

ST. KILDA TRUST

Charity No: 1041904

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2021

ST. KILDA TRUST

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ST. KILDA TRUST

Legal and Administrative Information

Trustees

Iain MacLeod Esq
Richard Potton Esq
Christopher White Esq

Principal Office

Biwater House
Station Approach
Dorking
Surrey, RH4 1TZ

Auditors

Moore Kingston Smith LLP
Betchworth House
57-65 Station Road
Redhill
Surrey, RH1 1DL

Bankers

Bank of Scotland
Lloyds Banking Group
1st Floor, 1 Lochrin Square
92 Fountainbridge
Edinburgh, EH3 9QA

Solicitors

Irwin Mitchell LLP
Belmont House
Station Way
Crawley
West Sussex, RH10 1JA

Surveyors

J.L. McGuffog, FRICS, ACIArb IRRV
Turret House
5 River Walk
Horsham
West Sussex RH12 1DU

Investment Managers

Sanlam Private Investments (UK) Ltd
Exchange Building
St John's Street
Chichester
West Sussex, PO19 1UP

ST. KILDA TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report along with the financial statements of the charity for the year ended 31 March 2021. The Trustees have adopted the provisions of the 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.

Constitution and objects

The St. Kilda Trust was constituted under a Declaration of Trust dated 1st November 1994 as amended by a Supplemental Deed dated 14th November 1994 and a Deed of Variation dated 1 September 2015. The Trust is a registered charity in England and Wales, charity no: 1041904.

The objects of the charity are to relieve sickness and preserve health in the Epsom Healthcare Trust Area in any way which the trustees shall deem appropriate including but not limited to:

- a. The provision of accommodation and amenity buildings for use of staff and students of Epsom General Hospital; and
- b. The purchase, construction, extension and/or refurbishment of buildings for the provision of hospital and medical facilities.

The charity works closely with Epsom and St. Helier NHS Trust and other local and national charities.

Public Benefit

We have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Organisation

Iain MacLeod, Richard Potton, and Christopher White (Chair), were the trustees of the charity as at 31 March 2021. Future trustees are appointed by a resolution of the trustees passed at a special meeting.

Achievements and performance

A new lease was signed on 18 November 2020 with The Epsom and St. Helier University Hospitals NHS Trust to ensure continued provision of key worker accommodation on the hospital site and secured the future rental income for the charity. A planning application for new replacement accommodation units has been submitted. The Covid-19 pandemic has had very little impact on the results for the year ended 31 March 2021.

Overall, with its healthy levels of reserves, the charity is well-placed to withstand any decline in income and to continue its charitable activities for the foreseeable future.

Financial Review and Reserves Policy

The charity's income fell slightly this year to £212,362 (2020: £228,076). After operating expenditure and unrealised investment losses, the charity's net expenditure for the year was £37,977 (2020: £630,337). At year end, reserves were £5,076,857 (2020: £5,114,834). Reserves comprise £5,075,117 unrestricted funds and £1,740 designated funds. A significant part of the unrestricted reserves is represented by the freehold property of £3,840,710 (2020: £3,934,895).

The Trustees continued to work during the year to progress development opportunities with the tenant and third parties for the future benefit of the Trust and the tenant. The Trustees actively consider ways in which the Trust's reserves may be used. In accordance with the Trust's objects, the Trustees will:-

1. Continue to build up reserves to enable the Trust to take opportunities to contribute to the long term sustainability of the provision of health services within the Epsom Hospital catchment area, predominantly on the Epsom General Hospital site and adjacent sites;
2. Pay out such sums from the reserves as are appropriate for specific projects.

ST. KILDA TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Trustees' responsibilities in relation to the financial statements

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) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements
- make judgements and estimates that are reasonable and prudent;
- 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 and 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and it is proposed that they be re-appointed auditors for the ensuing year.

Statement of disclosure to auditors

In so far as the Trustees are aware there is no relevant audit information of which the Association's auditor is unaware, and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the trustees on 8/11/21 and signed on their behalf by:

Christopher White, Chairman



Independent Auditors' Report to the Trustees of ST. KILDA TRUST

Opinion

We have audited the financial statements of St. Kilda Trust for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet 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 FRS 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 charity's affairs as at 31 March 2021, and of its 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 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 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.

Independent Auditors' Report to the Trustees of ST. KILDA TRUST

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

We have nothing to report in respect of the following matters where the Charities Act 2011 requires 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 charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, 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 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Association.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Association and considered that the most significant are FRS 102 SORP for Registered Social Housing Providers 2018, the Accounting Direction for Private Registered Providers of Social Housing 2019, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the Association complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it may occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

Independent Auditors' Report to the Trustees of ST. KILDA TRUST

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Moore Kingston Smith LLP
Statutory auditor

Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Date: 10 November 2021

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

ST. KILDA TRUST
Statement of Financial Activities
For the Year Ended 31st March 2021

	<u>Notes</u>	<u>2021</u> £	<u>2020</u> £
INCOME			
Investment income			
Income from managed fund		17,832	21,321
Bank interest		150	1,446
		<u>17,982</u>	<u>22,767</u>
Charitable activities			
Rental income		172,415	200,000
Interest on late rents		18,272	-
Insurance recharged		3,693	5,309
		<u>194,380</u>	<u>205,309</u>
Total Operating Income		<u>212,362</u>	<u>228,076</u>
EXPENDITURE			
Charitable activities	2	<u>349,787</u>	<u>795,640</u>
Total Operating Expenditure		<u>349,787</u>	<u>795,640</u>
Net (expenditure)/income before gains/(losses) on investments		(137,425)	(567,564)
Unrealised fair value gains/(losses) on investments		99,448	(62,773)
Net (expenditure)/income		<u>(37,977)</u>	<u>(630,337)</u>
Total funds brought forward at 1st April 2020		<u>5,114,834</u>	<u>5,745,171</u>
Total funds carried forward at 31st March 2021		<u>5,076,857</u>	<u>5,114,834</u>

The above funds are unrestricted funds.

ST. KILDA TRUST
Balance Sheet as at 31st March 2021

	<u>Note</u>	£	<u>2021</u> £	£	<u>2020</u> £
Fixed Assets					
Tangible Fixed Assets	3		3,840,710		3,934,896
Investments	4		920,079		808,034
			<u>4,760,789</u>		<u>4,742,930</u>
Current Assets					
Debtors	5	10,991		787,652	
Cash at Bank		<u>337,450</u>		<u>287,866</u>	
		348,441		1,075,518	
Liabilities					
Creditors: Amounts falling due within one year	6	<u>(32,373)</u>		<u>(703,614)</u>	
Net Current Assets			316,068		371,904
Total Net Assets			<u>5,076,857</u>		<u>5,114,834</u>
Total Funds					
Unrestricted general funds					
Unrestricted	8		5,075,117		5,110,394
Designated	8		<u>1,740</u>		<u>4,440</u>
			<u>5,076,857</u>		<u>5,114,834</u>

Authorised and approved by the Board of Trustees on 8/11/21

and signed on its behalf by Christopher White



Christopher White, Chairman

ST. KILDA TRUST
Notes forming part of the Financial Statements
For the Year Ended 31st March 2021

1. Accounting Policies

(a) Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charity is a public benefit entity for the purposes of FRS 102 and a registered charity and therefore has also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP) and Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in the financial statements are rounded to the nearest pound.

(b) Going concern

The trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. In particular they have assessed the impact of the COVID-19 pandemic on the charity and, believe that, in view of the nature of the charity's main activity, any impact will be negligible.

The trustees have made this assessment for a period of at least one year from the date of approval of these financial statements and concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Tangible fixed assets and depreciation

- (c)** Freehold land and buildings are stated at their deemed cost being the valuation at the date of transition to FRS 102. The charity previously adopted a policy of depreciating freehold buildings and they were stated at cost less depreciation. The charity has adopted the transition exemption under FRS 102 and has elected to revalue freehold land and buildings at 1 April 2014 and use this valuation as deemed cost.

Depreciation on fixed assets is provided at rates estimated to write off costs, less estimated residual value of each asset over its expected useful life, as follows:

Freehold Land	Nil
Freehold Buildings	Straight line over 35 years

Fixed asset investments

- (d)** Investments are initially recognised at their transaction value and subsequently remeasured at their fair value at the balance sheet date. The Statement of Financial Activities includes the net fair value gains on revaluation at the year end.

Incoming resources

- (e)** All incoming resources are included in the statement of financial activities when the charity is entitled to the income.

Resources expended

- (f)** Expenditure is included on an accruals basis. Resources expended includes all expenditure on activities in furtherance of the charity's objects, expenditure on costs incurred in support of the charitable activities undertaken by the charity and expenditure relating to meeting the statutory requirements of the charity.

Critical Accounting Estimates and Areas of Judgement

- (g)** In preparing the financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have the most significant effect on amounts recognised in the financial statements.

ST. KILDA TRUST
Notes forming part of the Financial Statements
For the Year Ended 31st March 2021

(h) **Critical Accounting Estimates and Areas of Judgement (continued)**

Freehold Property

As explained in note (c), the freehold property was revalued at 1 April 2014 to £4,500,000. No separate value can be attributed to the land element of this value. The trustees have estimated that land accounts for 27% of the £4,500,000 and no depreciation has been charged on this element.

Depreciation policy

As at 1 April 2014, the trustees estimated the remaining useful economic life of the freehold property to be 35 years.

(i) **Financial instruments**

Financial instruments receivable or payable within one year of the reporting date are carried at their transaction price.

(j) **Cash Flow Statement**

The charity has taken the exemption available in paragraph 7.1B of FRS102 and has not prepared a cash flow statement.

2. **Charitable activities**

	<u>2021</u>	<u>2020</u>
	£	£
Cost of provision of accommodation:		
Depreciation	94,185	94,185
Recharged insurance	3,693	4,005
Other expenditure:		
Audit fees	6,840	7,380
Legal and professional fees	19,800	61,014
Trustee indemnity insurance	548	500
Bank charges	171	127
Investment management fees	5,501	5,850
Grants	<u>219,049</u>	<u>622,579</u>
	<u>349,787</u>	<u>795,640</u>

Analysis of Grants:

Rental concession "donation" -		
Epsom and St. Helier University Hospitals NHS Trust	73,077	-
The Motor Neurone Disease Association	2,700	-
Epsom and St Helier University Hospitals NHS Trust	<u>143,272</u>	<u>622,579</u>
	<u>219,049</u>	<u>622,579</u>

No trustees received any remuneration for their services as trustees during the year or were reimbursed for expenditure. The charity has no employees and the trustees are the key management personnel.

ST. KILDA TRUST
Notes forming part of the Financial Statements
For the Year Ended 31st March 2021

3. Tangible Fixed Assets	<u>2021</u> £
Freehold Property	
Deemed cost at 1st April 2020 and at 31st March 2021	<u>4,500,000</u>
Depreciation	
At 1st April 2020	565,105
Charge for the year	<u>94,185</u>
At 31st March 2021	<u>659,290</u>
Net Book Value	
At 31st March 2021	<u>3,840,710</u>
At 31st March 2020	<u>3,934,895</u>

In August 2019, an independent valuation of the property was obtained and this valued the property at £5.085m on an existing use basis.

4. Investments	<u>2021</u>	<u>2020</u>
Fair value at 1 April 2020	808,034	854,887
Investment income added to managed funds	17,832	21,321
Management fees deducted from managed funds	(5,234)	(5,401)
Unrealised fair value gains/(losses) on investments	<u>99,448</u>	<u>(62,773)</u>
Fair value at 31 March 2021	<u>920,079</u>	<u>808,034</u>
Cash held within portfolios	60,656	176,370
Listed investments	<u>859,423</u>	<u>631,664</u>
	<u>920,079</u>	<u>808,034</u>

The historic cost of the investment portfolio is £868,550 (2020: £855,952). The rise in valuation was due to the impact of Covid recovery on investment values.

5. Debtors	<u>2021</u> £	<u>2020</u> £
Prepayments and accrued income	166	3,211
Other debtors	<u>10,825</u>	<u>784,441</u>
	<u>10,991</u>	<u>787,652</u>

ST. KILDA TRUST
Notes forming part of the Financial Statements
For the Year Ended 31st March 2021

6. Creditors: Amounts falling due within one year	<u>2021</u>	<u>2020</u>
	£	£
Accrued donations	-	622,579
Accrued expenses	9,296	33,869
Deferred income	<u>23,077</u>	<u>47,166</u>
	<u>32,373</u>	<u>703,614</u>

7. **Transactions with Trustees**

During the year I.H.O. MacLeod was a trustee and was also a partner in Irwin Mitchell LLP who acted for the Trust, charging fees of £27,120 + VAT (2020: £43,512 + VAT). I.H.O. MacLeod retired as a partner in Irwin Mitchell LLP on 30 April 2020. The fees were approved by the other Trustees.

8. **Funds**

	<u>1 April</u>	<u>Incoming</u>	<u>Outgoing</u>	<u>Fair Value</u>		<u>31 March</u>
	<u>2020</u>	<u>Resources</u>	<u>Resources</u>	<u>Gains/</u>	<u>Transfers</u>	<u>2021</u>
	£	£	£	(Losses)	£	
Unrestricted Funds	5,110,394	212,362	(347,087)	99,448	-	5,075,117
Designated Funds	4,440	-	(2,700)	-	-	1,740
	<u>5,114,834</u>	<u>212,362</u>	<u>(349,787)</u>	<u>99,448</u>	<u>-</u>	<u>5,076,857</u>

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects.

Designated funds comprise those funds set aside by the trustees for use by the East Surrey branch of the Motor Neurone Disease charity which are to be used on a case by case basis to fund quality of life requests.