

THE BENEVOLENT SOCIETY OF BLUES

TRUSTEES' 198th ANNUAL REPORT

For the year ended 30 June 2022

The Trustees present their Report and the audited accounts of The Benevolent Society of Blues ("the Charity" or "the BSB") for the year ended 30 June 2022.

Reference and Administrative Details

The Charity is a Registered Charity with number 207818. It is also known in its shortened form as the BSB and has adopted the slogan 'Blues Supporting Blues' in its literature.

The principal Officers of the Charity are:

President:	Christopher Steane (from 08/10/2022) Kathleen Duncan OBE (until 08/10/2022)
Chairman:	Guy Wilkes (from 04/07/2022) Andrew Cosedge (until 04/07/2022)
Deputy Chairman:	Martin Crick (from 04/07/2022) Robin Clarke (until 04/07/2022)
Treasurer:	Andrew Howgego (from 10/07/2023) Stephen Trehame FCA (until 10/07/2023) Perry Kitchen MA FCA (until 22/11/2021)
Secretary:	Julie Wilson

The Trustees of the Charity are known as Directors ("Directors") who are all members of the Board of Directors ("the Board"). Those who served as a Director during the year under review were:

James Bogue (b) (c) (retired 22/11/2021)	Perry Kitchen (a) (b) (retired 22/11/2021)
Paul Livingstone-Chambers (b) (retired 22/11/2021)	Nicholas de Mattos (b) (retired 22/11/2021)
Robin Clarke (a) (b)	Stephen Trehame (b)
Andrew Cosedge (b) (c)	Louise Warrender (b)
Martin Crick (b)	Sally-Ann White (b) (d)
Christopher Ennis (b) (c)	Guy Wilkes (b) (d)
Jennifer Williams (b)	

Shortly after the year end, on 4 July 2022, Robin Clarke and Andrew Cosedge retired as Directors. On the same date Richard Eyre (b) was appointed as a Director and on 8 October 2022 Andrew Howgego (a) (b) (d) joined the Board. These appointments meant that the number of Directors met the requirements set out in the Charity's Rules

- (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 Charity's Rules provide for Holding Trustees in respect of certain of the Society's investments. Until 17 January 2022 the Holding Trustees were Roger Eades, Perry Kitchen, Richard McGregor, and Robert Muir. On that date the Directors appointed Martin Crick, Perry Kitchen, Stephen Trehame and Guy Wilkes to be the Holding Trustees. The Directors are very grateful to the retiring Holding Trustees for acting as such over many years.

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 on 01403 247418 or by email to julie@bluessupportingblues.net

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

Structure, governance and management

The BSB, which is independent of Christ's Hospital, 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 Charity exists to assist persons educated or being educated at Christ's Hospital, or past members of 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 Charity can also make presentations to Christ's Hospital of children or close relatives of Old Blues.

The Charity operates through the Board and committees appointed by the Board. The Board is responsible for the overall management of the Charity and meets four times a year and otherwise as required. The committees primarily consist of Directors, but some have additional members who are appointed to broaden the spread of knowledge on the committee. 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.

The Grants & Loans Committee is responsible for determining most of the benefits provided by the BSB. It meets in most months of the year and otherwise as necessary to consider in detail applications for grants, loans or other assistance. The Board aims to ensure that every Director serves 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 Charity. 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 Charity rests with the Secretary, who is the first point of contact for all matters. The Secretary keeps the essential records of the Charity, including 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.

The Directors consider that they comprise the key management personnel of the Charity, in charge of directing and controlling the Charity's affairs. All Directors and committee members give their time freely and none receives any remuneration for their work.

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Risk management and governance

The Board has reviewed the major strategic, business and operational risks to which the Charity 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:

- Organisational purpose;
- Leadership;
- Integrity;
- Decision-making;
- Board effectiveness;
- Equality, diversity and inclusion; and
- Openness and accessibility.

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

Objectives and activities for the public benefit

The Charity's aim and objects have not, in essence, changed since the BSB was formed in 1824. The Board seeks to identify eligible persons 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 Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the BSB's aim and objectives and in planning future activities and providing help in the form of gifts, grants or loans or any combination of these.

The Charity 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.

During the year 1 individual over the age of 60 (2021: 2) received regular payments or periodic gifts from the BSB. The Board is always keen to identify new older beneficiaries who are in need.

Apart from the older beneficiaries, 65 (2021: 28) applications for assistance were received during the year of which 46 (2021: 19) 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 21 (2021: 22) whilst the number of pupil recipients was 19 (2021: 38). Pupil recipients included contributions to the Additional Costs Fund administered by Christ's Hospital, which gives additional assistance to pupils on the highest levels of bursary who are in need, including for clothes, travel and food. Other help to pupils includes 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 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 17 (2021: 18) individuals and by way of interest free loans for 11 (2021: 4). Some beneficiaries received both grants and loans. In all, with help to some beneficiaries being by instalments, 34 (2021: 37) separate grants were made to adults or pupils, including 2 grants totalling £ 36,200 to the Additional Costs Fund (2021: 2 grants totalling £40,255); whilst 2 (2021: 7) separate loans were advanced.

The number of individuals with loans outstanding at the end of the year was 135 (2021: 129). In 2021/2022 loans were made to 10 new individuals (2021: 4) and one further advance was made to an existing loan holder. Repayments were completed on 5 loans (2021: 10). Of the remaining loan holders, 69 (2021: 75) made repayments to some degree or other during the year.

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 this is combined with advice, as explained below. A prudent approach has been adopted in recent years to provisioning against outstanding loans, but in 2022 recoveries on a small number of loans previously thought to be irrecoverable has enabled the Charity to make a small reduction of £2,570 in the overall level of the provision held (2021: increase in provision of £20,334). All loans are interest free.

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Objectives and activities for the public benefit (continued)

The Charity had no presentees at the school during the 2021/22 academic year. For the next academic year, the Charity expects to have no presentees again. The Directors are always glad to hear of potential candidates for presentation.

Finally, it is also important to emphasise that the BSB gives assistance that is non-monetary. Calling on the expertise of the Board and its contacts, over 30 (2021: 30) individuals were given advice and, in some cases, were redirected to other appropriate agencies. Of these, 8 (2021: 3) 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. 23 made applications for support but did not then take this further. There is always a greater number that contact the Charity 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 6 is to be treated as part of this Report.

The amount received by way of membership subscriptions was £28,195 (2021: £31,903) and continuing the generally gradual downwards trend of recent years. There were many generous donations this year, totalling £5,172 (2021: £4,575) and a legacy of £20,000 was received. The Board is most grateful to all who generously remember the BSB, either by donation or legacy.

The direct charitable expenditure in the year was £81,380, as against £88,271 in 2021. In addition, interest free loans were advanced during the year amounted to £22,910, against £6,950 in the previous year. The Board consider that the overall levels of direct charitable expenditure represent an appropriate balance between meeting the BSB's charitable objectives and maintaining its capital base. There was an operating deficit of £29,289 in 2022, against a surplus of £9,907 in 2021.

Funds not immediately required for charitable purposes are held in a spread of investments, managed through Transact, the investment platform owned and managed by Integrated Financial Arrangements Limited. The Board has approved 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 and cash on the other. Details of the individual funds and sectors 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 Charity's capital base whilst providing the opportunity to capitalise on improvements in stock markets. The Finance Committee monitors performance regularly.

The total return (representing both capital and income) on the Charity's investments during the year ended 30 June 2022 has been calculated as -3.6%, largely reflecting global stock market movements. This compares with a return of about -3.0% on the FTSE All-Share Index. The Charity'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 decreased by over 17% during the year ended 30 June 2022.

Reserves Policy

The reserves policy of the Charity (adopted in 2000) recognises that the BSB has benefited over the years from generous gifts in the form of donations and legacies, but when projecting income forward it is not prudent to rely on any significant receipts from such sources. Consequently, the Charity has to maintain a sizeable portfolio of investments to generate income that, together with subscriptions from members, will enable it 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 Charity has to maintain as its permanent endowment and reserves. Some margin is also needed to allow for adverse fluctuations in stock market values. The reserves policy also recognises that a further element of reserves is necessary to support the book value of the interest free loans because, 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 £1.65 million at 30 June 2022. This compares with the actual total funds in the balance sheet at that date of £3.84 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 Charities 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.

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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 Charity, and to ensure that charitable expenditure continues to be sufficient to enable the Charity to meet its primary object of helping eligible persons who are "in need, hardship or distress" whilst maintaining the real value of its capital base.

Appreciation

The Charity is most grateful to all who have served on the various committees of the Board during the year. The Charity 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 Charity.

Finally, the Board would like to pay tribute to the hard work and enthusiasm of the Secretary. Julie Wilson has shown notable initiative in managing rapidly changing situations and extending the Charity's reach to areas of charitable need that had not previously arisen. The smooth and successful functioning of the Charity is heavily dependent upon her dedicated work.

Guy Wilkes
Chairman



31st January 2024

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TREASURER'S REPORT

The principal features of the Accounts for the year ended 30 June 2022 are set out in this report.

Income

Total incoming resources for the year were £111,665 (2021: £162,447). Subscriptions (including tax recovered as Gift Aid), amounted to £28,195 (2021: £31,903), continuing the gradual downward trend seen in recent years. Legacies this year were £20,000 (2021: £35,807) and donations amounted to £5,172 (2021: £4,575). The Board is most grateful to those Old Blues and supporters who give so generously, but the Directors are very aware of the need to address the downward trend in subscriptions. Investment distributions in the year were £58,109 (2021: £90,162). This year there has been no need to realise investments to enable the Charity to meet its financial obligations.

Expenditure

In the Statement of Financial Activities, support costs are spread across the heads of charitable expenditure in accordance with applicable accounting standards. The allocation of support costs is set out in note 4 to the accounts. In the following paragraphs reference should also be made to the figures given in the five year summary set out on page 19

The assistance given to older beneficiaries, at £850 (2021: £2,195) is lower than last year. The Directors are very keen to identify more persons in this age group who are in need of help from the Charity.

Grants paid to other beneficiaries were £45,180 (2021: £23,177). There continue to be applications from students seeking support for postgraduate studies, but there were also some older applicants. Grants were targeted as precisely as possible so as to help in the best way and a number of applicants, including some of those who received financial support, also received advice, introduction to other agencies, or redirection to other sources of funding as appropriate. Assistance given in the form of advice and guidance is not reflected in the figures.

Grant support for pupils at the school to assist with travel and other needs amounted to £37,920 (2021: £42,565). The majority of this comprised a payment of £35,000 (2021: £40,255) to Christ's Hospital to support the Additional Costs Fund ("the ACF"). The ACF is a fund administered by the School which is used to meet travel and other necessary expenses which pupils receiving the highest levels of bursary cannot afford to pay. In the current post Covid-19 and high inflation economy there continue to be significant calls on the ACF.

There was again no payment to Christ's Hospital for Donation Governorships (2021: £nil). The Directors have not ruled out making such payments in the future but have resolved that, for the time being, more immediate and targeted assistance benefitting a greater number of pupils in need can be achieved by continuing to support the ACF.

Payroll costs increased to £39,179 from £38,949, and other support costs increased from £3,401 to £7,251. The Directors continue to develop the website and to update the Charity's IT capabilities and this year £7,544 was spent under this heading (2021: £16,920). Governance costs comprise the audit fee.

Overall, total resources expended amounted to £140,954 (2021: £152,540). The resources expended in 2021 included a material provision for debts considered to be irrecoverable. With no repeat provision being necessary in 2022, overall resources expended reduced by £11,586, despite an increase in the amount dispersed by way of grants.

There was a net deficit for the year amounting to £29,289 (2021: surplus £9,907).

Loans are usually only made where there is thought to be a realistic prospect of recovery. Loans advanced to individuals, on an interest free basis, were £22,910, compared with £6,950 last year and loan repayments totalled £31,858 (2021: £28,592). This year the Secretary has been successful in obtaining partial repayment of a number of old loans and this, together with the prudent approach to provisioning adopted in recent years, means that the Directors have been able to make a modest but welcome reduction (£2,570) in the overall provision held. The net book value of the loan portfolio is now £75,340 (2021: £80,316), which is considered to be realistic.

The investment portfolio decreased in value from £3.88m to £3.67m, reflecting volatility in global stock markets, particularly towards the end of the year under review. Details of the investments are in note 5 to the accounts. The Directors continue to believe that it is in the Society's long-term interest to have a spread of investments.

Andrew Howgego
Treasurer



31 January 2024
date 2023

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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 and, where relevant, the Charities Act 2022, 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 Charity is governed by the Charity Commission Scheme of Arrangement dated 9 November 1982 and by Rules that were last updated in 2022.
2. The Charity is an unincorporated association.
3. The Directors (between 8 and 12 in number) are elected by the members in accordance with the provisions of the Charity's Rules. The Board may also co-opt up to 4 members to fill vacancies until the following AGM.
4. The Charity's policy on Reserves is included on page 4 of the Trustees' Report.
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



31st January 2024

2023

THE BENEVOLENT SOCIETY OF BLUES

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 30 June 2022

	Note	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Income					
Incoming resources of a voluntary nature:					
Subscriptions including tax recovered		28,195	-	28,195	31,903
Donations including tax recovered		5,172	-	5,172	4,575
Legacies		<u>20,000</u>	-	<u>20,000</u>	<u>35,807</u>
		<u>53,367</u>	-	<u>53,367</u>	<u>72,285</u>
Investment Income:					
Distributions from investment managers		58,109	-	58,109	90,072
Deposit interest		<u>189</u>	-	<u>189</u>	<u>90</u>
		<u>58,298</u>	-	<u>58,298</u>	<u>90,162</u>
Total incoming resources		<u>111,665</u>	-	<u>111,665</u>	<u>162,447</u>
Expenditure					
Expenditure on charitable activities:					
Assistance for older beneficiaries	4	1,472	-	1,472	3,793
Grants to other beneficiaries	4	78,011	-	78,254	40,052
Support grants to pupils	4	65,922	-	65,679	73,556
Provisions for doubtful loans	4	<u>(4,451)</u>	-	<u>(4,451)</u>	<u>35,139</u>
Total resources expended	2, 3, 4, 6	<u>140,954</u>	-	<u>140,954</u>	<u>152,540</u>
Net incoming resources	9	(29,289)	-	(29,289)	9,907
Net gains/(losses) on investment assets	5, 9	(112,517)	(91,966)	(204,483)	555,847
Net movement in funds		(141,806)	(91,966)	(233,772)	565,754
Fund balances brought forward at 1 July 2021		2,328,126	1,745,920	4,074,046	3,508,292
Fund balances carried forward at 30 June 2022	9	<u>2,186,320</u>	<u>1,653,954</u>	<u>3,840,274</u>	<u>4,074,046</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 10 to 15 form part of these accounts.


THE BENEVOLENT SOCIETY OF BLUES

BALANCE SHEET at 30 June 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	5	3,677,530	3,882,013
Current assets			
Loans	6	75,340	80,316
Cash balances	7	75,974	96,859
Debtors	8	<u>27,121</u>	<u>26,462</u>
		178,435	203,637
Less: Creditors falling due within one year			
Sundry creditors		(15,691)	(11,604)
Net current assets		162,744	192,033
Net assets		<u>3,840,274</u>	<u>4,074,046</u>
Funds			
Unrestricted	9	2,186,320	2,328,126
Restricted	9	1,653,954	1,745,920
Total funds	9	<u>3,840,274</u>	<u>4,074,046</u>

Approved by the Board on 31 January 2024 and signed on its behalf by:


Guy Wilkes, Chairman


Andrew Howeggs, Treasurer

The notes on pages 10 to 15 form part of these accounts.

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS for the year ended 30 June 2022

1. Principal accounting policies

(a) Accounting convention

The Benevolent Society of Blues ("the Charity" 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 Charity 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, where relevant, the Charities Act 2022, and UK Generally Accepted Accounting Practice.

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

(b) Going concern

The financial statements have been prepared on a going concern basis as the Directors 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.

(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 Charity.

(e) Recoverable loans are carried as a current asset in the balance sheet. An appropriate provision for loans unlikely to be recovered is maintained and any increase or decrease in this provision is taken to the statement of financial activities.

(f) Incoming resources

Legacies and donations are accounted for in the year in which they are received, 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 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.

(h) Financial Instruments

The Charity 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 Charity 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.

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS for the year ended 30 June 2022 (continued)

(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 Directors have considered how best to apply the Charity'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 £75,340 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 2022 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 £39,179 (2021: £38,949) in respect of the total emoluments of the Charity's employees during the year. Pension costs of £2,906 (2021: £1,627) are included. The average number of the Charity's employees was 1 (2021: 1). Salaries and support costs are apportioned to the various categories of the charitable activities.

3. Governance costs

Governance costs included £5,600 (2021: £5,000) in respect of auditors' remuneration. This is apportioned to the various categories of the charitable activities.

None of the Trustees, Directors or Committee members received any remuneration.

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS for the year ended 30 June 2022 (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 £	2022 total £	2021 total £
Grants to older beneficiaries (age 60+)	850	622	1,472	3,793
Grants to other beneficiaries	45,180	33,074	78,254	40,052
Grants to current pupils	37,920	27,759	65,679	73,556
Loans (recovered)/unlikely to be recovered	(2,570)	(1,881)	(4,451)	35,139
	<u>81,380</u>	<u>59,574</u>	<u>140,954</u>	<u>152,540</u>

5. Investments

	01.07.21 £	Additions £	Disposals £	Gains/loss £	30.06.22 £
NON-ENDOWMENT PORTFOLIO					
Dimensional					
UK Value	37,663	1,015	(3,708)	1,049	36,019
UK Small Companies	37,792	2,853	(871)	(6,087)	33,687
International Value	387,062	576	(24,377)	11,941	375,202
Global Small Companies	390,128	8,494	(9,756)	(28,814)	360,052
Short Dated Bond Fund	509,068	26,343	-	(41,980)	493,431
Emerging Markets Targeted Value	197,944	3,953	-	(14,432)	187,465
	<u>1,559,657</u>	<u>43,234</u>	<u>(38,712)</u>	<u>(78,323)</u>	<u>1,485,856</u>
Fidelity					
Index UK Fund P (Acc)	<u>60,234</u>	<u>149</u>	<u>(3,892)</u>	<u>1,219</u>	<u>57,710</u>
Vanguard					
FTSE Developed World Ex UK	523,044	4,947	(19,702)	(23,176)	485,113
Emerging Markets Stock Index	131,236	10,002	-	(23,217)	118,021
	<u>654,280</u>	<u>14,949</u>	<u>(19,702)</u>	<u>(46,393)</u>	<u>603,134</u>
Cash realised		<u>3,974</u>	-	<u>(3,974)</u>	-
Non-Endowment total c/f	<u>2,274,171</u>	<u>62,306</u>	<u>(62,306)</u>	<u>(127,471)</u>	<u>2,146,700</u>

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS for the year ended 30 June 2022 (continued)

5. Investments (continued)

	01.07.21 £	Additions £	Disposals £	Gains/loss £	30.06.22 £
Non-Endowment portfolio b/f	2,274,171	62,306	(62,306)	(127,471)	2,146,700
ENDOWMENT PORTFOLIO					
Jupiter					
Merlin Balanced Portfolio	<u>1,607,842</u>	<u>3,430</u>		(80,442)	<u>1,530,830</u>
Cash invested			<u>(3,430)</u>	<u>3,430</u>	
TOTAL	<u>3,882,013</u>	<u>65,736</u>	<u>(65,736)</u>	<u>(204,483)</u>	<u>3,677,530</u>

Summary by sector

	01.07.21 £	Additions £	Disposals £	Gains/loss £	30.06.22 £
UK All Share	60,234	149	(3,892)	1,219	57,710
UK Smaller Companies	37,792	2,853	(871)	(6,087)	33,687
UK Value	37,663	1,015	(3,708)	1,049	36,019
MSCI Global Index ex UK	523,044	4,947	(19,702)	(23,176)	485,113
Global Value	387,062	576	(24,377)	11,941	375,202
Global Smaller Companies	390,128	8,494	(9,756)	(28,814)	360,052
Emerging Markets	329,180	13,955	-	(37,649)	305,486
Global Short-Dated Bonds	509,068	26,343	-	(41,980)	493,431
Multi-Asset Funds	1,607,842	3,430	-	(80,442)	1,530,830
Net cash movements		3,974	(3,430)	(544)	
TOTAL	<u>3,882,013</u>	<u>65,736</u>	<u>(65,736)</u>	<u>(204,483)</u>	<u>3,677,530</u>

The original cost of the investments was £2,613,044 (2021: £2,613,587).

6. Loans

The movement in loans was as follows:

	2022 £	2021 £
Balance at 1 July 2021	80,316	122,269
Loans advanced in the year	22,910	6,950
Loans repaid in the year	(31,858)	(28,569)
Adjustment in provision for loans unlikely to be recovered	2,570	(20,334)
Adjustment for overpaid loans	1,402	-
Balance at 30 June 2022	<u>75,340</u>	<u>80,316</u>

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS for the year ended 30 June 2022 (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 (2021: £55,000). All loans are interest free.

7. Cash balances	2022 £	2021 £
Bank balances	26,191	20,209
Transact Cash Account	49,783	76,650
	<u>75,974</u>	<u>96,859</u>

8. Debtors

Debtors of £27,121 (2021: £26,462) are amounts owed in investment income in respect of the Charity'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 Charity 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 £
Balances at 1 July 2021	2,328,126	1,745,920	4,074,046
Net deficit before investment gains	(29,289)	-	(29,289)
Investment losses	(112,517)	(91,966)	(204,483)
Balances at 30 June 2022	<u>2,186,320</u>	<u>1,653,954</u>	<u>3,840,274</u>
The funds comprised:			
Investments	2,146,700	1,530,830	3,677,530
Net current assets	<u>39,620</u>	<u>123,124</u>	<u>162,744</u>
Total	<u>2,186,320</u>	<u>1,653,954</u>	<u>3,840,274</u>

The Trustees have complete discretion over the use of the Unrestricted Funds in pursuance of the Charity'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 2022 (2021: £Nil).

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS for the year ended 30 June 2022 (continued)

11. Financial Instruments

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

Financial Assets

Measured at fair value through SOFA:

	2022	2021
	£	£
Fixed asset quoted investments	3,677,530	3,882,013
Cash under management	49,783	76,650
Cash at bank	26,191	20,209
Accrued income	27,121	26,462

Financial Liabilities

Measured at amortised cost:

Creditors & Accruals due within one year	15,691	11,604
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The income, expenses, net gains and net losses attributable to the Charity's financial instruments are summarised as follows:

Income and expense	2022	2021
	£	£
Measured at fair value through SOFA:		
Net (losses)/gains on investments	(204,483)	555,847

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 2022 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 2022, 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 and, where relevant, the Charities Act 2022.

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' 198th 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 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.

THE BENEVOLENT SOCIETY OF BLUES

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

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 Trustees' 198th Annual Report is inconsistent in any material respect with the financial statements; or
- the Charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records; 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 7, 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 the Act and relevant regulations made or having effect thereunder.

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.

We design our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud are detailed below:

- 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;

THE BENEVOLENT SOCIETY OF BLUES

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

- 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; and
- 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:

2023 31 January 2024

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 2022

	2022	2021	2020	2019	2018
	£	£	£	£	£
INCOME					
Subscriptions	28,195	31,903	32,807	34,172	33,843
Donations and legacies	25,172	40,382	73,839	25,998	42,308
Distributions and interest	58,298	90,162	70,585	74,509	72,317
Total incoming resources	111,665	162,447	177,231	134,679	148,468
EXPENDITURE					
Assistance for older beneficiaries	850	2,195	1,650	2,686	2,820
Grants to other beneficiaries	45,180	23,177	19,081	20,428	30,870
Support grants to pupils	37,920	42,565	59,863	23,703	19,266
Loans unlikely to be recovered	(2,570)	20,334	12,674	816	343
	81,380	88,271	93,268	47,633	53,299
Salaries and support costs	53,974	59,269	39,348	32,802	31,931
Governance costs	5,600	5,000	5,000	4,600	4,800
Total resources expended	140,954	152,540	137,616	85,035	90,030
Net incoming resources	(29,289)	9,907	39,615	49,644	58,438
Net (losses)/gains on investments	(204,483)	555,847	(144,905)	53,014	118,108
Net movement in funds	(233,772)	565,754	(105,290)	102,658	176,546

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