)	41,296	294,472
Master's Charity Fund	-	19,429	(5,809)	-	13,620
Limehouse Aid	-	6,831	(5,587)	-	1,244
Unrestricted general fund	70,685	1,597,967	(2,090,681)	-	(422,029)
	14,250,321	1,629,736	(2,319,928)	1,321,297	14,881,427

2020	Balance at year start	Income	Expenditure	Gains and (losses)	Balance at year end
Endowment fund	14,302,320		(197,078)	(175,364)	13,929,878
Ardingly fund	249,887	7,323	(1,088)	(6,364)	249,758
Unrestricted general fund	(33,827)	2,399,879	(2,295,367)	-	70,685
	14,518,380	2,407,202	(2,493,533)	(181,728)	14,250,321

11 Pension Liability

The Foundation participates in the Church of England Funded Pensions Scheme for stipendiary clergy in respect of The Master. This is a defined benefit pension scheme administered by the Church of England Pensions Board and each participating Responsible Body pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in section 28 of FRS102. This means that it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged in the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year (2021: £12,261 2020: £10,600), plus the figures highlighted in the table below as being recognised in the Statement of Financial Activities giving a total charge of £ 12,261 for 2021 (2020: £ 2,060)

As these amounts are immaterial the assumptions are not reproduced here but are available on request.

	2021	2020
Movement in Pension Provision	£	£
Balance sheet liability at 1 January	8,000	19,000
Deficit contributions paid	(4,000)	(3,000)
Remaining change to the balance sheet liability recognised in the SoFA		(8,000)
Balance sheet liability at 1 January	4,000	8,000

12 Operating Lease Commitments

At the reporting end date the Foundation had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
Within one year	2,103	2,181
Between two and five years	4,050	4,128
Over five years	-	-
	6,153	6,309

13 Financial Instruments

	2021	2020
Financial assets measured at fair value		
Investments	7,431,478	6,760,180
Financial liabilities measured at fair value		
Provision for defined benefit pension scheme	4,000	8,000

14 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2020

	Note	Endowment Fund	Restricted Funds	Unrestricted Fund	Total 2020
		£	£	£	£
Income and endowments from:					
Donations and legacies		-	-	6,558	6,558
Charitable activities		-	-	1,448,119	1,448,119
Trading activities		-	-	705,654	705,654
Investments		-	7,323	239,548	246,871
Total income	2	-	7,323	2,399,879	2,407,202
Expenditure on:					
Provision and maintenance of the Christian Centre					
Operating costs and maintenance		-	1,088	2,221,257	2,222,344
Depreciation		197,078	-	68,382	265,460
Loss on disposal of fixed assets		-	-	-	-
Professional fees		-	-	5,728	5,728
Trading Costs		-	-	-	-
Total Expenditure	3	197,078	1,088	2,295,367	2,493,533
Net (expenditure)/income before investment gains		**(197,078)**	**6,235**	**104,512**	**(86,331)**
(Losses)/Gains on investments					
- Unrealised		(175,364)	(6,364)	-	(181,728)
- Realised		-	-	-	-
Net movement in funds		(372,442)	(129)	104,512	(268,059)
Funds brought forward at 1 April 2019		14,302,320	249,887	(33,827)	14,518,380
Funds carried forward at 31 March 2020		13,929,878	249,758	70,685	14,250,321

15 Ratcliffe Hospitality Limited

	2021	2020
Share Capital and Reserves		
Share Capital	100	100
Reserves	-	-
Total Capital	100	100

Profit and Loss account:

	2021	2020
Share Capital and Reserves		
Share Capital	100	100
Reserves	(100)	-
Total Capital	-	100

Profit and Loss Account

Income	668,842	705,654
Less: Cost of Sales	(204,904)	(369,357)
Gross Profit	463,938	336,297
Administration and Overheads	(208,032)	(275,879)
Gift Aid	(255,906)	(60,418)
Net Profit	-	-

16 Related Party Transactions

The charity had the following transactions with its trading subsidiary Ratcliffe Hospitality Limited:

	2021	2020
Charges by the Charity to Ratcliffe Hospitality Ltd (RHL)		
Recharge cost of staff assigned to RHL operations	205,649	369,357
Allocation of overheads for shared expenses	204,904	275,879
Gift Aid donation by RHL to the charity	255,906	60,417
Debtor due by RHL to the charity	7,976	16,607

There were no other related party transactions in the year.



Above: St John Groser Room

Right: Victor Churchill Courtyard

Below: Queen Matilda Room









