



## 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 Lampport 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

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**SECRETARY :** Mr Graham Cooper

### SOLICITORS

Farrer & Co.  
66 Lincoln’s Inn Fields  
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### AUDITORS

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London EC4V 4BE

### BANKERS

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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

**THE ROYAL FOUNDATION OF ST KATHARINE  
CHAIRMAN'S STATEMENT**

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

**THE ROYAL FOUNDATION OF ST KATHARINE  
MASTER'S REPORT**

**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

## THE ROYAL FOUNDATION OF ST KATHARINE MASTER'S REPORT

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

## THE ROYAL FOUNDATION OF ST KATHARINE TRUSTEES' REPORT

### REPORT OF THE TRUSTEES

#### The Governing Instrument

The Governing Instrument of the Charity is the Ordinances dated 27<sup>th</sup> 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.

## THE ROYAL FOUNDATION OF ST KATHARINE TRUSTEES' 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 ROYAL FOUNDATION OF ST KATHARINE TRUSTEES' REPORT

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

## THE ROYAL FOUNDATION OF ST KATHARINE TRUSTEES' REPORT

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



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

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](http://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

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

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

THE ROYAL FOUNDATION OF ST KATHARINE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Endowment Fund £	Restricted Funds £	Unrestricted Fund £	Total 2021 £	Total 2020 £
<b>Income</b>						
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
<b>Total income</b>	<b>2</b>	<b>-</b>	<b>31,769</b>	<b>1,597,967</b>	<b>1,629,736</b>	<b>2,407,202</b>
<b>Expenditure on</b>						
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	-
<b>Total expenditure</b>	<b>3</b>	<b>215,759</b>	<b>13,487</b>	<b>2,090,681</b>	<b>2,319,928</b>	<b>2,493,533</b>
<b>Net income/(expenditure) before investment gains</b>		<b>(215,759)</b>	<b>18,282</b>	<b>(492,714)</b>	<b>(690,192)</b>	<b>(86,331)</b>
<b>Gains/(losses) on investments</b>						
Unrealised		1,181,843	41,296		1,223,139	( 181,728 )
Realised		98,159			98,159	-
<b>Net movements in funds</b>		<b>1,064,242</b>	<b>59,577</b>	<b>(492,714)</b>	<b>631,106</b>	<b>(268,059)</b>
Funds brought forward		13,929,878	249,758	70,685	14,250,321	14,518,380
<b>Funds carried forward</b>		<b>14,994,120</b>	<b>309,335</b>	<b>(422,029)</b>	<b>14,881,427</b>	<b>14,250,321</b>

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

THE ROYAL FOUNDATION OF ST KATHARINE

BALANCE SHEET AS AT 31 MARCH 2021

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<b>Fixed assets</b>					
Tangible fixed assets	<b>4</b>	7,214,137	7,432,321	7,214,137	7,432,321
Investments	<b>6</b>	7,431,478	6,760,180	7,431,578	6,760,280
		14,645,614	14,192,501	14,645,714	14,192,601
<b>Current assets</b>					
Debtors	<b>7</b>	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
<b>Current liabilities</b>					
Creditors under one year	<b>8</b>	(292,735)	(532,946)	(298,591)	(353,241)
<b>Net current assets</b>		<b>239,812</b>	<b>65,820</b>	<b>239,713</b>	<b>65,720</b>
Defined benefit pension scheme liability	<b>11</b>	(4,000)	(8,000)	(4,000)	(8,000)
<b>Net assets</b>		<b>14,881,427</b>	<b>14,250,321</b>	<b>14,881,427</b>	<b>14,250,321</b>
<b>Funds</b>					
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
	<b>10</b>	<b>14,881,427</b>	<b>14,250,321</b>	<b>14,881,427</b>	<b>14,250,321</b>

The financial statements were approved by the Court of Trustees on

and signed on its behalf by:



David Swanney CA  
Interim Chairman

8<sup>th</sup> September 2021



Elizabeth Marshall MBE  
Interim Treasurer

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) 2<sup>nd</sup> 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.

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

**(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 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 its income derived wholly from charitable activities.

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

**2 INCOME**

	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>
<b>Donations and legacies</b>		
Gifts and donations	26,235	6,558
Grants received	12,000	-
	<u>38,235</u>	<u>6,558</u>
<b>Income from charitable activities</b>		
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
	<u>595,410</u>	<u>1,448,119</u>
<b>Income from trading activities</b>		
Overnight accommodation	642,653	662,440
Conference income	26,189	43,214
	<u>668,842</u>	<u>705,654</u>
<b>Investment income</b>		
Dividends	236,161	246,541
Interest receivable	98	330
	<u>236,260</u>	<u>246,871</u>
<b>Government grants</b>	90,989	-
	<u>90,989</u>	<u>-</u>
<b>Income Total</b>	<u>1,629,736</u>	<u>2,407,202</u>

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:

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



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

**3 EXPENDITURE**

	Depreciation	Staff costs	Other costs	Total 2021	Total 2020
<b>Charitable activities</b>					
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
	<u>295,135</u>	<u>969,282</u>	<u>396,670</u>	<u>1,661,087</u>	<u>1,848,296</u>
<b>Trading costs</b>		218,814	440,029	658,842	645,237
	<u>295,135</u>	<u>1,188,095</u>	<u>836,698</u>	<u>2,319,929</u>	<u>3,696,592</u>

	Total 2021	Total 2020
<b>Staff Costs</b>		
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
	<u>1,188,094</u>	<u>1,168,052</u>
<b>Other Costs</b>		
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
<b>Depreciation</b>	<u>295,135</u>	<u>265,461</u>
	<u>1,131,834</u>	<u>1,325,482</u>
	<u>2,319,928</u>	<u>2,493,534</u>

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	<u>57</u>	<u>53</u>
The average number of Full Time Equivalent employees was	<u>38</u>	<u>38</u>

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

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 £
<b>Cost</b>				
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	<u>9,809,618</u>	<u>1,064,312</u>	<u>437,859</u>	<u>11,311,788</u>
<b>Depreciation</b>				
At 1 April	3,182,289	620,226	-	3,802,515
Charge in the year	<u>215,760</u>	<u>79,376</u>	<u>-</u>	<u>295,136</u>
At 31 March	<u>3,398,049</u>	<u>699,602</u>	<u>-</u>	<u>4,097,651</u>
<b>NBV</b>				
At 31 March 2020	<u>6,614,096</u>	<u>392,415</u>	<u>425,810</u>	<u>7,432,321</u>
At 31 March 2021	<u>6,411,569</u>	<u>364,710</u>	<u>437,859</u>	<u>7,214,137</u>

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

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

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	<b>6,760,280</b>	6,942,008
Additions		-		-	
Disposals	(650,000)	(650,000)	-	<b>650,000</b>	
Realised gains	98,159	98,159		<b>98,159</b>	
Unrealised gains	1,223,139	1,223,139		<b>1,223,139</b>	( 181,728 )
Valuation at 31 March 2021	<u>7,431,478</u>	<u>7,431,478</u>	100	<b><u>7,431,578</u></b>	<b><u>6,760,280</u></b>

The market value of the Common Investment Funds held are:

	2021 £	2020 £
<b>Restricted Endowment Fund</b>		
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	<u>331</u>	<u>331</u>
	<u>7,184,777</u>	<u>6,554,774</u>
<b>Ardingly Mission Fund</b>		
COIF Charities Ethical Investment Income Units	246,701	205,406
<b>Total</b>	<u><u>7,431,478</u></u>	<u><u>6,760,180</u></u>

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	<u>53,308</u>		<u>53,308</u>	
	<u>84,011</u>	<u>69,267</u>	<u>95,706</u>	<u>69,267</u>

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

**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	<u>20,024</u>	<u>58,417</u>	<u>20,024</u>	<u>58,417</u>
	<u>292,735</u>	<u>532,946</u>	<u>298,591</u>	<u>378,926</u>

**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)
	<u>14,994,120</u>	<u>309,335</u>	<u>13,620</u>	<u>1,244</u>	<u>(436,893)</u>	<u>14,881,427</u>

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)
	<u>13,929,878</u>	<u>249,758</u>	<u>70,685</u>	<u>14,250,321</u>

**10 Summary of Fund Movements**

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



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

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
	<u>14,518,380</u>	<u>2,407,202</u>	<u>(2,493,533)</u>	<u>(181,728)</u>	<u>14,250,321</u>

## 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
	£	£
<b>Movement in Pension Provision</b>		
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	<u>4,000</u>	<u>8,000</u>

## 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	-	-
	<u>6,153</u>	<u>6,309</u>

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

## 13 Financial Instruments

	2021	2020
<b>Financial assets measured at fair value</b>		
Investments	7,431,478	6,760,180
<b>Financial liabilities measured at fair value</b>		
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 £
<b>Income and endowments from:</b>				
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
<b>Total income</b>	2	-	7,323	2,399,879
<b>Expenditure on:</b>				
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	-	-	-	-
<b>Total Expenditure</b>	3	197,078	1,088	2,295,367
<b>Net (expenditure)/income before investment gains</b>		<b>(197,078)</b>	<b>6,235</b>	<b>104,512</b>
<b>(Losses)/Gains on investments</b>				
- Unrealised	(175,364)	(6,364)	-	(181,728)
- Realised	-	-	-	-
<b>Net movement in funds</b>		<b>(372,442)</b>	<b>(129)</b>	<b>104,512</b>
Funds brought forward at 1 April 2019		14,302,320	249,887	(33,827)
Funds carried forward at 31 March 2020		<u>13,929,878</u>	<u>249,758</u>	<u>70,685</u>
				<u>14,250,321</u>



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

**15 Ratcliffe Hospitality Limited**

	2021	2020
<b>Share Capital and Reserves</b>		
Share Capital	100	100
Reserves	-	-
<b>Total Capital</b>	<u>100</u>	<u>100</u>

**Profit and Loss account:**

	2021	2020
<b>Share Capital and Reserves</b>		
Share Capital	100	100
Reserves	(100)	-
<b>Total Capital</b>	<u>-</u>	<u>100</u>

**Profit and Loss Account**

Income	668,842	705,654
Less: Cost of Sales	<u>(204,904)</u>	<u>(369,357)</u>
Gross Profit	463,938	336,297
Administration and Overheads	<u>(208,032)</u>	<u>(275,879)</u>
Gift Aid	<u>(255,906)</u>	<u>(60,418)</u>
Net Profit	<u>-</u>	<u>-</u>

**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**





