



Cloudesley

Support in Islington for 500 years



**Annual Report
and Accounts
2021/22**

TRUSTEE – RICHARD CLOUDESLEY TRUSTEE LTD

Directors of the Trustee	Finance & Endowment Committee	Staffing Committee	Grants Committee
Ex-officio – the Mayor of Islington			
Director position unfilled			
Archdeacon of Hackney appointed			
Revd Ben Bell (resigned 13 September 2021)			✓
Revd Andy Rider (appointed 9 December 2021)			✓
London Borough of Islington nominated			
Cllr Janet Burgess MBE – Vice Chair			✓
Tanya Parr			✓
Denise Ward – Vice Chair		✓	✓
Cllr Flora Williamson			✓
Deanery Synod nominated			
Lydia Mutare (appointed 16 June 2022)			✓
Seun Olateju			✓
Susan Sorensen			✓
Jean Willson OBE		✓	✓
Elected			
Mary-Therese Barton	✓		
Margaret Elliott	✓		✓
Adam Jenner	✓		
Delyth Richards – Chair	✓	✓	
Sharon White			✓

Co-opted members (not Directors of the Trustee)	Finance & Endowment Committee	Staffing Committee	Grants Committee
Funke Imiruaye (appointed 21 March 2022)			✓
Jeni Kenson (appointed 21 March 2022)			✓
Ellie Mitchell (appointed 21 March 2022)	✓		
Peter Roscrow	✓		

ADMINISTRATION & ADVISORS

REGISTERED OFFICE & OPERATIONAL ADDRESS	Office 1.1 Resource for London 356 Holloway Road London N7 6PA		
BANKER	CAF Bank Limited Kings Hill West Malling ME19 4TA	ESTATE MANAGERS	Daniel Watney LLP 165 Fleet Street London EC4A 2DW
INVESTMENT MANAGERS	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU		
LEGAL ADVICE (Structural/Charity)	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE	LEGAL ADVICE (Property/Estate management)	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD
AUDITOR	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL		
CHARITY NUMBER	205959	TRUSTEE COMPANY NUMBER	7425897

Registered with the Charity Commission as Charity of Richard Cloudesley, the charity uses the working name Cloudesley. Richard Cloudesley Trustee Limited is the related Trustee Company.

KEY MANAGEMENT PERSONNEL

Melanie Griffiths	Director and Company Secretary
Catherine Sorrell	Grants Manager (from 12 July 2021)
Kevin Turner	Grants Manager (from 12 July 2021)
Phillip Everett	Finance Manager (until 11 January 2022)
Ross Holland	Finance Manager (from 7 December 2021)

Introduction

The Trustee of the Charity of Richard Cloudesley, which operates under the name Cloudesley, has pleasure in presenting the report and accounts for the charity's activities in the year to 30 June 2022.

The reference and administrative information set out on pages 2 and 3 form part of this report. The financial statements comply with current statutory requirements, the trust deed and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Achievements and Performance

Grants Agreed

During the year, the charity awarded grants totalling £1,655,000. After accounting for grants written back, the net amount of grants awarded was £1,540,000.

Church Grants

Through its Church Grants programme, Cloudesley provides support for eligible Church of England churches in the Islington Deanery.

Under the charity's Scheme, half of the charity's net income is to be used to make '*grants towards the upkeep and repair of the fabric of, and the maintenance of the services in, any churches of the Church of England in the London Borough of Islington*'.

Main Church Grants Programme

Cloudesley's Church Grants programme for 2020 to 2025 includes a Main Church Grants Fund and an Urgent Repairs Grants Fund.

The following funding priorities apply to the Main Church Grants Fund:

- Major works and building projects
- Preventative works and/or simple repairs
- Project development and feasibility studies
- Developing church capacity to deal with building issues and/or maintenance of services.

The Urgent Repairs Grants Fund provides grants of up to £10,000 intended to deal with urgent and unforeseen repairs quickly resulting in an immediate improvement to the fabric of the church building(s).

During 2021/22, under its Main Church Grants programme and urgent repairs grants, the charity agreed a total of 33 grants to 20 of the 27 churches in the Islington Deanery. The total amount agreed was £848,000. The grants were made towards a wide variety of projects including:

- a) Repairs to church towers and spires
- b) Redecoration and maintenance works
- c) New audio-visual and sound systems
- d) The installation of energy efficient lighting
- e) Building surveys and preparatory work
- f) Updates to entrances.

Other Support

The charity also arranged two meetings of the Islington Deanery Church Buildings Forum, bringing church representatives together to learn and share information on key buildings issues.

Health & Welfare Grants

The charity's Scheme specifies that half of the residue of its income after costs and expenses 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.

During 2021/22, the charity agreed a total of 48 health and welfare grants to 26 organisations totalling £807,000, of which £235,000 was grants for individuals and £572,000 was grants for organisations.

Grants for individuals

The charity continued to operate its Cloudesley Partners fund which provides crisis/welfare grants for individuals. Through this fund, the charity gives block grants to local voluntary organisations (Cloudesley Partners) which are working with Islington residents. The Partners then distribute this money by making grants of up to £500 to individuals who have health needs and/or who are disabled and in financial hardship. A grant as a contribution to administration costs of 10% is made to each of the organisations as recognition of the time involved in administering and monitoring these grants.

In the previous financial year, the charity had agreed grants totalling £143,000 for 15 organisations to distribute during the 2021 calendar year. 954 grants were made to individuals by the Cloudesley Partners to help residents 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 charity has since agreed a further £155,000 for 18 Cloudesley Partners to distribute during the 2022 calendar year. This includes £9,000 for three new pilot Cloudesley Partners – Citizens Advice Islington, Disability Action in Islington and Octopus Community Network (via St Luke's Parochial Trust). These organisations were identified to address gaps in provision and due to their reach to residents with ongoing health conditions.

The charity continued to work in partnership with Cripplegate Foundation on the Catalyst Fund. This is a creative grant-making scheme that gives partner support organisations the ability to provide small grants to help residents meet personal goals and connect to opportunities and services. Funding of £80,000 was agreed by Cloudesley, divided equally across eight organisations and split evenly between the 2022 and 2023 calendar years. This included Age UK Islington, which had previously been a pilot organisation.

During the 2021 calendar year, over 100 grants were made to Islington residents under the Catalyst Fund. These were used for a wide variety of purposes, including for training to improve employment opportunities and to fund activities which both increase skills and provide opportunities for social interaction, for example, music and painting courses.

A full breakdown of organisations receiving these grants is set out in note 22 to the accounts. Further information on both the Cloudesley Partners scheme and the Catalyst Fund are on the charity's website.

Grants for organisations

The charity's Health Grants programme also provides grants to organisations that offer support to people with health needs and/or who are disabled and living in poverty in the London Borough of Islington. The charity addresses its 'Sickness Object' by supporting sustainable organisations that demonstrate initiative in tackling health issues.

The Board has agreed a Health Grants to Organisations programme for 2019 to 2024 which aims to reduce health inequalities in Islington by improving health outcomes amongst people who are living in poverty and experiencing multiple disadvantages. The programme includes a number of funding streams – Principal Grants Fund, a Development Fund and Grants Support Fund. In addition, the charity continues to provide a number of strategic grants.

Principal Grants Fund

The Principal Grants Fund provides a small number of larger, multi-year grants for core or project costs to organisations that have been identified by the charity and invited to apply

These grantees are established voluntary sector organisations with a track record of delivering positive health outcomes for local residents.

Multi-year projects covered by grants awarded in previous years and ongoing during the current financial year were:

Centre 404 – Support to people with learning disabilities and their families

The Manna – Supporting vulnerable adults affected by homelessness, addiction, poor health and poverty

The Maya Centre – Counselling service for women who have experienced trauma and abuse

Solace Women's Aid – Support service to survivors of childhood and adult sexual violence (including refugees)

Holloway Neighbourhood Group – Mental health and wellbeing projects for local residents

Islington Centre for Refugees and Migrants – Practical support to access health services and tackle multiple disadvantages

The Margins – Margins Plus Project, providing a drop-in centre for the homeless and people in crisis

St Luke's Parochial Trust – Improving the health and wellbeing of vulnerable older people

Stuart Low Trust – Addressing health inequalities through a socially therapeutic arts and nature programme.

A further two years' funding totalling £210,000 was approved during the year to extend the projects run by Centre 404, The Manna, The Maya Centre and Solace Women's Aid.

During the year, three further three-year grants were agreed under a new round of the Principal Grants Fund totalling £270,000. The projects covered by these grants are:

Islington Mind – To run a talking therapies service for 75 residents per year from multiple disadvantaged groups currently underserved by mainstream provision

Manor Gardens Welfare Trust – To employ a Health Connector, a trained advocate, to support Islington's diverse communities to seek help for aspects of the multiple disadvantages they face

Disability Action in Islington – A Complex Caseworker to work with service users with multiple interlinked support needs relating to their disability or health condition

Development Fund

The Development Fund aims to provide local organisations with the flexibility and initial funding to develop specific projects, to test a new approach in tackling health inequalities or address an identified gap in local service provision. Two grants were made under this Fund in the financial year:

Healthwatch Islington – Towards a new approach to the Digital Champions initiative, which provides opportunities to learn the skills required to survive in the digital economy

Islington People's Rights – Towards a new approach to providing welfare benefits in partnership with Manor Gardens

Grants Support Fund

Five grants were agreed from the Grants Support Fund, which is focused on offering additional support to organisations supported by Cloudesley:

Islington Centre for Refugees and Migrants – towards a monitoring and evaluation system

ALAG/Autism Hub Islington – towards the inputting of data and other information onto a new case management system and monitoring system

One True Voice – for a monitoring and evaluation support package from the Foundation for Social Improvement (FSI)

Life Chances/AFLAH - for a monitoring and evaluation support package from the FSI

Stuart Low Trust – set up costs of a new Lamplight database providing secure digital case management

Other support

It has become clear that staff burnout is a real concern in many of Islington's voluntary sector organisations. This has been exacerbated by the pandemic and increasing demands for services from local residents. As a result, through its Events and Partner Development budget, Cloudesley arranged for Rethink Mental Illness to run two online sessions about 'Your

wellbeing as a frontline key worker'. The sessions were attended by 40 local staff and were well received.

Strategic Grant to Islington Giving

Islington Giving is a coalition of funders, businesses, voluntary organisations and residents giving time or money to support local people in need. Since it was set up in 2010, Islington Giving has raised over £9 million. In spring 2022, Islington Giving developed a new strategy, confirming its vision as one in which Islington is a strong, connected community where everyone has the opportunity to live a good life.

Trustee Margaret Elliott continued to represent Cloudesley on the Board of Islington Giving and also continued to serve as Vice Chair of Islington Giving. Cloudesley's Director attended Islington Giving meetings in an observer capacity. Cloudesley was also represented on Islington Giving's Grants Committee, with various staff members attending the committee meetings during the year.

Islington Giving continued to run its Young Grant Makers programme, a participatory grants programme for young people, established a Going Greener Fund to support voluntary and community organisations to consider their impact on the environment, ran a micro-grants programme with local housing associations, and continued its work supporting families, older people, volunteering and young people.

Cloudesley provides Strategic Grant support to Islington Giving towards activities which fall within Cloudesley's Health Grants remit. The most recent grant of £100,000 was agreed in September 2020, £50,000 a year for both 2021 and 2022.

Other Strategic Grants

The charity also provides Strategic Grant funding to both Islington Law Centre (ILC) and Help on your Doorstep (HOYD) towards advice and outreach services for vulnerable people in financial need. These grants were last approved in September 2019, providing each organisation with funding of £107,000 to cover the three-year period to 31 December 2022. In addition, the charity also provided ILC with a £61,000 grant for the same period towards its Welfare Benefits Project, which aims to address long waiting lists for welfare benefits advice being experienced by Islington residents and focuses on Personal Independence Payment and Employment & Support Allowance. Cloudesley's grant has been used towards the volunteer form filling clinic supervised by the Law Centre.

Subsequent to the move to a fully online services during the Covid-19 lockdowns, both ILC and HOYD have since moved their services to a hybrid model with an increasing number of appointments taking place in person again. This has been welcomed by the most vulnerable residents, many of whom have struggled with online appointments.

Ongoing response to COVID-19

Despite some easing of restrictions, the COVID-19 pandemic has continued to affect the charity's activities. The additional needs of local residents, organisations and churches created by the pandemic will continue for some time to come. These needs were taken into account when agreeing grants during the year, with grants budgets allocated accordingly.

The charity continued to operate efficiently and effectively throughout periods of lockdown and restrictions. When required, staff worked from home while some Board, Committee and other meetings were held remotely. Contact was maintained with funded organisations and churches, other local contacts and funders, and advisors and professional bodies have provided support as required. Staff are now working on a hybrid basis, and a mix of in person and remote meetings continue to be held.

Financial review

Financial performance

The charity's income came entirely from investments in its securities portfolio and property estate. Income totalled £1,624,000, a rise of 9% from the previous year as dividend income returned to normal levels following a dip during the pandemic.

Expenditure of £2,343,000 was down 12% on the previous year because of a fall in amounts spent on the refurbishment of the charity's property estate due to difficulties and delays in securing contractors as a result of increased demand for their services following the pandemic. This is expected to be temporary, and a full ongoing programme of refurbishment and maintenance has been planned and budgeted for the following financial year and beyond.

The net loss on revaluation of investments was £934,000 compared to a gain of £6,520,000 in the previous year. The loss on the securities portfolio was £1,742,000, representing 6% of its total value at the end of the previous year, broadly in line with market losses. This was partly offset by a gain on revaluation of the property estate of £808,000, representing 3% of its value at the end of the previous year.

Reserves

The net result of the movements detailed under 'financial performance' above was a fall in the charity's assets of 3% to £57,054,000. All funds are endowment funds.

The charity follows a total return approach to investment. This allows investment income and an element of capital gains, known as the unapplied total return, to be used to fund the charity's grants and running costs. The initial value of the charity's endowment, known as the trust for investment, remains protected and retains its value by increasing annually in line with inflation. As at the end of the year, the trust for investment amounted to £24,823,000 and the unapplied total return amounted to £32,231,00

Investment policy

The investment policy covers both the securities portfolio and the property estate. The charity seeks to produce the best possible return while taking an acceptable level of risk, with trustees measuring performance after fees against inflation (the consumer prices index) plus 4%. A long-term view is taken when distributing grants to try to balance the needs of current and future beneficiaries without favouring one group over the other. Within this constraint, the charity seeks to increase the level of grants awarded in real terms as far as possible.

For historical reasons, a substantial proportion of the charity's investments, currently 53%, is represented by the property estate, mainly residential freehold properties in the London Borough of Islington. While there is some diversity of property by type of unit as well as one commercial lease, trustees recognise the scale of concentration within this asset class and keep the risks of this under review. Within the securities portfolio, diversification is provided by investing in a variety of asset classes, primarily international equities, UK equities and UK fixed interest securities.

Trustees take social, environmental and ethical considerations into account as part of the investment policy. To this end, the charity's securities portfolio does not include any investments in:

1. the manufacture of tobacco
2. companies needlessly emitting excessive quantities of carbon into the atmosphere unless, following engagement, there is evidence these companies are ameliorating their carbon emissions
3. companies with more than 5% of their turnover from adult entertainment, alcohol manufacture, armaments, gambling, high-interest lending, production of oil from tar sands, or extraction of thermal coal.

Similarly, while the charity is not a social landlord, it seeks to manage its properties in an ethical and fair manner, for example making sure that all employees of contractors and sub-contractors are paid at least the Living Wage while working on its properties, dealing fairly and considerately with tenants, and considering issues of sustainability in property refurbishment and maintenance.

The charity is a signatory of the Funder Commitment on Climate Change, and to this end has committed to making sure its investment strategy aligns with its climate commitments.

Remuneration policy

The Trustees have agreed a remuneration policy to underpin the charity's commitment to paying and treating its staff fairly. The charity gives a level of salary and other benefits to ensure that staff with an appropriate level of skills and experience can be recruited and retained so that the charity's objects can be delivered with the greatest possible impact. The

Staffing Committee reviews salaries and benefits of all staff against other charitable trusts and makes recommendations to the Finance and Endowment Committee and the Board.

Risk review

The risk register is reviewed annually by the Finance & Endowment Committee and the Board. The charity maintained a detailed risk assessment on COVID-19 as a supplement to the main risk register and this was also reviewed by the Board.

The charity considers that its current key risks are:

- Unsatisfactory income and/or capital growth on investments. This risk is being addressed by regular monitoring of the performance of the actively managed discretionary portfolio in comparison to the agreed long-term investment strategy.
- Unsatisfactory income and/or capital growth from investment properties. This risk is being addressed by regular liaison with the estate managers and appropriate investment in refurbishment and maintenance projects.
- Possible major policy changes by government and their potential effect on the charity's grant making and/or effect on income from property returns. This risk is being addressed by keeping fully informed of policy changes and by comprehensive reviews of all the charity's grant making activities.

In March 2022, the co-chair of the Finance and Endowment Committee, the Director and Finance Manager undertook an internal audit. The review covered the charity's financial controls and procedures and improvements have been made to the charity's IT security as a result. A spot check on payments was also conducted by the second co-chair and there were no issues arising from this.

The charity has written financial procedures and these were last updated and approved by the Board in December 2020. The charity also has a Business Continuity Plan to enable it to respond effectively to a number of possible scenarios with the minimum impact possible on its activities. In accordance with best practice, during the year the charity developed and formally adopted a Related Party Disclosures Policy and a Safeguarding Policy.

Fundraising Policy

The trustees are aware of their obligations under the Charities Act to report the charity's fundraising policy. The charity very occasionally engages with other trusts and foundations in order to raise income but does not engage in public fundraising.

Objectives and activities for the public benefit

The objects of the charity as set out in the Charity Commission Scheme of 1980 were 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. In December 2016 the

Charity Commission agreed the Trustees' request that the area of benefit be extended so that it is coterminous with the Islington Borough boundary.

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.

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 (Health and Welfare grants for individuals), local organisations working with people in this situation (Health and Welfare grants for organisations) and Islington's 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 eligible churches, each of which is itself a registered or excepted charity.

In line with the Governance Code's leadership principle, the charity has adopted the following set of values and guiding principles to underpin its work:

Cloudesley seeks to be an approachable, focused, responsive, fair and accountable organisation

It aims to be a relational rather than transactional funder, recognising that developing relationships and trust with those organisations and churches that it supports is mutually beneficial

Cloudesley will be transparent and open about its decision-making and processes, unless it is impossible or not appropriate

As an engaged place-based funder, Cloudesley is keen to:

- Make the most of all of its resources, providing other types of support where possible, such as, sharing information, facilitating networking, learning from its funding and sharing this learning where appropriate
- Work in partnership with others to co-ordinate and improve impact.

Cloudesley is a member of the Institute for Voluntary Action Research's Flexible Funders initiative for open and trusting grant making practice.

In autumn 2021, the charity held an Awayday for Trustees and staff. The event provided an opportunity for participants to reflect on the past 18 months and emerging needs in Islington. After discussion, it was agreed that the charity would focus on the following three key priorities over the next 18-months:

- i. Diversity, equity and inclusion – see below
- ii. Scoping a review of the charity's Scheme/Objects – Working Group subsequently set up

- iii. Reviewing a previous aim to spend 3% of the value of the charity's endowment on grants each year – initial review carried out in late 2021, with grants budget set for 2022/23 accordingly.

Diversity, Equity and Inclusion

Between 2018 and 2020, the Association of Charitable Foundations ran a Stronger Foundations Project which identified 40 'pillars of stronger foundation practice'. During 2020/21, Cloudesley set up its own Stronger Foundations Working Group to review these best practice recommendations, focusing initially on three areas for development – diversity, equity and inclusion (DEI); impact and learning; and investments.

The charity has adopted and published the following statement of intent:

Cloudesley is committed to valuing diversity, promoting equity and equal access, and ensuring inclusion in all it does. We recognise that we need to do more but are strongly committed to combatting racism, discrimination and inequality and ensuring that we work in order to achieve this.

We recognise the power, resources and advantages that Cloudesley has as an independent, endowed charitable trust and strive to act responsibly and fairly in line with our stated values.

We seek to develop and retain a staff team and Board that reflect the Islington community within which we work. We will identify and take positive steps to remove any barriers to participation and recruitment of people who are currently underrepresented as staff or Trustees.

Audits of Trustees were undertaken in late 2020 and 2021 which highlighted the need to diversify Board membership. As a step towards addressing this, the charity undertook a targeted recruitment campaign and has now appointed three additional co-opted committee members.

Other work during the year included:

- revising staff recruitment materials and procedures to make them more accessible
- introducing standardised monitoring categories across the Health Grants programme so that we are better able to show the reach of particular funding streams and evaluate our grant-giving against Islington data
- the development of a new Church Access Project to run from July 2022.

Funder Commitment on Climate Change

In December 2019 the charity joined with several other UK charitable foundations in signing up to a Funder Commitment on Climate Change. The commitment recognises that the growing climate emergency is a serious risk to the pursuit of all foundations' charitable aims

and commits its signatories to a number of actions. The commitment requires the charity to report annually on progress. During the year, this included:

- Educate and learn - the charity provided opportunities for trustees and staff to find out more about the Church of England's net zero target, what churches can do to meet this and how Cloudesley might support the Islington churches. Relevant information has also been shared with the Islington churches which Cloudesley supports. Staff attended a variety of training sessions and webinars, took part in two roundtable discussions on investments and sustainability, and visited an Eco Show Home to learn about green solutions which might be relevant to the charity's property assets.
- Commit resources – During the year, our property managers were commissioned to undertake an assessment of potential improvements to the energy efficiency and environmental impact of our property assets. The charity has begun to develop a second sustainability project for the Islington churches which will run in 2023/24.
- Integrate – As part of Cloudesley's Church Grants programme 2020-25, churches can apply for funding of up to £50,000 for eligible sustainability and environmental improvement projects that fall within scope of the Church Object.
- Stewarding investments for a post-carbon future - as part of the charity's response to the Association of Charitable Foundation's Stronger Foundations Project, we have carried out a review of our investments, comparing our policy against those of other foundations and the Church of England. We explored with our investment manager the possible effects of adopting different investment approaches and agreed that the investment managers must comment explicitly on sustainability issues at all future Finance and Endowment Committee meetings that they attend and also prepare updated analyses of the carbon footprint of the portfolio twice a year. Trustees also agreed an additional investment restriction about not investing in companies that needlessly emit excessive quantities of carbon into the atmosphere.
- Decarbonising our operations – we are continuing to hold some committee and working group meetings online, with others offered on a hybrid basis. Committee and Board papers are now provided in digital format only. Catering at our events is now vegetarian. Trustees have agreed to trial proposals for improved sustainability of the portfolio during the refurbishment of one of the charity's residential properties.

Plans for the future

The charity has developed a new three-year Church Access Project which will offer each eligible Islington church:

- A Cloudesley-funded access audit carried out by the Centre for Accessible Environments
- A non-competitive grant of up to £10,000 to implement access measures in their church
- Opportunities for education and learning about access issue

This Cloudesley initiative will run from July 2022 and is a partnership project with the Islington Deanery and the Diocese of London.

Further work on diversity, equity and inclusion will include:

- Taking forward actions arising from the 'Hidden Leaders' review on disability inclusion and London Funders' survey on funding for Disabled People and Disabled People's Organisations
- Reviewing the Cloudesley website to ensure that content is accessible
- Further progress on the charity's monitoring and impact practice, including assessing the impact of the most recent round of our Small Grants Fund
- Scoping a possible review of the charity's Objects, with the setting up of an internal working group for this purpose
- Using ACF's DEI self-assessment tool to measure Cloudesley's progress in this area.

As well as the activities outlined above, plans for 2022/23 include the following:

- The impact of Covid-19 will continue to be felt on the charity's grant recipients (both Church and Health) for the foreseeable future. The cost-of-living crisis and rising fuel bills are also expected have a significant negative impact on the churches, organisations and local residents which the charity supports. The grants budgets for 2022/23 have been set accordingly.
- The development of a second sustainability project for the eligible churches to support them to work towards the Church of England's target of net zero carbon by 2030
- Further work with Daniel Watney LLP on a major maintenance and redecoration programme for the charity's estate
- Continuing to closely monitor the performance of the charity's investments in conjunction with the investment managers, Sarasin & Partners LLP
- The charity will continue to consider how it can best respond to the growing climate emergency by considering other opportunities to implement its commitment as a signatory to the Association of Charitable Foundation's Funder Commitment on Climate Change.

Over the coming years, it is hoped that the charity will continue to meet the framework of the wishes set out in Richard Cloudesley's will, by working strategically and creatively in the area of benefit.

Structure, governance and management

Cloudesley 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 and are now contained within the 1980 Scheme referred to above.

Today, Cloudesley is a significant grant-making charity in the borough of Islington. Half of the charity's grant-making focuses on its Health and Welfare programmes that support people with health and financial needs in the borough, while the other half supports the Church of England churches in the borough.

The charity's Board has up to 15 Trustees as follows:

- Four Synod Nominees nominated by the Church of England Islington Deanery Synod
- Four London Borough of Islington Nominees
- Five Elected Trustees – selected through an open selection process by the Trustees as a whole
- An Archdeacon's Trustee appointed by the Archdeacon of Hackney
- An Ex-officio Trustee - the Mayor of Islington

The charity has also appointed four further co-opted committee members who each bring specific skills and experiences to help with the governance of the charity.

All Trustees and committee members have undergone an induction to understand the Objects of the charity and the methods by which it meets those Objects. Other training and support is offered to Trustees and committee members, as required.

Delyth Richards continued as Chair of the charity throughout the year, with Denise Ward and Janet Burgess serving as Vice Chairs.

The charity's administration is undertaken by a small staff team: a Director, two Grants Managers, a Finance Manager, and an Administrator.

During the financial year Trustees worked with the staff through the Board and three standing Committees: the Grants Committee (chair - Denise Ward), the Finance and Endowment Committee (co-chairs Adam Jenner and Mary-Therese Barton) and Staffing Committee (chair – Delyth Richards). The Grants Committee and the Finance and Endowment Committee each met formally four times during the year while the Board met three times. The Staffing Committee met in early 2022 to discuss pay levels for all staff for the following financial year.

During 2021/22 the charity also operated a Stronger Foundations Working Group, chaired by Sharon White. A new Objects Review Working Group met for the first time in May 2022 to begin scoping a possible review of the charity's Objects.

In the year all Trustees gave freely of their time and no remuneration was paid to Trustees. During the year the charity paid £2,569 (2021 - £204) to enable trustees to attend training courses and conferences which were directly relevant to their office. The charity offers IT equipment to trustees and committee members to enable remote working and full participation in their duties, however no new trustees or committee members took up this offer in the year (2021 - £798).

The charity continues to ensure that it is fully compliant with the General Data Protection Regulations which were published in May 2018.

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.

The Directors of the Trustee Company are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

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

Approved by the Trustee

Delyth Richards, Chair

Date 14 October 2022

Independent auditor's report to the Trustee of the Charity of Richard Cloudesley (known as Cloudesley)

Opinion

We have audited the financial statements of Cloudesley (the 'charity') for the year ended 30 June 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 30 June 2022 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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Cloudesley's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Trustee's annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 requires us to report to you if, in our opinion:

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

Responsibilities of the Trustee

As explained more fully in the statement of the Trustee's responsibilities set out in the Trustee's annual report, the Trustee is 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 Trustee determines 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 Trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the Finance & Endowment Committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's 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 charity's Trustee 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 and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman
23 November 2022
Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

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

Statement of financial activities

For the year ended 30 June 2022

	Note	Unrestricted £'000	Endowment £'000	2022 Total £'000	Unrestricted £'000	Endowment £'000	2021 Total £'000
Income from:							
Investments	2	–	740	740	–	602	602
Properties		–	884	884	–	888	888
Total income		–	1,624	1,624	–	1,490	1,490
Expenditure on:							
Cost of raising funds							
Investment management costs		–	175	175	–	162	162
Property related costs		–	360	360	–	595	595
Charitable activities							
Churches		900	–	900	906	–	906
Health and welfare		908	–	908	1,001	–	1,001
Total expenditure	3	1,808	535	2,343	1,907	757	2,664
Net income/(expenditure) before net gains/(losses) on investments and total return transfer between funds	4	(1,808)	1,089	(719)	(1,907)	733	(1,174)
Net gains/(losses) on investments	10	–	(1,742)	(1,742)	–	5,052	5,052
Gains/(losses) on revaluation of properties	11	–	808	808	–	1,468	1,468
Total return transfer between funds		1,808	(1,808)	–	1,907	(1,907)	–
Net movement in funds		–	(1,653)	(1,653)	–	5,346	5,346
Reconciliation of funds:							
Total funds brought forward		–	58,707	58,707	–	53,361	53,361
Total funds carried forward		–	57,054	57,054	–	58,707	58,707

All of the above results are derived from continuing activities. There were no recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

Balance sheet

As at 30 June 2022

			2022	2021
	Note	£'000	£'000	£'000
Fixed assets:				
Tangible assets	9		1	3
Endowment fund investments	10		27,584	29,460
Investment properties	11		30,709	29,901
			<u>58,294</u>	<u>59,364</u>
Current assets:				
Debtors	12	116		102
Cash at bank and in hand		462		846
		<u>578</u>		<u>948</u>
Liabilities:				
Creditors: amounts falling due within one year	13	1,578		1,410
			<u>(1,000)</u>	<u>(462)</u>
Net current liabilities				
Total assets less current liabilities			<u>57,294</u>	<u>58,902</u>
Creditors: amounts falling due after one year	14		240	195
Total net assets	15		<u><u>57,054</u></u>	<u><u>58,707</u></u>
Permanent endowment funds				
Trust for investment:				
Churches		12,267		11,213
Health and Welfare		12,556		11,477
		<u></u>	<u>24,823</u>	<u>22,690</u>
Unapplied total return:				
Churches		15,993		17,853
Health and Welfare		16,238		18,164
		<u></u>	<u>32,231</u>	<u>36,017</u>
Total endowment funds	16		<u><u>57,054</u></u>	<u><u>58,707</u></u>

Approved by the trustees on 14 October 2022 and signed on their behalf by

Delyth Richards
Chair

Statement of cash flows

For the year ended 30 June 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Net cash used in operating activities	17	(2,142)	(2,407)
Cash flows from investing activities:			
Investment Income		1,624	1,490
Proceeds of leasehold extension and property disposals		–	2
Purchase of tangible fixed assets		–	(1)
Increase/(decrease) in cash held in investment portfolio		(1,036)	527
Proceeds from sale of investments		9,793	9,824
Purchase of investments		(8,623)	(9,457)
Net cash provided by investing activities		<u>1,758</u>	<u>2,385</u>
Change in cash and cash equivalents in the year		(384)	(22)
Cash and cash equivalents at the beginning of the year		<u>846</u>	<u>868</u>
Cash and cash equivalents at the end of the year	18	<u><u>462</u></u>	<u><u>846</u></u>

1 Accounting policies

a) Statutory information

Cloudesley is a registered charity. The registered office is Office 1.1, Resource for London, 356 Holloway Road, London, N7 6PA.

b) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP) applicable to charities preparing their accounts in accordance with the FRS 102 (Charities SORP FRS 102), and the Charities Act 2011.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP FRS 102 issued on 16 July 2014 rather than the Charities SORP effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Interest and rental income receivable

Interest on funds held on deposit is included on an accruals basis. Rental income is included when receivable.

f) Fund accounting

Endowment funds are to be used for the specific purposes laid down by the donor.

Unrestricted funds are other incoming resources received or generated for the charitable purposes.

Section 4 of the Trusts (Capital and Income) Act 2013 amended the Charities Act 2011 to give permanently endowed charities in England and Wales the power to adopt a total return approach to investment. Trustees resolved to adopt total return accounting as from 1 July 2019. The endowment was valued at £21,600,000 as at 31 December 1998, with this being the earliest date at which a valuation could be obtained. Under total return accounting, the charity is permitted to allocate from the total return element of permanent endowment to unrestricted funds such sums as it thinks appropriate in furtherance of its work. In making these transfers, the charity will seek to be even-handed between current and future beneficiaries and to maintain the balance of the unapplied total return at an appropriate level considering the volatility of investment markets.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Notes to the financial statements

For the year ended 30 June 2022

1 Accounting policies (continued)**h) Allocation of support and governance costs**

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	15%
● Investment management	5%
● Health and welfare	40%
● Churches	40%

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

i) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

j) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rate in use are as follows:

● Computer Equipment	3 years
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k) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities. The valuation method used to determine fair value is stated in the notes to the accounts.

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities.

Where the charity has identified specific amounts to be drawn down within the next twelve months, these are classified as current assets on the balance sheet.

m) Debtors

Debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term, highly liquid investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1 Accounting policies (continued)

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans, which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

The pension cost charge represents contributions payable under the terms of a defined contribution pension scheme established by the charity. The charity has no liability under the scheme other than for the payment of those contributions.

q) Grants payable

Grants payable are made to third parties in accordance with the charity's governing scheme. These grants are charged to the statement of financial activities in the year in which the offer is conveyed to the recipient. Provision for grants is made once the intention to make a grant has been communicated to the recipient, although there may be uncertainty about either the timing of the grant or the amount payable. Where a grant is payable in instalments, any instalments falling due more than twelve months after the balance sheet date are classified as a creditor due after more than one year. Many of the grants awarded are in respect of building projects which can take considerable periods of time to complete. Although experience has shown that in many case such grants will not be paid within twelve months of the balance sheet date, they are classified as current liabilities since they are not payable in instalments.

Notes to the financial statements

For the year ended 30 June 2022

2 Investment income

	Churches £'000	Health and Welfare £'000	2022 Total £'000	Churches £'000	Health and Welfare £'000	2021 Total £'000
Main portfolio	360	360	720	293	293	586
Exclusive medical funds	-	20	20	-	16	16
	360	380	740	293	309	602

See note 16 for more detail on investments held as exclusive medical funds.

3 Analysis of expenditure

Year ended 30 June 2022

	Staff costs (note 5) £'000	Investment costs £'000	Grants (notes 21 & 22) £'000	Other costs £'000	Support costs £'000	Governance costs £'000	2022 Total £'000
Cost of raising funds:							
Investment management costs	7	160	-	-	6	2	175
Property related costs	12	326	-	-	16	6	360
Charitable activities							
Churches	64	-	777	-	46	13	900
Health and welfare	85	-	763	1	46	13	908
	168	486	1,540	1	114	34	2,343
Support costs	55	-	-	59	(114)	-	-
Governance costs	22	-	-	12	-	(34)	-
Total expenditure	245	486	1,540	72	-	-	2,343

Year ended 30 June 2021

	Staff costs (note 5) £'000	Investment costs £'000	Grants (notes 21 & 22) £'000	Other costs £'000	Support costs £'000	Governance costs £'000	2022 Total £'000
Cost of raising funds:							
Investment management costs	8	148	-	-	5	1	162
Property related costs	15	561	-	-	16	3	595
Charitable activities							
Churches	62	-	790	-	44	10	906
Health and welfare	79	-	868	-	44	10	1,001
	164	709	1,658	-	109	24	2,664
Support costs	55	-	-	54	(109)	-	-
Governance costs	15	-	-	9	-	(24)	-
Total expenditure	234	709	1,658	63	-	-	2,664

4 Net income/(expenditure) for the year

This is stated after charging:

	2022 £'000	2021 £'000
Depreciation	2	2
Operating lease rentals – property	20	20
Auditor's remuneration – audit fees	8	7

Notes to the financial statements

For the year ended 30 June 2022

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £'000	2021 £'000
Salaries and wages	210	200
Social security costs	18	18
Employer's contribution to defined contribution pension schemes	17	16
	<u>245</u>	<u>234</u>

One member of staff was paid a salary of between £70,001 and £80,000 during the year (2021: one). No other members of staff were paid over £60,000.

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £213,000 (2021: £158,000). Four members of staff employed during the year are considered to be key management personnel (2021: three).

During the year the charity paid £2,569 (2021: £204) to enable trustees to attend training courses and conferences which were directly relevant to their office. During the year the charity purchased no IT equipment for trustees (2021: £798 to enable remote working and full participation in trustee duties). The charity trustees were not paid and did not receive any benefits from the charity (2021: nil). No charity trustee received payment for professional or other services supplied to the charity (2021: nil).

6 Staff numbers

The average full-time equivalent number of employees was:

	2022 No.	2021 No.
Charitable activities	3	3
Support and administration	1	1
	<u>4</u>	<u>4</u>

The average headcount was 5 (2021: 5).

Notes to the financial statements

For the year ended 30 June 2022

7 Related party transactions

It is a condition of appointment of 14 of the 15 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 interests and withdrawal from meetings where appropriate.

Given the procedures and the breadth of support the charity offers to all qualifying entities in its area of benefit, the Trustee does not consider that there is a 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.

Although no awarded grants (or other financial transactions) fall within the definition of related party transactions, in the interests of complete transparency the Trustee would like to make clear that the following directors – or immediate family members – held key positions in organisations to which grants were made during the year. However, the individuals played no part in these decisions and absented themselves at meetings when they were discussed.

Director (or immediate family member)	Position	Organisation	Grants	Grants awarded 2021 £'000
			awarded 2022 £'000	
Susan Sorensen	Treasurer	St James, Islington	–	5
Jean Willson	President	Centre 404	72	13

Notes to the financial statements

For the year ended 30 June 2022

8 Taxation

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

9 Tangible fixed assets

	Computer equipment £'000
Cost	
At the start of the year	12
Disposals in year	(3)
At the end of the year	9
Depreciation	
At the start of the year	9
On disposals	(3)
Charge for the year	2
At the end of the year	8
Net book value	
At the end of the year	1
At the start of the year	3

All of the above assets are used for charitable purposes.

10 Endowment fund investments

	Main portfolio £'000	Exclusive medical funds £'000	2022 £'000	2021 £'000
Fair value at the start of the year	28,344	645	28,989	24,304
Additions at cost	8,382	241	8,623	9,457
Disposal proceeds	(9,519)	(274)	(9,793)	(9,824)
Net (loss)/ gain on investments	(1,694)	(48)	(1,742)	5,052
Fair value at the end of the year	25,513	564	26,077	28,989
Cash held by investment broker pending reinvestment	1,465	42	1,507	471
	26,978	606	27,584	29,460
Historic cost at the end of the year	24,770	714	25,484	24,253
Investments comprise:			2022 £'000	2021 £'000
UK Common Investment Funds			26,077	28,989
Cash			1,507	471
			27,584	29,460

See note 16 for more detail on investments held as exclusive medical funds.

Notes to the financial statements

For the year ended 30 June 2022

11 Investment properties

	Freehold Properties		2022 £'000	2021 £'000
	Interest in long leaseholds £'000	Rental and commercial properties £'000		
Fair value at the start of the year	926	28,975	29,901	28,435
Proceeds of leasehold extension and disposals in year	–	–	–	(2)
Gain/(loss) on revaluation during the year	(97)	905	808	1,468
Fair value at the end of the year	829	29,880	30,709	29,901

Property valuations were carried out by independent valuers, Daniel Watney LLP, as at 30 June 2022 and 30 June 2021. A 'Red Book' valuation, carried out in line with guidance issued by the Royal Institute of Chartered Surveyors, is undertaken every five years and was last carried out by Daniel Watney LLP as at 30 June 2018.

12 Debtors

	2022 £'000	2021 £'000
Rent receivable	87	56
Other debtors	10	29
Prepayments	19	17
	116	102

13 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Church grants	961	742
Health and welfare grants	475	540
Trade creditors	7	7
Taxation and social security	5	4
Accruals and other creditors	130	117
	1,578	1,410

14 Creditors: amounts falling due after one year

	2022 £'000	2021 £'000
Health and welfare grants	240	195

15 Analysis of net assets between funds

Net assets at both 30 June 2022 and 30 June 2021 consisted entirely of endowment funds.

Notes to the financial statements

For the year ended 30 June 2022

16 Movement in funds

Year ended 30 June 2022

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers – see note below £'000	At the end of the year £'000
Trust for investment					
Churches	11,213	–	–	1,054	12,267
Health and welfare	11,477	–	–	1,079	12,556
	<u>22,690</u>	<u>–</u>	<u>–</u>	<u>2,133</u>	<u>24,823</u>
Unapplied total return					
Churches	17,853	1,206	(1,112)	(1,954)	15,993
Health and welfare	18,164	1,226	(1,165)	(1,987)	16,238
	<u>36,017</u>	<u>2,432</u>	<u>(2,277)</u>	<u>(3,941)</u>	<u>32,231</u>
Total endowment funds	<u>58,707</u>	<u>2,432</u>	<u>(2,277)</u>	<u>(1,808)</u>	<u>57,054</u>
General funds					
Churches	–	–	(900)	900	–
Health and welfare	–	–	(908)	908	–
Total unrestricted funds	<u>–</u>	<u>–</u>	<u>(1,808)</u>	<u>1,808</u>	<u>–</u>
Total funds	<u>58,707</u>	<u>2,432</u>	<u>(4,085)</u>	<u>–</u>	<u>57,054</u>

In addition to the total return transfer between funds detailed in the statement of financial activities, a transfer from the unapplied total return funds to the trust for investment has been made in order to maintain the real value of the latter.

Year ended 30 June 2021

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers – see note below £'000	At the end of the year £'000
Trust for investment					
Churches	10,792	–	–	421	11,213
Health and welfare	11,046	–	–	431	11,477
	<u>21,838</u>	<u>–</u>	<u>–</u>	<u>852</u>	<u>22,690</u>
Unapplied total return					
Churches	15,630	3,926	(376)	(1,327)	17,853
Health and welfare	15,893	4,084	(381)	(1,432)	18,164
	<u>31,523</u>	<u>8,010</u>	<u>(757)</u>	<u>(2,759)</u>	<u>36,017</u>
Total endowment funds	<u>53,361</u>	<u>8,010</u>	<u>(757)</u>	<u>(1,907)</u>	<u>58,707</u>
General funds					
Churches	–	–	(906)	906	–
Health and welfare	–	–	(1,001)	1,001	–
Total unrestricted funds	<u>–</u>	<u>–</u>	<u>(1,907)</u>	<u>1,907</u>	<u>–</u>
Total funds	<u>53,361</u>	<u>8,010</u>	<u>(2,664)</u>	<u>–</u>	<u>58,707</u>

In addition to the total return transfer between funds detailed in the statement of financial activities, a transfer from the unapplied total return funds to the trust for investment has been made in order to maintain the real value of the latter.

16 Movement in funds (continued)

Allocation of income between the churches and health and welfare unrestricted funds is set out in the statement of financial activities. Expenditure on charitable activities is allocated directly to the activity involved. Property related costs and gains/losses on revaluation of properties are allocated equally between the two charitable activities. The allocation of investment management costs and net gains/losses on investments takes into account the exclusive medical funds referred to below.

Exclusive medical funds – the charity has assumed over the years funds 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 of these funds have been aggregated and are held and applicable in the health and welfare fund.

The exclusive medical funds are the subject of a permanent appropriation of the charity's investment (but not property) portfolio. The current rate of appropriation is 2.79% (2021: 2.79%). This will vary depending on any future capital contributions to or withdrawals from the investment portfolio. This rate of appropriation is also applied to the allocation of investment management charges and gains/losses on investments.

17 Reconciliation of net income/expenditure to net cash flow from operating activities

	2022 £'000	2021 £'000
Net income/(expenditure) for the reporting period as per the statement of financial activities	(1,653)	5,346
(Gains)/losses on investments	1,742	(5,052)
(Gains)/losses on property assets	(808)	(1,468)
Depreciation	2	2
Investment income	(1,624)	(1,490)
(Increase)/decrease in debtors	(14)	(17)
Increase/(decrease) in creditors	213	272
Net cash used in operating activities	(2,142)	(2,407)

18 Analysis of cash and cash equivalents

	At 1 July 2021 £'000	Cash flows £'000	At 30 June 2022 £
Cash at bank and in hand	846	(384)	462
Total cash and cash equivalents	846	(384)	462

Notes to the financial statements

For the year ended 30 June 2022

19 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2022 £'000	2021 £
Less than 1 year	5	5

20 Capital commitments

At 30 June 2022 the charity was not contractually committed to any expenditure (2021 – nil) on maintenance works to its properties.

21 Grants to Churches

	2022 £'000	2021 £'000
Church grants awarded in the year		
Christ Church, Highbury	23	61
Emmanuel Church, Hornsey Road	4	8
Hope Church Islington – St David	–	7
Hope Church Islington – St Mary Magdalene	37	28
Kings Cross Church	73	36
Our Most Holy Redeemer, Clerkenwell	63	55
St Andrew, Whitehall Park	62	70
St Andrew's, Thornhill Square	10	34
St Augustine, Highbury New Park	80	47
St Clement, King Square	54	5
St George & All Saints Church, Tufnell Park	50	–
St James, Clerkenwell	45	45
St James, Islington	–	5
St John, Upper Holloway	–	26
St Jude & St Paul, Mildmay Grove	47	60
St Luke, West Holloway	29	60
St Mark Clerkenwell	30	3
St Mark's, Tollington	57	13
St Mary, Hornsey Rise	14	25
St Mary's Islington	50	70
St Saviour's, Hanley Road	54	85
St Silas, Pentonville	58	1
St Stephen, Canonbury	–	60
St Thomas, Finsbury Park	8	5
The Church on the Corner	–	13
Total grants awarded in the year	848	822
Grants written back	(71)	(32)
Total church grants in the year	777	790

Notes to the financial statements

For the year ended 30 June 2022

22 Grants for Health and Welfare Needs

	2022 £'000	2021 £'000
Health and Welfare grants made to organisations		
<i>Strategic grants</i>		
Islington Giving	–	100
Total strategic grants awarded in the year	–	100
<i>Small grants</i>		
ALAG/Autism Hub Islington	–	10
Elfrida Society	–	10
Healthwatch Islington	–	10
Healthy Generations	–	10
Home Start Islington	–	10
Islington Mind	–	10
Islington People's Rights	–	10
Life Chances in partnership with AFLAH	–	10
Manor Gardens Welfare Trust	–	10
Mencap Islington	–	10
MER-IT Digital	–	10
One True Voice	–	10
Prospex	–	10
Single Homeless Project	–	10
Total small grants awarded in the year	–	140
<i>Principal Grants</i>		
Centre 404	60	–
Disability Action in Islington	90	–
Holloway Neighbourhood Group	–	90
Islington Centre for Refugees and Migrants	–	90
Islington Mind	90	–
Manor Gardens Welfare Trust	90	–
St Luke's Parochial Trust	–	90
Solace Women's Aid	30	–
Stuart Low Trust	–	90
The Manna	60	–
The Margins Project	–	87
The Maya Centre	60	–
Total principal grants awarded in the year	480	447
<i>Development and Support Grants</i>		
ALAG/Autism Hub Islington	2	–
Healthwatch Islington	50	–
Help on Your Doorstep	–	6
Islington Centre for Refugees and Migrants	3	–
Islington People's Rights	30	–
Islington Refugee and Migrant Forum	–	22
Life Chances in partnership with AFLAH	2	–
Manor Gardens Welfare Trust	–	47
One True Voice	2	–
Stuart Low Trust	3	–
Total development and support grants awarded in the year	92	75
Total grants to organisations awarded in the year	572	762

22 Grants for Health and Welfare Needs (cont'd)

Health and Welfare grants made to individuals	2022 £'000	2021 £'000
<i>Grants to individuals via Cloudesley Partners</i>		
Age UK Islington	5	5
Centre 404	12	13
Citizens Advice Islington	5	-
Community Language Support Services	3	3
Disability Action in Islington	5	-
Help on Your Doorstep	18	15
Islington Centre for Refugees and Migrants	17	20
Islington Law Centre	8	12
Islington Mind	20	19
Islington People's Rights	12	12
London Borough of Islington	5	-
Manor Gardens Welfare Trust	5	10
Octopus Community Network (via St Luke's Parochial Trust)	5	-
Peter Bedford Housing Association	6	6
Solace Women's Aid	5	8
St Luke's Parochial Trust	9	5
St Mungo's	8	8
The Manna	5	5
The Margins Project	2	2
Total grants via Cloudesley Partners awarded in the year	155	143
Grants written back	(23)	(28)
Total grants via Cloudesley Partners in the year	132	115
<i>Grants to individuals via Catalyst Programme</i>		
Age UK Islington	10	5
Help on Your Doorstep	10	-
Humankind	10	-
Islington Centre for Refugees and Migrants	10	-
Manor Gardens Welfare Trust	10	-
Peter Bedford Housing Association	10	-
Solace Women's Aid	10	-
St Mungo's	10	-
Total grants via Catalyst Programme awarded in the year	80	5
Grants written back	(21)	(14)
Total grants via Catalyst Programme in the year	59	(9)
Total Health and Welfare grants awarded to individuals in the year	235	148
Total grants written back	(44)	(42)
Total Health and Welfare grants to Individuals in the year	191	106
Total Health and Welfare grants in the year	763	868

23 Ultimate controlling party

The charity's ultimate parent undertaking and controlling party is Richard Cloudesley Trustee Limited, a company limited by guarantee (number: 7425897). Consolidated accounts are not prepared as the parent is dormant. Dormant accounts are filed with Companies House. There were no financial transactions between Cloudesley and Richard Cloudesley Trustee Limited during the year.