



The Royal Foundation of St Katharine

Registered Charity
No. 223849

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2020





Some of St Katharine’s unique meeting spaces.

Above: Queen Elizabeth Conference Room

Right: Queen Matilda Room

Below: St John Groser Room



THE ROYAL FOUNDATION OF ST KATHARINE
REPORT AND ACCOUNTS YEAR ENDED 31ST MARCH 2020

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The Installation of the Venerable Roger Preece as Master of the Foundation by the Rt Rev and Rt Hon Dame Sarah Mullally DBE, Bishop of London, pictured with the Revd John Tattersall, Chair of the Foundation, October 2019



St Katharine's Yurt Café. A community social hub serving craft coffee, delicious homemade food, cakes, pastries, beer, wine and even cocktails. Also our host venue for community events and special evenings featuring music, poetry, and discussion.



Convenience store goods for sale during the pandemic



Freshly baked bread from the Yurt Café

THE ROYAL FOUNDATION OF ST KATHARINE

PATRON

Her Majesty Queen Elizabeth II

MEMBERS OF THE COURT

- The Rev. John Tattersall FCA – Chairman
- Mr Geoffrey Richards - Vice-Chairman
- The Rev. Mark Aitken – Master, *ex officio* (retired 31 August 2019)
- Mrs Diana Banks
- Mr Scott Furssedonn-Wood
- Mr Andrew Grigson
- Professor Joy Hinson
- Sir Stephen Lamport GCVO DL
- Mrs Elizabeth Marshall
- The Rt Rev. and Rt Hon. Dame Sarah Mullally DBE, Bishop of London, *ex officio*
- The Venerable Roger Preece – Master, *ex officio* (from 30 September 2019)
- Mr David Swanney CA – Treasurer
- Dame Annabel Whitehead DCVO

MASTER

The Venerable Roger Preece (from 30 September 2019)
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THE ROYAL FOUNDATION OF ST KATHARINE
CHAIRMAN'S STATEMENT



The past year has been marked both for its high points and its disappointments. The arrival and installation of our new Master, the Venerable Roger Preece, in October was an undoubted high point, as was the visit of Her Royal Highness the Duchess of Cornwall later in October and the Strategy Day in November when Court members worked with senior staff members on the role and strategy of the Royal Foundation of St Katharine. We were delighted that our Patron, Her Majesty The Queen approved our new Ordinances during the year, another high point for us. These were signed and sealed on 20 April 2020. The fact that little progress has been made with our exciting plans for the development of the land to the north of the Foundation's principal premises at Butcher Row, known as the Northern Site, for reasons entirely outside our control has been a considerable disappointment, alongside the impact of the corona virus – Covid-19 – on our operations. But, despite these disappointments, St Katharine's continues to thrive thanks to the determination of its new Master and staff and that in itself is a great success at which I never cease to be impressed.

The Master has elaborated on his areas of focus during his first six months in office in his own report which follows this statement. He brought his skills to bear from the very start of his tenure with an imaginative service to see him installed by the Bishop of London on 21 October. Since then he has established a significant role for St Katharine's in the world of retreat houses, as well as establishing its role in the leadership agenda and in outreach to our local community in Limehouse. He has started the process of building a resident spiritual community at St Katharine's. Despite the frustrations of the Covid-19 pandemic, he has taken advantage of the lock down to establish a presence for St Katharine's in the virtual world of seminars and concerts, as well as in our work with Limehouse Aid to assist vulnerable members of our local community who have been most severely disadvantaged by the pandemic. I am very grateful to him for his contribution.

We were delighted to welcome Her Royal Highness The Duchess of Cornwall for her first visit to St Katharine's on 30 October. Her Royal Highness was able to meet Court Members, staff and local community members as well as unveiling a plaque to mark her visit. The visit has established a link for us with the next generation of the Royal Family, and we are most grateful to Court member Scott Fursse-Donn-Wood for facilitating the visit, as well as other members of the Clarence House staff.

The arrival of our new Master has also given us the opportunity to rethink what our strategy should be, and what the role of St Katharine's both nationally and within our local community should be. He and Court member Professor Joy Hinson led us in an interesting day of discussions and reflections which has gone some way to answering these questions, though further work will need to be done in the coming months. We need to change in response to the changing world in which we operate, while still retaining the ethos and culture which has been developed over the centuries of our existence.

Consideration of our strategy and role also informed the update of our ordinances with changed wording for our object to *'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*

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CHAIRMAN'S STATEMENT

for the public benefit'. This better reflects the way in which our activities have developed in recent years. The opportunity was also taken to update our ordinances to reflect present standards of corporate governance, including rules on the rotation of Court members. I am very grateful to our Patron, Her Majesty The Queen, for approving our new ordinances and to our Vice Chairman, Geoffrey Richards, for leading our work on this.

Our failure to make the progress anticipated in my last statement with the development of the Northern Site has been very disappointing, despite the best efforts of our staff and our Northern Site Steering Committee, led by Court member Elizabeth Marshall. Our developers have sought to renegotiate the agreement that we signed in December 2017, both in terms of the facilities provided for St Katharine's own activities and the timescale in which the development was required to take place. We hope that agreement might be reached shortly and that the process of obtaining planning permission will proceed, though building work on the site is highly unlikely to have commenced before our next report. If agreement cannot be reached, mediation or litigation may become necessary. One positive development has been the agreement with Tower Hamlets council for St Katharine's to acquire the John Scurr Centre, which is adjacent to the Northern Site and will provide valuable additional facilities: the land was originally exchanged with Tower Hamlets to enable a community centre to be built in the 1980s, and we will now use it to serve the local community and as part of our wider activities.

I would like to thank both our former Master and our new Master and their staff for all that they have achieved in 2019 and 2020, and also to acknowledge the very valuable support and counsel of my fellow Court members. As I said in last year's statement, this is an exciting time to be involved with St Katharine's.

The Reverend John Tattersall, Chairman of the Court

9 September 2020

THE ROYAL FOUNDATION OF ST KATHARINE MASTER'S REPORT



It has been a great joy to take on the role of Master of the Royal Foundation since October of 2019. There was a great deal to learn in the first few months and I must pay tribute to the Rev Mark Aitken for all his leadership over the previous seven years and for a very thorough handover. The Foundation was entrusted to me in a very moving ceremony in which the Bishop of London, on behalf of Her Majesty The Queen, presents the Master's staff and robe of office.

The Foundation has had a year in which it has continued to provide an excellent and well appreciated centre of worship, service and hospitality. Guest feedback has been extremely positive and the growth in the events and in room utilisation has been particularly encouraging. The work around the Yurt Café and the community garden has also seen substantial growth.

St Katharine's is used by many of the UK's leading not-for profit organisations

St Katharine's is at its heart a charity that supports the work of other charities, churches and other not-for-profit organisations. Many charities and boards come back year after year for their key leadership or governance work.

During normal operations, St Katharine's is host to many of the leading UK charities and national church organisations.

In the last year we have hosted events for organisations such as:

- Amnesty International
- British Red Cross
- The Children's Society
- Christian Aid
- Citizens UK
- Clewer Initiative
- Depaul International
- Diocese of London Senior Team
- International Organization for Migration
- The Keston Institute
- Lambeth Palace
- The Methodist Church
- Salvation Army

THE ROYAL FOUNDATION OF ST KATHARINE MASTER'S REPORT

Corporates also use the facilities but pay a higher user charge. They make up less than 20% of the current usage. Given the Foundation's proximity to the City of London and Canary Wharf, there are opportunities to develop more relationships with Corporates.

Operational Revenue showed a healthy increase of 7% on the year to £2.153m and would have been closer to 10% without Covid-19 which had an impact on March's revenue. There were over 500 different bookings during the year. Accommodation also had a very high utilisation of over 80% with nearly 19,000 rooms nights sold.

On the accommodation front, the data collected from guest feedback is consistently high for cleanliness, welcome, food and quality of accommodation. There is a real attentiveness to guest needs from the hospitality team and the personal comments about the experience of guests is encouraging. Some of the comments this year were:

- *St Katharine's has become one of my favourite places to stay in London. It's on my list alongside Benedictus in Vienna and Posticun in Dradea as a small oasis of calm in a busy city. Thank You*
- *Thank you!!! I came for auditioning in London, I needed a quiet place to get mentally ready and also you provided me a space to warm up and practice. Couldn't ask for more! Next time I come to London I will sure stay at St. Katharine's!*
- *It is good to see a program of continuous improvement and keep the space physically refreshed and also the publicity material well panned.*
- *Many thanks to your staff for being so approachable and helpful, we are consistently impressed by the support we receive when we visit RFSK.*
- *A very enjoyable day and I am sure the atmosphere helped to create a great work environment too*
- *A wonderful, relaxing and recuperative stay. All the staff, without exception, were so friendly and helpful to us. We love it here.*
- *Thank you for replenishing my spirit and energy*
- *Our group (Singing for Lung Heath / Breathe Easy) LOVED their experience and felt very welcome and comfortable. We look forward to coming back again in the New Year.*
- *Food at the tea/supper was very generous. I am feeling very full. It has been lovely to be here and my time has flown by. Hope to be back again soon. Thank you for the card, you have all been lovely.*
- *Loved the lunchtime meditation - really set me up well.*
- *Liked the use of several quiet spaces - not sure whether this could always be the case. Loves the garden space - the view from the rooms and the meditation water garden.*
- *The garden and chapel are particularly beautiful, serene.*

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- *This truly is an oasis in London's Docklands. Everything about the two nights stay and John Bells quiet day was wonderful. It was not difficult to switch off from the business of everyday life and simply be. Thank you to all the staff at St Katherine's for making this possible.*

Worship, Retreats and Spiritual Life

The ongoing life of the chapel and a regular prayer team (four people in residence, four who live out) supports the pattern of regular morning and midday prayer. For many guests, joining in with the prayer life is an important part of their visit.

The regular programme of quiet days, residential retreats and open reflective days have connected to a wide range of people over the year. Open reflective days have welcomed over 430 people to enjoy the Foundation space and peace. Over 230 have come to Quiet days led by an experienced speaker or writer.

The Royal Foundation continues to seek to work collaboratively and has built on links with St Paul's Cathedral by jointly hosting a quiet day at St Katharine's with the Rev Richard Carter from St Martins in the Fields.

Malcolm Guite hosted a residential retreat in January 2019 after which he then wrote about in his regular poet's corner in the Church Times

Isabel Berwick wrote an article for the Financial Times and the Guardian following her Open Reflective Day in June 2019. This has helped increase the awareness of what we offer.

The relationship with the Diocese of London remains strong and it is a real privilege for the Royal Foundation to host each year the deacon's retreat for those about to be ordained. In the last year, the Bishop of London formally licensed Carol Rider, the Chaplain, in recognition of her ministry and standing in the Diocese.

We have responded well to the initial Covid-19 Challenges

The impact of the Covid-19 crisis started to be noticed in early February and then had a major impact in March as nearly all the accommodation and events business was cancelled. Although the impact on the outturn for 2019/20 was relatively modest, it was clear that the pandemic, and associated lockdown, would have a major impact on the activities and financial outturn during the current financial year.

With the Royal Foundation having such a history of service throughout the crisis of past centuries, the Court approved a strategy of seeking to serve in the crisis, rather than to close down the retreat and conference centre.

At the end of March, the Foundation was commissioned by the NHS to provide step down care for patients from Barts Health Trust, which has five hospitals including St Bartholomew's and the Royal London. Our guests were people who were not able to go home but did not need to be in hospital. St Katharine's became their place for convalescing.

Spare capacity was also offered for mental health breaks for front line NHS and care workers and their families.

The Yurt café became a takeaway and convenience store, providing fresh provisions and even supplies of toilet paper when it was hard to get. The Yurt has been called a real life line for those who were working from home, and needed somewhere to get to for provisions. They could also enjoy the only decent coffee being served locally and home-made cake.

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St Katharine's also provided a base for Limehouse Aid, a mutual aid network of up to 100 local people who were supporting vulnerable people with errands and deliveries. A pop up food bank was established delivering fresh food to schools and homes.

The digital strategy that had been approved in the budget was accelerated with the development of online retreats, leadership development and even a live stream concert from the chapel.

Present and Future St Katharine's

Following a strategic review and the likely delay in the Northern Site development, a decision was made to continue to invest in the community work around the Yurt and it is clear that the Yurt Café, the Precinct Studios and the Community Garden have become an important part of local life. Many residents see the Yurt as their place where they feel welcome and it is a real place of community that is the public face of the Royal Foundation. There are many young adults, often from the creative industries, who live nearby, perhaps in cramped apartments with no public space. The Yurt and Gardens have become the common room that the community really appreciates.

The Northern Site development envisages a high level of community provision and the experience of 2019/20 has shown how important this will be.

This summary report is being written at a time when the long term impact of Covid-19 is not yet known. The Court are reviewing different scenarios of use and has asked the management team to be able to respond to the changing landscape. The Court has taken a long term view on the future and has asked the management team to continue to invest in allowing the Foundation to respond to emerging opportunities.

These investments will:

- Upgrade the older bedrooms to the same standard as the new Victor Churchill building
- Develop the marketing and customer relationship process in order to communicate the right offerings to the right people
- Refresh the Yurt Café and Precinct areas to increase links with the local community
- Improve the Foundation gardens with the addition of a meditation garden
- Become agile at digital content creation and online distribution for our own event/retreats as well as hosting high quality online events for others
- Develop leadership resources to be of support especially to the organisations that use the Foundation

As people may travel less often in the future, they will have high expectations of the guest/event experience when they do travel. These developments will help St Katharine's continue to be attractive, and help retain current guests and also attract new users.

St Katharine's is therefore in a good position to adapt to the challenges ahead and remains focused on its core values of worship, service and hospitality.

The Venerable Roger Preece, Master

9 September 2020



Her Royal Highness The Duchess of Cornwall meeting with staff during her visit to St Katharine's in October 2019. Pictured with Gail Hawe, Housekeeping Manager, one of our longest serving members of staff.



Carol Rider, St Katharine's Chaplain, at her licensing by the Rt Rev and Rt Hon Dame Sarah Mullally DBE, Bishop of London, January 2020.



Members of St Katharine's staff team performing 'Songs from the Shows' at a virtual night of music to raise funds for our Limehouse Aid foodbank and our new project to create a meditation garden, July 2020



THE ROYAL FOUNDATION OF ST KATHARINE REPORT OF THE TRUSTEES

The Governing Instrument

The governing instrument of the Charity for the year ended 31 March 2020 was the Ordinances dated 30 March 1993 of her late Majesty Queen Elizabeth, The Queen Mother as amended by Warrants dated 11 September 2007 and 21 November 2012. New Ordinances dated 27th April 2020 were granted by Her Majesty Queen Elizabeth II, and these are the governing instrument of the Charity from that date.

The Object of the Charity

The object of the Charity under the 1993 Ordinances, as amended, is the advancement of the Christian religion by the provision and maintenance of a Christian Conference and Retreat Centre in East London, with extensions elsewhere if the work so requires, in connection with the Church of England for the purpose of developing and co-ordinating Christian activities of every description for the public benefit.

Under the 2020 Ordinances, the object of the Charity was restated as the advancement of the Christian religion through worship, hospitality and service and the promotion of Christian values, with a view to developing and promoting Christian activities of every description for the public benefit.

The Patron

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

The Court

The governing body of the Royal Foundation is its Court, which currently consists of twelve Trustees. The only change in the composition of the Court during the year was the retirement of the Reverend Mark Aitken as Master and the appointment of the Venerable Roger Preece, as stated in last year's Trustees' Report.

The Court has two principal committees, the Finance and Planning Committee, to which detailed oversight of the Foundation's operations and finances is delegated, and the Northern Site Steering Committee, which makes recommendations to the Court in respect of the development of the Northern Site.

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. Individuals also make use of the Foundation. There is currently residential accommodation for up to 87 guests, meeting rooms for up to 175 people and full catering services. Audio-visual, internet and conference support facilities are provided.

During the Covid-19 pandemic The Foundation has also provided Limehouse Aid, a network of volunteers, with an operations centre and logistical support. This informal team has now been brought within the auspices of The Charity and represents an important part of its commitment to serving the local community.

Public benefit

The Court confirms that it has complied with the duty set out in Section 17 of the Charities Act 2011, to have due regard to Public Benefit guidance published by the Charity Commission, in determining the activities undertaken by the Royal Foundation. The Court reviews the activities of the Charity against its aims on an on-

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REPORT OF THE TRUSTEES**

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.

Review of Activities

The Foundation has had another successful year as described in the Master's Report. It has again seen an increase in the income from charitable activity of 14.5% on 2019 as the Foundation continued to develop its retreat programme.

Although Covid-19 only hit at the very end of the financial year, it was enough to cause a loss of income during March without any consequential reduction in costs. A detailed discussion of how this crisis has affected the Foundation is included later in this report. Despite the need to cancel bookings in March, income less expenditure before depreciation showed a small increase on the prior year at £179,130 (2019: £164,368). Increased investment in our facilities however meant that the loss after depreciation decreased to £86,331 (2019: £90,256).

The Covid-19 pandemic depressed investment valuations at the year-end, resulting in a reduction in the value of the investment portfolio of £181,728 (2019: gain £550,842). These valuation losses were reversed early in the current financial year, although the overall result for the year showed total net expenditure of £ 268,059 (2019: net income £460,586). The reasons behind this result in themselves do not give the Trustees cause for concern, although the ongoing commercial environment does present new challenges which are under constant review.

St Katharine's conducts its commercial operations through its trading subsidiary, Ratcliffe Hospitality Ltd (RHL) which accounted for £705,654 (2019: £744,798) of hospitality revenue. This reduction in commercial income has allowed an increase in the 'charitable' use by faith-based and not for profit guests, who remain the Charity's priority.

The lockdown has opened a number of opportunities for the Foundation including the development of an on-line retreat programme and holding a fund-raising concert online.

Future Plans

The Court continues to work on plans for the longer term use of the Northern Site, to provide additional facilities and resources to expand its mission as is explained in the Chairman's Statement.

Financial Review

Operating Income and Expenditure

The Foundation's Income and Expenditure is shown in the Statement of Financial Activities on page 21.

The Foundation's Operating Income rose slightly in the year to 31 March 2020 to £2,407,202 as nearly every income source saw increased turnover (see Note 2 on page 26).

Operating costs before depreciation of our buildings and expenditure on development of the Northern Site increased by 3.1% to £2,228,072 mostly as a result of increased staff costs but the Foundation remains committed to paying the London Living Wage to all staff and, contrary to industry norms, seeks to offer permanent contracts as opposed to zero hours contracts, where possible. The Trustees continue to be of the opinion that, although depreciation of freehold buildings is required by Financial Reporting Standards, operating costs before depreciation of buildings is a better measure of the cost of operating the Foundation, given the regular maintenance and refurbishment of the buildings that is undertaken, and the historic increase in the

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value of the buildings. During the lockdown the Foundation has taken the opportunity to accelerate its refurbishment programme and continues to invest in capital projects.

The Foundation's Assets

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

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

The net book value of the Foundation's Tangible Fixed Assets at year-end was £7,432,321 (2019: £7,504,555), reflecting continued improvements to the facilities on the principal site, less depreciation, and the value of Investments at year-end was £6,760,180 (2019: £6,941,908) as a result of the fall in investment values mentioned earlier. The Net Current Assets amounted to £65,820 (2019: £90,917) including cash at bank of £529,498 (2019: £488,156).

Risk Management

The Trustees recognise their responsibility for ensuring adequate risk management and internal control. A risk register, incorporating control and mitigating measures is maintained. This is subject to regular review by management and 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.

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 risks facing the Foundation were reported at the quarterly review in July 2020 but are dominated by the impact of Covid-19.

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

Covid-19

The hospitality industry has been exceptionally hard hit by the coronavirus, and the Foundation has not escaped unscathed, despite the mitigations put in place.

The cancellation of bookings resulting from the lockdown had only a minor impact on the year ended 31 March 2020. In April, the Foundation secured a contract with the NHS to offer care for those leaving hospital but not yet ready to go home, and also welcomed NHS staff who were able to relax and recuperate in the tranquil surroundings. This contract covered a significant proportion of costs and avoided the need to consider furloughing staff until June. At that point the Foundation decided that, until it was clear how quickly business might resume, it needed to take advantage of the funding available under the Coronavirus Job Retention Scheme, in order to preserve the jobs of some staff, and to provide some flexibility to adapt to rapidly changing circumstances.

New marketing initiatives and special offers, including the online delivery of retreats and other activities, have been introduced in an effort to stimulate demand. Management and the Trustees continue to monitor the financial impact of the pandemic on the Foundation, the key aim being to increase occupancy and income to pre-Covid-19 levels, whilst minimising the related cost base. Management is hopeful that there will be a return

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to historic level of business, even if the timing of this cannot currently be accurately forecast; Trustees are satisfied, however, that the reserves of the Foundation are sufficient to fund the inevitable shortfall in earnings during the recovery period. This position remains under constant review, and Trustees are aware that, should the recovery be significantly prolonged, further, more stringent measures may need to be taken to protect the Foundation's financial position.

Reserves

A large proportion of the hospitality services are paid for in advance at the time of booking, and in view of this, the Court has considered that one month's average operating costs provide an adequate level of reserves. The cancellation of a large number of bookings immediately before the year end tested this reserves policy and it was decided that, by way of contingency, a small part of the investment portfolio should be liquidated in May to provide sufficient liquidity for the ongoing operations.

At the year-end, the target level for reserves was £185,700 (2019: £179,000). At the year end, however, the balance of Unrestricted Funds, was £ 70,685 compared to a deficit of £33,827 at the start of the year. There were no free reserves at the year end.

The Court recognises that expenses associated with the development of the Northern Site have made it more difficult than expected to bring unrestricted reserves back to the target level, but considers these factors to be short-term. Meanwhile the principal fundraising activity, the provision of hospitality and conference facilities, has continued to operate at a modest but reasonable surplus.

Trustees will closely monitor the level of reserves during the current year but remain confident that, notwithstanding the negative impact of the Covid-19 pandemic on activities (see below), the remedial action already taken, will allow reserves to be restored to the target level within a reasonable period.

Remuneration

All salaries are reviewed annually, with the Finance and Planning Committee reviewing the salaries of senior managers in the light of an assessment of their roles, responsibilities and performance. The Foundation is committed to paying its employees a minimum rate equivalent to the London Living Wage, implemented in April each year.

Fundraising

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously. The Trustees have reviewed the Charity Commission publication 'Charity fundraising: a guide to trustee duties' (CC20), and, having considered the Foundation's activities, are confident that its obligations 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 its website. The Foundation does not actively solicit donations from the general public more widely. The trustees are not aware of any complaints made in respect of fundraising during the period.

Going Concern

As a result of uncertainty created by the Covid-19 pandemic the Trustees specifically considered the viability of The Foundation. The Finance and Planning Committee reviewed a number of potential financial scenarios covering the period to the end of September 2021. Although it appears unlikely that the Foundation will return to profitability in this time frame the Trustees are satisfied that the likely deficit can be covered by the reserves and would exceptionally request the consent of the Charity Commission to use the Permanent Endowment if necessary. In view of the extraordinary circumstances the Trustees are confident that consent would not be

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withheld. On this basis, the Trustees believe that it is appropriate that these accounts are prepared on a going concern basis.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and with the Royal Foundation of St Katharine's Ordinances. 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 9 September 2020 and signed on its behalf by:

The Reverend John Tattersall FCA (Chairman)

Mr. David Swanney CA (Treasurer)

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

Opinion

We have audited the financial statements of The Royal Foundation of St Katharine for the year ended 31 March 2020 which comprise the statement of financial activities, balance sheets, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2020 and of the group'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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 auditors' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such

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

material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the group or parent charity has not kept sufficient accounting records; or
- the parent'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 17, 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's 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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

Use of our report

This report is made solely to the 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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Saffery Champness LLP

Chartered Accountants 71 Queen Victoria Street
Statutory Auditors London
EC4V 4BE

Date: *9 September 2020*

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 2020

	Note	Endowment Fund £	Restricted Funds £	Unrestricted Fund £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and legacies		-	-	6,558	6,558	79,184
Charitable activities		-	-	1,448,119	1,448,119	1,264,757
Trading activities		-	-	705,654	705,654	744,798
Investments		-	7,323	239,548	246,871	258,942
Total income	2	-	7,323	2,399,879	2,407,202	2,347,681
Expenditure on:						
Provision and maintenance of the Christian Centre						
Operating costs and maintenance		-	1,088	2,221,257	2,222,344	1,495,802
Depreciation		197,078	-	68,382	265,460	254,624
Loss on disposal of fixed assets		-	-	-	-	1,935
Professional fees		-	-	5,728	5,728	32,018
Trading Costs		-	-	-	-	653,558
Total Expenditure	3	197,078	1,088	2,295,367	2,493,533	2,437,937
Net (expenditure)/income before investment gains		(197,078)	6,235	104,512	(86,331)	(90,256)
(Losses)/Gains on investments						
- Unrealised		(175,364)	(6,364)	-	(181,728)	374,601
- Realised		-	-	-	-	176,241
Net movement in funds		(372,442)	(129)	104,512	(268,059)	460,586
Funds brought forward at 1 April 2019		14,302,320	249,887	(33,827)	14,518,380	14,057,794
Funds carried forward at 31 March 2020		<u>13,929,878</u>	<u>249,758</u>	<u>70,685</u>	<u>14,250,321</u>	<u>14,518,380</u>

The notes on pages 24 to 35 form part of these financial statements.

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

All incoming resources and resources expended derive from continuing activities.

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

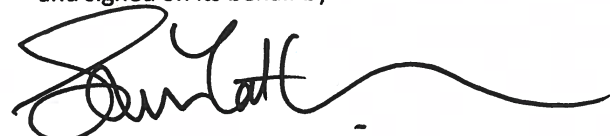
THE ROYAL FOUNDATION OF ST KATHARINE

BALANCE SHEET AS AT 31 MARCH 2020

	Note	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
FIXED ASSETS					
Tangible fixed assets	4	7,432,321	7,504,555	7,432,321	7,504,555
Investments	6	6,760,180	6,941,908	6,760,280	6,942,008
		<u>14,192,501</u>	<u>14,446,463</u>	<u>14,192,601</u>	<u>14,446,563</u>
CURRENT ASSETS					
Debtors	7	69,267	80,187	43,582	80,187
Cash at bank and in hand		529,498	488,156	375,379	486,879
Total current assets		<u>598,765</u>	<u>568,343</u>	<u>418,961</u>	<u>567,066</u>
Creditors: amounts falling due within one year	8	(532,946)	(477,426)	(353,241)	(476,249)
		<u>65,820</u>	<u>90,917</u>	<u>65,720</u>	<u>90,817</u>
NET CURRENT ASSETS					
Defined benefit pension scheme liability	11	(8,000)	(19,000)	(8,000)	(19,000)
		<u>14,250,321</u>	<u>14,518,380</u>	<u>14,250,321</u>	<u>14,518,380</u>
NET ASSETS					
RESTRICTED FUNDS					
Permanent Endowment Fund		13,929,878	14,302,320	13,929,878	14,302,320
Ardingly Mission Fund		249,758	249,887	249,758	249,887
UNRESTRICTED FUNDS					
General Funds		70,685	(33,827)	70,685	(33,827)
TOTAL FUNDS	10	<u>14,250,321</u>	<u>14,518,380</u>	<u>14,250,321</u>	<u>14,518,380</u>

The financial statements were approved by the Court of Trustees on 9 September 2020

and signed on its behalf by:



The Reverend John Tattersall FCA (Chairman)



Mr. David Swanney CA (Treasurer)

The notes on pages 24 to 35 form part of these financial statements.

THE ROYAL FOUNDATION OF ST KATHARINE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities				
Net income / (expenditure)	(268,059)		460,586	
Adjustments for:				
Depreciation	265,460		254,624	
(Gain) / loss on investments	181,728		(550,842)	
Loss on disposal of assets	-		1,935	
Investment income	(246,871)		(258,942)	
Trade and other receivables	10,920		12,941	
Trade and other payables	44,520		67,844	
Net cash used in operating activities		(12,302)		(11,854)
Cash flows from investing activities				
Purchase of property plant and equipment	(193,226)		(972,643)	
Proceeds on disposal of investments	-		3,392,872	
Purchase of new Investments	-		(2,427,437)	
Investment income	246,871		258,942	
Net cash provided by investing activities		53,645		251,734
Net increase in cash and cash equivalents		41,343		239,880
Cash and equivalents brought forward		488,156		248,276
Cash and equivalents carried forward		<u>529,499</u>		<u>488,156</u>

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

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

1 ACCOUNTING POLICIES

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

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

(a) Going Concern

The financial statements have been prepared on the basis that the Charity is a going concern. As mentioned in their report, the Trustees consider that even taking into account the disruption to the Foundation's operations resulting from Covid-19, there are no material uncertainties that would affect the Charity's ability to continue as a going concern.

(b) Income

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

(c) Expenditure

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

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

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

(d) Tangible Fixed Assets and Investment Properties

Prior to 31 March 1996 expenditure on fixtures and fittings was written off as incurred. As at that date the Trustees estimated the current value required to be shown in the balance sheet. Subsequent acquisitions or improvements are capitalised at cost when their purchase price exceeds £1,000. Depreciation of tangible fixed assets held for charitable use is calculated by the straight line method to write off the cost/value over the expected useful lives of the assets as follows:

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

(e) Investments

Investments are stated at market value.

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

(f) Subsidiary

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

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

The Statement of Financial Activity on page 20 and Balance Sheet on page 21 incorporate the results and assets and liabilities of Ratcliffe Hospitality respectively.

(g) Funds

The Charity's Funds comprise the following:

Endowment Fund

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

Ardingly Mission Fund

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

Unrestricted Funds

The Fund consists of accumulated profits and is available to spend on the general charitable purposes of the Foundation without further restriction.

(h) Financial instruments

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

(i) Key judgements and uncertainties

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

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

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

(j) Taxation

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

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

2 INCOME

	Total 2020	Total 2019
Donations and legacies		
Gifts and donations	6,558	2,189
Grants received	-	76,995
	<u>6,558</u>	<u>79,184</u>
Income from charitable activities		
Overnight accommodation	299,157	252,428
Conference income and equipment hire	229,641	148,965
Food and beverages	525,077	505,929
Rental income	36,397	38,673
Yurt café	326,000	285,652
Other	31,847	33,110
	<u>1,448,119</u>	<u>1,264,757</u>
Income from trading activities		
Overnight accommodation	662,440	715,706
Conference income and equipment hire	43,214	29,092
	<u>705,654</u>	<u>744,798</u>
Investment income		
Dividends	246,541	258,258
Interest receivable	330	684
	<u>246,871</u>	<u>258,942</u>
Income Total	<u>2,407,201</u>	<u>2,347,681</u>

Income includes £7,323 dividend income attributable to the Ardingly Mission Fund (2019 £ 7,184).

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

3 EXPENDITURE

	Depreciation	Staff Costs	Other Costs	Total 2020	Total 2019
Charitable Activities					
Endowment Funds	197,078	-	-	197,078	189,941
Restricted Funds	-	-	1,088	1,088	5,078
Unrestricted Funds	68,382	798,694	783,054	1,650,130	1,589,360
	<u>265,461</u>	<u>798,694</u>	<u>784,141</u>	<u>1,848,296</u>	<u>1,784,379</u>
Trading Costs	-	369,357	275,879	645,237	653,558
	<u>265,461</u>	<u>1,168,051</u>	<u>1,060,021</u>	<u>2,493,533</u>	<u>2,437,937</u>

For the year ended 31 March 2020, professional fees of £145,390 (2019, £149,552) have been capitalised in respect of the project to develop the Foundation's freehold premises in Limehouse, categorised as 'Assets Under Construction'.

	Total 2020 £	Total 2019 £
Staff Costs		
Wages and salaries	1,038,747	986,063
Social security costs	83,865	79,063
Pension costs (Defined Benefit Scheme)	2,060	10,300
Pension costs (Defined Contribution Scheme)	43,380	21,733
	<u>1,168,051</u>	<u>1,097,159</u>
Other Costs		
Visitor catering	321,240	313,828
Housekeeping	50,975	73,513
Property costs	287,487	246,844
Centre administration	98,804	94,611
Consultancy costs	68,548	89,782
Sales commission	126,745	112,399
General costs	87,079	69,510
Grants	355	1,369
Refurbishment projects	-	37,295
Loss on disposal of assets	-	1,935
Governance - Auditors' remuneration	13,060	13,050
Professional fees	5,728	32,018
	<u>1,060,021</u>	<u>1,086,154</u>

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

Employees	Number	Number
	2020	2019
The average number of employees was	53	45
The average number of Full Time Equivalent employees was	38	37

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

Payments and accruals for salary and pension contributions paid for their services as Masters to The Foundation were:

	Salary	Expenses
The Venerable Roger Preece	£18,933	£3,083
The Reverend Mark Aitken	£17,864 (2019: £49,868)	£5,712 (2019: nil)

Expenses include relocation and resettlement grants paid in accordance with the Church of England scales. In addition, The Master is required to live on site and an apartment is provided by The Foundation.

No other trustee received any benefits, remuneration or expense reimbursement in either year. Key Management Personnel are: The Master, Lay Chaplain*, Operations Director, Head of Guest Services & Events, Food and Beverage Manager*, Housekeeping Manager, Yurt Manager, HR Advisor*, Finance Director and Finance Manager who received total remuneration of £323,097 (2019: £270,750). The positions marked * were not included as 'key' in the financial statements for the year ended 31 March 2019; had they been included the comparative total remuneration would have been £349,615.

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

4 Fixed Assets

Group & Charity

	Freehold Land & Buildings	Fixtures & Fittings, Temporary Buildings	Assets Under Construction	Total
Cost	£	£	£	£
At 1 April 2019	9,806,227	954,963	280,420	11,041,610
Additions	(9,842)	57,678	145,390	193,226
Disposals				-
At 31 March 2020	9,796,385	1,012,641	425,810	11,234,836
Depreciation				
At 1 April 2019	2,985,211	551,843	-	3,537,054
On disposals				-
Charge for year	197,078	68,382		265,460
At 31 March 2020	3,182,289	620,226	-	3,802,515
NBV				
At 1 April 2019	6,821,016	403,120	280,420	7,504,556
At 31 March 2020	6,614,096	392,415	425,810	7,432,321

All fixed assets are held for charitable use.

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

5 Capital Commitments

At 31 March 2020 there were no capital commitments (2019, none). The Foundation continues to incur expenditure in connection with development of the Northern Site, mainly professional fees.

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

6 Investments

	Common Investment Funds £	Total 2020 (Group) £	Investment in Subsidiary £	Total 2020 (Charity) £	Total 2019 £
Valuation at 1 April 2019	6,941,908	6,941,908	100	6,942,008	7,356,601
Additions	-	-	-	-	2,427,437
Disposals	-	-	-	-	(3,216,631)
Revaluation	(181,728)	(181,728)	-	(181,728)	374,601
Valuation at 31 March 2020	<u>6,760,180</u>	<u>6,760,180</u>	<u>100</u>	<u>6,760,280</u>	<u>6,942,008</u>
Common Investment Funds				6,760,180	6,941,908
Investment in Subsidiary				<u>100</u>	<u>100</u>
				<u>6,760,280</u>	<u>6,942,008</u>

The market value of the Common Investment Funds held are:

	2020 £	2019 £
Restricted Endowment Fund		
COIF Charities Global Equity Income Fund	563,518	554,542
COIF Charities Property Fund Income Units	317,685	326,245
COIF Charities Ethical Investment Income Units	5,673,240	5,849,019
COIF Charities Deposit Fund	<u>331</u>	<u>331</u>
	6,554,774	6,730,137
Ardingly Mission Fund		
COIF Charities Ethical Investment Income Units	205,406	211,771
Total	<u>6,760,180</u>	<u>6,941,908</u>

7 Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade Debtors	52,422	66,336	52,422	66,336
Other debtors	1,422	2,136	1,422	2,136
Prepayments	<u>15,423</u>	<u>11,715</u>	<u>15,423</u>	<u>11,715</u>
	<u>69,267</u>	<u>80,187</u>	<u>69,267</u>	<u>80,187</u>

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

8 Creditors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Deposits for advance bookings	89,215	199,938	46,923	127,208
Intercompany account	-	-	25,685	71,763
Trade Creditors	157,702	148,104	157,689	148,092
Other creditors and accrued expenses	92,612	86,122	90,212	85,434
Deferred Income	135,000	3,467	-	3,467
Taxation and social security	<u>58,417</u>	<u>39,795</u>	<u>58,417</u>	<u>40,285</u>
	<u>532,946</u>	<u>477,426</u>	<u>378,926</u>	<u>476,249</u>

Deferred income relates to the prepaid NHS contract and relates entirely to the year ending 31 March 2021

9 Analysis of Net Assets between Funds

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

	Endowment Fund	Ardingly Fund	Unrestricted Fund	Total
2019				
Fund balances at 31 March 2019 were represented by:	£	£	£	£
Tangible fixed assets	7,101,436	-	403,119	7,504,555
Investments	6,730,137	211,771	-	6,941,908
Net current (liabilities)/assets	470,747	38,116	(417,946)	90,917
Long term liabilities	-	-	(19,000)	(19,000)
Total Net Assets	<u>14,302,320</u>	<u>249,887</u>	<u>(33,827)</u>	<u>14,518,380</u>

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

10 Summary of Fund Movements

Summary of fund movements	Fund Balances brought forward £	Income £	Expenditure £	Transfers £	Gains and (Losses) £	Fund Balances carried forward £
Endowment Fund	14,302,320	-	(197,078)	-	(175,364)	13,929,878
Ardingly Fund	249,887	7,323	(1,088)	-	(6,364)	249,758
Unrestricted Fund	(33,827)	2,399,879	(2,295,367)	-	-	70,685
Total Funds	<u>14,518,380</u>	<u>2,407,201</u>	<u>(2,493,533)</u>	<u>-</u>	<u>(181,728)</u>	<u>14,250,321</u>

2019	Fund Balances brought forward £	Income £	Expenditure £	Transfers £	Gains and (Losses) £	Fund balances carried forward £
Endowment Fund	13,881,448	-	(189,941)	75,000	535,813	14,302,320
Ardingly Fund	232,752	7,184	(5,078)	-	15,029	249,887
Victor Churchill	-	75,000	-	(75,000)	-	-
Unrestricted Fund	(56,406)	2,265,497	(2,242,918)	-	-	(33,827)
Total Funds	<u>14,057,794</u>	<u>2,347,681</u>	<u>(2,437,937)</u>	<u>-</u>	<u>550,842</u>	<u>14,518,380</u>

11 Pension Liability

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

The scheme is considered to be a multi-employer scheme as described in section 28 of FRS102. This means that it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged in the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year (2020: £10,600 2019: £10,300), plus the figures highlighted in the table below as being recognised in the Statement of Financial Activities giving a total charge of £ 2,060 for 2020 (2019: £ 5,000)

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

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

	2019 £	2018 £
Movement in Pension Provision		
Balance sheet liability at 1 January	19,000	24,000
Deficit contributions paid	(3,000)	(3,000)
Remaining change to the balance sheet liability recognised in the SoFA	<u>(8,000)</u>	<u>(2,000)</u>
Balance sheet liability at 1 January	<u>8,000</u>	<u>19,000</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:

	2020	2019
Within one year	2,181	9,466
Between two and five years	4,128	4,128
Over five years	-	-
	<u>6,309</u>	<u>13,594</u>

13 Financial Instruments

	2020	2019
Trade debtors	-	66,336
Other debtors (excluding prepayments)	1,422	2,136
Cash and cash equivalents	529,498	488,156
Financial assets measured at fair value		
Investments	<u>6,760,180</u>	<u>6,941,908</u>
Total financial assets	<u>7,291,100</u>	<u>7,498,536</u>
Financial liabilities measured at amortised cost		
Trade Creditors	105,280	148,104
Other creditors and accruals (excluding deferred income)	307,998	86,122
Taxation and social security	58,417	39,795
Financial liabilities measured at fair value		
Provision for defined benefit pension scheme	<u>8,000</u>	<u>19,000</u>
	<u>479,694</u>	<u>293,021</u>

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

14 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2019

	Endowment Fund £	Restricted Fund £	Unrestricted Fund £	Total 2019 £
Income and endowments from:				
Donations and legacies	-	75,000	4,184	79,184
Charitable activities	-	-	1,264,757	1,264,757
Trading activities	-	-	744,798	744,798
Investments	-	7,184	251,758	258,942
Total income	-	82,184	2,265,497	2,347,681
Expenditure on:				
Provision and maintenance of the Christian Centre				
Operating costs and maintenance		5,078	1,490,724	1,495,802
Depreciation	189,941		64,683	254,624
Loss on disposal of fixed assets			1,935	1,935
Professional fees			32,018	32,018
Trading Costs			653,558	653,558
Total Expenditure	189,941	5,078	2,242,918	2,437,937
Net income/(expenditure) before investment gains	(189,941)	77,106	22,579	(90,256)
Gains (Losses) on investments				
- Unrealised	370,516	4,085		374,601
- Realised	165,297	10,944		176,241
Net income/(expenditure)	345,872	92,135	22,579	460,586
Transfers between funds	75,000	(75,000)	-	-
Net movement in funds	420,872	17,135	22,579	460,586
Funds brought forward at 1 April 2018	13,881,448	232,752	(56,406)	14,057,794
Funds carried forward at 31 March 2019	14,302,320	249,887	(33,827)	14,518,380

THE ROYAL FOUNDATION OF ST KATHARINE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

15 Ratcliffe Hospitality Limited

Share Capital and Reserves	2020 £	2019 £
Share Capital	100	100
Reserves	-	-
Total Capital	100	100
Profit and Loss Account	2020 £	2019 £
Income	705,654	744,798
Less: Cost of Sales	(369,357)	(410,101)
Gross Profit	336,297	334,697
Administration and Overheads	(275,879)	(243,457)
Gift Aid	(60,418)	(91,240)
Net Profit	-	-

16 Related Party Transactions

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

	2020 £	2019 £
Charges by the Charity to Ratcliffe Hospitality Ltd (RHL)		
Recharge cost of staff assigned to RHL operations	369,357	410,101
Allocation of overheads for shared expenses	275,879	243,457
Gift Aid donation by RHL to the charity	60,417	91,240
Debtor (2019: Creditor) due by RHL to the charity	16,607	71,763

There were no other related party transactions in the year.



Limehouse Aid delivering fresh food to schools and homes and providing essential support to vulnerable members of the local community during the Covid-19 pandemic.

Socially distanced queueing at the Yurt takeaway



Livestreamed events and online conferences are now part of the 'new normal' for St Katharine's.