

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

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SECRETARY : Mr Graham Cooper

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AUDITORS

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BANKERS

Lloyds Bank plc
210 Commercial Road
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 of 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 ROYAL FOUNDATION OF ST KATHARINE
CHAIR'S STATEMENT**

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

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 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.

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

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.

THE ROYAL FOUNDATION OF ST KATHARINE TRUSTEES' REPORT

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.

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. 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

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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

THE ROYAL FOUNDATION OF ST KATHARINE

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
		<u>14,751,027</u>	<u>14,645,614</u>	<u>14,751,127</u>	<u>14,645,714</u>
Current assets					
Debtors	7	155,431	84,011	145,756	95,706
Cash at bank		236,889	448,537	164,702	442,598
		<u>392,320</u>	<u>532,548</u>	<u>310,458</u>	<u>538,304</u>
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		<u>14,703,741</u>	<u>14,881,427</u>	<u>14,529,216</u>	<u>14,881,427</u>
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	<u>14,703,741</u>	<u>14,881,427</u>	<u>14,529,216</u>	<u>14,881,427</u>

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	<u>142,870</u>	<u>(244,211)</u>
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	<u>223,643</u>	<u>236,260</u>
Net cash provided by investing activities	438,826	809,308
Net (decrease)/ increase in cash and cash equivalents	<u>£ (211,648)</u>	<u>£ (80,962)</u>
Cash and equivalents brought forward	<u>448,537</u>	<u>529,498</u>
Cash and equivalents carried forward	<u>£ 236,889</u>	<u>£ 448,536</u>
Analysis of net debt and net funds		
Cash at bank and in hand	<u>£ 236,889</u>	<u>£ 448,536</u>

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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.

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

(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 ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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
	<u>106,911</u>	<u>129,224</u>
Income from charitable activities		
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
	<u>1,278,544</u>	<u>595,410</u>
Income from trading activities		
Overnight accommodation	451,809	642,653
Conference income	80,058	26,189
	<u>531,867</u>	<u>668,842</u>
Investment income		
Dividends	223,616	236,161
Interest receivable	27	98
	<u>223,643</u>	<u>236,260</u>
Income Total	<u>2,140,966</u>	<u>1,629,736</u>

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.

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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
	<u>319,647</u>	<u>1,495,236</u>	<u>530,523</u>	<u>2,345,405</u>	<u>1,661,086</u>
Trading costs			572,378	572,378	658,842
	<u>£319,647</u>	<u>£1,495,236</u>	<u>£1,102,900</u>	<u>£2,917,782</u>	<u>£3,322,172</u>

	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
	<u>1,495,236</u>	<u>1,188,095</u>

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
	<u>1,422,547</u>	<u>1,131,834</u>
	<u>2,917,782</u>	<u>2,319,929</u>

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

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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.

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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
	<u>6,754,132</u>	<u>7,184,777</u>

Ardingly Mission Fund

COIF Charities Ethical Investment Income Units	267,588	246,701
Total	<u>7,021,720</u>	<u>7,431,478</u>

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

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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
Endowment fund	14,994,120	-	(266,275)	619,357	-	£ 15,347,202
Ardingly fund	294,471	5,035	-	20,886	-	£ 320,392
Master's Charity Account	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)
	£ 14,881,426	£ 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

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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	<u>£2,000</u>	<u>£4,000</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:

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

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

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

15 Ratcliffe Hospitality Limited

	2022	2021
Share Capital and Reserves		
Share Capital	100	100
Reserves	174,286	-
Total Capital	<u>174,386</u>	<u>100</u>

Profit and Loss account:

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

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.