

THE CLEARY BLACKFRIARS TRUST

ACCOUNTS

FOR THE YEAR ENDED

31st AUGUST 2022

THE CLEARY BLACKFRIARS TRUST
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST AUGUST 2022

Trustees, Officers and Advisers

Charity Trustees

Nominated by The King's School, Canterbury

P J M Roberts Esq MA (Headmaster) (Left August 2022)

Robert C A Bagley Esq LLB (Left July 2022)

T Ward Esq.

The Very Reverend Dr R A Willis DL,DCL, DD (Left July 2022)

D Hannent Esq

Nominated by The Cleary Foundation

A Gould Esq MRICS CEnv FRSA (Chair)

Officer

Honorary Treasurer & Clerk to the Trustees

M R Taylor FRSA (Bursar)

Address of the Trust

25 The Precincts

Canterbury

Kent CT1 2ES

Advisers

Bankers

Barclays Plc

UK Banking

1 Churchill Place

London E14 5HP

Auditors

Alliotts LLP

Friary Court

13-21 High Street

Guildford

Surrey GU1 3DL

Investment Managers

Sarasin & Partners LLP

100 St Paul's Churchyard

London EC4M 8BU

Solicitor

Boys & Maughan

57 Queen Street

Ramsgate

Kent CT11 9EJ

THE CLEARY BLACKFRIARS TRUST

Annual Report of the Trustees for the year ended 31st August 2022

The Trustees present their annual report for the year ended 31st August 2022 under the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities FRS 102 SORP.

Reference and Administrative Information

The Cleary Blackfriars Trust is a registered charity (registration number 297249). The Trustees, executive officers and principal address of the Charity are listed on page 1 together with particulars of the Charity's professional advisers.

Structure Governance and Management

Organisation

The Trustees set the overall policy for running the Trust in accordance with its objects and for the public benefit. The Headmaster of The King's School, makes recommendations to the Trustees as regards educational matters and candidates for the Cleary Scholarships. The Clerk is responsible for the maintenance of the Blackfriars Building, for the day to day management of the Trust's investments and for preparing the Trust's accounts.

One Trustee is nominated by The Cleary Foundation and the Trustees of The King's School, Canterbury may nominate other trustees, one of whom is the Headmaster ex officio.

Investment powers

The investment powers are governed by the Trustees Act 2000. During the year, the Trust's investments were managed by Sarasin & Partners LLP

The investments are held as part of a collective pool administered by The King's School, Canterbury.

Objects, Aims, Objectives and Activities

With the objectives of the Charity the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit, in particular to its supplementary public benefit guidance on advancing education.

The objectives of the Charity are:

- 1) The promotion of education at The King's School, Canterbury
- 2) The establishment and maintenance of one or more "Cleary Scholarships" for pupils of The King's School, Canterbury.
- 3) The maintenance of the Blackfriars Building.
- 4) The promotion of the Arts.

Scholarships and bursaries

There are 3 King's School pupils, in receipt of Cleary Art Scholarships awarded in 2020/21, receiving £450 as the second instalment of their awards in 2021/22.

There was no nomination for the Trustees Award (£200) in 2021/22.

At their meeting on 18th November 2021, the Trustees awarded new Cleary Art Scholarships of £450 to seven pupils for each year, as long as they remain scholars. At this meeting in November 2021 they also made three travel scholarship of £300. An exemption from disclosing the names of those granted these awards has been taken to ensure compliance with GDPR requirements. These pupils will receive these funds in 2021/22 and 2022/23.

Education and the Arts

The Trustees continued to maintain the Blackfriars Building as a centre for Art and Design for the pupils of The King's School, Canterbury, and during the School holidays as an exhibition centre for local artists.

Connected charity

The Trust is considered to be a subsidiary of the charity "The Governors, The Head Master and the Lower Master of the King's School of the Cathedral Church of Canterbury in the City of Canterbury" (registered charity number 307942) more commonly known as The King's School, Canterbury, by virtue of voting control, similar objects and common management.

THE CLEARY BLACKFRIARS TRUST

Annual Report of the Trustees for the year ended 31st August 2022

Financial Review and Results for the Year

The net income for the year before investment gains was £42,278 (2021: net income £3,093). The Trust's policy is to ensure that these resources are used firstly, to create and improve the facilities available to pupils and secondly, to enable these facilities to be shared with the Canterbury community when not in use by the pupils.

Investments

These are governed by the Trustees Act 2000. During the year, the Trust investments were managed by Sarasin & Partners LLP. The portfolio is invested in a mixture of gilts and equities so as to preserve capital in real terms and to provide a gross yield of least 3% on capital value. This was achieved 3.04% during the year under review.

During the course of the year, the investments decreased in capital value by (8.87%.) The Trustees remain confident that their investment policy is prudent and that adequate income yields will continue to be achieved in future years.

Reserves

The reserves of the charity are unrestricted. However the funds must be applied in accordance with the objects of the charity.

The Trustees are following policies intended to maintain the reserves available to fund scholarships and grants and also to ensure that amounts required to fund future foreseeable repairs are available.

The Trustees consider that the charity's funds have adequate resources to meet its obligations.

Accounting and Reporting Responsibilities

Charity law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the affairs of the charity and of its financial activities for that period. In preparing those financial statements the Trustees are required to:-

- 1) Select suitable accounting policies and then apply them consistently;
- 2) Make judgements and estimates that are reasonable and prudent;
- 3) Follow applicable accounting standards and the Charities SORP, disclosing and explaining any material departures in the financial statements;
- 4) Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The Trustees are responsible for keeping accounting records, which are such as to disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with charity law. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Approved by the Trustees of The Cleary Blackfriars Trust on the 17th November 2022.
and signed on its behalf by:

Alistair Gould Esq
Chairman of Trustees

THE CLEARY BLACKFRIARS TRUST

Independent Auditors' Report to the Trustees of The Cleary Blackfriars Trust for the year ended 31st August 2022

Opinion

We have audited the financial statements of the Cleary Blackfriars Trust (the 'charity') for the year ended 31st August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 31st August 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 annual report 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.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; 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.

THE CLEARY BLACKFRIARS TRUST

Independent Auditors' Report to the Trustees of The Cleary Blackfriars Trust for the year ended 31st August 2022

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, 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 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 144 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 approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Trustees and other management, and from our knowledge and experience of the not-for-profit sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, the Charities SORP, and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of Trustees and management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

THE CLEARY BLACKFRIARS TRUST

Independent Auditors' Report to the Trustees of The Cleary Blackfriars Trust for the year ended 31st August 2022

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Alliotts LLP

**Chartered Accountants
Statutory Auditor**

2 December 2022
.....

Friary Court
13-21 High Street
Guildford GU1 3DL

Alliotts LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE CLEARY BLACKFRIARS TRUST

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st AUGUST 2022

		Unrestricted funds	
	Notes	2022	2021
		£	£
INCOME FROM			
Investments			
Investment Income	2	12,821	10,977
Other			
Rental income		18,034	18,034
Total Income		<u>30,855</u>	<u>29,011</u>
EXPENDITURE ON			
Charitable Activities			
Education and Arts		(11,423)	25,918
Total Expenditure	3	<u>(11,423)</u>	<u>25,918</u>
NET INCOME BEFORE INVESTMENT GAINS / (LOSS)		42,278	3,093
Investment gain / (loss)	5	(31,105)	35,234
Revaluation of Tangible Assets	4	0	20,000
NET MOVEMENT IN FUNDS		11,173	58,327
Fund balances at 1st September 2021		758,453	700,126
FUND BALANCES AT 31st August 2022	10	<u>769,626</u>	<u>758,453</u>

THE CLEARY BLACKFRIARS TRUST

BALANCE SHEET AS AT 31st AUGUST 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	4	245,000	245,000
Investments assets	5	<u>319,562</u>	<u>350,667</u>
		564,562	595,667
CURRENT ASSETS			
Debtors	6	<u>214,614</u>	<u>188,346</u>
		214,614	188,346
CREDITORS: due within one year	7	<u>(9,550)</u>	<u>(25,560)</u>
NET CURRENT ASSETS		205,064	162,786
TOTAL NET ASSETS		<u>769,626</u>	<u>758,453</u>
UNRESTRICTED FUNDS	10	<u>769,626</u>	<u>758,453</u>

Approved by the Trustees of the Cleary Blackfriars Trust on the 17th November 2022 ...
and signed on their behalf by:

Alistair Gould Esq
Chairman of the Trustees

THE CLEARY BLACKFRIARS TRUST

Notes to the accounts for the year ended 31st August 2022

1) Statement of Accounting Policies

a) Basis of accounting

The Cleary Blackfriars Trust is constituted under a Trust Deed dated 22nd June 1987 and is registered under charity number 297249. The accounts have been prepared in accordance with the "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS102. They are drawn up on the historical cost accounting basis except that investments held as fixed assets are carried at market value. The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

b) Expenditure

Expenditure is accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of running the Trust, also internal and external audit, any legal advice for the Trustees and all costs complying with constitutional and statutory requirements, such as the of Trustee meetings and preparing statutory accounts and satisfying public accountability.

c) Tangible fixed assets

Freehold property – This comprises the Arts Centre and De La Pierre House (collectively known as the Blackfriars Monastery) and was valued by ETP Property at £245,000 in June 2021. The valuation reflects the lease of the building to The King's School, Canterbury and the landlord's responsibility for external and structural repairs. The original cost is unknown as the land was gifted to the Trust.

The Trustees have made the decision to undertake external valuations of the lease every five years. The next valuation will be due in 2026.

The Trustees have undertaken a fair value review of the fixed assets and have concluded that their market value is fairly represented by their carrying value within these financial statements.

d) Investments and investment income

Investments are included at closing mid-market value at the Balance Sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities. Investment income is accounted for in the period in which the charity is entitled to receipt.

e) Grants and awards

Grants and awards are included as expenditure in the period for which the award is given.

f) Ultimate parent charity

By virtue of common control and administration, the Trust is considered to be a subsidiary charity to the charity known as The King's School, Canterbury.

Within the consolidated accounts prepared by the parent charity, the unrestricted funds of the Cleary Blackfriars Trust are shown as restricted, as they must be applied in accordance with the charitable objects of Cleary Blackfriars Trust.

g) Going concern

At the time of approving the accounts, the Trustees had a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

h) Financial Instruments

The Trust only holds basic financial instruments as defined in FRS102. The financial assets and liabilities of the Trust and their measurement basis are as follows:

Financial assets – Amounts due from the Trust's Trustee are debt instruments measured at amortised cost as detailed in note 5.

Financial liabilities – Trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost as detailed in note 6.

THE CLEARY BLACKFRIARS TRUST

Notes to the accounts for the year ended 31st August 2022

2) Investment income

	Year Ended 31 August 2022 £	Year Ended 31 August 2021 £
Interest on cash deposits held by The King's School	2,155	1,966
On listed investments	10,666	9,011
	<u>12,821</u>	<u>10,977</u>

3) Expenditure

	Year Ended 31 August 2022 £	Year Ended 31 August 2021 £
Trust Activity Expenditure includes:		
Cleary Art Scholarships	(17,953)	8,429
Cleary Travel Award	900	4,700
Artists in Residence	3,917	11,366
Building Insurance	719	523
	<u>(12,417)</u>	<u>25,018</u>
Governance Expenditure includes:		
Auditors' remuneration	994	900
Trustees Meetings	0	0
	<u>994</u>	<u>900</u>
Total Expenditure	<u>(11,423)</u>	<u>25,918</u>

Cleary Art Scholarships awarded in the year ended 31st August 2022, £8550. The (£17,953) includes historic accruals of £26,503 written back during the year (2021: nil).

No Trustee received any remuneration or reimbursed expenses from the Charity (2021: nil).

4) Tangible fixed assets

	2022 £	2021 £
Freehold Property		
Value brought forward at 1st September 2021	245,000	225,000
Revalued in year	0	20,000
Value at 31st August 2022	<u>245,000</u>	<u>245,000</u>

All of the fixed assets (including the freehold property) are used for the direct charitable purposes of the Trust.

THE CLEARY BLACKFRIARS TRUST

Notes to the accounts for the year ended 31st August 2022

5) Investments

	£
Market Value at 1st September 2021	350,667
Unrealised gain / (loss) on revaluation	(31,105)
Market Value at 31st August 2022	<u>319,562</u>
Historic Cost	<u>97,919</u>

All investments are in Sarasin Alpha CIF for Endowments (Income Units)

	£
Overseas investments:	198,448
United Kingdom investments:	<u>121,114</u>
	<u>319,562</u>

6) Debtors

	2022	2021
	£	£
Deposit held with The King's School, Canterbury	<u>214,614</u>	<u>188,346</u>
	<u>214,614</u>	<u>188,346</u>

7) Creditors

	2022	2021
	£	£
Travel and Leavers' Awards	8,550	24,654
Audit	<u>1,000</u>	<u>906</u>
	<u>9,550</u>	<u>25,560</u>

8) Financial commitments

There were no other financial commitments as at 31st August 2022 (2021: nil).

9) Staff numbers and costs

The average number of persons employed by the Trust during the year was: nil (2021: nil). The wage cost for the Trust was nil (2021: nil).

THE CLEARY BLACKFRIARS TRUST

Notes to the accounts for the year ended 31st August 2022

10) Unrestricted Funds

	Balance 1st September 2021 £	Income £	Expenditure £	Revaluation gains/(loss) £	Balance 31st August 2022 £
General Fund	758,453	30,855	11,423	(31,105)	769,626
	<u>758,453</u>	<u>30,855</u>	<u>11,423</u>	<u>(31,105)</u>	<u>769,626</u>

11) Unrestricted Funds Prior Year

	Balance 1st September 2020 £	Income £	Expenditure £	Revaluation gains/(loss) £	Balance 31st August 2021 £
General Fund	700,126	29,011	(25,918)	35,234	738,453
	<u>700,126</u>	<u>29,011</u>	<u>(25,918)</u>	<u>35,234</u>	<u>738,453</u>

12) Related Parties

The Cleary Blackfriars Trust charity and The King's School, Canterbury are related parties as disclosed on page 2 of the Trustees Report. There are no other related party transactions.