

RICHARD CLOUDESLEY'S CHARITY

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

30 JUNE 2015

TRUSTEE & DIRECTORS

Trustee: Richard Cloudesley Trustee Ltd

Directors of the Trustee	Estate Sub-Committee	Finance & Endowment Committee	Grants Committee
Ex-officio			
The Mayor of Islington			
Rev Simon Harvey, the Vicar of St Mary's Islington			
London Borough of Islington nominated			
Cllr Jean-Roger Kaseki	✓		✓
Cllr Rupert Perry			
Denise Ward - appointed 14 May 2015			✓
Deanery Synod nominated			
Courtney Bailey - until 26 November 2014			✓
Michael Maunsell - Vice Chair	✓	✓	✓
Dorothy Newton MBE - Chair until 17 June 2015	✓	✓	✓
Susan Sorensen – appointed 17 June 2015			✓
Heather Wood – reappointed 26 November 2015		✓	
Claire Wheatcroft – until 12 March 2015			✓
Elected			
Mary-Therese Barton – appointed 18 March 2015		✓	
Miranda Coates			✓
Margaret Elliott – Vice Chair until 17 June 2015; Chair from 17 June 2015	✓	✓	✓
Vicky Mirfin			✓
Dawn Reeves – until 7 September 2015		✓	✓
Delyth Richards – appointed 8 September 2015	✓	✓	

Melanie Griffiths appointed as Company Secretary on 18 March 2014.

ADMINISTRATION & ADVISORS

ADMINISTRATION	Melanie Griffiths Director Office 1.1, Resource for London 356 Holloway Road London N7 6PA		
BANKER	CAF Bank Limited Kings Hill West Malling Kent ME19 4TA	ESTATE MANAGERS	Daniel Watney LLP 165 Fleet Street London EC4A 2DW
INVESTMENT ADVISER (until 18 March 2015)	Mercer 1 Tower Place West Tower Place London EC3R 5BU	INVESTMENT MANAGERS (from 31 March 2015)	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU
LEGAL ADVICE (Structural/Charity)	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE	LEGAL ADVICE (Property/Estate management)	Bolt Burdon Providence House Providence Place London N1 0NT
AUDITOR	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL		
CHARITY NUMBER	205959	TRUSTEE COMPANY NUMBER	7425897

RICHARD CLOUDESLEY'S CHARITY

The Trustee of Richard Cloudesley's Charity has pleasure in presenting the report and accounts for the Charity's activities in the year to 30 June 2015. 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 Charity Commission Scheme, the Charities Act of 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities published in 2005.

Structure, governance and management

Richard Cloudesley's Charity is a registered charity and is constituted under a Charity Commission Scheme dated 2 July 1980. On 15 November 2010, Richard Cloudesley Trustee Limited became trustee of the Charity, and now all the trustees are directors of the trustee company. The directors are referred to as trustees in line with their ongoing roles.

The Charity was formed as the result of a gift of land (a 'Stoney Field' of 14 acres) from the will of Richard Cloudesley dated 1517. In his will it was stipulated that the proceeds from the rental of the land were to be used to bestow good deeds of charity and to fund masses at St Mary's Church for his and his wife's souls. During the Reformation, the proportion of the bequest allocated to fund masses was taken by the Crown and, in subsequent years, the charitable trusts have been amended several times.

Today, Richard Cloudesley's Charity is a significant grant-making charity in the borough of Islington, with its current area of benefit covering the area of the Ancient Parish of St Mary, Islington. Half of the Charity's grant-making focuses on its Health & Welfare programmes that support people with health and financial needs in the area, while the other half supports the Church of England churches in the Ancient Parish, and St Silas Pentonville.

In July 2014, following a review of governance arrangements, which included consultation with the Deanery Synod and the London Borough of Islington, the Charity reduced the size of its Board. There are now up to 15 trustees (instead of the previous 17), four of which are nominated by the Church of England Islington Deanery Synod, four of which are nominated by the London Borough of Islington, five are elected by the trustees as a whole and two are ex-officio (the Mayor of Islington and the Vicar of St Mary's Upper Street). The five elected trustees are selected through an open selection process.

In Spring 2015, the Charity ran an open recruitment process for new trustees, in particular to add to the existing investment experience on the Board. A number of new trustees have joined the Board as a result. All new trustees have undergone an induction to understand the objects of the Charity and the methods by which it meets those objects. Other training is offered, as required.

Revised Articles and Standing Orders for the Trustee company were approved by the Board and formally adopted on 1 July 2013 with further changes adopted in July 2014.

In recent years, the Charity's administrative arrangements have changed considerably. The long-standing Clerk, Keith Wallace, stood down in 2012 and, following a transitional period with support from an external consultant, Carol Stone, since April 2013, the Charity's administration has been undertaken by a small staff team. Melanie Griffiths is the Charity's Director and is supported by a Grants Manager, a Finance Manager and an Administrator.

The trustees work with the staff through the Board, two standing committees and a standing sub-committee: the Grants Committee (chair - Dorothy Newton) and the Finance and Endowment Committee (chair - Margaret Elliott) and its Estate Sub-Committee (chair – Margaret Elliott during 2014/15, Michael Maunsell during 2015/16). The Board, committees and sub-committee meet formally four times a year and at other times as required.

During 2014/15, the Charity also operated five working groups of trustees as follows:

- Governance Working Group, chaired by Michael Maunsell
- Strategic Investment Review Group, chaired by Margaret Elliott
- Welfare Grants Working Group, chaired by Dawn Reeves
- Health Grants Review Group, chaired by Dorothy Newton
- 500th Anniversary Working Group, chaired by Dorothy Newton

In 2014/15, the Charity further clarified its procedures around conflicts of interest and developed arrangements for delegated authorities, in particular with relation to property issues, investment management and grant awards. In the year all trustees gave freely of their time, and no remuneration or expenses were paid to trustees.

Risk review

During 2014/15, trustees continued the process of review that had begun in 2012. This included concluding the Charity's review of Welfare Grants to individuals and beginning a review of Health Grants to organisations; reviewing investment management arrangements and appointing new investment managers; developing arrangements with the newly appointed estate management company; formalising financial and administrative procedures and processes. New policies and ways of working have been set up, and these will continue to be reviewed by staff and trustees on a regular basis.

The Charity introduced a formal risk register in September 2013. Until December 2014, updates of this register were reviewed at each Finance & Endowment Committee and Board meeting. Going forward, the risk register will be reviewed annually by the Finance & Endowment Committee and the Board at their last meeting in each calendar year.

In May 2014, the Chair of the Finance & Endowment Committee, Director, and Finance & Administration Assistant undertook an internal audit. No significant issues were highlighted by this audit, but a number of procedural matters were addressed subsequently. The Charity's 'Financial Procedures', which had been being developed since 2012, were considered by the Finance & Endowment Committee and the Board at their

Autumn 2014 meetings, with approval given to the relevant sections. A further internal audit is due to be carried out in early 2016, and financial procedures will be further developed to take account of the higher number of grants transactions, the larger staff team and other changes as required.

During the year, Bolt Burdon provided legal advice and support on property and estate management issues, and Bates Wells Braithwaite supported the Charity with legal advice on governance and Charity Commission issues.

Objectives and activities for the public benefit

The objects of the Charity remain as set out in the Charity Commission Scheme of 1980, to help those who are sick and poor within the Ancient Parish of Islington and to support the Church of England churches in the Ancient Parish and St Silas, Pentonville. The trustees confirm that they have read and understood the guidance of the Charity Commission on public benefit, and meet these requirements in the Charity's current activities and take account of it when planning future grant-making activities.

In September 2015, the Charity started consultation on whether to extend the area of benefit so that it is co-terminus with the Islington Borough boundary. The consultation results will be reported to the trustees in late 2015 who will then decide whether to approach the Charity Commission to ask for this change to be made.

The Charity seeks to be strategic and creative in its grant-making, using its knowledge of the area of benefit to support individuals who have health and financial needs (Welfare Grants), voluntary organisations working with people in this situation (Health Grants) and local Church of England churches (Church Grants). As set out in the Charity's Scheme, in each year, half of the Charity's grant funding goes to the Health and Welfare grants programmes and the other half to the Church Grants programme available to the designated churches, each of which is itself a registered or excepted charity.

Achievements and Performance

The Charity is reporting net incoming resources before other recognised gains and losses of £57,756, based on income of £1,430,473 and expenditure of £1,372,717. This compares with net incoming resources before other recognised gains and losses in 2013/14 of £680,306, income of £1,552,167 and expenditure of £871,861. The year saw a considerable increase in the level of grant commitments made, rising from £438,272 in 2013/14 to £899,832 in 2014/15, with the level of Church Grants up from £243,336 in 2013/14 to £491,387 in 2014/15 and Health & Welfare Grants rising from £194,936 in 2013/14 to £408,445 in 2014/15. Trustees have sought to maintain and increase the Charity's grant-making activities at a time of austerity for those in its area of benefit and, at the same time, are aware of the need to maintain the Charity's financial position in order to support future needs.

There were other recognised gains for 2014/15 of £2,620,436 (property assets £2,147,295 and investment assets £473,141) making a total increase in funds for the year of £2,678,192. The other recognised gains for

2013/14 were £6,441,215 (property assets £6,047,031 and investment assets £394,184) making a total increase in funds for the year of £7,121,521.

Health & Welfare Programmes

The Charity's Scheme specifies that half of the residue of its income is for '*relief in sickness for the purpose of relieving in cases of need persons who are sick, convalescent, disabled, handicapped or infirm*', and the Charity seeks to address this through its Health and Welfare programmes.

Over the years, the Charity has taken on a number of small funds, known as Exclusive Medical Funds, from the Richard Cloudesley Charity Convalescent Homes Fund, Islington Relief in Need, Islington Relief in Sickness, Finsbury Dispensary Relief in Sickness, Dame Sarah Temple Foundation and Brand's Gift Charity. The income generated from these invested funds is only applicable towards the Charity's Health and Welfare Grants programmes (see note 15 for further information).

- **Grants for individuals**

During 2014/15, the Charity continued to operate its Cloudesley Partners' programme of grant awards for individuals in need. Through this programme, the Charity gives grants to local voluntary organisations (the Cloudesley Partners) which are working with a range of different individuals across the borough. The Partners then distribute this money by making grants of up to £500 to individuals who have health needs and are in need of financial support.

In June 2014, the Charity agreed grants of £68,500 for distribution by Cloudesley Partners during the Charity's 2014/15 financial year. Over the course of 2014/15, 549 grants were made to individuals. A grant as a contribution to administration costs of 10% was made to each of the organisations as recognition of the time involved in administering and monitoring these grants.

The Cloudesley Partners' programme, which started in July 2013, was initially operated as an interim programme whilst the Charity undertook a review of its Welfare Grants. In March 2015, trustees agreed that this way of working should be adopted on an ongoing basis by the Charity. At the same time, the Charity agreed further grants of £54,000 for 13 Cloudesley Partners to distribute during the period 1st July 2015 to 31st December 2015.

During 2014/15, the Cloudesley Partners used the grants to help individuals in a wide variety of ways, including for emergency expenses (such as food, clothing, accommodation and travel costs), 'white goods' (for example, cookers and washing machines), furniture and furnishings, medical reports, legal documents and fees, disability equipment and Debt Relief Orders. The Partners have reported an increase in destitution amongst those needing these grants, with a quarter of the awards made being for emergency expenses and increasing numbers of awards being made for food once other avenues have been exhausted.

The Charity also agreed further funding of £40,000 for the Catalyst Programme, which is administered by the Cripplegate Foundation. The Catalyst Programme is a creative grant-making programme that gives partner

support organisations the ability to provide small grants to help vulnerable local residents to meet personal goals and to connect to opportunities and services. In 2014/15, Richard Cloudesley’s Charity increased the number of organisations which it funded through this programme from three to eight.

- **Grants for organisations**

The Charity’s Health Grants programme provides grants to organisations that offer support to those who are sick and living in poverty, and that promote good health in the area of benefit. In recent years, the Health Grants programme has been ably administered by Cripplegate Foundation on behalf of the Charity. However, one of the goals of the Richard Cloudesley’s Charity’s recent administrative reorganisation was to develop capacity for the Charity to manage its own grant-making. With its own staff team now in place, during 2014/15 the Charity worked alongside the Cripplegate Foundation on a phased handover to bring the administration and management of its Health Grants programme back in-house. Trustees are very grateful to the staff of the Cripplegate Foundation for the experience, knowledge and professionalism that they have brought to Richard Cloudesley’s Charity’s Health Grants programme in recent years. Going forward, the Charity and Cripplegate Foundation will continue to work closely together in a variety of ways, including directly through the Catalyst Programme and on Islington Giving.

With its Health Grants funding, the Charity addresses its ‘Sickness Object’ by supporting sustainable organisations that demonstrate initiative in tackling health issues. During 2014/15, staff from the Charity and Cripplegate Foundation developed a pro-active grants programme focussed on two priorities – vulnerable families and mental health. In March 2015, the Charity agreed funding of £115,000 towards eight organisations through this programme:

Vulnerable families	Mental health
Angel Shed	Islington Bangladesh Association
Finsbury Park Homeless Families Project	Maya Centre
The Parent House	Stuart Low Trust
Solace Women’s Aid	Women’s Therapy Centre

In Autumn 2014, the Charity also agreed a further 27 months of funding for Islington Law Centre to run the Finsbury Park Advice Project and for Help on Your Doorstep’s Finsbury Park Connect Service. These grants reflect the Charity’s decision to fund projects in the northern part of the borough, where there were fewer resources to tackle deprivation and poor health.

- **Islington Giving**

The London Borough of Islington within which the Charity operates is a borough of extremes of wealth and poverty. In recent years, Richard Cloudesley’s Charity has joined with a group of Islington-based and other funders to found Islington Giving, a campaign to tackle poverty, combat isolation and invest in young people in

the borough. Islington Giving asks residents and local businesses to give money or volunteer to make a positive difference to the borough's community. During 2014/15, the Board of Islington Giving (of which Richard Cloudesley's Charity is a part) agreed that Islington Giving, which had started out as a time limited campaign, should continue on a permanent basis.

In September 2014, the Charity agreed a grant of £70,000 towards Islington Giving's 2015 and 2016 financial years in order to bring added value to the Charity's beneficiaries through partnership work with other funders. This is to be used in the 'relief of sickness' of vulnerable people in the Charity's area of benefit.

Church Grants Programme

Following the Charity's review of its Church Grants programme in 2013, a new Church Grants programme for 2014–2017 was launched in February 2014. During 2014/15, the Charity invited the eligible churches to submit applications under the following funding streams:

- Capital and major developments
- Enabling major developments
- Substantial repairs, refurbishment and equipment
- Capacity building

A 'Small urgent repairs' stream also operated during the year.

21 Church of England churches currently fall within the Charity's area of benefit and each is a potential beneficiary of the Church Grants programme. During 2014/15, the Charity received applications from and awarded grants to 17 churches in the two funding rounds, increasing the level of grants awarded in-year to £523,910 in comparison to £264,920 awarded to 14 churches in the previous year.

The grants awarded in 2014/15 were as follows:

• St Mary's, Islington	£60,000	To enable major development work
• St Andrew's Thornhill Square	£15,000	Floor repairs & carpeting; chandelier works
• Church on the Corner	£2,800	Renovation of audio system & redecoration
	£20,000	Fees to prepare for building reorganisation
• St Augustine Highbury New Park	£9,000	Fees for lighting design phase (later written back)
• Christ Church Highbury	£7,500	Feasibility study, stonework repair & redecoration
	£310	Small urgent grant – security fencing
	£6,400	Repainting rainwater heads & railings
• St George & All Saints	£50,000	Towards fees related to new church build project
• St Jude & St Paul	£22,500	Replacement carpet for nave

• St Luke West Holloway	£4,600	Towards kitchen upgrade works
	£4,600	Purchase & installation of external noticeboard
• St Mark's, Tollington Park	£20,700	Internal redecoration
	£14,900	Water heating system: electrical work; computers
• Emmanuel, Hornsey Road	£10,300	To address damp & upgrade projection system
	£18,000	Audio system; electrics; kitchen & toilet refurbishment
• St Saviour's, Hanley Road	£25,000	Project Manager for church building development
• St Mary, Hornsey Rise	£35,000	Boundary wall; stonework & guttering works
	£15,500	Kitchen upgrade works
• St Andrew, Whitehall Park	£6,500	Upgrade of PA system & overhead projection
	£18,000	Electrical works
• St John, Upper Holloway	£15,700	Replacement doors; restoration of pews
• Hope Church: St Mary Magdalene	£40,000	Roof repairs
	£40,000	Major investigation of flooding & water leaks
• St Stephen, Canonbury	£46,600	New entry steps & access ramps
• St Thomas Finsbury Park	£10,500	Electrical repairs & rewiring; towards entrance gates
	£4,500	Redecoration following damp

Consultation

During 2014/15, the trustees considered a number of issues that had emerged from the Charity's 2013 Church Grants Review. As a result of this, the trustees agreed to consult with the eligible churches, local voluntary organisations and other key stakeholders on the possible expansion of the area of benefit of the Charity. Once consultation responses have been received the trustees will decide whether to approach the Charity Commission to extend the area of benefit in this way. During 2015/16, the Charity will also consult with the eligible churches and other related stakeholders to gauge views on some other possible additions to the Charity's Church Object. Once trustees have received consultation responses, they will decide whether to approach the Charity Commission about possible changes to the Scheme.

Finance and endowment review

The Charity holds and manages a permanent endowment of over £45 million consisting of property on the historic Cloudesley Estate and a securities portfolio. Income decreased slightly in this financial year from £1,552,167 in 2013/14 to £1,430,473. There has been an increase in income from rental properties, which rose from £502,781 in 2013/14 to £519,229 but this is more than offset by a fall in investment income to £822,810 in 2014/15 compared with £864,074 in 13/14 and endowment income of £79,500 in 13/14 which did not occur in 2014/15. Rental income is expected to increase further in future years due to the rising number of the Charity's properties that are let as Assured Shorthold Tenancies.

From 1 July 2014, the Charity appointed Daniel Watney LLP as its new estate managers. During the year, staff from Daniel Watney have undertaken a comprehensive review of the Charity's property portfolio and have introduced a planned maintenance programme. A substantial redecoration and refurbishment programme began during 2014/15 and will continue into 2015/16. This programme will include internal and external redecoration of the three Cloudesley Mansions blocks and improvements to properties let as protected tenancies. Daniel Watney carried out a desktop appraisal of the Charity's property portfolio and, based on this, the trustees valued the Charity's property at £24,320,956 as at 30 June 2015.

Following a Strategic Investment Review and recruitment process, during the year the Charity appointed Sarasin and Partners as its new investment managers. Following this appointment, the majority of the Charity's investments were transferred to Sarasin in-year as a main portfolio and a smaller, more easily accessed reserve fund.

The Charity's expenditure falls into several categories, the main one of these being its grant-making activities. The Charity also incurs expense in maintaining the estate, administering the Charity and in investment management fees. During 2014/15, governance costs rose as the Charity reviewed a number of areas of its activities and legal advice was required on property, estate management and charity governance matters.

In 2013/14, the Charity set up a designated property fund to take account of the need to 'smooth' the irregular nature of expenditure on the estate and a smaller designated office fund to reflect the Charity's new responsibilities for staff. The Charity does not consider that any changes to the level of these funds is required for the current financial year but has planned a major maintenance and redecoration programme for 15/16 and part of the property reserve may be utilised for this.

Plans for the future

In 2014/15, the Charity consolidated many of the changes made in recent years, set up new administrative and management arrangements, reviewed several areas of its operations and recruited four new trustees and three permanent staff. Further development activity is planned for 2015/16 as follows:

- Consultation on the possible expansion of the area of benefit of the Charity so that it is co-terminus with the Islington Borough boundary
- Consultation on possible additions to the Charity's Church Object and on the timing of church grant funding rounds
- Conclusion of the Health Grants Review and launch of a new Health Grants funding programme
- Further development of relationships with the eligible churches, local voluntary and community organisations, the Islington Deanery Synod, London Borough of Islington, and a range of other funders and stakeholders
- Development of the Benefactor grant-making database and introduction of an online grant application process
- Further work with Daniel Watney LLP on a major maintenance and redecoration programme for the Charity's estate, and the refurbishment of vacant properties
- Development of arrangements with the recently appointed investment managers Sarasin & Partners LLP and reviewing the Charity's ESG policy
- Introduction of new branding and communications materials for the Charity

During 2015/16, the Charity will be preparing to celebrate the 500th anniversary of the writing of Richard Cloudesley's will. The celebration is scheduled to occur throughout the Charity's 2017/18 financial year and will include specific funding programmes and a number of related activities. Over the coming years, it is hoped that the Charity will continue to meet the framework of the wishes set out in that will, by working strategically and creatively in the area of benefit.

Statement of the responsibilities of the Trustee Company

The Directors of the Trustee Company are responsible for preparing the report of the trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Directors of the Trustee Company 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice: Accounting and Reporting by Charities);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume the Charity will continue to operate.

The Directors of the Trustee Company are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and comply with the 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.

Auditors

Sayer Vincent LLP were re-appointed as the charity's auditors during the year and have expressed their willingness to act in that capacity.

Approved by the Trustee

Margaret Elliott, Chair

2 December 2015

Independent auditors' report to the trustee of Richard Cloudesley's Charity

We have audited the financial statements of Richard Cloudesley's Charity for the year ended 30 June 2015 which comprise the statement of financial activities, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the trustee 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 trustee 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 trustee, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustee and auditors

As explained more fully in the statement of trustee's responsibilities set out in the report of the trustee, the trustee is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustee to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 30 June 2015, and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the report of the trustee is inconsistent in any material respect with the financial statements
- Sufficient accounting records have not been kept
- The financial statements are not in agreement with the accounting records and returns
- We have not received all the information and explanations we require for our audit

DATE

Sayer Vincent LLP, Statutory Auditors

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditors in terms of section 1212 of the Companies Act 2006

DRAFT

Richard Cloudesley's Charity

Statement of financial activities

For the year ended 30 June 2015

	Note	Unrestricted £	Endowment £	2015 Total £	2014 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Investment income					
Investments	2	822,810	-	822,810	864,074
Properties	3	607,663	-	607,663	608,593
Other		-	-	-	79,500
Total incoming resources		1,430,473	-	1,430,473	1,552,167
Resources expended					
<i>Costs of generating funds:</i>					
Investment management costs		18,056	-	18,056	12,959
Property related costs		302,140	-	302,140	318,035
<i>Charitable activities</i>					
Health and welfare		482,068	-	482,068	237,978
Churches		541,676	-	541,676	286,737
<i>Governance costs</i>		28,777	-	28,777	16,152
Total resources expended	5	1,372,717	-	1,372,717	871,861
Net incoming resources before transfers	6	57,756	-	57,756	680,306
Gross transfers between funds	15	-	-	-	-
Net incoming resources before other recognised gains and losses		57,756	-	57,756	680,306
Other recognised gains					
Gains on property assets		-	2,147,295	2,147,295	6,047,031
Gains on investment assets		-	473,141	473,141	394,184
Net movement in funds		57,756	2,620,436	2,678,192	7,121,521
Reconciliation of funds					
Total funds brought forward		<u>2,024,059</u>	<u>42,649,465</u>	44,673,524	<u>37,552,003</u>
Total funds carried forward	15	<u>2,081,815</u>	<u>45,269,901</u>	<u>47,351,716</u>	<u>44,673,524</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

Richard Cloudesley's Charity

Balance sheet

As at 30 June 2015

	Note	£	2015 £	2014 £
Fixed assets				
Tangible fixed assets	9		-	1,013
Freehold properties	10		24,320,956	22,047,500
Endowment fund investments	11		22,116,571	17,797,043
			46,437,527	39,845,556
Current assets				
Debtors	12	536,717		91,315
Short term deposits		1,000,000		4,192,552
Cash at bank and in hand		176,298		1,005,468
		1,713,015		5,289,335
Liabilities				
Creditors: amounts falling due within one year	13	798,826		461,367
Net current assets				
			914,189	4,827,968
Net assets				
	14		47,351,716	44,673,524
Funds				
Permanent endowment funds	15		45,269,901	42,649,465
Unrestricted funds				
Designated funds			335,000	335,000
Health and welfare			747,206	679,698
Churches			999,609	1,009,361
Total charity funds				
			47,351,716	44,673,524

Approved by the trustee on 2 December 2015 and signed on its behalf by

Maraget Elliott, Chair

Richard Cloudesley's Charity

Notes to the financial statements

For the year ended 30 June 2015

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards and the Charities Act 2011. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).
- b) Rental income and bank deposit interest is accounted for on an accruals basis.
- c) Income from managed funds and the managed account is accounted for when amounts due are receivable by the charity.
- d) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Property	25%
Investment management	7.5%
Health and welfare	30%
Churches	30%
Governance costs	7.5%

Support costs are re-allocated to each of the activities on the same basis.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with the constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

- e) Costs of generating funds relate to the costs of investment management and of property maintenance.
- f) Costs of grantmaking are included in the statement of financial activities in the year they are payable. Costs include grants made and support costs associated with the activity.
- g) Endowment funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- h) Unrestricted funds are other incoming resources received or generated for the charitable purposes.
- i) Investments in managed funds and direct investments are stated in the accounts at market value as reported by the respective fund managers subject to any provisions for permanent diminution in value.
- j) Investment property is shown at the market value on a property by property basis. Investment property will be revalued every five years with any gain/(loss) for the year being disclosed in the notes and taken to the statement of financial activities.

"In hand" freehold properties are valued at the estimate of market value based on values achieved at sale in the recent past.

Reversionary Interests in freehold property are valued based on the annual ground rent receivable.

Richard Cloudesley's Charity

Notes to the financial statements

For the year ended 30 June 2015

1. Accounting policies (continued)

- k) All gains and losses on disposal of property and investments are credited to the endowment funds as properties and investments are assets which represent the permanent endowment of the charity
- l) Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rate in use is 33.3% for all assets. Items of equipment are capitalised where the purchase price exceeds £1,000.
- m) The pension cost charge represents contributions payable under stakeholder pension schemes by the charitable company to the relevant funds. The charitable company has no liability under the schemes other than for the payment of those contributions.

2. Investment income

	Endowment £	Unrestricted £	2015 Total £	2014 Total £
Income from investments	-	795,450	795,450	828,932
Interest	-	27,360	27,360	35,142
Total	-	822,810	822,810	864,074

3. Property income

	Endowment £	Unrestricted £	2015 Total £	2014 Total £
Rent from weekly/monthly tenancies	-	519,229	519,229	502,781
Rent from long/commercial leaseholds	-	88,434	88,434	105,812
Total	-	607,663	607,663	608,593

4. Allocation of income between activities

	Churches £	Health and Welfare £	2015 Total £	2014 Total £
Investment income from main portfolio	402,580	402,579	805,159	844,758
Investment income from medical funds	-	17,651	17,651	19,316
Property income	303,831	303,832	607,663	608,593
Total	706,411	724,062	1,430,473	1,472,667

Richard Cloudesley's Charity

Notes to the financial statements

For the year ended 30 June 2015

5. Total resources expended

	Cost of generating funds						2015 Total £	2014 Total £
	Investment management £	Property £	Health and welfare £	Churches £	Governance costs £	Support costs £		
Staff costs (Note 7)	-	310	7,719	7,719	-	90,368	106,116	90,202
Other staff costs	-	-	36	104	-	1,856	1,996	1,973
Investment property costs	-	225,459	-	-	-	-	225,459	233,553
Grants to churches (Note 18)	-	-	-	491,387	-	-	491,387	243,336
Health and Welfare grants - organisations (Note 19)	-	-	328,750	-	-	-	328,750	120,000
Health and Welfare grants - individuals (Note 19)	-	-	79,695	-	-	-	79,695	74,936
Grants administration	-	-	22,850	-	-	-	22,850	32,935
Legal and professional fees	8,211	43,449	3,445	2,888	18,232	-	76,225	44,883
Office costs	-	107	196	200	700	38,022	39,225	29,058
Depreciation	-	-	-	-	-	1,014	1,014	985
	<u>8,211</u>	<u>269,325</u>	<u>442,691</u>	<u>502,298</u>	<u>18,932</u>	<u>131,260</u>	<u>1,372,717</u>	<u>871,861</u>
Support costs	9,845	32,815	39,377	39,378	9,845	(131,260)	-	-
Total resources expended	<u>18,056</u>	<u>302,140</u>	<u>482,068</u>	<u>541,676</u>	<u>28,777</u>	<u>-</u>	<u>1,372,717</u>	<u>871,861</u>

Richard Cloudesley's Charity

Notes to the financial statements

For the year ended 30 June 2015

6. Net incoming / (outgoing) resources for the year

This is stated after charging / crediting:

	2015	2014
	£	£
Loss / gain on disposal of tangible fixed assets	-	265
Trustee's remuneration	-	-
Trustee's reimbursed expenses	-	-
Auditors' remuneration:		
▪ Audit	6,900	6,700
▪ Other	3,600	1,700
	<u>6,900</u>	<u>1,700</u>

No directors of the trustee were reimbursed for expenses in the year. (2014: Nil)

7. Staff costs and numbers

Staff costs were as follows:

	2015	2014
	£	£
Salaries and wages	93,402	82,140
Pension costs	6,096	3,514
Social security costs	6,618	4,548
	<u>106,116</u>	<u>90,202</u>

No employee earned more than £60,000 during the year (2014: None).

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2015	2014
	No.	No.
Support and administration	<u>2.1</u>	<u>1.9</u>

8. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Richard Cloudesley's Charity

Notes to the financial statements

For the year ended 30 June 2015

9. Tangible fixed assets

	Computer equipment £
Cost	
At the start of the year	2,984
Additions / disposals in the year	-
At the end of the year	<u>2,984</u>
Depreciation	
At the start of the year	1,971
Additions / disposals in the year	-
Charge for the year	<u>1,013</u>
At the end of the year	<u>2,984</u>
Net book value	
At the end of the year	<u>-</u>
At the start of the year	<u>1,013</u>

10. Investment properties

	Freehold properties		
	Interest in long leaseholds £	Rental and commercial properties £	Totals £
At the start of the year	1,537,500	20,510,000	22,047,500
Refurbishment costs in year	-	154,161	154,161
Proceeds of lease enfranchisement in year	-	(28,000)	(28,000)
Gain / (loss) on revaluation	<u>(30,963)</u>	<u>2,178,258</u>	2,147,295
Market value at the end of the year	<u>1,506,537</u>	<u>22,814,419</u>	24,320,956

Properties were valued based on their value at 30 June 2015 as determined by independent valuers, Daniel Watney LLP, following their desktop appraisal of the portfolio. The last full Red Book valuation was carried out on 30 June 2013.

At the year end, the charity held 117 (2014: 118) units of freehold property on the Cloudesley Estate in Islington, London N1.

The charity, as freeholder of a block of flats, is committed to paying a proportion of service charges to separately maintained service charge funds in respect of unsold units and those on short term tenancies.

Richard Cloudesley's Charity

Notes to the financial statements

For the year ended 30 June 2015

11. Investments

	Combined range £	Exclusive medical funds £	2015 Total £	2014 Total £
Market value at the year start	17,343,228	453,815	17,797,043	17,402,859
Additions at historic cost	21,123,612	468,512	22,122,952	-
Disposal proceeds	(18,341,416)	(479,787)	(18,821,203)	-
Gain / loss on investments	462,794	10,347	473,141	394,184
Market value at the year end	20,588,218	452,887	21,571,933	17,797,043
Cash held as part of portfolio	530,828	13,810	544,638	-
Total investments held	21,119,046	466,697	22,116,571	17,797,043
Historic cost at the year end	23,574,510	611,941	24,186,452	16,924,248

Investments comprise:

	2015 £	2014 £
Managed venture capital funds - UK	283,290	376,390
Cash held	544,638	-
UK common investment funds	21,288,643	17,420,653

Investments representing over 5% by value of the portfolio comprise:

	2015 £	2014 £
M&G Charibond Charities Fixed Interest Common Investment Fund	-	2,422,492
Royal London Sterling Credit Z Income	-	2,813,847
Sarasin International Equity Income Fund	-	12,026,406
Sarasin Income and Reserves Fund	1,467,328	-

12. Debtors

	2015 £	2014 £
Rent receivable	44,393	67,505
Prepayments	-	21,296
Other	492,324	2,514
	536,717	91,315

13. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	22,923	-
Health and welfare grants	270,334	125,236
Church grants	457,361	265,761
Accruals and other creditors	48,208	70,370
	798,826	461,367

Richard Cloudesley's Charity

Notes to the financial statements

For the year ended 30 June 2015

14. Analysis of net assets between funds

	Endowment funds £	Unrestricted funds £	Total funds £
Fixed assets	45,269,901	1,167,626	46,437,527
Net current assets	-	914,189	914,189
Net assets at the end of the year	45,269,901	2,081,815	47,351,716

15. Movements in funds

	At the start of the year £	Incoming resources and gains £	Outgoing resources £	Transfers £	At the end of the year £
Endowment funds					
Capital reserve	42,195,650	2,610,089	-	-	44,805,739
Exclusive medical funds	453,815	10,347	-	-	464,162
Total endowment funds	42,649,465	2,620,436	-	-	45,269,901
Unrestricted funds					
<i>Designated funds</i>					
Property	300,000	-	-	-	300,000
Office	35,000	-	-	-	35,000
<i>Total designated funds</i>	335,000	-	-	-	335,000
<i>General funds</i>					
Health and welfare	679,698	724,062	(656,554)	-	747,206
Churches	1,009,361	706,411	(716,163)	-	999,609
Total unrestricted funds	2,024,059	1,430,473	(1,372,717)	-	2,081,815
Total funds	44,673,524	4,050,909	(1,372,717)	-	47,351,716

Allocation of income between the two unrestricted funds is set out in Note 4 to the accounts. Expenditure on other costs is allocated equally between the two funds save for the direct costs shown in Note 5 and is calculated as follows:

	Health and Welfare £	Churches £	Total £
Direct resources expended (Note 5)	482,068	541,676	1,023,744
Balance of total resources expended	174,486	174,487	348,973
Total outgoing resources	656,554	716,163	1,372,717

15. Movements in funds (continued)

Purposes of endowment funds

The capital reserve represents the original benefaction to the charity together with subsequent gains on the disposal of properties and both realised and unrealised gains on the reserve's investments.

Exclusive medical funds - the charity has assumed over the years funds derived from the following sources:

Richard Cloudesley Charity Convalescent Homes Fund

Islington Relief in Need

Islington Relief in Sickness

Finsbury Dispensary Relief in Sickness

Dame Sarah Temple Foundation

Brand's Gift Charity

All these funds are held and applicable in the Health Grants part of the charity's funds. Until March 2015, some of the investment funds held by the charity were identified as relating entirely to medical funds. Furthermore, a proportion representing 1.6725% of the remaining overall investment (but not property) portfolio was also treated as exclusive medical funds.

In March 2015, the majority of the charity's investments, including the funds relating to exclusive medical funds were liquidated and amalgamated into a portfolio held by Sarasin. At the point of liquidation, exclusive medical funds accounted for 2.5356% of the total value of the investment (but not property) portfolio. Therefore, from this point onwards, exclusive medical funds are the subject of a permanent appropriation representing 2.5356% of the charity's investment (but not property) portfolio.

Purposes of designated funds

The property fund is designated by the trustees to cover the costs of maintaining the charity's properties for the next year if required.

The office fund is designated by the trustees to cover approximately three months' running costs for the charity's office

16. Future contractual commitments

At the year end, the Trustee was committed to expenditure on refurbishment works at 7c and 10c Cloudesley Road, over and above routine maintenance of the following magnitude:

	2015	2014
	£	£
Contracted for	<u>298,024</u>	<u>33,000</u>

Richard Cloudesley's Charity

Notes to the financial statements

For the year ended 30 June 2015

17. Related party transactions

As recorded in the Trustee's Report, it is a condition of eligibility for appointment of 15 of the 17 directors of the Trustee that they have knowledge of Islington and its voluntary sector.

It is therefore inevitable that directors may be, and are, officeholders, service users, worshippers or beneficiaries of and at the entities the Charity funds. The potential for conflict in practice is addressed by declaration of interest and reticence.

Given the procedures and the breadth of support that the Charity offers to all qualifying entities in its area of benefit, the Trustee does not consider that there is any single recipient body of whom it could be said that the awarded grant could have been influenced by interests other than those of the Charity.

Accordingly the Trustee takes the view that no awarded grants (or other transactions) fall within the definition of related party transactions.

18. Grants to churches	2015 £	2014 £
St. Mary's, Islington	60,000	10,000
St. Andrew's, Thornhill Square	15,000	5,500
All Saints, Caledonian Road	-	-
The Church on the Corner	22,800	6,500
St. Augustine, Highbury New Park	9,000	-
Christ Church, Highbury	14,210	10,900
St. George's, Tufnell Park	50,000	-
St. Jude & St. Paul, Mildmay Grove	22,500	25,000
St. Luke, West Holloway	9,200	-
St. Mark's, Tollington Park	35,600	19,700
Emmanuel, Hornsey Road	28,300	22,700
St. Saviour's, Hanley Road	25,000	12,220
St. Mary, Hornsey Rise	50,500	18,300
St. Andrew, Whitehall Park	24,500	10,000
St. John, Upper Holloway	15,700	37,500
Hope Church Islington - St Mary Magdalene	80,000	-
Hope Church Islington - St David	-	45,000
St. Silas, Pentonville	-	22,500
St Stephen, Canonbury	46,600	19,100
St. Thomas, Finsbury Park	15,000	-
St. James with St. Peter, Prebend Street	-	-
Total grants awarded in the year	523,910	264,920
Grants written back	(32,523)	(21,584)
Total	491,387	243,336

Richard Cloudesley's Charity

Notes to the financial statements

For the year ended 30 June 2015

19. Grants for health and welfare needs	2015 £	2014 £
Health and Welfare grants made to organisations:		
Angel Shed	10,000	-
Finsbury Park Homeless Families Project	15,000	-
Help on Your Doorstep	70,000	35,000
Hillside Clubhouse	15,000	-
Islington Bangladesh Association	15,000	-
Islington Giving	70,000	35,000
Islington Law Centre	78,750	35,000
Maya Centre	15,000	-
Solace Women's Aid	15,000	-
Stuart Low Trust	15,000	-
The Parent House	15,000	-
Women's Therapy Centre	15,000	-
Total grants to organisations awarded in the year	348,750	105,000
Grants written back	(20,000)	-
Total grants to organisations in the year	328,750	105,000
Health and Welfare grants made to individuals		
<i>Grants to individuals via Cloudesley Partners</i>		
	£	£
Asylum Aid	2,000	5,000
Centre 404	3,000	10,000
Cranstoun	6,000	12,000
Disability Action in Islington	2,500	5,000
Help on Your Doorstep	7,000	12,000
Islington Carers Hub	-	5,000
Islington Centre for Refugees and Migrants	4,000	8,000
Islington Law Centre	6,000	12,000
Islington Mind	12,000	-
Islington People's Rights	12,000	-
Peter Bedford Housing Association	3,000	5,000
Pilion Trust	2,000	5,000
Single Homeless Project	-	-
Solace Women's Aid	5,000	10,000
St Mungo's Broadway	2,000	3,000
The Manna	2,000	3,000
Total grants via Cloudesley Partners awarded in the year	68,500	95,000
Grants written back	(28,805)	(21,264)
Total grants via Cloudesley Partners in the year	39,695	73,736
<i>Grants to individuals via Cripplegate Foundation</i>	-	1,200

Richard Cloudesley's Charity

Notes to the financial statements

For the year ended 30 June 2015

19. Grants for health and welfare needs (cont.)

	2015	2014
	£	£
<i>Grants to individuals via Catalyst Programme</i>		
Blenheim CDP (CASA)	5,000	5,000
Help On Your Doorstep	5,000	-
Islington Centre for Refugees and Migrants	5,000	-
Islington Law Centre	5,000	-
Peter Bedford Housing Association	5,000	5,000
Pilion Trust	5,000	-
Solace Women's Aid	5,000	-
St Mungo's Broadway	5,000	5,000
Total grants via Catalyst Programme awarded in the year	40,000	15,000
Grants written back	-	-
Total grants via Catalyst Programme in the year	40,000	15,000
Total Health and Welfare Grants awarded to individuals in the year	108,500	111,200
Total written back	(28,805)	(21,264)
Total Health and Welfare Grants to individuals in the year	79,695	89,936
Total Health and Welfare Grants in the year	408,445	194,936