

THE BENEVOLENT SOCIETY OF BLUES

TRUSTEES' 200th ANNUAL REPORT

For the year ended 30 June 2024

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 2024.

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
Chairman:	Guy Wilkes
Deputy Chairman:	Martin Crick
Treasurer:	Andrew Howgego (from 10 July 2023) Stephen Treharne FCA (until 10 July 2023)
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:

Martin Crick (b)	Louise Warrender (b) (retired 22 nd April 2024)
Christopher Ennis (b) (c) (retired 22 nd April 2024)	Sally-Ann White (b) (d)
Richard Eyre (b)	Guy Wilkes (b) (d)
Andrew Howgego (a) (b) (d)	Jennifer Williams (b)
Stephen Treharne (a) (b)	Jennie Barwise (b) (appointed 20/01/2024)

The number of Directors serving 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 Charity's investments. On 17 January 2022 the Directors appointed Martin Crick, Perry Kitchen, Stephen Treharne and Guy Wilkes to be the Holding Trustees.

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

THE BENEVOLENT SOCIETY OF BLUES

TRUSTEES' 200th ANNUAL REPORT

(continued)

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

Financial Advisers:

RockWealth Brighton Ltd.
Yolk House, West, 2-5 Rock Place
Brighton, BN2 1PF

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.

THE BENEVOLENT SOCIETY OF BLUES

TRUSTEES' 200th ANNUAL REPORT

(continued)

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. The Board has taken due consideration of *Good Governance – A Code for the Voluntary and Community Sector* ("the Code"), ensuring that its seven 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 main principles of the Code in leading, directing and managing the Charity.

During 2024 significant work has been undertaken to update policies and procedures as well as the Handbook issued to all Board and Committee members.

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.

Table 1 shows the numbers of individuals who benefited from the BSB and any monetary assistance provided. The Table compares the year under review with the prior year.

Table 1: Expenditure and assistance provided in accordance with the BSB's charitable objectives				
Activity	2024		2023	
Total of applications received from all categories	93, of which 20 applications proceeded	£	47, of which 26 applications proceeded	£
Older adults: payments provided to adults over age 60				
	2024		2023	
Monetary assistance provided to beneficiaries aged over 60	2	10,134	3	2,474
Adult recipients: payments provided to adults between 18 and 60				
	2024		2023	
New grants	15	21,294	22	45,685

THE BENEVOLENT SOCIETY OF BLUES

TRUSTEES' 200th ANNUAL REPORT

(continued)

Objectives and activities for the public benefit (continued)

Pupil recipients: payments direct to CH, including ACF				
	2024	2024 £	2023	2023 £
Travel and other needs	6 pupils and over 30 families assisted	17,122	10 pupils and 27 families assisted	7,816
ACF	Single grant	35,000	Single grant	35,000
Loans (recovered)		(5,398)		(5,533)
Total of direct charitable expenditure		£78,152		£85,442
Support costs				
	2024 £		2023 £	
Grants to older beneficiaries (age 60+)	8,271		1,786	
Grants to other beneficiaries	17,381		32,976	
Grants to current pupils	42,546		30,905	
Loans (recovered)	(4,406)		(3,994)	
Total support costs	£63,792		£61,673	
Investment management costs	23,376		0	
Total resources expended	£165,320		£147,115	

The number of applications for assistance was higher in the 2023/24 year than in 2022/23, although a proportion of them were not eligible for help. In 2023/24, £10,134 was provided by way of grants to 2 older beneficiaries (2022/23: 3, £2,474) (aged 60 and over). For some years, the Board has sought to increase the amount provided under this category and this will remain a priority area of focus.

6 pupils received direct financial assistance during the year, in addition to the annual single contribution to the Additional Costs Fund (ACF) administered by Christ's Hospital, which gives assistance to pupils on the highest levels of bursary who are in need, including for clothes, travel and food. Financial grants were provided to more than 30 families who were deemed during discussions with Christ's Hospital to be enduring hardship, including record amounts provided by way of Christmas hampers to those most in need.

Amongst applicants aged 18 to 60, assistance amounting to £21,294 was given by way of grants to 15 individuals and £20,247 was provided by way of interest free loans to 11 (2023: 10 - £28,345). Others of varying ages needed assistance through encountering social or financial problems of one sort or another. 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. Some beneficiaries received both grants and loans.

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 purchased no pupil presentations to the school during the year and expects to purchase no presentations in 2025. The Directors are always glad to hear of potential candidates for presentation.

THE BENEVOLENT SOCIETY OF BLUES

TRUSTEES' 200th ANNUAL REPORT

(continued)

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 and the hard work of the Secretary, many individuals were given advice and, in some cases, were redirected to other appropriate agencies. One applicant was 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, advice was given in addition to financial support. Over 30 people made website applications but did not then take this to completion.

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 £88,052 in 2023/24, against a surplus of £26,347 in 2022/23. The operating deficit arose due to the change to the structure and purpose of the investment funds discussed below, which also gave rise to gains on investment assets. The total gains on investment assets were £492,613 in 2023/24 (2022/23: £129,069).

Incoming resources

Table 2 shows the incoming funds available for use by the Charity during the 2023/24 year, with comparable figures shown for 2022/23. The differences between current year and prior year are due to the change to the structure and purpose of the investment funds, from primarily income generation to capital growth; resulting in only a small amount of investment income in 2023/24 of £2,973, (2022/23: £108,368). Please see page 6 in this Report and Note 5 to the Accounts for a fuller explanation. We did see a continued increase in deposit interest paid by the investment platform; the latter reflecting the return of beneficial interest rates.

The amount received by way of membership subscriptions held up reasonably well, given the general downward trend of earlier years. Donations were broadly similar to the previous year and 4 legacies were received; the highest value donation received was a legacy of £28,000. The Board is grateful to all who generously remember the BSB, either by donation or legacy.

The number of individuals with loans outstanding at the end of the year was 155; 55 individuals made repayments of some sort with 6 clearing their loan balance. (2022/23: 150 loans, 62 making repayments and 5 loans fully repaid).

Income for the year ended 30 June 2024

Table 2: Incoming resources			
Income resources of a voluntary nature		2024 £	2023 £
Subscriptions (inc. tax recovered)		24,828	27,470
Donations		6,475	7,020
Legacies		38,005	28,224
	Total voluntary income	£69,308	£62,714
Investment income			
Distributions from investment managers	{see note below table}	2,973	108,368
Deposit interest		4,987	2,380
	Total investment income	£7,960	£110,748
Total incoming resources		£77,268	£173,462
Repayments of loans		155 loans outstanding, 55 made repayments, inc. 6 fully repaying.	150 loans outstanding 62 made repayments, inc. 5 fully repaying
	Total loan repayments	£25,480	£26,586

THE BENEVOLENT SOCIETY OF BLUES

TRUSTEES' 200th ANNUAL REPORT (continued)

Provisions for outstanding loans

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. A prudent approach has been adopted in recent years to provisioning against outstanding loans. In 2023/24, the Charity reduced the overall level of the provision held by £5,398 (2023: £5,533). The net book value of the loan portfolio is now £83,267 (2023: £82,602), which is considered to be realistic. All loans are interest free.

The Charity's investments

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. In April 2024, the Board approved a revised Investment Policy Statement, which includes an asset allocation policy that sets out ranges for the holdings of different classes and proportions of investments, whether equities on the one hand, bonds and cash on the other. The revised policy also contains guidance on managing cash reserves for future expenditure and on providing statements on the Society's acceptance of investment risk.

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 2024 has been calculated as 12.94%. During the period, investment markets experienced a strong stock market performance and a return to good growth in fixed-income bonds, including sovereign bonds, creating an excellent year for investment returns.

The investment portfolio increased in value to £4.20m from £3.80m. The Directors continue to believe that it is in the Charity's long-term interest to have a spread of investments, and they take careful advice from the Charity's financial adviser, Steven Williams, of RockWealth Limited, Brighton who was appointed on 4th August 2023.

Note on distributions from investment managers

Actual investment income received in 2023/24 amounted to £32,727, of which £29,754 had fallen due during 2022/23 and was accounted for in that period (see Note 8 to the accounts). The investment portfolio has been switched from income units to accumulation units, which will result in all further income received from BSB investments being rolled up within the funds that now form the BSB's investment portfolio. (See Note 5 to the accounts for more details on the individual funds and movements within the portfolio during the 2023/24 financial year). Because of this change the ongoing charitable activities which were previously funded in part by the investment income receipts are now, insofar as they cannot be defrayed from the Charity's other sources of income, funded through cash generated from the sale of investments.

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 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 £1.94 million at 30 June 2024. This compares with the actual total funds in the balance sheet at that date of £4.40 million.

THE BENEVOLENT SOCIETY OF BLUES

TRUSTEES' 200th ANNUAL REPORT

(continued)

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.

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.

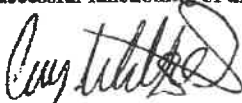
The main conclusion from the most recent Financial Plan is the continuing need to increase the regular ongoing level of subscriptions to the Charity, and to ensure that charitable expenditure continues to be sufficient to enable the Charity to meet its primary object of helping eligible persons who are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

Appreciation

The Board is most grateful to all who have served on its various committees during the year. The Charity is heavily reliant on 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 Society's reach to areas of charitable need that had not previously arisen. The smooth and successful functioning of the Society is heavily dependent upon her dedicated work.

Guy Wilkes
Chairman



(date) 2025
03/06

Andrew Howgego
Treasurer



(date) 2025
03/06

THE BENEVOLENT SOCIETY OF BLUES

TRUSTEES' 200th ANNUAL REPORT (continued)

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 2023.
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 within the Trustees' Report on page 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

03rd June 2025
(date) 2025

THE BENEVOLENT SOCIETY OF BLUES

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 30 June 2024

	Note	Unrestricted Funds £	Restricted Funds £	2024 Total £	2023 Total £
Income					
Incoming resources of a voluntary nature:					
Subscriptions including tax recovered		24,828	-	24,828	27,470
Donations including tax recovered		6,475	-	6,475	7,020
Legacies		<u>38,005</u>	<u>-</u>	<u>38,005</u>	<u>28,224</u>
		<u>69,308</u>	<u>-</u>	<u>69,308</u>	<u>62,714</u>
Investment Income:					
Distributions from investment managers		2,973	-	2,973	108,368
Deposit interest		<u>4,987</u>	<u>-</u>	<u>4,987</u>	<u>2,380</u>
		<u>7,960</u>	<u>-</u>	<u>7,960</u>	<u>110,748</u>
Total incoming resources		<u>77,268</u>	<u>-</u>	<u>77,268</u>	<u>173,462</u>
Expenditure					
Expenditure on charitable activities:					
Assistance and support costs					
Assistance for older beneficiaries	4	18,405	-	18,405	4,260
Grants to other beneficiaries	4	38,675	-	38,675	78,661
Support grants to pupils	4	94,668	-	94,668	73,721
Provisions for doubtful loans	4	<u>(9,804)</u>	<u>-</u>	<u>(9,804)</u>	<u>(9,527)</u>
		<u>141,944</u>	<u>-</u>	<u>141,944</u>	<u>147,155</u>
Investment management costs		<u>23,376</u>	<u>-</u>	<u>23,376</u>	<u>-</u>
Total resources expended	2, 3, 4, 6	<u>165,320</u>	<u>-</u>	<u>165,320</u>	<u>147,115</u>
Net(outgoing)/ incoming resources	9	(88,052)	-	(88,052)	26,347
Net gains on investment assets	5, 9	<u>264,583</u>	<u>228,030</u>	<u>492,613</u>	<u>129,069</u>
Net movement in funds		<u>176,531</u>	<u>228,030</u>	<u>404,561</u>	<u>155,416</u>
Fund balances brought forward at 1 July 2023		<u>2,283,688</u>	<u>1,712,002</u>	<u>3,995,690</u>	<u>3,840,274</u>
Fund balances carried forward at 30 June 2024	9	<u>2,460,219</u>	<u>1,940,032</u>	<u>4,400,251</u>	<u>3,995,690</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.

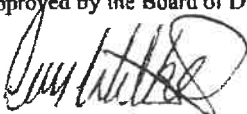
The notes on pages 11 to 18 form part of these accounts.

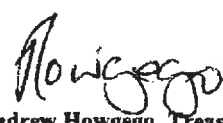
THE BENEVOLENT SOCIETY OF BLUES

BALANCE SHEET at 30 June 2024

	Note	2024 £	2023 £
Fixed assets			
Investments	5	4,195,253	3,806,599
Current assets			
Loans	6	83,267	82,602
Cash balances	7	134,063	93,080
Debtors	8	0	29,754
		217,330	205,436
Less: Creditors falling due within one year			
Sundry creditors		(12,332)	(16,345)
Net current assets		204,998	189,091
Net assets		<u>4,400,251</u>	<u>3,995,690</u>
Funds			
Unrestricted	9	2,460,219	2,283,688
Restricted	9	1,940,032	1,712,002
Total funds	9	<u>4,400,251</u>	<u>3,995,690</u>

Approved by the Board of Directors on 3/6/2025 and signed on its behalf by:


Guy Wilkes, Chairman


Andrew Howgego, Treasurer

The notes on pages 11 to 18 form part of these accounts.

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS for the year ended 30 June 2024

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 2024 (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 on the carrying value of loan debtors that materially represent the present value as discussed below.

- The Trustees have assumed that of the total loans repayable of £83,267 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 or a lower proportion of the total loans repayable due for repayment after more than one year would result in a different present value for the carrying value of the loan debtors.
- The Trustees have assumed an estimated applicable discount rate of 3% per annum at 30 June 2024 to discount the future loans payable to the present value. A higher discount rate or a lower discount rate would result in a different present value being presented as a debtor in these accounts.

2. Salaries and support costs

Salaries and support costs included £43,867 (2023: £39,908) in respect of the total emoluments of the Charity's employees during the year. Pension costs £3,390 (2023: £3,094) are included. The average number of the Society's employees was 1 (2023: 1). Salaries and support costs are apportioned to the various categories of the charitable activities.

3. Governance costs

Governance costs included £5,898 (2023: £6,300) in respect of anticipated 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 2024 (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 £	2024 Total £	2023 Total £
Grants to older beneficiaries (age 60+)	10,134	8,271	18,405	4,260
Grants to other beneficiaries	21,294	17,381	38,675	78,661
Grants to current pupils	52,122	42,546	94,668	73,721
Loans (recovered)	(5,398)	(4,406)	(9,804)	(9,527)
	<u>78,152</u>	<u>63,792</u>	<u>141,944</u>	<u>147,115</u>

5. Investments

Early in the financial year, the Charity carried out a comprehensive switch of investment funds from actively managed, income-producing funds to a passive-style portfolio that is now underpinned by accumulation units so that income produced within its funds is now rolled up to produce further capital growth. Two material consequences of these changes are:

- Both non-Endowment and Endowment portfolios now follow similar strategies for managing investment risk; i.e. utilising the same spread of evidence-based, systematic investment methodology that differ only in the proportions of Equity and Bond asset classes as illustrated within this Note to the accounts on pages 16 & 17; and
- The entire Jupiter Merlin Balanced Portfolio fund that notionally underpinned the Endowment (Restricted) fund was disposed of on 27th September 2023, mainly due to its high charging structure and poor performance. Other funds in the non-Endowment portfolio were also disinvested by 5th October 2023.

These actions were taken following advice received from RockWealth Limited during the year.

NON-ENDOWMENT PORTFOLIO

	01.07.23	Additions	Disposals	Gain/(loss)	30.06.24
	£	£	£	£	£
By fund					
Fidelity Index UK Fund P (Acc)	59,135	0	(58,886)	(249)	0
Vanguard FTSE Dev World ex UK	531,041	0	(529,143)	(1,898)	0
Dimensional UK Value	35,782	1,371	(37,033)	(120)	0
Dimensional UK Small Companies	35,321	1,832	(35,674)	(1,479)	0
Dimensional International Value GBP	363,548	10,172	(375,623)	1,903	0
Dimensional Global Small Companies GBP	373,358	373	(362,616)	(11,115)	0
Dimensional Global Short-Dated Bond (Gross)	492,716	1,221	(495,126)	1,189	0
Dimensional Emerging Markets Targeted Value GBP	190,035	0	(192,498)	2,463	0
Vanguard Emerging Markets Stock Index GBP	119,027	5,545	(123,468)	(1,104)	0
Totals	£2,199,963	£20,514	£(2,210,067)	£(10,410)	£0

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS for the year ended 30 June 2024 (continued)

5. Investments (continued)

NON-ENDOWMENT PORTFOLIO (cont'd)

Funds acquired in the non-Endowment portfolio and their movement during the year 2023/24.

	01.07.23 £	Additions £	Disposals £	Gain £	30.06.24 £
Dimensional Emerging Markets Core Equity (Acc)	0	306,253	(13,836)	39,288	331,705
Dimensional Global Short Dated Bond (Acc)	0	218,752	(9,315)	8,423	217,860
Dimensional Global Targeted Value (Acc)	0	519,099	(26,062)	71,376	564,413
Dimensional Sterling Inflation-linked Intermediate Duration Fixed Inc (Acc)	0	218,752	(9,493)	12,883	222,142
iShares UK Equity Index D (Acc)	0	42,875	(1,996)	6,005	46,884
Vanguard FTSE Developed World ex-UK Equity Index Inst Plus (Acc)	0	586,474	(28,526)	118,247	676,195
Vanguard Global Short-Term Bond Index Inst Plus (Acc)	0	218,751	(9,327)	9,103	218,527
Vanguard Global Small-Cap Index Fund Inst Plus (Acc)	0	76,563	(3,521)	9,668	82,710
Non-Endowment total c/f	Totals	£0	£2,187,519	£(102,076)	£274,993
					£2,360,436

The disposals shown in the table above took place in June 2024 to support a request to top-up the Transact Cash Reserve (see Note 7 on page 17).

ENDOWMENT PORTFOLIO

	01.07.23 £	Additions £	Disposals £	Gain £	30.06.24 £
Jupiter Merlin Balanced Portfolio (Inc)	£1,606,636	£0	£(1,632,651)	£26,015	£0

The Jupiter Merlin Balanced Portfolio Income fund was sold on 27th September 2023.

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS for the year ended 30 June 2024 (continued)

5. Investments (continued)

ENDOWMENT PORTFOLIO (cont'd)

Funds acquired in the Endowment portfolio and their movement during the year 2023/24.

	01.07.23	Additions	Disposals	Gain	30.06.24
	£	£	£	£	£
Dimensional Emerging Markets Core Equity (Acc)	0	261,224	(1,414)	29,403	289,213
Dimensional Global Short Dated Bond (Acc)	0	108,930	0	4,339	113,269
Dimensional Global Targeted Value (Acc)	0	444,517	0	45,258	489,775
Dimensional Sterling Inflation-linked Intermediate Duration Fixed Inc (Acc)	0	108,020	0	5,234	113,254
iShares UK Equity Index D (Acc)	0	37,002	0	4,262	41,264
Vanguard FTSE Developed World ex-UK Equity Index Inst Plus (Acc)	0	500,429	0	102,051	602,480
Vanguard Global Short-Term Bond Index Inst Plus (Acc)	0	108,765	0	4,803	113,568
Vanguard Global Small-Cap Index Fund Inst Plus (Acc)	0	65,329	0	6,665	71,994
TOTAL	0	£1,634,216	£(1,414)	£202,015	£1,834,817

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS for the year ended 30 June 2024 (continued)

5. Investments (continued)

	01.07.23	Additions	Disposals	Gains/loss	30.06.24
	£	£	£	£	£
Non-Endowment portfolio	2,199,963	2,208,033	(2,312,143)	264,583	2,360,436
Endowment portfolio	1,606,636	1,634,216	(1,634,065)	228,030	1,834,817
Total investment funds on the Transact platform at 30 June 2024	£3,806,599	£3,842,249	£(3,946,208)	£492,613	£4,195,253

Total investment gains for the year of **£492,613** represent a gain of 12.94% over 2022/23 values (before accounting for net disposals of £103,957).

The original cost of the investments was £2,629,196 (2023: £2,610,096)

6. Loans

	2024 £	2023 £
The movement in loans was as follows:		
Balance brought forward on 1 July in the year	82,602	75,340
Loans advanced in the year	20,247	28,345
Loans repaid in the year	(25,480)	(26,586)
Adjustment in provision for loans unlikely to be recovered	5,398	5,533
Adjustments for overpaid loans and 1 overpayment refunded	500	(30)
Balance carried forward on 30 June in the year	<u>83,267</u>	<u>82,602</u>

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 (2023: £55,000). All loans are interest free.

7. Cash balances

	2024 £	2023 £
Bank balances	13,316	18,348
Transact Cash Account	120,747	74,732
	<u>134,063</u>	<u>93,080</u>

8. Debtors

Debtors of £0 (2023: £29,754) are amounts owed in investment income in respect of the Charity's holdings on the Transact investment platform.

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS for the year ended 30 June 2024 (continued)

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 2023	2,283,688	1,712,002	3,995,690
Net loss before investment gains	(88,052)	-	(88,052)
Investment gains	264,583	228,030	492,613
Balances at 30 June 2024	2,460,219	1,940,032	4,400,251
The funds comprised:			
Investments	2,360,436	1,834,817	4,195,253
Net current assets	99,783	105,215	204,998
Total	2,460,219	1,940,032	4,400,251

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 2024 (2023: £Nil).

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS for the year ended 30 June 2024 (continued)

11. Financial Instruments

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

Financial Assets

Measured at fair value through SOFA:

	2024	2023
	£	£
Fixed asset quoted investments	4,195,253	3,806,599
Cash under management	120,747	74,732
Cash at bank	13,316	18,348
Loan Debtors	83,267	82,602
Accrued income	-	29,754

Financial Liabilities

Measured at amortised cost:

Creditors & Accruals due within one year	12,332	16,345
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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	2024	2023
	£	£

Measured at fair value through SOFA:

Net gains on investments	492,613	129,069
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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 2024 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 2024, 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' 200th 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' 200th 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 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 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/auditorsresponsibilities>. 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:

2025

3 June 2025

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 2024

	2024 £	2023 £	2022 £	2021 £	2020 £
INCOME					
Subscriptions	24,828	27,470	28,195	31,903	32,807
Donations and legacies	44,480	35,244	25,172	40,382	73,839
Distributions and interest	7,960	110,748	58,298	90,162	70,585
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources	77,268	173,462	111,665	162,467	177,231
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURE					
Assistance for older beneficiaries	10,134	2,474	850	2,195	1,650
Grants to other beneficiaries	21,294	45,685	45,040	23,177	19,081
Support grants to pupils	52,122	42,816	38,060	42,565	59,863
Loans unlikely to be recovered	(5,398)	(5,533)	(2,570)	20,334	12,674
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	78,152	85,442	81,380	88,271	93,268
Investment management costs	23,376	0	0	0	0
Salary and support costs	57,898	55,373	53,974	59,269	39,348
Governance costs	5,894	6,300	5,600	5,000	5,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended	165,320	147,115	140,954	152,540	137,616
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net incoming resources	(88,052)	26,347	(29,289)	9,907	39,615
Net gains/(losses) on investments	492,613	129,069	(204,483)	555,847	(144,905)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds	<u>404,561</u>	<u>155,416</u>	<u>(233,772)</u>	<u>565,754</u>	<u>(105,290)</u>

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