

THE SOCIETY OF SAINT JOHN THE EVANGELIST

TRUSTEE'S REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THE SOCIETY OF SAINT JOHN THE EVANGELIST

CONTENTS

	Page
Trustee's report	2
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Notes to the accounts	9 - 11

THE SOCIETY OF SAINT JOHN THE EVANGELIST

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Trustee	<p>The Fellowship of St John (UK) Trust Association</p> <p>Trustees of Fellowship of St John (UK) Trust Association during the year were:</p> <p>Revd A Malcolm Revd. C Card-Reynolds Revd. S Anderson Baroness A. Harris Revd. Canon J Chambers Revd G Naylor Revd A Crosbie</p>
Charity number	233103
Registered Office	65-68 Leadenhall Street, London EC3A 2AD
Mailing Address	348 Hughenden Gardens Village, Hughenden Boulevard, High Wycombe, Buckinghamshire HP13 5GH
Independent examiner	<p>David Wilson, FCA David Wilson Consultants 348 Hughenden Gardens Village, Hughenden Boulevard High Wycombe, Buckinghamshire HP13 5GH</p>
Bankers	<p>Barclays PLC Oxford City Branch PO Box 333, Oxford OX1 4DG</p>
Solicitors	<p>HMG Law LLP 126 High Street, Oxford OX1 4DG</p> <p>Wedlake Bell LLP 52 Bedford Row, London WC1R 4LR</p>
Investment advisors	<p>Investec Wealth & Investment, 30 Gresham Street, London EC2V 7QP</p> <p>Rathbone Investment Management, 8 Finsbury Circus, London EC2M 7AZ</p>

THE SOCIETY OF SAINT JOHN THE EVANGELIST

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and accounts for the year ended 31 December 2020.

The accounts have been prepared in accordance with the trust deed, the Charities Act 2011 and 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), effective 1 January 2015

Structure, governance and management

The trustee who served during the year: The Fellowship of St John (UK) Trust Association

The management of the charity is the responsibility of the directors of the Trustee company who are elected and co-opted under the terms of the Trust deed. The trustee has assessed the major risks to which the charity is exposed, and is satisfied that systems are in place to mitigate exposure to major risks.

Objectives and activities

The objects of the Charity as detailed in its Scheme and its Statutes is that it is engaged in missionary works and education for the advancement of the Kingdom of Christ.

Since the closure of St Edward's House in May 2012, the cost of supporting the monks, who now live as religious solitaries, was transferred to the Society of St John the Evangelist.

The charity's trustee has referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, they have considered how planned activities will contribute to the aims and objectives they have set.

Achievements and performance

During the year the Charity received income of £34,305 (2019: £45,438) and incurred expenditure of £11,003 (2019: £18,655). The Society of St John the Evangelist has continued to support the two remaining monks, so that they can continue a life of contemplation and remain true to their vow of poverty.

A number of medals including the VC and DSO, awarded to Admiral Gordon Campbell in the first world war, were subsequently owned by his son, Fr David Campbell SSJE and lent to Dulwich College, his father's old school. David Campbell had become a monk of the Society of St John the Evangelist (SSJE) and the medals were gifted to SSJE when he took his life vows. In November, the medals were sold at auction for £700,000 and this sum was paid to FSJ on behalf of SSJE. A legal claim has been made by a distant relative to the whole £700,000. received from the auction of the medals. As a result of mediation, the trustees sought and received legal advice to settle out of court. As a consequence, £150,000 was paid to the relatives in January 2021, in full and final settlement of the claim, to which was attached a confidentiality clause..

Fund performance

The Trustees agreed in 2016, to change the performance objectives of the investment managers from producing total returns that achieved RPI +4% over the long term to achieving 2% over a composite index of world markets weighted by the agreed asset allocations in the portfolio. This new performance objective, set for both managers, across all elements of the portfolios, more directly measures the value to be added by discretionary portfolio management over and above the comparator of passive index tracking funds. The Trustees wish to see a justification for the investment fees being paid.

Despite the impact of the COVID – 19 pandemic, the final index results for 2020 made reasonable reading. Global stocks suffered from one of the sharpest declines in history in March 2020 but have since recovered and in some cases have reached new highs since then. Large government stimulus measures, increased certainty around the US election and Brexit and the promise of vaccines encouraged investors to turn more positive. Overseas equity markets were strong, with the FTSE All World ex UK rising 14.3%. However, the UK performed less well, with the FTSE All Share index falling 9.8%. UK government debt was strong, returning 8.3%, with corporate bonds producing similar returns of 8.6%.

THE SOCIETY OF SAINT JOHN THE EVANGELIST

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Investec portfolio: The portfolio produced a total return of 2.3% over the year compared to the benchmark return of -.1%. In a volatile year for markets, the portfolio avoided many of the areas that were negatively impacted by the COVID pandemic and benefitted from an increased allocation to overseas equities, which significantly outperformed that of the UK equity market. Stock and fund selection was reasonably strong in most asset classes, except in fixed interest, where Investec underperformed the UK government bond index, given the preference for shorter dated corporate debt.

Rathbones portfolio: The pooler portfolio, invested in Rathbone Core Investment Fund for Charities, rose 7.5%, while the directly invested portfolio returned 8.7%. This compares with the composite index benchmark (the same for both portfolios), which returned 3.7%. While both portfolios had too little in fixed income at the time of the COVID selloff, both had excellent stock and fund selection across most of the portfolio, excluding fixed income stocks, leading to the outperformance observed. The directly invested portfolio had slightly better stock selection in the equity and alternative parts of the portfolio, this being the major reason for the outperformance.

Neither of the investment managers achieved the 2% benchmark on a consistent basis but both are working hard to do so. There are quarterly meetings with each manager, to review performance across both asset allocations and individual stock selections.

Investment income, investment gains and losses and management fees were apportioned to The Society of Saint John the Evangelist on the basis of the investments held prior to the transfers. The amounts apportioned were: Investment income £34,295 (2019 £44,888), Investment gains) £40,116 (2019 £174,917 and investment management fees £6,996 (2019 £6,606).

Ethical Policy

The Fellowship of St John is an ethical investor and the way we invest forms an integral part of our mission. In all areas of investment we seek to avoid profiting from activities which are materially inconsistent with our Christian values. Our ethical policy is guided by the Church of England's investment policy, that is to say investment restrictions apply to companies involved in for example, pornography, gambling, high interest rate lending and human embryonic cloning.

Reserves policy

The purpose of the Society's reserves policy is to ensure that it is able to meet its obligations and finance its planned future activities. The level of free reserves (unrestricted income funds net of endowment funds) is reviewed annually by the Trustees. At 31 December 2020 free reserves amounted to £781,429.

Risk Management

The Trust has developed a risk management process which allows the identification, assessment and management of significant risks, which may impact on the achievement of their objectives. The process is supported by a risk management policy, which outlines the roles and responsibilities of trustees and staff and follows Charity Commission guidelines. The board reviews the risk register and risk management arrangements at each meeting. Risks are prioritised using an agreed matrix. Major risks, which are subject to monitoring and review, reflect issues around operational, financial, legal and regulatory risks. Current areas of focus are ensuring investment returns are appropriate. The Finance Committee reviews the investments quarterly and regularly meets with the investment managers. The trustees have assessed the major risks to which the company is exposed and they are confident that going forward, exposure to major risks will be mitigated.

Financial review

Following the approval by the Charity Commission, the Charity's investment strategy is for the use of a total return approach to the investment of the permanent endowment.

In accordance with the terms of the order, the Trustee confirms that:

- In identifying the value of the portion of the permanent endowment that represented unapplied total

THE SOCIETY OF SAINT JOHN THE EVANGELIST

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

return, the Trustee identified the earliest available valuation of the initial founding gift in 1985 and any subsequent gifts of permanent endowment up until 14th November 2006; and

- When determining the amount of unapplied total return to transfer to income, the Trustee has considered the amount of income required to maintain the current level of charitable activity and the likely needs of future beneficiaries; and
- When reaching their decision as to the unapplied total return to transfer to income, the Trustee has taken professional advice from their investment advisors regarding the market outlook, investment trends and yield and the prospect for future capital growth.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustee is responsible for preparing the Trustee's 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 and Wales requires the trustee 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 incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 operation.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The trustee is responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the trustee


Revd. C. Card-Reynolds

Dated:

6/7/21

THE SOCIETY OF SAINT JOHN THE EVANGELIST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF THE SOCIETY OF SAINT JOHN THE EVANGELIST

I report to the trustees on my examination of the accounts of St George's Trust (the Trust) for the year ended 31 December 2020.

This report is made solely to the trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken, so that I might carry out an independent examination of the financial statements in accordance with the general directions given by the charity commissioners and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees, as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the directors of the Trustees company, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the application Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts given a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

David Wilson

David Wilson FCA
Institute of Chartered Accountants in England and Wales
David Wilson Consultants
348 Hughenden Gardens Village
Hughenden Boulevard,
High Wycombe HP13 5GH

Dated: 6 July 2021

THE SOCIETY OF SAINT JOHN THE EVANGELIST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Income:					
Voluntary Income	2	10	-	10	550
Investment Income	3	34,295	-	34,295	44,888
Total		34,305	-	34,305	45,438
Expenditure from:					
Raising funds		6,996	-	6,996	6,606
Charitable activities	4	4,007	-	4,007	12,049
Total		11,003	-	11,003	18,655
Other recognized gains and losses					
Net gain on investment	5	-	40,116	40,116	174,917
Net movement in funds		23,302	40,116	63,418	201,700
Fund balances at 1 January 2020		758,127	1,550,958	2,309,085	2,107,385
Fund balances at 31 December 2020		£781,429	£1,591,074	£2,372,503	£2,309,085

All movements in the charity's funds during the year are reflected through the statement of financial activities.

THE SOCIETY OF SAINT JOHN THE EVANGELIST

BALANCE SHEET AS AT 31 DECEMBER 2020

		31st December 2020	31st December 2019
	Note	£	£
Fixed assets			
Investment assets	5	1,656,927	1,642,497
Current assets			
Debtors	6	713,089	664,110
Cash at bank and in hand		2,487	2,478
		<u>715,576</u>	<u>666,588</u>
Creditors			
Amounts falling due within one year	7	<u>-</u>	<u>-</u>
Net current assets		715,576	666,588
Total assets less current liabilities		<u>£2,372,503</u>	<u>£2,309,085</u>
Capital funds			
Endowment funds	10	1,591,074	1,550,958
Income funds			
Unrestricted funds		781,429	758,127
TOTAL FUNDS		<u>£2,372,503</u>	<u>£2,309,085</u>

The accounts were approved by the Trustee on

6 1 7 1

2021



THE SOCIETY OF SAINT JOHN THE EVANGELIST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

1.1 Basis of preparation

The accounts 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), effective 1 January 2015 (Charities SORP FRS 102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Society of Saint John the Evangelist 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. The trustees consider that there are no material uncertainties about the Society's ability to continue as a going concern.

The charity has taken advantage of the disclosure exemption from the requirements of Section 7 Statement of Cash Flows, in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

1.2 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amounts can be quantified with reasonable accuracy. Income tax recoverable in relation to donations received under gift aid is recognised at the time of the donation. Income tax recoverable in relation to investment income is recognized at the time the investment income is receivable.

1.3 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the resources.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.4 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.5 Taxation

The charity is exempt from tax on its charitable activities.

1.6 Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Permanent endowment funds represent quoted investments which must be held permanently, or if sold, cannot be used as if it were income, but must be re-invested.

THE SOCIETY OF SAINT JOHN THE EVANGELIST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

2 Voluntary income

	2020	2019
	£	£
Donations received	10	550
	<u>£10</u>	<u>£550</u>

3 Investment income

	2020	2019
	£	£
Dividends from investments	30,537	41,438
Fixed interest investments	3,758	3,450
	<u>£34,295</u>	<u>£44,888</u>

4 Total resources expended

	2020	2019
	£	£
Charitable activities		
Support of the Monks:	2,957	11,049
	<u>2,957</u>	<u>11,049</u>
Governance costs	1,050	1,000
Total resources expended	<u>£4,007</u>	<u>£12,049</u>

The Society of St John the Evangelist has continued to support the three remaining Monks, so that they can continue a life of contemplation and remain true to their vow of poverty.

Governance costs include payments to the independent examiner of £1,050 in respect of 2020 (2019: £1,100) for independent examiner fees.

5 Fixed asset investments

	Total £
Market value at 1 January 2020	1,642,497
Net Additions/Disposals	(25,686)
Net gains on investments	40,116
Market value at 31 December 2020	<u>£1,656,927</u>

6 Debtors

	2020	2019
	£	£
Amounts due by Fellowship of St John (UK) Trust Association	<u>£713,089</u>	<u>£664,110</u>

THE SOCIETY OF SAINT JOHN THE EVANGELIST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

7 Creditors: amounts falling due within one year

	2020	2019
	£	£
Amounts due to FSJ Trust Association	£-	£-

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.

9 Employees

There were no employees during the year.

10 Endowment funds

	Movement in Funds		
	Balance at 1 January 2020	Net gain on investments	Balance at 31 December 2020
Permanent endowments			
Endowment fund	1,550,958	40,116	1,591,074
	<u>£1,550,958</u>	<u>40,116</u>	<u>1,591,074</u>

11 Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Total
Fund balances at 31 December 2020 are represented by:			
Investments	65,853	1,591,074	1,656,927
Current Assets	715,576	-	715,576
	<u>£781,429</u>	<u>£1,591,074</u>	<u>£2,372,503</u>

12 Related parties

The management of the charity is the responsibility of the Corporate Trustee, Fellowship of St John (UK) Trust Association. The amount due by Fellowship of St John (UK) Trust Association at 31 December 2020 is £713,089 (see note 6).

13 Application of the power of total return

The Charity Commission permitted the Charity to adopt the use of total return investment powers in relation to its permanent endowment investments by an order granted on 14th November 2006. The power permits the Trustee to invest the portfolio to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Until the power is exercised to transfer a portion of the unapplied total return to income, the unapplied total return remains invested as part of the permanent endowment.

14. Contingent Liability

A legal claim has been made by a distant relative to the whole £700,000 received from the auction of the medals. As a result of mediation, the trustees sought and received legal advice to settle out of court. As a consequence, £150,000 was paid to the relative in January 2021, in full and final settlement of the claim, to which was attached a confidentiality clause..