

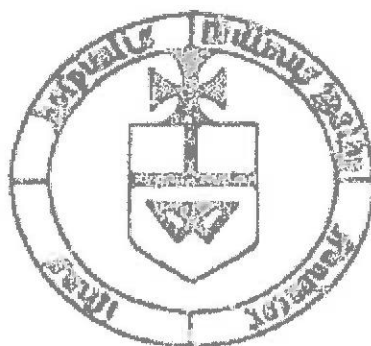
Charity Registration No. 218931

Registered Social Housing Provider No. A0611

**THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN
OKEHAM**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 6 APRIL 2018



THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

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THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT

FOR THE YEAR ENDED 6 APRIL 2018

The Governors present their report and accounts for the year ended 6 April 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's governing instruments, 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 2016)".

Reference and administrative details

Working title	St John & St Anne
Charity number	218931
Registered Social Housing Provider No.	A0611
Principal address	William Dalby House South Street Rutland Leicestershire LE15 6HY
Governing instruments	Royal Charter dated 3 May 1597 as amended 2 July 1976 Supplemental Charter dated 21 January 1998 as amended 27 February 2003 and 9 February 2011

Principal advisors

Auditors	Stephenson Smart & Co 36 Tyndall Court Commerce Road Lynchwood Peterborough PE2 6LR
Bankers	Barclays Bank plc 10 High Street Oakham LE15 6AN Norwich and Peterborough Building Society Peterborough Business Park Lynch Wood Peterborough PE2 6WZ
Solicitors	Daltons 29 St Mary's Street Stamford PE9 2DL
Investment Managers	Smith & Williamson Investment Management 3rd Floor 9 Colmore Row Birmingham B3 2BJ

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

Principal advisors (continued)

Farmland advisors

Shouler & Son
County Chambers
Kings Road
Melton Mowbray
LE13 1QF

Murray
Market Street
Oakham
LE15 6DY

Governors

Chairman

Mr David Pattinson

Name

Committee membership

Ex-Officio

The Bishop of Peterborough
The Dean of Peterborough
The Patron, Ms C Johnson
The Rector of Luffenham
The Rector of Uppingham
The Vicar of Oakham (interregnum from 19 March 2018)

Finance & General Purposes

Ex-Officio appointees on behalf of:

Dr J Seden on behalf of the Bishop of Peterborough
Rev I Osborne on behalf of the Vicar of Oakham
(to 19th March 2018)

House

Finance & General Purposes

Peterborough Diocesan Board of Finance appointees:

Mr R Smith
Mr D Pattinson
Mrs C Scothern

Finance & General Purposes
Finance & General Purposes
House

Co-Opted:

Mrs E Woodhead
Mrs H Bush
Mrs S Webster
Mr J Orme
Mr K Starling
Mrs F Craven

House (Ch)
House
House
Finance & General Purposes (Ch)
Finance & General Purposes
House

Officers

Position

Name

Clerk
Residents' Liaison Manager
Assistant Clerk
Finance Officer
Residents' Support Worker

Mr P Martin
Mrs C Urry
Mrs G Kendon
Mrs G Matthew
Mrs V Porter

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

OBJECTIVES

Based on the terms of the original licence for the foundation of the Hospital dated 21 May 1399 and the Royal Charter granted by Queen Elizabeth I in 1597 (and amended in 1976) the Charity's purpose is to provide accommodation for almspeople who shall be poor persons resident at the time of appointment in the District of Rutland or elsewhere in England.

The Governors review annually the strategic elements which they consider appropriate for pursuing the above charitable purpose; during the year under review they confirmed a strategy summarised as follows:

- 1) We are a Rutland charity
- 2) Our aim is to provide good quality and well maintained accommodation, and an environment suitable for retired people who cannot afford their own home to lead independent lives for as long as possible.
- 3) We value community and continuity for our residents and for ourselves.
- 4) We work with others who share our objectives.
- 5) We look to the long term health of the Charity.
- 6) Our priority theme for 2018 is to focus on our portfolio of buildings to continue to improve its suitability for meeting these objectives.

PUBLIC BENEFIT

The Governors have due regard to the Charity Commission's guidance on public benefit. They believe that the Charity provides a public benefit by the provision within the County of accommodation for older people of limited means, which enables them to be able to live independently.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Hospital of St John the Evangelist and of St Anne in Okeham is a body corporate (by virtue of the 1597 Royal Charter) with a Governing Body and staff.

THE GOVERNING BODY

The Governing Body is made up of 15 members – the Patron (being a descendant of Archdeacon Johnson, the petitioner for the 1597 Royal Charter); 5 ex-officio Governors (being persons holding specific offices in the Diocese of Peterborough and in certain Rutland parishes); 3 Governors appointed by the Peterborough Diocesan Board of Finance; and 6 co-opted Governors. In 2011 provision was made by Supplemental Charter for any ex-officio Governors who so wish to appoint, subject to Governing Body agreement, an appropriate person to represent him or her at meetings of the Governing Body: during the year 1 ex-officio Governor was represented by such an appointment.

The Governing Body meets 4 times a year; in addition there are 3 committees (House, Property, and F&GP). The Property Committee was established during the year reflecting the strategic priority referred to above. In addition, from time to time ad hoc working groups are formed to address specific topics.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

THE GOVERNING BODY (continued)

The Governing Body is conscious of the need to maintain, as far as possible, a matrix of skills and life experience combined with continuity of appointment. To this end Governors approve from time to time arrangements for persons who are willing to become full governors when a vacancy arises to attend and participate on a non-voting basis as 'governors-in-waiting'. This is an important aspect of the induction process and ensures an understanding of the Charity is acquired before becoming a full governor. The Charity's induction procedures ensure that prospective governors are made aware of the responsibilities of being a governor. The Charity relies mainly on local knowledge for recruiting prospective governors from the Rutland community.

THE CLERK AND STAFF

The Clerk is the Chief Executive Officer of the Charity. In addition there are four other staff members employed to undertake finance, housing, and support functions. In addition a Housekeeper is employed on a part time basis to ensure all communal areas are clean and tidy.

The Governors approve remuneration levels designed to enable the Charity to recruit and retain the skilled staff needed to manage, support, and deliver its aims. The Charity has a policy of paying at least the Real Living Wage. Remuneration is adjusted annually in line with RPI.

OUT-SOURCED PROFESSIONAL SERVICES.

The Charity has outsourced certain services as follows:

Property and Estates Management - Nottingham Community Housing Association,
Investment Management - Smith & Williamson Investment Management,
Payroll Services - Stephenson Smart & Co

PRINCIPAL ACTIVITY – BENEFICIARIES & OCCUPANCY

The Charity provides almshouse accommodation and grounds at two sites in Oakham (South Street and St Anne's Close) and one in Uppingham. It seeks to maintain the accommodation and its grounds in a good state of repair. It provides support services to residents, as described below.

BENEFICIARIES:

There are currently 108 beneficiaries occupying 102 properties.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

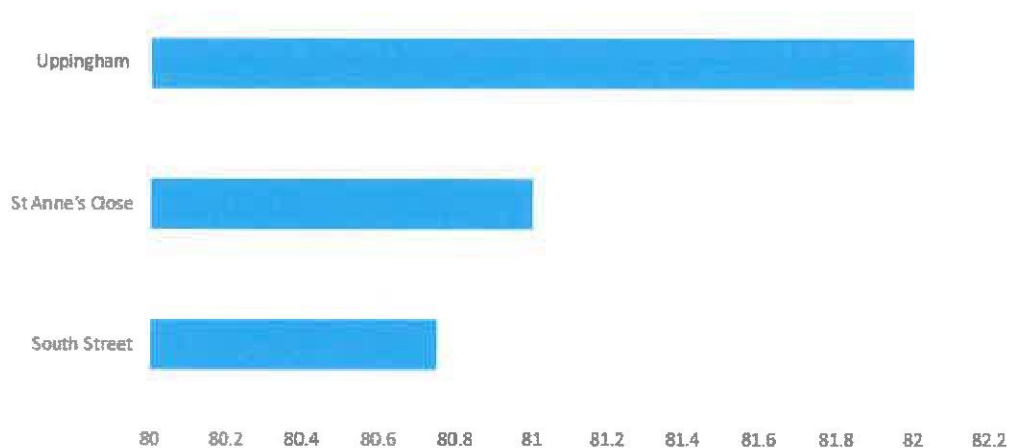
GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

PRINCIPAL ACTIVITY (continued)

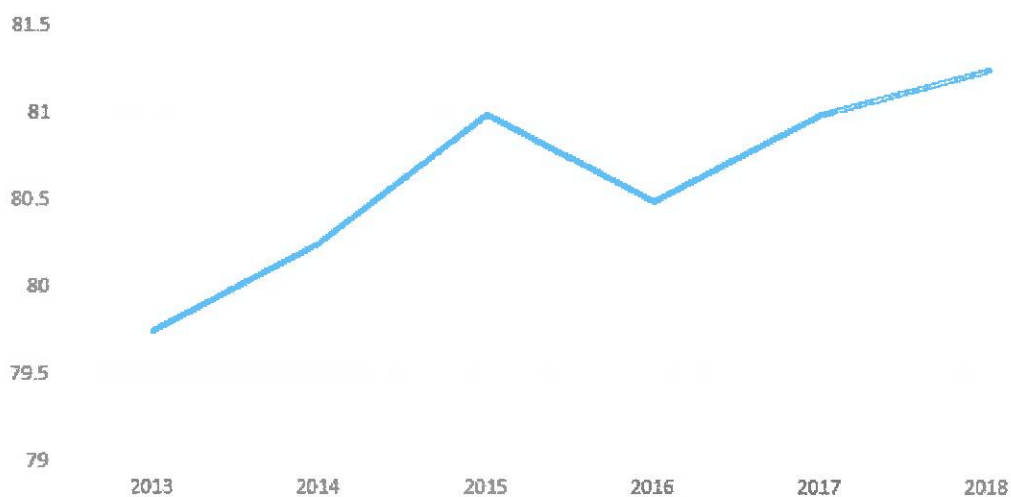
The current age distribution is shown below, with the youngest beneficiary being 65 and the eldest 96 years of age:

Average Age by Site - 2018



The current average age of all beneficiaries is 81.25 years. Comparing this to the available evidence for previous years would suggest the trend is gradually upwards:

Average Age of Beneficiaries - Annual Trend



THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

PRINCIPAL ACTIVITY (continued)

Resident Movement during the year

During the year 5 beneficiaries left to move elsewhere (7 in 2016/17), 3 of these required nursing or residential care (5 in 2016/17), and the other 2 relocated geographically to be closer to their family (2 in 2016/17).

Also during the year the unusually high number of 9 beneficiaries died. With the average age of these beneficiaries being 90, and the average duration of stay being 9 years, it is believed this is testament to the determination of the Charity to provide accommodation for life whenever resources permit.

In addition 3 applications from current beneficiaries wishing to transfer to another, more suitable, property were approved (1 in 2016/17). This increase is in part a reflection of the policy of the Charity, when refurbishing accommodation, to improve its suitability to meet the needs of frailer beneficiaries.

11 new residents (2016/17: 13) were appointed to 9 properties as qualified beneficiaries. Of those:

- 6 properties were allocated to applicants previously living within the county of Rutland
- 3 properties were allocated to applicants who were relocating from elsewhere in the UK so as to live closer to a family member.

This repeats the pattern of 2016/17, when again 6 out of 9 properties were let to applicants previously living within Rutland.

Applications Received during the year

During the year 20 (2016/17: 18) applications were processed. Of these;

- 8 (2016/17: 5) were rejected as failing to meet eligibility criteria,
- 1 had a pet that could not be accommodated,
- 1 had no appropriate connections to the area.

All of the remaining 10 were offered accommodation, although 3 subsequently found accommodation elsewhere, and one preferred to remain on the waiting list in the hope of securing their preferred location.

At the year end the total number of applicants on the waiting list had reduced to 2, down from 13 at the start of the year.

The Charity re-assesses the needs of all outstanding applications as and when any vacancy arises; the fact of being on the waiting list does not in itself amount to a promise of a future appointment.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

PRINCIPAL ACTIVITY (continued)

OCCUPANCY

The average occupancy rate across all properties has been impacted by a need to extend void periods in order to undertake the level of works required to achieve the improved accommodation standards being applied.

The void level target stated in the 2017/18 operational objectives, and thus budgeted for, was 95%.

A total of 262 void weeks during the year represents an occupancy rate of 95% (98.4% 2016/17, 97.3% 2015/16). However, after stripping out the 147 weeks of voids that are directly attributable to refurbishment projects, a healthier occupancy rate of 97.13% on available properties can be reported.

PRINCIPAL ACTIVITY – ALMSHOUSE PROPERTIES

The portfolio consists of 102 almshouse properties as follows:

South Street	41 properties	
	<ul style="list-style-type: none">• William Dalby House• David Royce House• Brook Road	11 flats 23 flats 7 bungalows
St Anne's Close	28 properties	
Uppingham	33 properties	
	<ul style="list-style-type: none">• Bonner House• Taylor House• Johnson Road	12 flats 12 flats 9 bungalows

In addition to the almshouse accommodation, the Charity also maintains a heritage asset, a 14th century Chapel at St Anne's Close.

The portfolio was unchanged over the year.

ACHIEVEMENTS & FUTURE PLANS

Buildings / Site Development:

During the year:

- Completion of a pilot project; one that applied a specification incorporating the recommendations made following the survey of 2016 into improvements to our properties that could be made to increase their suitability for independent living by our beneficiary group. Having taken account of the lessons then learnt, a revised specification was adopted for wider implementation.
- The application of the new property refurbishment / remodelling specification into three further properties, resulting in 4 / 102 units currently meeting the latest standards.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

ACHIEVEMENTS & FUTURE PLANS (continued)

- The continuation of a programme to install level access showers into all properties as vacancies permit. Currently 71 / 102 have been completed (2016/17 - 63/102).
- Unification of the hard-wired community alarm services through a single service provider (Harborough Lifeline). This has been effective since May 2017.
- Refurbishment of the Bonner House lift installation to comply with EN81-80 safety standards and the latest BS EN 81-82 accessibility standard.
- Installation of combi-boilers into 7 properties at Johnson Road in order to better manage water safety (Legionellosis Risk Assessment report 2016).
- Upgraded / improved lighting within the Chapel.
- A quinquennial survey of all Uppingham properties was completed. Subsequently a programme of "year 1" remedial works was agreed with Nottingham Community Housing Association, with completion anticipated by May 2018.
- An options appraisal of possible improvements to the paving area at the Johnson Road site was completed. This exercise resulted a plan being approved for achieving level access into and around all properties on this site.
- Completion of a site survey of the South Street site to determine the feasibility of developing additional parking. (It is not intended to take this project any further in the short – medium term).

Planned for next year:

- Continue to apply the accommodation standards identified in the 2016/17 stock appraisal survey into refurbishment work as properties become vacant (target 8 per annum).
- Continue to implement the policy around accessibility standards / level access showers, 'as vacancies permit, (target 3 per annum).'
- Complete the Johnson Road paving project, seeking to achieve level access into all properties on this site.
- Improve parking capacity at the Brook Road site, by 33%.
- Refurbishment of the communal kitchen facility at Taylor House.
- Upgrade lighting in the St Anne's Close Common Room.
- Undertake quinquennial survey at all Oakham sites.
- Install Defibrillation Units (publically accessible) at both Oakham sites.

The condition of all properties falling vacant will continue to be addressed before re-letting.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

ACHIEVEMENTS & FUTURE PLANS (continued)

Property Maintenance and Estates Management:

A complete Property Maintenance and Estates Management service is currently provided under contract by Nottingham Community Housing Association (NCHA). The effectiveness of this approach in the delivery of a responsive, value for money, service for the beneficiaries, is reviewed annually by the Governors.

The stock appraisal survey conducted in 2016 highlighted that our beneficiaries were in general 'very satisfied' with the responsive repair service being provided through this contract.

All repair reports, excepting for out of hours emergency repairs, are now initially handled by SJ&SA staff, rather than the NCHA Call Centre.

Number, Cost and Category of NCHA Repair requests 2017/18

Job Classification	Target	2017/2018				2016/2017		2015/2016	
		Total Value £	No of Jobs Logged	number of late orders	% on time	Total Value £	No of Jobs Logged	Total Value £	No of Jobs Logged
EMERGENCY	24 hours	£ 789.00	7		100	£ 1,408.00	6	£ 721	8
PLANNED WORKS	180 days	£ 151,326.00	234	13	94.4	£ 41,284.00	182	£ 103,578	190
REPAIRS BY APPT	Appt Date	£ 16,314.00	174	7	96	£ 23,099.00	189	£ 23,427	162
ROUTINE	30 days	£ 65,190.00	193	14	93	£ 38,353.00	132	£ 39,566	202
URGENT	6 days	£ 4,762.00	36	14	61	£ 6,575.00	53	£ 10,255	147
GRAND TOTAL		£ 238,381.00	644	48	92.54	£ 110,719.00	562	£ 177,547	709

Of the 644 jobs logged 92% were completed within target. This is significantly better than the 82% achieved in 2016/17, but remains less than the 97% achievement in 2015/16.

The increase in the number of jobs categorised as 'planned works' can be attributed to the various property improvement projects commenced during 2017/18. The declining number of jobs categorised as 'urgent' can be explained by the interventions by SJ&SA staff as a result of local handling of repair reports. This has resulted in most erroneous repair reports being identified and addressed before being escalated to an "urgent" response level.

The Governors have considered future need and have determined that it would be appropriate to continue the existing relationship with NCHA for the 2018/19 financial year.

Support Services:

In addition to the provision of housing and property maintenance, the Charity believes that in delivering strategic objective no 3, "We value community and continuity for our residents and for ourselves" it is important that consideration be given to meeting the support needs of our beneficiaries.

In response to national and local changes to both the funding and delivery of health and social services, the Charity has considered it appropriate to increase its own efforts in delivering effective housing related support.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

ACHIEVEMENTS & FUTURE PLANS (continued)

1. Tele-Support

In May 2017 we were able to move all of the reactive community lifeline services to a single service provider for the first time. As a result *Harborough Lifeline* now deliver the reactive tele-support for all 102 properties. The service was further enhanced in early 2018 when new stand-alone hardware was fitted into all sixteen bungalow type properties. All such services, and any necessary equipment, are fully funded by SJ&SA regardless of the financial situation of the individual beneficiary.

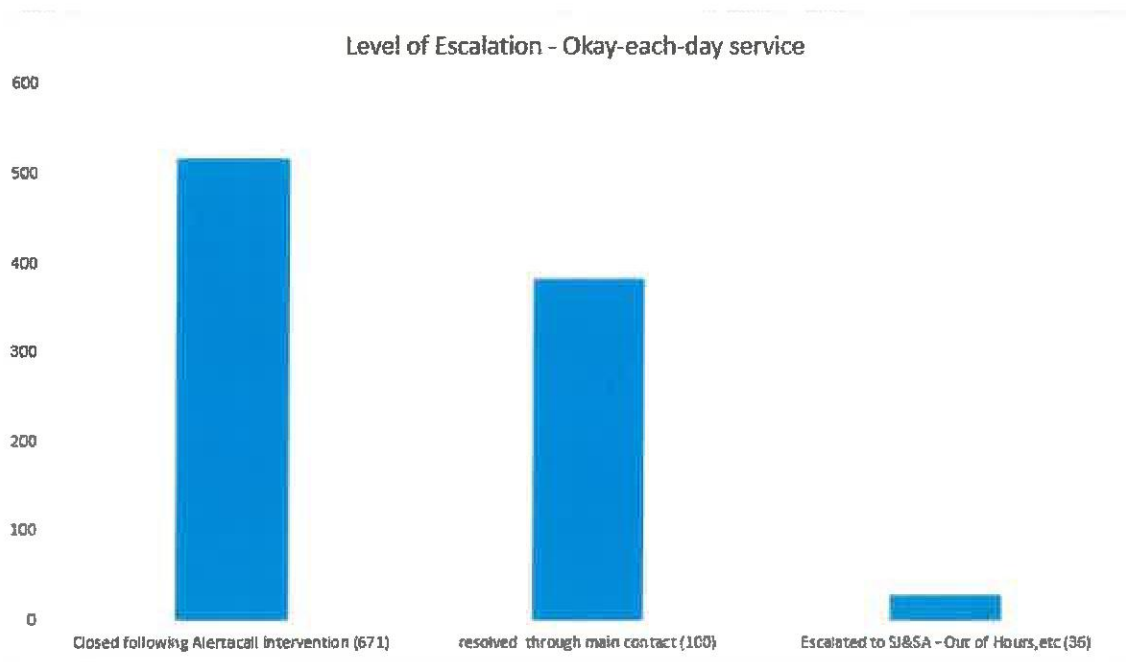
During the year Harborough Lifeline handled a total of 2,557 calls, including some automated warning alerts such as 'low battery' notifications. More importantly this number included 19 health / fall emergencies and 90 smoke alarm activations.

The response times:

96.49% answered within 60 seconds
99.41% answered within 180 seconds

These times meet the quality standards framework published by TSA (previously Telecare Services Association) giving assurance that our beneficiaries receive an effective and responsive service.

In addition to the reactive tele-support provision each beneficiary has the option to use a pro-active service provided by *Alertacall* that is commonly known within SJ&SA as the *Okay-each-day* service. During 2017/18 the average number of beneficiaries who took up this service was 96 (2016/17: 92).



The bracketed figures in the graph above, which are reflective of the last eight months of the 2016/17 year, would suggest that the service has now become established, with there being less erroneous type demands (i.e. shown within column 1) and also less out of hours demands being placed upon SJ&SA (shown within column 3).

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

ACHIEVEMENTS & FUTURE PLANS (continued)

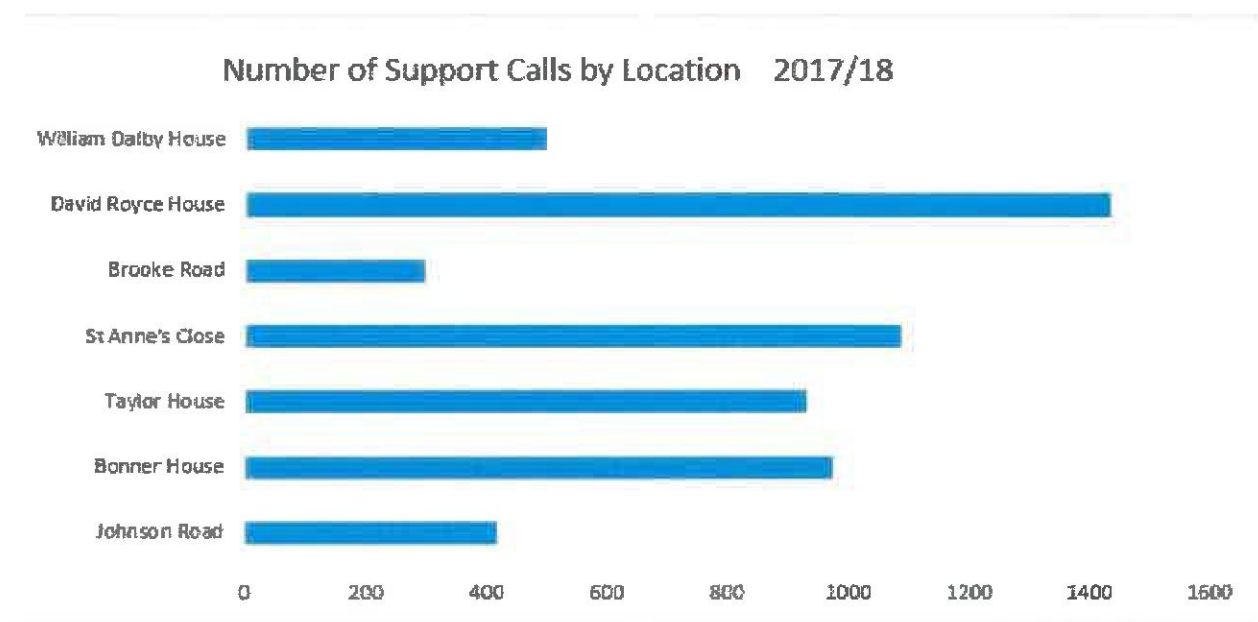
1. Tele-Support (continued)

The Alertacall service also enables information messages to be delivered telephonically to groups of beneficiaries. During 2017/18 there were 19 unique messages delivered to 591 beneficiaries (2016/17: 30 unique messages).

2. Personal support

As of April 2016 SJ&SA employed its own support worker to meet the low-level housing support needs of all beneficiaries, as distinct from the maximum 17 beneficiaries who benefited under the previous Rutland CC / Spire Homes floating support arrangements. The Support Worker was employed on a part time basis of 30 hours per week, and in the absence of any external funding was to deliver a service as part of the Charity's charitable purpose (i.e. at no cost to the recipient).

During the first full 12 month reporting period the service delivered 4,431 support contacts. For the 2017/18 period demand on the service had increased to 5,630 support contacts. The following diagram shows the distribution of demand, by site:



This breaks down to an average of 55 support calls per resident per annum, assuming full occupancy. (2016/17: 43). Whilst many are simply welfare type contacts, the work of the Support Worker has in the past twelve months delivered 21 benefits reviews, 10 Blue Badge applications, 18 OT referrals, 16 Social Services referrals, as well as introducing social activity and regular exercise sessions.

It has been agreed that this service will be expanded to a full-time position for 2018/19.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

ACHIEVEMENTS & FUTURE PLANS (continued)

Beneficiary involvement:

During the year:

- Spring and autumn meetings were held at each site, attended by both the Governors of the Charity and the residents of the site (resident attendance at about 50%). These meetings are an opportunity for all residents to express their concerns and make suggestions for improvements.
- A Residents' Representative Panel, comprising representatives from each of the sites, met with management quarterly. This was extended to include a representative for all the male residents regardless of where they are housed.
- Jigsaw, the residents' newsletter, was issued quarterly. It keeps residents informed of Governors' decisions, forthcoming events, and provides seasonally appropriate reminders. Residents are encouraged to contribute items.
- Governors and beneficiaries continued to meet informally at least monthly at coffee mornings.
- All new beneficiaries are visited by a Governor shortly after they have moved in.
- All beneficiaries are contacted at least annually by a Governor, who will then follow up with a personal visit if required.
- Participation in the various social activities available on each site, while strongly encouraged, is recognised to be a personal choice. Since the introduction of the Residents' Support Worker role, more assistance has been available to those residents who need support in order to access external services.
- The Charity endeavours to put on at least one social event each year for the benefit of all beneficiaries, and to encourage social inter-action across the various sites. In 2017 approximately 50% of beneficiaries took up the opportunity to enjoy a social outing to Ely.

Recognition & Communication:

During the year:

- The Charity is a member of the Almshouse Association and an active participant of the Larger Almshouse Charities Network Group.
- As part of its desire to raise awareness within the wider community, and to support other organisations that share our objectives, the Charity has made its resources available to a range of external organisations. These include: Age UK (Carers Support Group, Men's Club), Oakham Walking Group, Co-op Ladies Group, Uppingham Local History Society, The Trefoil Guild, Uppingham Mothers' Union, and the Alzheimer's Society (Drop-in Café).
- The Charity has contributed to the planning and development of housing and support services across the County of Rutland through being a member of the Rutland Homelessness Forum. The Charity has also held meetings with officers of Rutland County Council in order to ensure that our partnership arrangements work effectively.
- The Letter of Appointment was revised during the year.
- New publicity material was developed and introduced, so as to increase awareness of SJ&SA services within the wider community. Media such as the local church newsletter, Age Concern charity shops, supermarket foyers, and GP surgeries were all used to help raise the profile of the Charity.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

ACHIEVEMENTS & FUTURE PLANS (continued)

Recognition & Communication (continued):

Planned for next year:

- To improve on the work already done to raise awareness of SJ&SA, with consideration to be given to hosting open days at two sites.
- To further extend and strengthen our relationships with other organisations that share our objectives.

Value for Money (VFM):

The Governors seek to ensure that the Charity delivers VFM both in terms of the use of its charitable resources and in terms of the use of the income received from Weekly Maintenance Contributions.

Steps taken in the year to assess VFM have included:

- The Charity, with the assistance of an industry recognised independent consultant, undertook a complete and thorough review of the costs associated with the provision of its housing and associated services in 2016. The result of this work continued to form the basis on which the Weekly Maintenance Contribution (WMC) rates for 2017/18 were determined, thus ensuring they accurately reflected the costs being incurred.
- A recently concluded independent rent assessment showed that the typical SJ&SA housing charge was set at:

91% of the VOA recommended Equivalent Fair Rent
72% of the local market rate for a similar property
- The Weekly Maintenance Contribution (WMC) rates for 2017/18 reflected the requirements of the Homes England formula, along with those appropriate adjustments that are applicable to almshouse properties.
- Service delivery standards from contractors and partner organisations were monitored throughout the year. Key Performance Indicators are agreed, as appropriate, and are reported against to the Governors at least annually.
- In January 2017 the Charity introduced a computer based finance and housing management package to aid in the management and monitoring of financial data, the tracking of WMC payments, and in ensuring repairs and maintenance work are completed on time and with minimal disruption to beneficiaries. 2017/18 was the first full year in which SJ&SA relied upon the computer based system. Although this presented a steep learning curve, it has proven to be a valuable addition.
- The adoption of clear and effective procurement processes. This included acknowledging the limitations of current in-house expertise and in developing effective service agreements with external organisations such as Nottingham Community Housing Association.
- In late 2016 steps were taken to maximise the potential value of the Cold Overton Road investment land holding. An application was made to have this land defined as suitable for inclusion within the approved site allocations of the Rutland CC Core Strategy Development Plan. This application has been progressed throughout 2017/18, including delivering a presentation to Oakham Town Council Neighbourhood Plan Group. The final result of the application is not yet known.
- The steps taken to secure the ownership status of the small pocket of land adjoining Pig Lane, Uppingham proved successful. In August 2017 notification was received that the Land Registry had issued a register of title to SJ&SA (No LT489553).

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

ACHIEVEMENTS & FUTURE PLANS (continued)

Value for Money (VFM) (continued):

- Investing in our staff, evidenced by:
 - Training The Residents' Liaison Manager has completed her CIH Level 5 studies in Housing Practice.
 - Pensions Reviewing and enhancing the pension arrangements offered to all staff.
 - Contracts An exercise was commenced to agree a common set of conditions of employment for all staff, the aim being to adopt a standard 'Contract of Employment' template to replace the varied contracts that currently exist.
- Investment in Property. A quinquennial survey was completed on all properties at our Uppingham site. This has provided a snapshot of the current condition of each property, and an affordable plan to address necessary improvements over a 5 year period.

Plans for next year include:

- Completion of a Quinquennial Survey of all Oakham properties, so as to better inform governors on the short-medium term requirements of this housing stock.
- Completion of the updating of SJ&SA Human Resources documentation, particularly finalising the Contract of Employment changes.
- An assessment of the costs and benefits of a possible move of office premises and, if seen fit, implementation of such a move.

FINANCIAL REVIEW

In the year to 6 April 2018 the Charity's finances benefited from a positive outcome on net incoming resources, of some £36,000 (2017: £72,000) and from a modest gain on investments of some £83,000 (2017: £600,000). As a result, balance sheet total funds have increased from some £10.4 million to some £10.5 million, within which cash and cash-equivalents comprise some £0.8 million (2017: £0.7 million).

Investments and investment performance are dealt with in more detail below.

Most or all of the Charity's major expenditures on operational properties are now accounted for as additions to fixed assets. These amounted to a little over £258,000 in the year (2017: £20,000). Needs for future years will be significantly affected by the Governors' strategic decision not simply to replace operational property assets on a like-for-like basis as and when they reach the end of their economically useful lives, but to focus on any available improvements better suited to the Charity's objective of providing accommodation suitable for residents to live independently for as long as possible. The Governors' approach to future financing needs is dealt with further below in the paragraphs on Reserves and Reserves Policy.

Investments and investment performance

The Charity holds investments on account of Permanent Endowment, Restricted and Designated Funds, the investments being spread over farmland, listed investments and cash.

The investment management objectives are that:

- the Charity should, over the long term, receive regular investment income sufficient to ensure that it can continue its charitable activities at least at their present level and with full attention to the need for maintenance and repair of operational properties.
- the Charity should maintain sufficient liquidity in its investment and cash assets to be confident at any one time of meeting its cash flow needs for the subsequent year.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

FINANCIAL REVIEW (continued)

Investments and investment performance (continued)

- whilst pursuing these income and liquidity objectives, management of the Charity's investments should, so far as possible, maintain or enhance the value of the Charity's permanent endowment and other investments.

In pursuing the above objectives, the Charity maintains a direct investment in farmland; maintains assets in cash and in equity-based investments (managed by CCLA) in respect of its Restricted and Designated Reserves; and has arranged for the permanent endowment listed investment portfolio to be managed on a discretionary basis by Smith & Williamson Investment Managers, within a framework of ethical investment criteria (adopted from those published for the CCLA "Ethical Fund") and a willingness to be exposed to a medium level of market risk.

In relation to the portfolio managed by Smith & Williamson, the Governors consider that in current circumstances the target level of investment income should be in the range of £85,000-£95,000 p.a. before fees. The portfolio investment income received during the year exceeded this target, being £114,956 (2017: £112,088). Together with farmland and other investment income, total investment income was £126,874 (2017: £122,663) before investment management costs of £21,654 (2017: £20,424).

During the year there was no call for the Charity's investments to contribute to liquidity needs. As described below (in relation to Reserves and Reserves Policy) the Governors are undertaking a substantial review of the prospective financing requirements for long-term maintenance and improvement of the Charity's operational properties; potentially this may lead to decisions by the Governors for future amendment of the income and/or liquidity investment objectives (which remain as stated above unless and until so amended).

As to the objective relating to capital values, at 6 April 2018 the balance sheet total for investments was £5,232,516 (2017: £5,130,007). The very large majority of this value is in assets which are independently valued at the year end; for one category of investment – the farmland – the Governors' practice is to obtain a professional valuation every three years; such a valuation was last obtained in 2016 and the Governors consider that the resulting valuation of £590,000 remains appropriate for purposes of this Report and Accounts. The Governors consider that the increase in the overall valuation of the Charity's investments in the year to 6 April 2018 is satisfactory in terms of the investment objective and the performance of investment markets generally. Governors remain conscious of the volatility of investment markets and receive and monitor quarterly reports on the portfolio which is professionally managed on a discretionary basis.

Reserves and Reserves Policy

At the year end the total funds held by the Charity were some £10.48 million, made up of:

	£ million
Endowment funds	9.46
Restricted funds	0.27
Unrestricted designated funds	0.51
Unrestricted general funds	<u>0.24</u>
	<u>10.48</u>

The Endowment Funds are the permanent capital of the Charity. On the asset side of the balance sheet, they are represented by:

- Operational properties held for the long term.
- Investments, the income from which is available to subsidise operating costs, but the capital value of which is not expendable except with the consent of the Charity Commission.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

FINANCIAL REVIEW (continued)

Reserves and Reserves Policy (continued)

The Restricted funds are also not available for expenditure. Formally they represent a Recoupment Fund set up in two stages, firstly when the Charity expended capital towards the cost of the South Street, Oakham, flats in 1976, and secondly when capital was expended on the first development at Uppingham in 1980. In both cases, the Charity was required by the Charity Commission to set aside an annual sum of £602 over sixty years to recoup this capital. When that term expires, the capital of the recoupment fund will be added to the Permanent Endowment investments.

By contrast, Unrestricted funds are available for expenditure at Governors' discretion in pursuit of the Charity's purposes. Within this category there are two sub-categories – one where the Governors have 'designated' or earmarked funds for one or more particular future purposes, and General funds which have not been so earmarked.

At the year end the Designated funds of £508,496 comprised an Extraordinary Repairs Reserve of £479,836 and a Cyclical Maintenance Reserve of £28,660.

The Extraordinary Repairs Reserve was originally set up to fund large scale repairs, renovations and improvements which occur from time to time. Such expenditure used to be accounted for by being written off as and when incurred, with a transfer to or from General Reserves designed to smooth out the peaks and troughs that are inevitably associated with expenditure of this kind. With effect from the Charity's accounts for 2014/15 and in line with generally accepted accounting principles this approach was discontinued and most items of major expenditure have subsequently been capitalised, i.e. added to fixed assets in the balance sheet with a 'smoothed' charge included in revenue costs by way of depreciation. Following this change the Governors have had under review the policy of maintaining a separate designated reserve for extraordinary repairs. This review is ongoing; it will include estimates of the financing needs to maintain the Charity's operational properties over the long term and also to improve them where there is scope to do so to the benefit of residents' ability to lead independent lives for as long as possible. Until this review has been completed, Governors have determined that no transfer should be made to or from the Extraordinary Repairs Reserve (other than in respect of the £703 interest income arising on the Reserve Fund deposit account).

A reserve for Cyclical Maintenance is maintained to fund lesser, periodic planned repairs and maintenance and is funded by an annual transfer from the income of the Charity of £91,220 (2017 - £88,178). During the year expenditure amounted to £89,540 (2017 - £91,117) giving a balance at 6 April 2018 of £28,660.

The General Unrestricted funds represent the accumulated balance to date of the income of the Charity after meeting all almshouse, management and other running costs and transfers to the Cyclical Maintenance and Extraordinary Repair reserves. In common with other charities, the Charity needs to maintain a balance on such General Reserves in order to ensure that, in the event of any abrupt or unforeseen worsening in the Charity's operating finances, the Charity can continue its activities for a sufficient period of time to be able to recover and/or find a new basis of financing its activities. The relevant annual cost for the Charity is now running at a level of approximately £0.5 million p.a. (total resources excluding depreciation which is not a 'cash cost'); the Unrestricted General Reserve at 6 April 2018 (£239,897) therefore suffices for some 6 months' operating 'cash costs'. The Governors consider that this is acceptable in current circumstances, and intend to review the range of months appropriate to this reserve when they complete the review referred to above in connection with the Extraordinary Repairs Reserve.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

FINANCIAL REVIEW (continued)

Reserves and Reserves Policy (continued)

Risk management

The Governors have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The principal risks facing the Charity relate to:

- (i) providing and maintaining a safe and secure environment for our residents and for others who work at or visit the Charity's premises;
- (ii) providing and maintaining governance, financial and administrative arrangements to safeguard the Charity's assets, to promote its long-term health and to facilitate its operational activities.

The Charity's main strategy to address these risks is (i) to review from time to time the particular areas where such risks may be either most likely to arise or where their impact would be most serious and to devise and implement particular mitigation plans as appropriate in the light of such review; and (ii) at all times and on a continuous basis to keep under review, and to report to Governors, any work necessary to ensure that the Charity's properties provide a safe and secure environment.

In addition Governors are conscious that the scale and smooth running of the Charity's operations depends to a considerable extent upon governmental regimes, systems and services. Some aspects of the future of these are subject to significant uncertainty. Governors seek to minimise the risks to the Charity from such uncertainty by keeping abreast of relevant developments (in particular through the Almshouse Association) and by regular review, particularly at the time of annual budgeting.

Statement of Governors' responsibilities

The Governors are responsible for preparing the Governors' Report and the accounts 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 Governors to prepare accounts 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 year.

In preparing these accounts, the Governors are 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

Statement of Governors' responsibilities (continued)

The Governors are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the governing instruments. 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 Governors' report was approved by the Governing Body on 10 July 2018.



D Pattinson
Governor



J Orme
Governor

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

INDEPENDENT AUDITOR'S REPORT

TO THE GOVERNORS OF THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

We have audited the financial statements of The Hospital of St John the Evangelist and of St Anne in Okeham for the year ended 6 April 2018, which comprise the statement of financial activities, balance sheet, 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 to the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the Charity's affairs as at 6 April 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with the 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors 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 Governors are responsible for the other information. The other information comprises the information included in the Governors' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

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 financial statements is inconsistent in any material respect with the Governors' report; or
- sufficient accounting records have not been kept; or
- the accounts 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.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement set out on page 17, the Governors are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Governors 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 Governors 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 Governors 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 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 auditor's report.

Other matter

Your attention is drawn to the fact that the Charity has prepared accounts 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

Use of our report

This report is made solely to the Governors, 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 Charity's Governors those matters we are required to state to them in an auditors' 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 Charity's Governors as a body, for our audit work, for this report, or for the opinions we have formed.



Stephenson Smart & Co



**Chartered Accountants
Statutory Auditor**

36 Tyndall Court
Commerce Road
Lynchwood
Peterborough
Cambridgeshire
PE2 6LR

Stephenson Smart & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 6 APRIL 2018

		Unrestricted funds	Restricted funds	Permanent endowment funds	Total 2018	Total 2017
	Notes	£	£	£	£	£
<u>Income and endowments from:</u>						
Charitable activities	3	601,823	-	-	601,823	620,030
Investments	4	126,874	-	-	126,874	122,663
Other income	5	3,515	-	-	3,515	3,444
Donations and legacies	6	280	-	-	280	1,101
Total income and endowments		732,492	-	-	732,492	747,238
<u>Expenditure on:</u>						
Charitable activities	7	511,589	-	163,078	674,667	654,574
Investment management costs	8	21,654	-	-	21,654	20,424
Total resources expended		533,243	-	163,078	696,321	674,998
Net incoming/(outgoing) resources transfers and gains/(losses) on investments		199,249	-	(163,078)	36,171	72,240
Net gains/(losses) on investments		13,144	12,187	58,158	83,489	600,563
Net incoming/(outgoing) resources before transfers		212,393	12,187	(104,920)	119,660	672,803
Gross transfers between funds		(269,380)	602	268,778	-	-
Net movement in funds		(56,987)	12,789	163,858	119,660	672,803
Fund balances at 7 April 2017		805,380	263,242	9,292,852	10,361,474	9,688,671
Fund balances at 6 April 2018		748,393	276,031	9,456,710	10,481,134	10,361,474

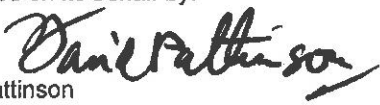
THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM


BALANCE SHEET

AS AT 6 APRIL 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12	5,290,594		5,191,951	
Investments	13	5,232,516		5,130,007	
		10,523,110		10,321,958	
Current assets					
Debtors	15	15,082		21,602	
Cash at bank and in hand		345,408		330,977	
		360,490		352,579	
Creditors: amounts falling due within one year	16	(166,454)		(66,247)	
Net current assets		194,036		286,332	
Total assets less current liabilities		10,717,146		10,608,290	
Creditors: amounts falling due after more than one year	17	(236,012)		(246,816)	
Net assets		10,481,134		10,361,474	
Capital funds					
Unrestricted funds - general		239,897		312,140	
Unrestricted funds - designated	20	508,496		493,240	
<i>Including revaluation reserve of £179,974 (2017: £166,830)</i>					
Total unrestricted funds		748,393		805,380	
Endowment funds	21	9,456,710		9,292,852	
<i>Including revaluation reserve of £1,232,077 (2017: £1,292,228)</i>					
Restricted funds	22	276,031		263,242	
<i>Including revaluation reserve of £165,791 (2017: £153,604)</i>					
		10,481,134		10,361,474	

The financial statements were approved by the Governing Body and authorised for issue on 10 July 2018 and are signed on its behalf by:


D Pattinson
Governor


J Orme
Governor

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 6 APRIL 2018

	Notes	2018 £	£	2017 £	£
Cash flow from operating activities	(i)		201,373		74,742
Cash flow from investing activities					
Purchase of tangible fixed assets		(262,748)		(21,069)	
Investment purchases and disposals	(ii)	124,413		(90,224)	
Investment income (net of investment management costs)		105,220		102,239	
Net cash flow from investing activities			(33,115)		(9,054)
Cash flow from financing activities					
Repayment of bank loans		(10,394)		(10,083)	
Net cash flow from financing activities			(10,394)		(10,083)
Net increase in cash and cash equivalents			157,864		55,605
Cash and cash equivalents at beginning of year			624,240		568,635
Cash and cash equivalents at end of year			<u>782,104</u>		<u>624,240</u>
Cash and cash equivalents consists of:					
Bank balances and short term deposits			345,408		330,977
Investment cash balances			436,696		293,263
Cash and cash equivalents at end of year			<u>782,104</u>		<u>624,240</u>

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

NOTES TO THE STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 6 APRIL 2018

	Notes	2018 £	2017 £
Note (i) – Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net incoming/(outgoing) resources		36,171	72,240
Adjustments for:			
Investment income recognised in statement of financial activities		(126,874)	(122,663)
Investment management costs		21,654	20,424
Depreciation and loss on disposal of tangible fixed assets	(iii)	164,105	142,777
Decrease/(Increase) in debtors		6,520	(8,246)
Increase/(Decrease) in creditors		99,797	(29,790)
Net cash flow from operating activities		<u>201,373</u>	<u>74,742</u>
Note (ii) - Investment purchases and disposals			
Purchase of other investments		(233,836)	(484,064)
Proceeds on disposal of other investments		358,249	393,840
		<u>124,413</u>	<u>(90,224)</u>
Note (iii) - Depreciation and impairment of tangible fixed assets			
Depreciation and impairment of tangible fixed assets		137,096	140,533
Loss on disposal of tangible fixed assets		27,009	2,244
		<u>164,105</u>	<u>142,777</u>

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 6 APRIL 2018

1 Accounting policies

Charity information

The Hospital of St John the Evangelist and of St Anne in Okeham is a Registered Charity and Registered Social Housing Provider that is primarily an endowed Almshouse Charity.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2016. The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity is a Registered Social Housing Provider. In accordance with the requirements of the Housing SORP 2014 the Charity has applied the Charities SORP in the preparation of these financial statements.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention as modified by the revaluation of investments. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the Governors have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Governors continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds

General funds

Unrestricted funds are available for use at the discretion of the Governors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

1 Accounting policies (continued)

1.3 Charitable funds (continued)

Unrestricted funds (continued)

Designated funds

The following unrestricted funds have been designated at the discretion of the Governors for specific purposes as follows:

Extraordinary repair fund

The extraordinary repair fund has been set up to fund large scale repairs, renovations and improvements which occur from time to time.

Cyclical maintenance fund

The cyclical maintenance fund has been set up to fund periodic, non annual, repairs and maintenance and is funded by an annual transfer based on the Almshouse Association guideline figures.

Restricted fund - Recoupment fund

The Recoupment fund was set up in two stages, firstly when the Charity expended capital towards the cost of the South Street, Oakham flats in 1976, and secondly when capital was expended on the first development at Uppingham in 1980. In both cases, the Charity was required by the Charity Commission to set aside an annual sum over sixty years to recoup this capital. When that term expires, the balance on the Reserve will be transferred to the credit of Permanent Endowment and the assets held on account of the reserve transferred to Fixed Asset Investments.

Permanent endowment funds

Permanent endowment funds represent the capital of the Charity and are invested in operational properties (i.e. almshouse residential properties together with the Charity's offices), farmland, listed investments and cash. This capital is not expendable but the income generated represents unrestricted income.

1.4 Incoming resources

Income is recognised when the Charity is legally entitled to it.

All residents' weekly maintenance contributions are recognised when due and investment income is recognised when receivable.

1.5 Resources expended

Expenditure is recognised when a legal or constructive obligation has fallen due.

All expenditure is accounted for on an accruals basis. All expenses including governance costs are allocated or apportioned to the applicable expenditure headings. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

1 Accounting policies (continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Freehold land and housing properties

Freehold land is not depreciated. Depreciation is charged so as to write down the cost of freehold housing properties to their estimated residual value on a straight line basis over their estimated useful economic lives at the following annual rates:

Main fabric of buildings	Over 100 years	Mechanical installations	Over 30 years
Roof	Over 70 years	Electrical installations	Over 40 years
Windows and external doors	Over 30 years	Lifts	Over 20 years
Gas boilers	Over 15 years	Kitchens	Over 20 years
Fire alarms and lifeline equipment	Over 20 years	Buggy store	Over 30 years
Bathrooms	Over 30 years		

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities for the year.

Furnishings and equipment

Furnishings and equipment are stated at cost less accumulated depreciation. Depreciation is provided to write off the cost of assets over their expected economic useful lives on a straight line basis of either 10% or 25%.

Social Housing Grant

The Charity is not currently undertaking any development.

Where developments have been financed wholly or partly by Social Housing Grant (SHG), the amounts of the grants received are recognised as incoming resources using the performance model. On the sale of a property, or if another relevant event takes place, SHG may become repayable, although it is normally available to be recycled and used for a new Social Housing project approved by the Homes & Communities Agency. The cumulative amount of Social Housing Grant received at 6 April 2018 was £3,056,870 (2017: £3,056,870).

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in net incoming/(outgoing) resources for the year.

1.8 Impairment of fixed assets

At each reporting end date, the Governors review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

1 Accounting policies (continued)

1.8 Impairment of fixed assets (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the Statement of Financial Activities if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, bank overdrafts and cash held as fixed asset investments. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The Charity only 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 and fixed asset investments which are recognised and subsequently measured in accordance with the accounting policy at note 1.7.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Value added tax

The Charity is unable to reclaim any Value Added Tax (VAT) it incurs on its expenditure. This irrecoverable tax is a cost to the Charity and consequently all figures within these financial statements are stated inclusive of any VAT incurred (unless stated otherwise).

1.14 Business combinations

Where acquisitions are in substance the gifting of control of a business to the Charity the combination is treated as a non-exchange transaction and the fair value of the gifted assets and liabilities in the transaction is recorded as a gain or loss in the statement of financial activities in the year of combination.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

1 Accounting policies (continued)

1.15 Major repair costs

The Charity capitalises expenditure on housing properties which results in an enhancement of the economic benefit of the asset such as an increase in the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in net rental income, a reduction in future maintenance costs, or a significant extension of the useful life of the property.

Expenditure on works which does not meet this criteria is written off to the Statement of Financial Activities in the year in which it is incurred. This includes expenditure incurred to ensure that the property can maintain its existing level of net rental income or the standard of performance anticipated when the property was first acquired or constructed.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Governors 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 that are 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.

3 Charitable activities

	2018 £	2017 £
Provision of almshouses - residents' weekly maintenance contributions	601,823	620,030

4 Investments

	2018 £	2017 £
Rental income	10,611	8,920
Income from listed investments	114,956	112,088
Interest receivable	1,307	1,655
	<u>126,874</u>	<u>122,663</u>

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

5 Other income

	2018	2017
	£	£
Common room lets	1,198	1,250
Sundry site receipts	2,317	2,194
	<u>3,515</u>	<u>3,444</u>

6 Donations and legacies

	2018	2017
	£	£
Donations and gifts	<u>280</u>	<u>1,101</u>

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

7 Charitable activities

	Provision of Almshouses	
	2018	2017
	£	£
Staff costs	137,450	122,759
Depreciation and impairment	164,105	142,777
Day to day maintenance	79,822	67,981
Cyclical maintenance	89,540	91,117
Utilities	23,467	24,448
Window cleaning and materials	2,206	2,113
Support worker expenses	542	471
Housing pro-active	19,188	12,915
Charitable benefit	70,275	86,680
Landscaping	24,672	24,672
Buildings and contents insurance	6,899	6,629
Management	20,162	40,067
Door entry system	10,836	8,254
Void properties	2,281	609
	<u>651,445</u>	<u>631,492</u>
Governance costs (see note 9)	<u>23,222</u>	<u>23,082</u>
	<u>674,667</u>	<u>654,574</u>
Analysis by fund		
Unrestricted funds	511,589	512,315
Endowment funds	<u>163,078</u>	<u>142,259</u>
	<u>674,667</u>	<u>654,574</u>

8 Investment management costs

	2018	2017
	£	£
Investment management	21,654	20,424
	<u>21,654</u>	<u>20,424</u>

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

9 Support costs

	Governance costs	2018	2017	Basis of allocation
	£	£	£	
Audit fees	5,778	5,778	5,188	100% charitable activities
Interest payable	17,444	17,444	17,894	100% charitable activities
	<u>23,222</u>	<u>23,222</u>	<u>23,082</u>	

10 Governors

None of the Governors (or any persons connected with them) received any remuneration from the Charity during the year. No Governors were reimbursed for travelling expenses (2017: Two Governors were reimbursed a total of £97 for travelling expenses).

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

11 Employees

Number of employees

The average monthly number of persons employed by the Charity during the year was:

	2018 Number	2017 Number
Clerk	1	1
Assistant Clerk	1	1
Residents' Liaison Manager	1	1
Finance Officer	1	1
Residents' Support Worker	1	1
Cleaner	1	1
	<u>6</u>	<u>6</u>

Employment costs

	2018 £	2017 £
Wages and salaries	121,421	113,114
Social security costs	7,045	5,896
Other pension costs	8,984	3,749
	<u>137,450</u>	<u>122,759</u>

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2018 £	2017 £
Remuneration benefits for the Clerk to the Charity	<u>37,375</u>	<u>29,547</u>

There were no employees whose annual remuneration was £60,000 or more.

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

12 Tangible fixed assets

	Land and buildings	Fixture, fittings and equipment	Total
	£	£	£
Cost			
At 7 April 2017	7,023,750	48,959	7,072,709
Additions	258,200	4,548	262,748
Disposals	(84,064)	(703)	(84,767)
At 6 April 2018	7,197,886	52,804	7,250,690
Depreciation and impairment			
At 7 April 2017	1,832,285	48,473	1,880,758
Depreciation charged in the year	136,069	1,027	137,096
Depreciation on disposals	(57,055)	(703)	(57,758)
At 6 April 2018	1,911,299	48,797	1,960,096
Carrying amount			
At 6 April 2018	5,286,587	4,007	5,290,594
At 6 April 2017	5,191,465	486	5,191,951

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

13 Fixed asset investments

	2018 £	2017 £
Listed investments	4,205,820	4,246,744
Farmland	590,000	590,000
Cash and cash equivalents:		
- Investment management deposit account	194,604	68,526
- COIF deposit account - Extraordinary repair fund	182,438	182,006
- COIF deposit account - Cyclical maintenance fund	59,654	42,731
	<u>5,232,516</u>	<u>5,130,007</u>

The farmland was valued in March 2016 by an independent professional valuer. This was last carried out by Richardson Chartered Surveyors. The Governors are of the opinion that this revaluation continues to reflect the fair value of the farmland at 6 April 2018.

The listed investments are valued at market value. The Governors consider variability of investment returns on the permanent endowment to constitute the Charity's major financial risk. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.

Movements in fixed asset investments

	Cash £	Shares £	Farmland £	Total £
Cost or valuation				
At 7 April 2017	293,263	4,246,744	590,000	5,130,007
Additions	143,433	233,837	-	377,270
Valuation changes	-	81,821	-	81,821
Disposals	-	(356,582)	-	(356,582)
At 6 April 2018	<u>436,696</u>	<u>4,205,820</u>	<u>590,000</u>	<u>5,232,516</u>
Carrying amount				
At 6 April 2018	<u>436,696</u>	<u>4,205,820</u>	<u>590,000</u>	<u>5,232,516</u>
At 6 April 2017	<u>293,263</u>	<u>4,246,744</u>	<u>590,000</u>	<u>5,130,007</u>

The gain on investment disposals during the year based on historic cost was £118,310 (2017: £122,236)

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

14 Financial instruments	2018 £	2017 £
Carrying amount of financial assets		
Equity instruments measured at fair value less impairment	4,205,819	4,246,744
	<u>4,205,819</u>	<u>4,246,744</u>
Carrying amount of financial liabilities		
Loans measured at amortised cost	246,873	257,267
	<u>246,873</u>	<u>257,267</u>

Financial assets pledged as collateral

The loans are secured and some carry a variable rate of interest as described in note 18.

The interest payments on these loans are therefore susceptible to changes in interest rates. The Governors acknowledge these risks, though they also acknowledge that the financial impact of any increases in interest rates will be mitigated by corresponding increases in the performance of their fixed asset investments.

15 Debtors	2018 £	2017 £
Amounts falling due within one year:		
Other debtors	3,226	3,387
Prepayments and accrued income	11,856	18,215
	<u>15,082</u>	<u>21,602</u>

16 Creditors: amounts falling due within one year	Notes	2018 £	2017 £
Loans and overdrafts	18	10,861	10,451
Trade creditors		130,499	26,366
Other creditors		8,927	6,973
Accruals and deferred income		16,167	22,457
		<u>166,454</u>	<u>66,247</u>

17 Creditors: amounts falling due after more than one year	Notes	2018 £	2017 £
Loans and overdrafts	18	236,012	246,816
		<u>236,012</u>	<u>246,816</u>

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

18 Loans and overdrafts

	2018 £	2017 £
Long term housing loans	246,873	257,267
Payable within one year	10,861	10,451
Payable after one year	236,012	246,816
Amounts included above which fall due after five years:		
Payable by instalments	188,716	202,754

The long-term housing loans are secured by specific charges on the Charity's housing properties.

The Charity has loan facilities with the Norwich and Peterborough Building Society and Rutland County Council. The loan facilities are secured by specific charges on the Charity's housing properties.

There are two loans with Rutland County Council. One is a fixed rate loan which is repayable at a rate of 12% per annum, the other has a fixed annual capital repayment with interest calculated at prevailing local government rates.

The remaining loan with the Norwich and Peterborough Building Society is repayable at a variable interest rate based on LIBOR plus a margin of 1.25%, subject to a minimum interest rate of 4.2%.

The two loans outstanding with Rutland County Council totalling £116,827 (2017: £118,064) are due to be fully repaid in 2048 and 2052 respectively. The loan of £130,046 (2017: £139,203) outstanding with Norwich and Peterborough Building Society is due to be fully repaid by 2028.

19 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 6 April 2018 are represented by:					
Tangible fixed assets	4,007	-	-	5,286,587	5,290,594
Investments	30,993	508,496	276,031	4,416,996	5,232,516
Current assets/(liabilities)	204,897	-	-	(10,861)	194,036
Creditors due after one year	-	-	-	(236,012)	(236,012)
	239,897	508,496	276,031	9,456,710	10,481,134

THE HOSPITAL OF ST JOHN THE EVANGELIST AND OF ST ANNE IN OKEHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 6 APRIL 2018

20 Designated funds

	Movement in funds			
	Balance at 7 April 2017	Investments credited to reserve	Transfer (to)/ from general funds	Balance at 6 April 2018
	£	£	£	£
Cyclical maintenance fund	26,981	-	1,679	28,660
Extraordinary repairs fund	466,259	13,144	433	479,836
	<u>493,240</u>	<u>13,144</u>	<u>2,112</u>	<u>508,496</u>

21 Endowment funds

	Balance at 7 April 2017	Depreciation and loss on disposal of land and buildings	Transfers from general funds	Revaluations gains and losses	Balance at 6 April 2018
	£	£	£	£	£
Permanent endowment fund	9,292,852	(163,078)	268,778	58,158	9,456,710
	<u>9,292,852</u>	<u>(163,078)</u>	<u>268,778</u>	<u>58,158</u>	<u>9,456,710</u>

Transfers from general funds of £268,778 include additions to land and buildings and loan capital repaid during the year.

22 Restricted funds

	Movement in funds			
	Balance at 7 April 2017	Increase in value of investments	Transfer from general funds	Balance at 6 April 2018
	£	£	£	£
Recoupment fund	263,242	12,187	602	276,031

23 Related parties

The Clerk's Mother is a resident of the Charity. The application for, and terms of, her appointment were undertaken on an arms-length basis in accordance with the Charity's normal policies and procedures.