

THE ROYAL FOUNDATION OF ST. KATHARINE

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2023

Registered Charity No. 223849

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THE ROYAL FOUNDATION OF ST KATHARINE

PATRON

MEMBERS OF THE COURT

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

MASTER

The Venerable Roger Preece,

REGISTERED ADDRESS

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

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

SECRETARY : Graham Cooper

SOLICITORS

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

AUDITORS

Saffery LLP
71 Queen Victoria Street
London EC4V 4BE

BANKERS

Lloyds Bank plc
210 Commercial Road
London E1 2JR

THE ROYAL FOUNDATION OF ST KATHARINE CHAIR'S STATEMENT

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

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

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

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

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

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

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

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

John O'Brien
Chair of the Court
November 2023

THE ROYAL FOUNDATION OF ST KATHARINE MASTER'S REPORT

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

A Retreat House in East London

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

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

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

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

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

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

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

A meeting and event space for transforming organisations

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

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

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

Promoting Retreats

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

A Royal Charity

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

THE ROYAL FOUNDATION OF ST KATHARINE MASTER'S REPORT

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

Serve the Local Community

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

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

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

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

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

Connect and Change

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

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

Developing the Northern Site

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

Generous Giving

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

THE ROYAL FOUNDATION OF ST KATHARINE
MASTER'S REPORT

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

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

The Venerable Roger Preece

Master

November 2023

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.

The Object of the Charity

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

The Patron

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

The Court

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

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

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

Organisation

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

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

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

Public benefit

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

THE ROYAL FOUNDATION OF ST KATHARINE TRUSTEES' REPORT

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

Review of Activities

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

Financial Review

Operating Income and Expenditure

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

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

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

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

The Foundation's Assets

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

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

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

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

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

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

THE ROYAL FOUNDATION OF ST KATHARINE TRUSTEES' REPORT

Risk Management

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

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

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

Reserves

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

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

Going Concern

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

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

Fundraising

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

Future Plans

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

Remuneration of Key Management Personnel

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

Statement of Trustees' Responsibilities

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

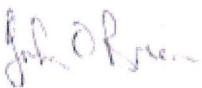
THE ROYAL FOUNDATION OF ST KATHARINE TRUSTEES' REPORT

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

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

The Trustees are responsible for keeping proper accounting records that disclose 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 and signed on its behalf by:



John O'Brien (Chairman)
20 November 2023



David Swanney CA (Treasurer)

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

Opinion

We have audited the financial statements of the Royal Foundation of St Katharine (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, Balance Sheets, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2023 and of the group's and the parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 pages 10 and 11, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the group and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of

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 LLP

Saffery LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 4 December 2023

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

THE ROYAL FOUNDATION OF ST KATHARINE

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

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

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

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

All incoming resources and resources expended derive from continuing activities.

A comparable statement of financial activities is provided in note 14

THE ROYAL FOUNDATION OF ST KATHARINE

BALANCE SHEETS AS AT 31 MARCH 2023

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

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

John O'Brien
Chair

David Swanney
Treasurer

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

THE ROYAL FOUNDATION OF ST KATHARINE

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

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

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

1 ACCOUNTING POLICIES

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

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

(a) Going Concern

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

(b) Income

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

(c) Expenditure

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

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

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

(d) Tangible Fixed Assets

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

Freehold buildings	25 to 50 years
Furniture, equipment and temporary buildings	3 to 10 years
Assets in the course of construction are not depreciated until brought into use.	

(e) Investments

Investments are stated at market value.

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

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

(f) Subsidiary

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

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

(g) Funds

The Charity's Funds comprise the following:

Endowment Fund

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

Ardingly Mission Fund

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

Other Restricted Funds:

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

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

Unrestricted Funds

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

(h) Financial instruments

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

(i) Stock

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

(j) Key judgements and uncertainties

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

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

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

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

(k) Taxation

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

2 INCOME

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

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

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

3 EXPENDITURE

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

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

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

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

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

	Number 2023	Number 2022
The average number of employees was	65	65
The average number of Full Time Equivalent employees was	<u>47</u>	<u>34</u>

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

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

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

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

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

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

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

4 Fixed Assets

Group & Charity

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

All fixed assets are held for charitable use.

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

5 Capital Commitments

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

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

6 Investments

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

The market value of the Common Investment Funds held are:

	2023 £	2022 £
Restricted Endowment Fund		
COIF Charities Global Equity Fund Income Units	581,449	602,314
COIF Charities Property Fund Income Units	300,400	357,045
COIF Charities Ethical Investment Income Units	5,310,976	5,794,442
COIF Charities Deposit Fund	331	331
	<u>6,193,156</u>	<u>6,754,132</u>
Ardingly Mission Fund		
COIF Charities Ethical Investment Income Units	254,246	267,588
Total	<u>6,447,402</u>	<u>7,021,720</u>

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

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

7 Debtors

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

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

8 Creditors

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

9 Analysis of Net Assets between Funds

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

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

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

10 Summary of Fund Movements

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

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

11 Pension Liability

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

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

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

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

12 Operating Lease Commitments

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

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

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

13 Financial Instruments

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

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

14 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2022

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

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

15 Ratcliffe Hospitality Limited

	2023	2022
Share Capital and Reserves		
Share Capital	100	100
Reserves	174,286	174,286
Total Capital	<u>174,386</u>	<u>174,386</u>

Profit and Loss account:

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

16 Related Party Transactions

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

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

There were no other related party transactions in the year.