

# THE BENEVOLENT SOCIETY OF BLUES

## THE TRUSTEES' 197th ANNUAL REPORT

for the year ended 30 June 2021

The Trustees present their Report and the audited accounts of The Benevolent Society of Blues ("the Society" or "BSB") for the year ended 30 June 2021.

### Reference and Administrative Details

The Benevolent Society of Blues is a Registered Charity, number 207818.

It is also known in its shortened form as the BSB.

In recent years the Society has adopted the slogan 'Blues Supporting Blues' in its literature.

The principal Officers of the Society are:

<b>President:</b>	Kathleen Duncan OBE
<b>Chairman:</b>	Andrew J Cosedge
<b>Deputy Chairman:</b>	Robin N Clarke
<b>Treasurer:</b>	Perry DCN Kitchen MA FCA
<b>Secretary:</b>	Julie Wilson

The **Charity Trustees**, who are responsible for the running of the Society, are known as **Directors**. Those who served as **Directors** during the year under review were:

Gordon C Bloor (b) (retired 12 April 2021)  
James Y Bogue (b) (c)  
Paul Livingstone-Chambers (b)  
Robin N Clarke (a) (b)  
Andrew J Cosedge (b) (c)  
Martin Crick (b)  
Christopher J Ennis (b) (c)

Peter Godden-Kent (b) (died 5 September 2020)  
Perry DCN Kitchen (a) (b)  
Nicholas C de Mattos (b)  
Stephen Treharne (b)  
Louise Warrender (b)  
Sally-Ann White (b) (d)  
Guy Wilkes (b) (d)  
Jennifer Williams (b)

- (a) Member of Finance Committee
- (b) Member of Grants & Loans Committee
- (c) Member of Presentations Committee
- (d) Member of Communications Committee

The Chairman and Deputy Chairman are ex-officio members of all Committees.

The following persons act as **Holding Trustees** in respect of certain of the Society's investments: Roger P Eades, Perry DCN Kitchen, Richard R McGregor, and Robert W Muir.

(continued)

The **address** from which the BSB operates is: The Benevolent Society of Blues  
The Counting House  
Christ's Hospital  
Horsham  
West Sussex RH13 0YP

Communications should be addressed to the Secretary, Julie Wilson.

**Telephone:** 01403 247418  
**Email:** Julie@bluessupportingblues.net

Other relevant organisations are:

**Auditors:** Rawlinson & Hunter Audit LLP  
Eighth Floor  
6 New Street Square  
New Fetter Lane  
London EC4A 3AQ

**Bankers:** National Westminster Bank Plc  
P.O. Box 12264  
1 Princes Street  
London EC2R 8PB

CCLA Investment Management Ltd (until 1 December 2020)  
COIF Charity Funds  
80 Cheapside  
London EC2V 6DZ

**Investment Managers:** Integrated Financial Arrangements Ltd t/a Transact  
29 Clement's Lane  
London  
EC4N 7AE

The BSB is an independent charity, which was founded in 1824 by a group of Old Blues (former pupils of Christ's Hospital) who wished to help some of their less fortunate colleagues. The Society exists to assist persons educated or being educated at Christ's Hospital, or past members of the staff with not less than ten years service, who are in need, hardship or distress. The assistance can extend to parents, spouses, widows, widowers, children or other dependants of such persons and can be in the form of gifts, grants or loans or any combination of these. The Society also makes a limited number of presentations to Christ's Hospital of children or close relatives of Old Blues.

The Society operates through a Board of Directors and Committees appointed by the Board. The names of the four standing Committees are shown above. The Committees primarily consist of Directors, but some have additional members who are appointed to broaden the spread of knowledge on the Committee.

The ultimate controlling body is the Board of Directors who are, collectively, the Charity Trustees.

The Board is responsible for the overall management of the Society and meets four times a year, normally twice at Christ's Hospital and twice in London. Most of the responsibilities are delegated to the Committees, which report to the Board. The Board sets the terms of reference for each committee and ratifies all major decisions if seen fit.

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The Grants & Loans Committee is responsible for determining most of the benefits provided by the BSB. It meets in most months of the year to consider in detail applications for grants, loans or other assistance. The Board aims that every Director will serve on this Committee at some stage.

The Presentations Committee is responsible for BSB presentations to Christ's Hospital. This involves identifying and assessing applicants to determine who should be offered the opportunity to take the entrance examination as a potential BSB presentee, and following up their progress while they are at the school.

The Finance Committee looks after the financial affairs of the Society. This includes financial reports and budgets and the monitoring of investment policy and performance.

The Communications Committee seeks to establish and maintain modern and effective communication with the Christ's Hospital community and beyond, to encourage new members and identify potential beneficiaries.

The day-to-day running of the Society rests with the Secretary, who is the first point of contact for all matters. The Secretary keeps the essential records of the Society, including the maintenance of the databases of members and beneficiaries.

The recruitment of new Directors and Committee members is largely by word of mouth through the extensive network of Old Blue associations and societies. Sometimes specific searches are carried out where specialist skills are needed. The induction and training of Directors and Committee members is carried out through the distribution of the BSB handbook and other documentation, through specific sessions at Board meetings and through direct involvement in one or more of the Committees.

### **Pay policy for senior staff**

The trustees consider that they comprise the key management personnel of the charity, in charge of directing and controlling the society. All trustees give their time freely and no trustee received any remuneration during the year.

### **Risk Management and Governance**

The Board has reviewed the major strategic, business and operational risks to which the Society is exposed and confirms that systems have been established to mitigate any such risks. The assessment of risks is kept under review. In addition, the Board has taken due consideration of *Good Governance – A Code for the Voluntary and Community Sector* ("the Code"), ensuring that the six main principles of the Code are adhered to. These are:

- Understanding the Trustees' role.
- Doing what the organisation was set up to do.
- Working effectively.
- Control.
- Behaving with integrity.
- Openness and accessibility.

The Board recognises that good governance plays an essential part in securing the future of the Society and confirms that it follows the said main principles of the Code in leading, directing and managing the Society.

### **Objectives and Activities for the Public Benefit**

As already stated the objects of the Society are to assist Old Blues, current pupils of Christ's Hospital and former members of staff who are in "need, hardship or distress". These objectives have not, in essence, changed since the Society was formed in 1824.

It is the aim of the Board to seek to identify all those who are in need of assistance. This is done through social media, by word of mouth, by articles or advertisements in relevant Christ's Hospital, Old Blue or BSB publications, by presentations to Old Blue clubs, societies or dining groups, and by talks to pupils or other groups.

# **THE BENEVOLENT SOCIETY OF BLUES**

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The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the BSB's aims and objectives and in planning future activities and providing help in the form of gifts, grants or loans or any combination of these.

The Society is dependent on the services of unpaid volunteers as Directors and Committee members, all of whom are former pupils or former members of staff of Christ's Hospital.

### **How our Objectives and Activities Delivered Public Benefit:**

#### **A Review of Achievement and Performance**

During the year 2 individuals over the age of 60 (2020: 8) received regular payments or periodic gifts from the Society. The Board is always seeking to identify new older beneficiaries, who are in need.

Apart from the older beneficiaries, 28 (2020: 46) applications for assistance were received during the year of which 19 (2020: 38) were met in part or in full. The number of adults aged between 18 and 60 given help (including those agreed in the previous year but paid in this year) was 22 (2020: 30) whilst the number of pupil recipients was 38 (2020: 33). Pupil recipients included laptops for online tuition during Covid-19 lockdown, and the Additional Costs Fund administered by Christ's Hospital, giving assistance to a large number of pupils in need, including clothes, travel and food. Other help to pupils include sporting, character building and charitable activities, emergency accommodation and compassionate help to pupils with difficult family circumstances.

Amongst the adults aged 18 to 60, many of those given assistance were, as usual, those embarking on degree courses but there were others of varying ages who needed assistance through encountering social or financial problems of one sort or another. The assistance was by way of grants for 18 (2020: 20) individuals and by way of interest free loans for 4 (2020: 10). Some beneficiaries received both grants and loans. In all, with help to some beneficiaries being by instalments, 37 (2020: 71) separate grants were made to adults or pupils, including 2 grants totaling £40,255 to the Additional Costs Fund (2020: 2 grants totaling £50,000); whilst 7 (2020: 23) separate loans were advanced.

The number of individuals with loans outstanding at the end of the year was 129 (2020: 135). Loans were made to 4 (2020: 6) new individuals and repayments were completed on 10 (2020: 17) loans. Of the remaining loanholders, 75 (2020: 64) made repayments to some degree or other during the year. It should be noted that, for 4 loans, (2020: 14) repayments were not yet scheduled to commence.

In recent years, substantial provision has been made against loans which are unlikely to be recovered, recognising that the difficult financial climate has borne most harshly on those in the greatest need. At the same time, apart from loans for educational and career development purposes, support has more usually been by way of grant, targeted as precisely as possible so as to do the most good, sometimes combined with advice, as explained below. The current outlook for those most in need is not promising and accordingly a provision has been made in this year against loans unlikely to be recovered of £20,334 (2020: £12,674). All loans are interest free.

The Society had 3 presentees at the school during the last academic year. For the next academic year, the Society expects to have 4 presentees. The Directors are always glad to hear of potential candidates for presentation.

Finally, it is also important to emphasise that the Society gives assistance that is non-monetary. Calling on the expertise of the Board and its contacts, 30 (2020: 21) individuals were given advice and in some cases redirected to other appropriate agencies. Of these, 3 (2020: 8) applicants were visited at home. A recurrent theme continued to be help for students to plan their finances, particularly those embarking on postgraduate courses. In some cases such advice was given in addition to financial support. 20 made applications for support but did not then take this further. There is always a greater number that contact the Society but do not then apply for financial support. In many cases the secretariat can redirect them to more appropriate bodies, and in others a discussion is all that is needed.

### **Financial Review**

The Treasurer's Report, which follows on page 7, is to be treated as part of this Report.



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Subscriptions received were slightly lower than 2020. Subscriptions are now around 75% of the amounts received in the years up to 2014.

There were many generous donations this year, totaling £4,575 (2020: £9,697): there was a wide range of reasons, including some in memory of Old Blues. A legacy of £35,807 was the second and final instalment of a magnificent legacy of £95,807 from a supporter of Christ's hospital and the BSB.

The Board is most grateful to all who generously remember the Society, either by donation or legacy.

The direct charitable expenditure in the year was £88,271, against £93,268 in 2020, of which a large part was the contribution of £40,255 to the Additional Costs fund, giving assistance to pupils of Christ's Hospital during and after the Covid-19 lockdown. During the last few years, the Society has also begun to address other needs for pupil support, including accommodation during the school holidays: pupil expenditure this year was £2,310. Interest free loans advanced during the year amounted to £6,950, against £17,545 in the previous year. The Directors consider that the overall levels of direct charitable expenditure represent an appropriate balance between meeting the Society's charitable objectives and maintaining its capital base.

There was an operating surplus of £9,907 in 2021, against a surplus of £39,615 in 2020.

Funds not immediately required for charitable purposes are held in a spread of investments, currently managed through Transact, the investment platform owned and managed by Integrated Financial Arrangements Limited.

The Society has a formal Investment Policy Statement, which includes an Asset Allocation Policy that sets out ranges for the holdings of different classes of investments, as to equities on the one hand, and bonds, property and cash on the other.

About 41% (2020: 43%) of the Society's investments, approximately equal to its permanent endowment, are invested in the Jupiter Merlin Balanced Portfolio, a mixed fund invested in a range of geographical and industry sectors.

The investment funds held through Transact are in tracker funds from Dimensional Fund Advisors (UK Value, UK Small Companies, International Value, Global Small Companies, Global Short Dated Bond Fund, Emerging Markets Targeted Value), Vanguard Investments (FTSE Developed World ex UK and Emerging Markets Stock Index) and Fidelity (Index UK Fund P).

Details of investments held are in note 5 to the accounts.

The Board is confident that the present asset allocation, fund managers and spread of investments should maintain the real value of the Society's capital base whilst providing the opportunity to capitalise on improvements in stock markets. The Finance Committee monitors performance regularly, and members of the Committee also attend seminars from time to time.

The total return (representing both capital and income) on the Society's investments during the year ended 30 June 2021 has been calculated as 20.84%, mainly reflecting global stock market movements. This compares with a total return of 17.7% on the FTSE All-Share Index. The Society's portfolio is spread more widely than the FTSE All-Share, and the Board consider that comparison should also be made with a global index, such as the FTSE All World index, which indicates a positive figure of 23.19%.

### Reserves Policy

The Reserves policy of the Society (which was adopted in the year 2000) is as follows:

1. The Society has benefited over the years from generous gifts in the form of donations and legacies. When projecting income forward it is not prudent to rely on any significant receipts from such sources. Consequently the Society has to maintain a sizeable portfolio of investments to generate income that, together with

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subscriptions from members, will enable the Society to defray the expenditure necessary to meet its charitable objectives. The necessary value of the investment portfolio is the main factor determining the level of funds which the Society has to maintain as its Permanent Endowment and Reserves. Some margin is also needed to allow for adverse fluctuations in stock market values.

2. A further element of Reserves is necessary to support the book value of the interest free loans, which the Society makes to approved applicants. This recognises the fact that, by their nature, the amount and timing of repayments of loans cannot be accurately anticipated.

Quantification of the required Permanent Endowment and Reserves in accordance with the above policy gives rise to a figure of £4.63 million as at 30 June 2021. This compares with the actual total funds in the Balance Sheet at that date of £4.07 million.

### Fundraising

The Board has referred to the Code of Fundraising Practice ("the Code") which was developed by the fundraising community through the work of the Institute of Fundraising and Public Fundraising Association, and the Guidance on Charities and Fundraising issued by the Charity Commission ("CC20"). They confirm that the new Code and CC20 have no impact on the Charity as it does not engage in any public fundraising activities.

### Plans for future periods

Each year the Board produces a Financial Plan, which projects the relevant figures over the next four years. Such plans provide the basis of the assessment of the required Reserves as indicated above.

The main conclusion from the most recent Financial Plan is the continuing need to increase the regular ongoing level of subscriptions to the Society, and to ensure that charitable expenditure continues to be sufficient to enable the Society to meet its primary object of helping Blues who are "in need, hardship or distress" whilst maintaining the real value of its capital base.

### Appreciation

The Society is most grateful to all who have served on the various committees of the Board during the year, including Roger Eades, Richard Eyre, Georgina Martin, and Keith Mills. The Society is heavily reliant on such voluntary contributions of time and effort. The Board is always glad to welcome more volunteers to assist with the work of the Society.

On a sadder note, we have regretfully to report two deaths during the year. Catherine Ennis served on the Board for 12 years until 2019, bringing her comprehensive knowledge of music and education to the presentations committee. Peter Godden-Kent served from 2016: his detailed understanding of the benefits system was enormously helpful to the grants and loans committee. Both worked hard for the Society and served cheerfully, and they will be missed.

Finally, the Board would like to pay tribute to the hard work and enthusiasm of the secretariat. Julie Wilson, who is now well-established as our secretary, and has shown notable initiative in managing rapidly changing situations and extending the Society's reach to areas of charitable need that had not previously arisen. We are also very grateful that Rowena Harris stayed in a part time capacity to help Julie settle in, finally retiring at the end of August 2020, and I would like to take this opportunity to thank her for more than a decade of dedicated service, during which she was the BSB's friendly and approachable front line. The smooth and successful functioning of the Society is heavily dependent upon the dedicated work of the secretariat: we are most grateful to both Julie and Rowena, and confident that with Julie the BSB's work is in good hands.

  
**Andrew Cosedge**  
**Chairman**

11 October 2021

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### TREASURER'S REPORT

The principal features of the Accounts for the year ended 30 June 2021 are as follows:

Subscriptions (including tax recovered as Gift Aid), amounted to £31,903 (2020: £32,807), continuing a year by year gradual reduction, which the board is addressing. The Society is grateful for support from all its members. Legacies this year were £35,807 (2020: £64,142), being the final instalment of a very generous £95,807. Donations amounted to £4,575 (2020: £9,697). Our gratitude to those Old Blues and supporters who have thus demonstrated their generosity is extremely strong. Investment distributions were £90,162 (2020: £70,585), the increase due to a decision to keep 2% of the portfolio in cash, enabling one year's expenditure without realising investments.

Total incoming resources were £162,447 (2020: £177,231).

The following comments on charitable expenditure should be read with reference to the five-year summary on page 20. In the formal statement of financial activities on page 9, support costs are spread across the heads of charitable expenditure in accordance with applicable accounting standards.

The assistance given to older beneficiaries, at £2,195 (2020: £1,650) is higher than last year, much of it to one individual, whilst some regular beneficiaries have died. It is our aim to seek out more persons in this age group who are in need of help from the Society.

Grants paid to other beneficiaries were £23,177 (2020: £19,081). There were several applications from students seeking support for postgraduate studies, and there were also some older applicants. Grants were targeted as precisely as possible to do the most good, and a number of those receiving financial support also received advice, introduction to other agencies, or redirection to other sources of funding as appropriate. In some cases, a grant or loan was not made, and assistance was given in the form of advice and guidance that is not reflected in the figures.

Grant support for needy pupils at the school to assist with travel and other needs amounted to £42,565 (2020: £59,863). The bulk of this was £40,255 (2020: £50,000) to Christ's Hospital for the Additional Costs Fund, on which there were unusually heavy calls due to continuing Covid-19 lockdowns.


There was no payment to Christ's Hospital for Donation Governorships (2020: £nil). The Society aims to present one or two children each year to the school, and has presented another child for entry in September 2021.

Salary costs increased from £31,329 to £38,949 reflecting the secretary moving to full time working whilst the former secretary remained part time. The overall salary cost is comparable to the level up to 2016. Support costs decreased from £8,019 to £3,401 following heavy IT expenditure last year, whilst £16,920 was spent on developing the new website. Governance costs principally comprise the audit fee.

Total resources expended amounted to £152,540 (2020: £137,616), the increase reflecting increased grants to individuals, increased loans provisions, and website costs. There was a net surplus for the year amounting to £9,907 (2020: £39,615).

Loans advanced to individuals on an interest free basis, were £6,950, compared with £17,545 last year. Loan repayments totaled £28,592 (2020: £29,233). Loans are now made only with a realistic prospect of recovery, and this is reflected in the level of repayments, which the secretariat has worked unceasingly to encourage. The loan provision of £20,334 (2020: £12,674), is mainly in respect of long-standing loans which show little prospect of repayment. The net value of the loan portfolio is now £80,316, which is considered to be realistic.

The investment portfolio increased in value from £3.33m to £3.88m, reflecting increases in global stock markets. Details of investments are in note 5. The Directors continue to believe that it is in the Society's long-term interest to have a spread of investments, and they take careful advice from the Society's investment managers and other sources.

  
Perry Kitchen  
Treasurer

11 October 2021



# THE BENEVOLENT SOCIETY OF BLUES

## TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information on the charity's website.

## Other Statutory Information

Each person who was a director at the time of approval of this report confirms that the auditors are not unaware of any relevant audit information, and all appropriate steps have been taken to establish this. In order to comply with the Accounting and Reporting by Charities: statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 issued in October 2019, and related regulations, the Directors have pleasure in supplying the following additional information:

1. The Society is governed by the Charity Commission Scheme of Arrangement dated 9 November 1982 and by Rules that were last updated in November 2014.
2. The Society is an unincorporated association.
3. The Directors (between 12 and 24 in number) are elected by the members in accordance with the provisions of the Society's Rules. The Board may also co-opt up to 4 members to fill vacancies until the following AGM.
4. The Society's policy on Reserves is included within the Trustees' Report on pages 5 and 6.
5. The Board of Directors has the power to invest in such assets as it sees fit subject to any statutory restrictions. Such investments may be held by a bank or stockbroking company as nominees, but otherwise must be vested in not less than three individuals appointed by the Board as Holding Trustees.

## By Order of the Board



**Julie Wilson**  
Secretary

11 October 2021

# THE BENEVOLENT SOCIETY OF BLUES

## STATEMENT OF FINANCIAL ACTIVITIES for the year ended 30 June 2021

	Note	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
<b>Income</b>					
<b>Incoming resources of a voluntary nature:</b>					
Subscriptions including tax recovered		31,903	-	31,903	32,807
Donations including tax recovered		4,575	-	4,575	9,697
Legacies		<u>35,807</u>	<u>-</u>	<u>35,807</u>	<u>64,142</u>
		<u>72,285</u>	<u>-</u>	<u>72,285</u>	<u>106,646</u>
<b>Investment Income:</b>					
Distributions from investment managers		90,072	-	90,072	70,336
Deposit interest		<u>90</u>	<u>-</u>	<u>90</u>	<u>249</u>
		<u>90,162</u>	<u>-</u>	<u>90,162</u>	<u>70,585</u>
<b>Total incoming resources</b>		<u>162,447</u>	<u>-</u>	<u>162,447</u>	<u>177,231</u>
<b>Expenditure</b>					
<b>Expenditure on charitable activities:</b>					
Assistance for older beneficiaries	4	3,793	-	3,793	2,435
Grants to other beneficiaries	4	40,052	-	40,052	28,154
Support grants to pupils	4	73,556	-	73,556	88,327
Loans unlikely to be recovered	4	<u>35,139</u>	<u>-</u>	<u>35,139</u>	<u>18,700</u>
<b>Total resources expended</b>	2, 3, 4, 6	<u>152,540</u>	<u>-</u>	<u>152,540</u>	<u>137,616</u>
<b>Net incoming resources</b>	9	9,907	-	9,907	39,615
Net gains/(losses) on investment assets	5, 9	305,857	249,990	555,847	(144,905)
<b>Net movement in funds</b>		315,764	249,990	565,754	(105,290)
Fund balances brought forward at 1 July 2020		<u>2,012,362</u>	<u>1,495,930</u>	<u>3,508,292</u>	<u>3,613,582</u>
<b>Fund balances carried forward at 30 June 2021</b>	9	<u><b>2,328,126</b></u>	<u><b>1,745,920</b></u>	<u><b>4,074,046</b></u>	<u><b>3,508,292</b></u>

There are no recognised gains or losses other than those included in the Statement of Financial Activities above.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 11 to 16 form part of these accounts.




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## BALANCE SHEET at 30 June 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	5	3,882,013	3,326,166
		<hr/>	<hr/>
<b>Current assets</b>			
Loans	6	80,316	122,269
Cash balances	7	96,859	39,839
Debtors	8	<u>26,462</u>	<u>29,400</u>
		203,637	191,508
<b>Less: Creditors falling due within one year</b>			
Sundry creditors		(11,604)	(9,382)
		<hr/>	<hr/>
<b>Net current assets</b>		192,033	182,126
		<hr/>	<hr/>
<b>Net assets</b>		<u><u>4,074,046</u></u>	<u><u>3,508,292</u></u>
<b>Funds</b>			
Unrestricted	9	2,328,126	2,012,362
Restricted	9	1,745,920	1,495,930
		<hr/>	<hr/>
<b>Total funds</b>	9	<u><u>4,074,046</u></u>	<u><u>3,508,292</u></u>

Approved by the Board of Directors on 11 October 2021 and signed on its behalf by:

  
AJ Cosedge, Chairman

  
PDCN Kitchen, Treasurer

The notes on pages 11 to 16 form part of these accounts.

# THE BENEVOLENT SOCIETY OF BLUES

## NOTES TO THE ACCOUNTS for the year ended 30 June 2021

### 1. Principal accounting policies

#### (a) Accounting convention

The Benevolent Society of Blues (“the society” or “BSB”), registered charity number 207818, is based and administered in the United Kingdom. The registered address is The Counting House, Christ’s Hospital, Horsham, West Sussex, RH13 0YP.

The society continues as a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The financial statements are presented in sterling which is the functional currency of the society.

#### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The forecast income and reserves are sufficient to cover all of the budgeted expenditure to be able to continue as a going concern.

The Covid-19 pandemic has presented significant operational challenges for the BSB. Having considered the contingency plans in place, the support to businesses announced by the UK Government and having reviewed updated cash flow forecasts, the directors consider that the adoption of the going concern basis in preparing these financial statements continues to be appropriate.

(c) **Investments** are valued at the closing market value on the Balance Sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

(d) **Items of equipment** are only capitalised where the individual purchase price exceeds £5,000 and the assets are expected to be of lasting benefit to the Society.

(e) **Recoverable loans** are carried as a current asset in the Balance Sheet. An appropriate provision for loans unlikely to be recovered is charged in the Statement of Financial Activities.

#### (f) Incoming resources

Legacies and donations are accounted for in the year in which they are receivable, unless the requests of the donor justify different treatment.

Income tax recoverable on subscriptions and donations received under gift aid is accounted for in the period in which recovery is effected.

#### (g) Resources expended

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Grants and other payments to beneficiaries are approved at monthly meetings of the Grants & Loans Committee and are charged in the year in which payment is made. There are no long-term commitments of benefits.

Salaries and support costs and Governance costs are included on an accruals basis.

# THE BENEVOLENT SOCIETY OF BLUES

## NOTES TO THE ACCOUNTS

for the year ended 30 June 2021

(continued)

### (h) Financial Instruments

The society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value.

### (i) Cash and cash equivalents

Cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the entity's cash management. Also included is cash held under management by the investment broker.

### (j) Taxation

The society is not subject to any taxes on its charitable activities. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

### (k) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised as expenditure.

### (l) Judgments and key sources of estimation uncertainty

In preparing the financial statements, the trustees have considered how best to apply the society's accounting policies and make estimates in the preparation of the financial statements, where relevant.

The critical judgments that have been made in arriving at the amounts recognised in the financial statements, and key areas of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the financial year, are discussed below.

- The Trustees have assumed that of the total loans repayable of £80,316 at the year end, £55,000 will be repaid more than one year after the year end. A higher proportion of the total loans repayable due for repayment after more than one year would result in a lower discounted asset value being presented as a debtor. A lower proportion of the total loans repayable due for repayment after more than one year would result in a higher discounted asset value being presented as a debtor in these accounts.
- The Trustees have assumed that £55,000 of total estimated long term loans will be repaid more than one year after the year end, and that this will be repaid evenly over a 10 year period. Should the estimated long term loans not be repaid evenly over a 10 year period, nor repaid at all over a 10 year period, a different present value of these loan debtors would have been presented in these accounts.
- The Trustees have assumed an estimated applicable discount rate of 3% per annum at 30 June 2021 to discount the future loans payable to the present value. A higher discount rate would result in a lower discounted asset value being presented as a debtor. A lower discount rate would result in a higher discounted asset value being presented as a debtor in these accounts.

## 2. Salaries and support costs

Salaries and support costs included £38,949 (2020: £31,329) in respect of the total emoluments of the Society's employees during the year. Pension costs of £1,627 (2020: £2,208) are included. The average number of the Society's employees was 1 (2020: 2). This is apportioned to the various categories of the charitable activities.

## 3. Governance costs

Governance costs included £5,000 (2020: £5,000) in respect of auditors' remuneration. This is apportioned to the various categories of the charitable activities.

None of the Trustees or the Directors received any remuneration.

# THE BENEVOLENT SOCIETY OF BLUES

## NOTES TO THE ACCOUNTS

for the year ended 30 June 2021

(continued)

### 4. Analysis of charitable activities

The charity undertakes its charitable activities through grant-giving and/or loan provision to assist persons educated or being educated at Christ's Hospital or their families, or past members of staff with no less than ten years' service, who are in need, hardship or distress.

Types of charitable activity	Direct assistance £	Support costs £	2021 total £	2020 total £
Grants to older beneficiaries (age 60+)	2,195	1,598	3,793	2,435
Grants to other beneficiaries	23,177	16,875	40,052	28,154
Grants to current pupils	42,565	30,991	73,556	88,327
Loans unlikely to be recovered	20,334	14,805	35,139	18,700
	<u>88,271</u>	<u>64,269</u>	<u>152,540</u>	<u>137,616</u>

### 5. Investments

	01.07.20 £	Additions £	Disposals £	Net gains £	30.06.21 £
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#### NON-ENDOWMENT PORTFOLIO

##### Dimensional

UK Value	32,070	1,752	(6,211)	10,052	37,663
UK Small Companies	31,757	283	(6,141)	11,893	37,792
International Value	310,468	8,145	(21,706)	90,155	387,062
Global Small Companies	320,672	3,516	(46,309)	112,249	390,128
Short Dated Bond Fund	426,818	87,792	(6,015)	473	509,068
Emerging Markets Targeted Value	173,530	-	(37,800)	62,214	197,944
	<u>1,295,315</u>	<u>101,488</u>	<u>(124,182)</u>	<u>287,036</u>	<u>1,559,657</u>

##### Fidelity

Index UK Fund P (Acc)	<u>50,979</u>	<u>1,961</u>	<u>(3,489)</u>	<u>10,783</u>	<u>60,234</u>
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##### Vanguard

FTSE Developed World Ex UK	438,454	23,745	(40,328)	101,173	523,044
Emerging Markets Stock Index	115,364	7,562	(15,773)	24,083	131,236
	<u>553,818</u>	<u>31,307</u>	<u>(56,101)</u>	<u>125,256</u>	<u>654,280</u>

Cash realised	<u>-</u>	<u>-</u>	<u>(49,016)</u>	<u>49,016</u>	<u>-</u>
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Non-Endowment total c/f	<u>1,900,112</u>	<u>134,756</u>	<u>(232,788)</u>	<u>472,091</u>	<u>2,274,171</u>
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# THE BENEVOLENT SOCIETY OF BLUES

## NOTES TO THE ACCOUNTS

for the year ended 30 June 2021

(continued)

### 5. Investments (continued)

	01.07.20 £	Additions £	Disposals £	Net gains £	30.06.21 £
<b>Non-Endowment portfolio b/f</b>	<b>1,900,112</b>	<b>134,756</b>	<b>(232,788)</b>	<b>472,091</b>	<b>2,274,171</b>
<b>ENDOWMENT PORTFOLIO</b>					
<b>Jupiter</b>					
Merlin Balanced Portfolio	<u>1,426,054</u>	<u>9,000</u>	<u>(5,758)</u>	<u>178,546</u>	<u>1,607,842</u>
Cash invested	-	3,242	-	(3,242)	-
<b>TOTAL</b>	<b><u>3,326,166</u></b>	<b><u>146,998</u></b>	<b><u>(238,546)</u></b>	<b><u>647,395</u></b>	<b><u>3,882,013</u></b>

### Summary by sector

	01.07.20 £	Additions £	Disposals £	Net gains £	30.06.21 £
UK All Share	50,979	1,961	(3,489)	10,783	60,234
UK Smaller Companies	31,757	283	(6,141)	11,893	37,792
UK Value	32,070	1,752	(6,211)	10,052	37,663
MSCI Global Index ex UK	438,454	23,745	(40,328)	101,173	523,044
Global Value	310,468	8,145	(21,706)	90,155	387,062
Global Smaller Companies	320,672	3,516	(46,309)	112,249	390,128
Emerging Markets	288,894	7,562	(53,573)	86,297	329,180
Global Short-Dated Bonds	426,818	87,792	(6,015)	473	509,068
Multi-Asset Funds	1,426,054	9,000	(5,758)	178,546	1,607,842
Net cash movements	-	3,242	(49,016)	45,774	-
<b>TOTAL</b>	<b><u>3,326,166</u></b>	<b><u>146,998</u></b>	<b><u>(238,546)</u></b>	<b><u>647,395</u></b>	<b><u>3,882,013</u></b>

The original cost of the investments was £2,613,587 (2020: £2,659,361).

### 6. Loans

2021  
£

2020  
£

The movement in loans was as follows:

Balance at 1 July	122,269	146,631
Loans advanced	6,950	17,545
Loans repaid	(28,569)	(29,233)
Loans unlikely to be recovered	(20,334)	(12,674)
Balance at 30 June	<u>80,316</u>	<u>122,269</u>



# THE BENEVOLENT SOCIETY OF BLUES

## NOTES TO THE ACCOUNTS

for the year ended 30 June 2021

(continued)

### 6. Loans (continued)

The dates for commencement of loan repayments are not always specified, nor is the rate of repayment normally laid down. The value of loans expected to be repaid after more than one year is approximately £55,000 (2020: £92,000). All loans are interest free.

7. Cash balances	2021 £	2020 £
Bank balances	20,209	15,470
Charities Fund Deposit Account	-	10,812
Transact Cash Account	76,650	13,557
	<u>96,859</u>	<u>39,839</u>

### 8. Debtors

Debtors of £26,462 (2020: £29,400) are amounts owed in investment income in respect of the Society's holdings on the Transact investment platform.

### 9. Funds

As at 30 June 1982 five separate funds were merged into one fund called the General Fund. After allocation of subsequent movements in funds (principally investment gains), the resulting balance on the General Fund was formally adopted as the Permanent Endowment of the Society at a Board meeting on 14 October 2000. Subsequent movements of funds have continued to be allocated as appropriate between the Permanent Endowment and Reserves.

The movement in funds during the year was as follows:

	Unrestricted Funds (Reserves) £	Restricted Funds (Permanent Endowment) £	Total Funds £
Balance at 1 July 2020	2,012,362	1,495,930	3,508,292
Net surplus before investment gains	9,907	-	9,907
Investment gains	305,857	249,990	555,847
Balance at 30 June 2021	<u>2,328,126</u>	<u>1,745,920</u>	<u>4,074,046</u>
The funds comprised:			
Investments	2,274,171	1,607,842	3,882,013
Net current assets	53,955	138,078	192,033
Total	<u>2,328,126</u>	<u>1,745,920</u>	<u>4,074,046</u>

The Trustees have complete discretion over the use of the Unrestricted Funds in pursuance of the Society's objectives.

The Trustees are committed to permanently maintaining the whole of the fund they have determined as the Permanent Endowment. This fund cannot, therefore, be spent as if it were income.

### 10. Related party transactions

There have been no related party transactions in the reporting period and no trustees received any remuneration during the year to 30 June 2021 (2020: £0).

# THE BENEVOLENT SOCIETY OF BLUES

## NOTES TO THE ACCOUNTS

for the year ended 30 June 2021

(continued)

### 11. Financial Instruments

The carrying amounts of the society's financial instruments are as follows:

#### Financial Assets

Measured at fair value through SOFA:

	2021	2020
	£	£
Fixed asset quoted investments	3,882,013	3,326,166
Cash under management	76,650	24,369
Cash at bank	20,209	15,470
Accrued income	26,462	29,400

#### Financial Liabilities

Measured at amortised cost:

Creditors & Accruals due within one year	11,604	9,382
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The income, expenses, net gains and net losses attributable to the society's financial instruments are summarised as follows:

Income and expense	2021	2020
	£	£
Measured at fair value through SOFA:		
Net gains/(losses) on investments	555,847	(144,905)

# THE BENEVOLENT SOCIETY OF BLUES

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BENEVOLENT SOCIETY OF BLUES

### Opinion

We have audited the financial statements of The Benevolent Society of Blues ("the Charity") for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet and the related 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 30 June 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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 Trustees' 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 the Charity'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 Trustees 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 Trustees' 197<sup>th</sup> Annual Report and Financial Statement, other than the financial statements and our auditor's report thereon. The Trustees are 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.

# **THE BENEVOLENT SOCIETY OF BLUES**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BENEVOLENT SOCIETY OF BLUES (continued)**

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' 197<sup>th</sup> Annual Report; or
- the Charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 8, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 145 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 is detailed below: Our assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:

- due to the relatively simple business model and low number of transactions within the Charity there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

# THE BENEVOLENT SOCIETY OF BLUES

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BENEVOLENT SOCIETY OF BLUES (continued)

- the review of control accounts and journal entries for large, unusual or unauthorised entries;
- the analytical review of the detailed statement of financial activities for variances that are either unexpected or felt not to be in accordance with our understanding of the charitable activities during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Charity for previously unreported related party transactions;
- review of the correspondence between the Charity and its beneficiaries to ensure completeness of charitable expenses;
- review of transactions and journals for any indication of fraud or management override;
- review of Trustees meeting minutes for unrecorded transactions;
- Discussion with the Trustees and the Charity's Secretary to ensure that all charitable income the Charity was entitled to is included;

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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Rawlinson & Hunter Audit LLP  
Statutory Auditor  
Chartered Accountants

Eighth Floor  
6 New Street Square  
New Fetter Lane  
London  
EC4A 3AQ

Date: 11 October 2021

*Rawlinson & Hunter Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*



# THE BENEVOLENT SOCIETY OF BLUES

## SUMMARY STATEMENT OF FINANCIAL ACTIVITIES

for the five years ended 30 June 2021

	2021	2020	2019	2018	2017
	£	£	£	£	£
<b>INCOME</b>					
Subscriptions	31,903	32,807	34,172	33,843	35,808
Donations and legacies	40,382	73,839	25,998	42,308	248,356
Distributions and interest	90,162	70,585	74,509	72,317	66,641
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total incoming resources</b>	162,447	177,231	134,679	148,468	350,805
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURE</b>					
Assistance for older beneficiaries	2,195	1,650	2,686	2,820	5,979
Grants to other beneficiaries	23,177	19,081	20,428	30,870	30,096
Support grants to pupils	42,565	59,863	23,703	19,266	12,954
Loans unlikely to be recovered	20,334	12,674	816	343	507
Donations to Christ's Hospital	-	-	-	-	30,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	88,271	93,268	47,633	53,299	79,536
Salaries and support costs	59,269	39,348	32,802	31,931	31,298
Governance costs	5,000	5,000	4,600	4,800	4,400
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total resources expended</b>	152,540	137,616	85,035	90,030	115,234
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net incoming resources</b>	9,907	39,615	49,644	58,438	235,571
<b>Net gains/(losses) on investments</b>	555,847	(144,905)	53,014	118,108	363,108
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>	565,754	(105,290)	102,658	176,546	598,679
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Note: This page does not form part of the Annual Report.