



MORDEN COLLEGE

Interesting People Living Life to the Full



Annual Report



Annual Report and Consolidated Accounts
for the year ended 31 March 2019

Registered Charity No 215551

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Charity Information

Reference and administrative details for the year ended 31 March 2019

TRUSTEES

Chairman & Honorary Treasurer

Alderman Sir David Wootton

Trustees

Sir Michael Oliver LLD (*resigned 5 June 2018*)

Sir David Brewer KG CMG CVO (*resigned 5 September 2018*)

Sir John Stuttard MA FCA

Alderman Peter Estlin BSc FCA

Alderman William Russell

Alderman Professor Michael Mainelli FCCA FCSI FBCS

Alderman Alison Gowman (*elected 5 September 2018*)

Alderman Alastair King (*elected 5 September 2018*)

Fredrik Widlund (*elected 5 September 2018*)

Dr Abigail Masterson (*elected 5 September 2018*)

ADVISORS TO THE TRUSTEES

Honorary Surveyor

George Gillon MBE FRICS

Advisor on Care

Dr Caroline Shuldham OBE

OFFICERS AND SENIOR MANAGERS

Clerk to the Trustees & Chief Executive

David Rutherford-Jones CB

Chaplain

The Rev'd William Warren

Finance Director

Kate Morris MSc ACMA BA (Hons)

Director of Asset Management

Philip Westwood I Eng MIET MInstRe

Director of Health & Wellbeing

Kathryn Gibson

HR Director

Jane Canini BSc (Hons) FCIPD

Director of Operations

Richard McAllister

PRINCIPAL OFFICE

19 St Germans Place, Blackheath

London SE3 0PW

PRINCIPAL BANKERS

National Westminster Bank plc

13 Stratheden Road, Old Dover Road, Blackheath

London SE3 7SY

CHARTERED SURVEYORS

Gerald Eve LLP

7 Vere Street

London W1G 0JB

INVESTMENT ADVISORS

Stanhope Consulting

35 Portman Square

London W1H 6LR

AUDITOR

Haysmacintyre LLP

10 Queen Street Place

London EC4R 1AG

SOLICITORS

Farrer & Co LLP

66 Lincoln's Inn Fields

London WC2A 3LH

Stafford Young Jones

The Old Rectory

29 Martin Lane

London EC4R 0AU

INVESTMENT MANAGERS

Investec Wealth & Investment Limited

30 Gresham Street

London EC2V 7QW

Sarasin & Partners LLP

Juxon House

100 St Paul's Churchyard

London EC4M 8BU

CONSTITUTION

Morden College is the general title used for the administration of Sir John Morden's Charity and Dame Susan Morden's Charity. Both Charities were established under separate Trust Deeds but they share the same Registered Charity Number 215551.

Sir John Morden died on 6 September 1708 and his Charity was founded by a will dated 15 October 1702, proven on 6 October 1708. Sir John left approximately £12,500 to endow the Charity. It is administered by not less than seven and not more than nine Trustees. It is primarily for the benefit of older people who are in need of accommodation or financial assistance.

The Charity of Dame Susan Morden was founded by a will dated 6 May 1717 and is administered by the Trustees of Sir John Morden's Charity in accordance with the Scheme established by the Charity Commissioners on 22 August 1986. It is primarily for the benefit of clergymen, churches and parochial buildings of the Church of England.

The Trustees of the Charity are drawn, in the main, from the Court of Aldermen of the City of London. Trustees who retire from the Court of Aldermen of the City of London remain eligible to continue to serve as Trustees of the Charity. Trustees are appointed on the basis that they possess the appropriate range of skills and experience that will assist the future growth and development of the Charity.

Where it is recognised that certain particular skills and experience needed are not met from the Aldermen group, the Charity has gone outside to look for sector experts. Two new Trustees are non-Aldermen, covering the specific expertise of Property and Care.

All Trustees give their time freely and no Trustee remuneration was paid during the year. There were no related party transactions with Trustees nor did they receive any expenses during the year.

Trustees are required to disclose all relevant interests and register them with the Chairman of the Trustees and the Chief Executive.

Foreword from the Chair of Trustees



We are a few months from the end of Morden College's current 5-year Strategy and Business Plan (2015-20). This has been a milestone period for the Charity; one fundamentally about modernising and professionalising every aspect of our work, to the benefit we hope of the 340 or so older people who currently live with us. My intent is to appraise the Charity's performance during the whole period, not only the last financial year.

The Charity's primary purpose is to provide homes and care for older people, many of them in frailty. The challenge of the last few years has been to evolve the homes we offer into modern living environments that are safe and enable a high quality of life throughout an older life lived in independence and offer relevant support services, including care, for when the need arises.

Morden College is nearing the end of a programme to upgrade every one of its 260 independent living flats. In 2016 we opened the new Alexander Court, the first residence the Charity has built specifically designed with frailty in old age to mind, including full wheelchair access within every flat. We have refurbished the Charity's 60 bed residential care home, creating also a sensory garden with an orangery specially designed for those of our residents living with dementia to enjoy. We have also opened a new domiciliary service which currently serves two of our three independent living sites. The intention being to expand this at-home service, not only in regard to what support, care and non-care, the service provides; but to ensure the service is accessible to all our beneficiaries to choose, who need such support.

In regard to the staff, new training initiatives have brought annual dementia education for all, regardless of role or appointment. For the last two years the Charity has engaged all its managers in a leadership development

programme. We have introduced young apprentices in our kitchens and maintenance teams. In the Care Home we are proud to be in a collaboration with the Universities of Greenwich and Southbank to support and encourage student nurse education through placements; so far 12 trainee nurses have worked at Morden College. We have a member of staff dedicated to developing IT skills among our community of older people.

Our Care Home is now fully qualified as a place for end of life care, an area we are keen to be a market leader in. In 2018 our regulated care services, residential and domiciliary, were graded overall GOOD, achieving the individual grade of Good in each of the CQC's five disciplines. The College hotel services have achieved Hospitality Assured accreditation.

We are very conscious that the nature of older people in society is changing. People are living longer, with the average age at Morden College now 82. However, the length of a healthy life is not increasing at the same rate. Higher levels of frailty among those living in the Charity's independent living flats is a challenge, not least restricting our residents' freedom to get out and about, and contributing to loneliness among some, caused principally by isolation. We have been planning during the last year and continue to plan for how we can tackle this challenge. Our intent is to increase the care and non-care support we provide at home where that support is genuinely needed; and provide more relevant facilities. At one level this is the introduction of a choir, which many residents now enjoy; intergenerational experiences; increased numbers of social events on site, in 2018 the Charity organised 81 events and outings for our beneficiaries; and the recent introduction of two purpose-built minibuses with hydraulic ramps to run a bus service between our sites and enable more outings for more residents, including to evening events.

On an altogether larger scale is the creation of a new centre – the John Morden Centre, specifically designed for older people. In 2015 we concluded a competition with five London based architects who bid for this project; we also engaged our residents in thinking through what design criteria they considered should be incorporated; and later in 2018 sought residents' advice in choosing the soft furnishings and furniture. Most of 2018/19 was spent with managers and Trustees scrutinising the final detailed plans, and both the capital and expenditure costs associated with the whole project. The John Morden Centre was granted planning approval in 2017, went to tender in 2018 based upon a design and build contractual approach to procure the building; construction began in January 2019. Once complete this seminal project will provide a new hub of life for all our residents and we intend for some in the local community. College reception will be moved into the Centre and there will be a wide range of facilities and services – a new café, shop, art and craft rooms, hall for events and entertainment, and a medical centre where the Charity's Community Nurses will operate from, a GP practice three times a week, physiotherapy and we hope in time other wellbeing services. The John Morden Centre will be a one stop shop for our older people. The aim: our new John Morden Centre will be truly enjoyed by our residents, because time spent there, in the beautiful contemporary environment, will simply make them feel better, about themselves and about life generally. In parallel we intend to grow a far larger volunteer force to support operations in the John Morden Centre, befriend residents and encourage our most isolated residents to the John Morden Centre, if they wish to spend time there.

Organisationally the business has been fully restructured into five departments: Finance (including IT); Health & Wellbeing; Operations; HR and Asset Management. We have now overhauled many of the Charity's business practices with a particular focus on Health & Wellbeing, Operations and HR in order to maximise the impact to the Charity of all three departments working in closer harmony. We have revamped completely the applications process and modernised the resident's contract (Notice of Election) with the Charity. The Charity now has a manager dedicated to Compliance. We recognise too that the costs of delivering high quality homes and care of older people is rising, and often above inflation – we are identifying initiatives that will improve our business efficiency and keep our costs in check without impacting the peaceful and meaningful life we believe our residents enjoy. I anticipate costs will remain a consistent challenge.

Governance too has been overhauled. For the first time in its history the Charity has appointed non-Aldermen of the City of London to the Trustee Board; this Resolution was passed so that the Charity can in future have representation on its

Board from a wider range of professional and other experiences. We have continued to strengthen the Board with the appointment in the last two years of four new Trustees, Alderman Alastair King, Alderman Alison Gowman, Dr Abi Masterton, and Fredrik Widlund, who join a Board of nine independent Trustees, who together bring great expertise and professional judgment to the organisation. Obvious initiatives such as quarterly compliance reports, quarterly health and wellbeing reports, introduced in the last three years have also transformed Trustees' visibility of what is going on, and their understanding.

I am deeply grateful to Trustees for their commitment to our cause. I also wish to thank our staff who, despite the challenges of the last four years, continue to demonstrate exemplary commitment and loyalty to the Charity, and especially to its residents.



Alderman Sir David Wootton
Chair of Trustees

Our new John Morden Centre will be truly enjoyed by our residents, because time spent there, in the beautiful contemporary environment, will simply make them feel better, about themselves and about life generally.

A focus on living life to the full...

OVER
340

PEOPLE LIVE WITHIN
MORDEN COLLEGE,
WITH AN AVERAGE
AGE OF 82



IN 2018/19, OUR
REGULATED CARE
SERVICES WERE RATED

GOOD

BY THE CQC

IN 2018/19, THE
CHARITY ORGANISED

81

EVENTS AND
OUTINGS FOR
BENEFICIARIES



A RECENT RECRUIT
IS A MEMBER OF
STAFF DEDICATED
TO DEVELOPING

IT SKILLS

AMONG OUR
BENEFICIARIES



TWO NEW
PURPOSE-BUILT
MINIBUSES
EQUIPPED WITH
HYDRAULIC RAMPS
NOW MAINTAIN
A BUS SERVICE
BETWEEN OUR SITES,
AS WELL AS BEING
USED FOR OUTINGS

LET'S ALL SING
TOGETHER – A
RECENTLY-FORMED
CHOIR IS BRINGING
BENEFICIARIES
TOGETHER FOR
PRACTICES AND
PERFORMANCES



IN JANUARY 2019 WE BROKE
GROUND ON THE JOHN
MORDEN CENTRE – A MAJOR
NEW COMMUNITY HUB
COMPRISING
A CAFE, SHOP, ART & CRAFT
ROOMS, ENTERTAINMENTS
HALL AND AN EXTENSIVE
NEW MEDICAL CENTRE

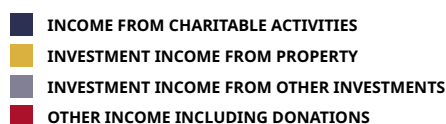
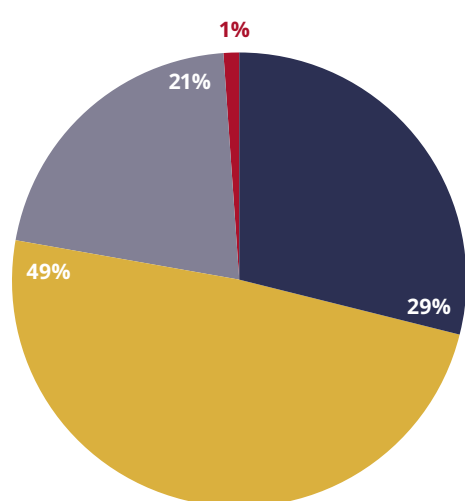


Trustees' Report

FINANCIAL REVIEW

The consolidated net surplus before transfers between funds and investment gains for the year under review was £2.31m compared to £1.96m for the previous year.

INCOME 2019



INCOME

TOTAL INCOME FOR THE YEAR WAS

£14.22m

2018

£13.41m

THIS IS AN OVERALL INCREASE OF 6%

(1) Income from charitable activities

Contributions from beneficiaries for living accommodation (including the Care Home) increased by 11% compared to 2017/18. This increase is as a result of an increase to contribution levels in line with inflation and fewer voids, that is to say, less time that flats are kept empty between moves.

(2) Investment income from property

Rental income increased by 1% compared to 2017/18. The staff team at Morden College actively manages our property portfolio, the increase to income is a result in part of rent reviews and increases, fluctuations due to voids are reduced as much as possible in year.

A sale mid-year 2017/18 of an investment property in Norwich meant a reduction (relatively speaking) of £285k to income in 2018/19, the inclusion of which would have resulted in a 6% increase year on year. Instead proceeds were invested in one of our two Charity Property Funds.

(3) Investment income from other investments

The Charity's Quoted Investment Portfolio includes the two Charity Property Funds. Income has increased by 16% to £3m for the year (2018: £2.6m). Excluding the impact of the transfer mentioned in (2) would have the effect of reducing this increase by £270k, and to 6%.

(4) Other income including donations

Income from the Charity's residents' café showed a modest increase compared to the previous year but income relating to Domiciliary Care Services (fewer residents were using the service) and other one-off (legacy) donations all reduced compared to the previous year's results.

(5) Fundraising

The Charity does not undertake fundraising activities during its normal course of operations.

EXPENDITURE

TOTAL EXPENDITURE FOR THE YEAR WAS

£11.91m

2018

£11.45m

THIS IS AN OVERALL INCREASE OF 4%

(1) Grants and out/in pensions

Grants paid to beneficiaries totalled £375,000 (2018: £324,000). The total number of beneficiaries supported by grants (outpensions) was 109. A small number of people receiving such grants move into one of the Charity's flats each year and the number supported in this way stood at 32 at the year end (2018: 33). The number living outside the College who receive financial assistance from the Charity was 77 (2018:78).

(2) Independent Living Housing Costs

Independent living cost increased by 4% compared to 2017/18, this reflects what we know about the property costs tracking higher than inflation.

(3) Care Home Costs

Care Home costs show a 7% increase, rising from £4.9m last year to £5.3 million this year. Staff were awarded a 2.5% pay rise and higher in some cases to work our way towards achieving the London Living Wage.

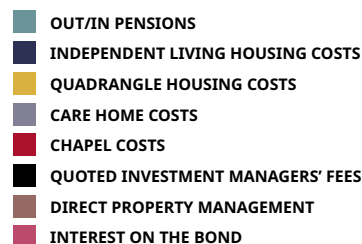
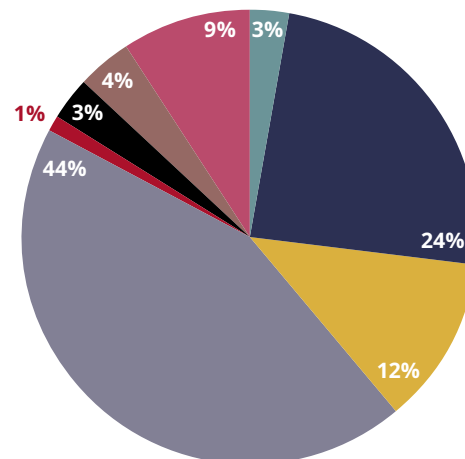
(4) Investment Managers' fees

Investment Managers' fees remained static year on year, and the overall costs of raising funds include the £1.014m interest payment on the Bond.

(5) Property Management Costs

At £500k the costs associated with our direct property investments have decreased again this year (2018: £612k), this is in part due to the sale of the investment property in Norwich.

EXPENDITURE 2019



Sir John Morden left approximately £12,500 to endow the College when he died in 1708 and the permanent endowment assets of the Charity, including some of the original land, are now valued at just under £221m.

INVESTMENTS

Sir John Morden left approximately £12,500 to endow the College when he died in 1708 and the permanent endowment assets of the Charity, including some of the original land, are now valued at just under £221m.

The Charity's investment policy provides that the minimum investment objective is to preserve the capital and income of the Charity's portfolio from inflation.

The Trustees have adopted the Total Return approach to accounting for the investments for the Sir John Morden's Charity's Permanent Endowment with effect from 1 April 2016. The Trustees are using the statutory powers included in the Charities Act 2011 ("the Act") and given effect by the Charities (Total Return) Regulations 2013 ("the Regulations"), which do not require Charity Commission approval in order for the Total Return basis to be adopted. The Trust for Investment is considered to be the value of the permanent endowment as at 1 April 2016 and may be increased by the allocation of unapplied total return, being the investment income and capital gains on the portfolio, from time to time. The Trust for Investment and the unapplied total return together comprise the permanent endowment fund disclosed in the notes to the accounts.

The total return for the year ended 31 March 2019 amounted to £10,158k comprising income of £2,993k and gains of £7,462k, less investment management costs of £297k. It is proposed that £4,913k is allocated to the Trust for investment, in line with the Trustees' policy established in 2017, and £2,993k is converted to income and transferred to the unrestricted fund.

RESERVES

a. Unrestricted Funds

- I. The Accumulation of Income Fund was set up to ensure that the fixed overheads of the Charity, which are mainly staff costs in the short term, could be met for a limited period of time if income levels were temporarily insufficient to cover such costs. Under the Charity's Trust Deed the Trustees are required to transfer a minimum amount of £6,000 per annum to the fund. The balance on the fund stands at £2.3m.
- II. The balance of the General Fund at £2.1m and combined with the Accumulation of Income Fund represents nearly 4.5 months of expenditure (with reference to the year under review). Trustees' target is to keep this combined balance at 6 months of expenditure since the Charity relies wholly on income from its investments to fund day-to-day running costs. This balance reduces the risk of the Charity being unable to operate if faced with a downturn in either the property or financial investment markets, or both.
- III. The Charity owns and manages an extensive property portfolio which comprises both investment properties and College Buildings which provide accommodation and other facilities for its beneficiaries. Investment properties are usually let to commercial tenants on full repairing leases mitigating the risk of large repair costs. The maintenance plans for the Charity's College Buildings are reviewed annually and budgeted for. Most of these costs are met through income, but some of what is planned is exceptional and will be charged to the Extraordinary Repairs Fund (ERF). The ERF will also be used for unforeseen, hopefully one off, more urgent type costs. It has been agreed that this fund will be topped up to represent 20% of the value of College buildings each year.
- IV. The balance on the Future Projects Fund brought forward at 1 April 2018 was £12.9m and an amount of £598k has been transferred out of the Fund during the course of the year to cover initial payments for the building of the John Morden Centre.

The balance on the fund at 31 March 2019 is £12.3m and this fund will continue to decrease over the next year as payments are made towards the new building. Trustees will seek to rebuild this Fund in the future to match strategic ambition.

The balance on The Residents' Coach Fund was written back to the general fund as the coach has now been disposed of and replacement vehicles hired.

b. Restricted Funds

- I. The Staff Welfare Fund was set up on the receipt of a legacy and is for the benefit of residents and staff where expenditure incurred is not part of the Charity's normal activities. The balance on this fund at 31 March 2019 was £6,000 and was invested in short term cash deposits.
- II. A Gift Donation Fund has also been established to hold donations given for the benefit of the Care Home and its staff; balance at 31 March 2019 was £13,000.
- III. Included in Restricted Funds is the Dame Susan Morden Charity general fund, the balance on this fund has increased in year to £796,000.

c. Permanent Endowment

These funds are the capital of the Charity and it is invested to produce income that is used to further the Charity's work. The Permanent Endowment Fund may not be used for any other purposes. Its funds are invested in charitable property, investment property, quoted investments and cash deposits. The value of the Permanent Endowment Funds at the year end was £240.5m, of which £222m represents the Sir John Morden permanent endowment and £18.5m represents the Dame Susan Morden permanent endowment.

The Dame Susan Morden permanent endowment fund has decreased by £528k relating to investment losses in the year.

RISKS

The risks of the Charity are monitored on a regular basis, and appropriate action is taken to reduce the risk of disruption to the effectiveness of the Charity's work and operations. The Charity's risk management strategy utilises a hierarchical approach to the monitoring of risk with the overall operational strategy delegated to the Chief Executive. All identified risks are assessed for the likelihood of occurrence and their possible impact. The risk management system is designed to mitigate the likelihood of occurrence and/or the impact.

Currently the Charity assesses and monitors organisational risks under the following key areas:

Property Investments

A sizeable proportion of the Charity's endowment is invested in property and it is the responsibility of the Property Sub-Committee to review the overall performance of the Charity's real estate. The Committee is authorised to seek third party professional advice where required. All key decisions are ratified by the Board of Trustees.

Other Financial Investments

It is the responsibility of the Finance & Audit and Investment Sub-Committees to review the financial and property investment strategy and to set policies on such matters — it is also authorised to seek third party professional advice where required and changes to policies and recommended actions are ratified by the Board of Trustees. The investment strategy is to ensure that the value of the investment portfolio does not suffer a permanent diminution in value over the longer term. The strategy also has an objective to preserve the capital and income of the Charity's portfolio from inflation.

Operations including Care Provisions

The Charity has assessed operational risk, which may be defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events under a number of areas such as care, health and safety and fire. These are monitored and processes have been put in place to minimise the Charity's exposure to risks arising from such areas.

STRUCTURE AND GOVERNANCE

Construction of Morden College began in 1695. It opened in 1700 for the benefit of poor, elderly merchants of good character who were either bachelors or widowers and who had failed in business through no particular fault of their own. Since that time, the qualifications for entry have been widened. They now include men or women of good character who have either been engaged in a trade, business or a profession as principals, or reached a position of authority or seniority, in employment and who, through accident, misfortune, disability, or infirmity have been prevented from continuing to follow their former calling and are in reduced material circumstances. The qualifications also include the spouses, partners, widows and widowers of such men and women.

The Trustees are also empowered to provide assistance by way of pensions and grants for older people in need whether or not they are resident in the Charity's homes. Donations may also be made to other Charities that provide or undertake in return to provide items, services, or facilities to beneficiaries of the Charity.

The Trustees determine the general policy of the Charity and delegate day-to-day management to the Clerk to the Trustees, whose role is that of Chief Executive. The Charity's Senior Leadership Team holds regular meetings to review progress against objectives agreed with the Trustees. Meetings are minuted and copies are made available to the Chairman of the Trustees. The Chairman visits the Charity on a regular basis and meets with the Chief Executive.

MANAGEMENT AND STAFF REMUNERATION

There are clear distinctions between the role of Trustees and the Senior Leadership Team. The Trustees hold a range of reserved matters and delegate certain authority to the Senior Leadership Team in order to run the organisation efficiently. Matters such as policy, strategy and budgets are prepared by the Senior managers for consideration and approval by the Trustees.

The Charity aims to pay salaries which are fair, competitive with the charity sector, and proportionate to the complexity of each role. In setting salaries, the Charity ensures that:

- *Roles are benchmarked against salaries paid by other Charities operating in the Care Sector taking data from information published by the National Care Forum and other pay surveys which are made publicly available such as the NHS and Local Government;*
- *All staff receive ongoing performance management and an annual appraisal which provides them with feedback on how they have contributed to the achievement of the Charity's strategy; and*
- *All staff are paid above the national living wage.*

Within Dame Susan's Charity the sole employee is the Chaplain who is supported in his role by the Chief Executive, the Finance Director and the Head of Property and members of the staff team employed by Morden College as and when the need arises.

POLICIES

Applications policy

Applications for accommodation or outpensions have to be submitted in writing and must be supported by independent testimonials. Applications for grants are also made in writing and are normally for single payments unless the need is assessed as a continuing one when the Charity may award an annual Outpension. The Trustees review all applications carefully and satisfy themselves that the applicant is genuine and the assistance sought is in accordance with the Charity's aims. All applicants for accommodation are interviewed by the Chief Executive before being recommended for admittance by the Trustees.

Grant Making policy

Every application for a grant must be submitted in writing and include the total cost of the project for which the grant is sought. All applications are scrutinised to ensure that the request for assistance falls within the scope of the Charity's Scheme. Applicants who are eligible for help are visited to clarify any outstanding matters. If all is found to be in order, a report is made to the Trustees, who consider the application, and instruct whether the grant should be made together with any conditions relating to it. Compliance with any conditions made is monitored, and payment of grants may be withheld if the terms of assistance are not met.

PUBLIC BENEFIT

The objective of the Charity is to relieve financial hardship suffered by older people and it does this primarily by providing living accommodation comprising independent living and a Care Home. We also make available such support as is necessary to enable beneficiaries to live their lives in the community to the full.

The Charity also provides single grants and continuing annual grants, (referred to as outpensions) to older people in financial need but who do not necessarily wish to apply to the Charity for accommodation. Beneficiaries receiving such grants use the money to defray living costs as they see fit.

The objective of Dame Susan's Charity is the advancement of religion by assisting the Church of England with the upkeep of their churches and associated activities and by maintaining and paying for the operating costs of the Morden College Chapel and its Chaplain.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities including the provision of accommodation, the making of grants and provision of outpensions.

The Charity fulfils these objectives by:

- (1) Relieving financial hardship for older people by providing accommodation at subsidised rates and increasingly by providing care that will allow them to lead independent lives for as long as possible. Applicants for accommodation are not required to have a minimum level of income but a cap is in place to ensure only those in need qualify. The financial limits are reviewed annually to take account of changing market conditions;
- (2) Making available such support as is necessary to enable beneficiaries to live their lives in the community to the full. This support includes a Community Nurses team, Physiotherapy, social events and the provision of facilities such as a Cafeteria and Social Club which assist older people with their daily lives;
- (3) Providing an annual outpension to those who qualify as being in need, as the Trustees recognise that not all applicants in need will wish to relocate to where the Charity's accommodation is located.

Applications for accommodation are received from older people who come from many different backgrounds but share a common problem in retirement in so far as they face financial difficulties. Enquiries for accommodation continue to be from all over the country as well as a small number from people living abroad but all applicants must have the right to live in the UK to qualify for accommodation. The number of applications has been increasing as the effects of financial austerity continue to be felt across the UK.

The Charity maintains a waiting list of applications but limits its public exposure other than that of the Care Home as it does not actively advertise its independent living accommodation as it seeks to control demand which outstrips supply.

As properties become vacant they are refurbished before being made available to applicants. It is common for bathrooms and kitchens to be replaced prior to re-letting to ensure the standard meets the needs of older people and flooring is replaced on a regular basis.

The Charity, via the Dame Susan Trust, seeks to deliver public benefit by making grants to Church of England churches who lack the necessary funds to maintain, repair and improve the fabric of their own buildings.

Regular services of worship were held throughout the year in the Morden College Chapel at Blackheath and at the Charity's second site at Ralph Perring Court, Beckenham. Regular services are also held in Cullum Welch Court, the Care Home provided by Sir John Morden's Charity which is situated at Blackheath.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the 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,*
- *Observe the methods and principles in the Charities SORP;*
- *Make judgements and accounting estimates that are reasonable and prudent;*
- *State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;*
- *Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.*

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, 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.

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 Charities Act 2011. 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. Through a system of internal controls the Trustees seek to ensure all expenditure is properly incurred and properly authorised, that receipt of income is secure and that the Charity's property is fit for purpose.



Alderman Sir David Wootton
Chair of the Trustees



David Rutherford-Jones CB
Clerk to the Trustees & Chief Executive

19 November 2019

Independent Auditor's Report to the Trustees of Morden College

Opinion

We have audited the financial statements of Morden College for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- *give a true and fair view of the state of the group's and of the parent Charity's affairs as at 31 March 2019 and of the group's net movement in funds 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 have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 15, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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.

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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:

- *adequate accounting records have not been kept by the parent Charity; or*
- *sufficient accounting records have not been kept; or*
- *the parent Charity financial statements are not in agreement with the accounting records and returns; or*
- *we have not received all the information and explanations we require for our audit.*

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 anyone other than the Charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP

Statutory Auditor
10 Queen Street Place
London EC4R 1AG

Date: 19 November 2019

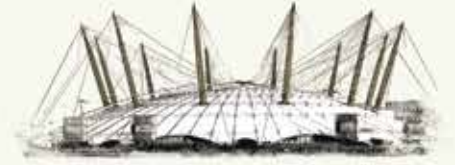
Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



The Cutty Sark



Maze Hill
2 miles from main site



The O2 Arena



Greenwich
4 miles from main site



Peter Saunders Court



Broadbridge Close



Graham Court



Montague Graham Court



Wells Court



Alexander Court



Morden College - The Quadrangle



Cullum Welch Court



Blackheath
1 mile from main site



Ralph Perring Court

Beckenham - 7 miles from main site

The Morden College community occupies a cluster of buildings around the main Blackheath site - a village within a village - with many more beneficiaries also enjoying independent living a short distance away in Beckenham.



Beckenham
2 miles from Beckenham site



MORDEN COLLEGE
Interesting People Living Life to the Full



MORDEN COLLEGE

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Morden College

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