

THE BENEVOLENT SOCIETY OF BLUES

THE TRUSTEES' 196th ANNUAL REPORT

for the year ended 30 June 2020

The Trustees present their Report and the audited accounts of The Benevolent Society of Blues ("the Society" or "BSB") for the year ended 30 June 2020.

Reference and Administrative Details

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

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

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

The principal Officers of the Society are:

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

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

Gordon C Bloor (b)	Peter Godden-Kent (b)
James Y Bogue (b) (c)	Perry DCN Kitchen (a) (b)
Paul Livingstone-Chambers (b)	Nicholas C de Mattos (b)
Robin N Clarke (a) (b)	Stephen Treharne (b)
Andrew J Cosedge (b) (c)	Louise Warrender (b)
Martin Crick (b)	Sally-Ann White (b) (d)
Christopher J Ennis (b) (c)	Guy Wilkes (b) (d)
	Jennifer Williams (b)

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

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

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

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

Communications should be addressed to the Secretary, Julie Wilson.

Telephone: 01403 247418
Email: JLW@christs-hospital.org.uk

Other relevant organisations are:

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

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

CCLA Investment Management Ltd
COIF Charity Funds
80 Cheapside
London EC2V 6DZ

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

CAF Investment Services (until 22 January 2020)
25 Kings Hill Avenue
West Malling
Kent ME19 4TA

Structure, Governance and Management

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

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

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

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

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

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

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

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

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

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

Pay policy for senior staff

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

Risk Management and Governance

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

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

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

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Objectives and Activities for the Public Benefit

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

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

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

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

How our Objectives and Activities Delivered Public Benefit:

A Review of Achievement and Performance

During the year 8 individuals of pensionable age (2019:10) received regular payments or periodic gifts from the Society. The Board is always seeking to identify new older beneficiaries, who are in need.

Apart from the older beneficiaries, 46 (2019: 38) applications for assistance were received during the year of which 38 (2019: 30) were met in part or in full. The number of adults given help (including those agreed in the previous year but paid in this year) was 30 (2019: 44) whilst the number of pupil recipients was 33 (2019: 11). Pupil recipients included laptops for online tuition during CV-19 lockdown, and the Additional Costs Fund (counted as 1 recipient) administered by Christ's Hospital, giving assistance to a large number of pupils in need, including clothes, travel and food. Other help to pupils covered cultural, choral, sporting, character building and charitable activities, emergency accommodation and compassionate help to pupils with difficult family circumstances.

Amongst the adults, many of those given assistance were, as usual, those embarking on degree courses but there were others of varying ages who needed assistance through encountering social or financial problems of one sort or another. The assistance was by way of grants for 20 (2019: 20) individuals and by way of interest free loans for 10 (2019: 14) individuals. Some beneficiaries received both grants and loans. In all, with help to some beneficiaries being by instalments, 71 (2019: 78) separate grants were made to adults or pupils, including 3 grants totaling £50,000 to the Additional Costs Fund (2019 £15,000); whilst 23 (2019: 24) separate loans were advanced.

The number of individuals with loans outstanding at the end of the year was 135 (2019: 146). Loans were made to 6 (2019:11) new individuals and repayments were completed on 17 (2019: 10) loans. Of the remaining loanholders, 64 (2019: 78) made repayments to some degree or other during the year. It should be noted that, for 14 loans, (2019: 17) repayments were not yet scheduled to commence.

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

The Society had 6 presentees at the school during the last academic year. For the next academic year, the Society expects to have 3 presentees. The Directors are always glad to hear of potential candidates for presentation.

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Finally, it is also important to emphasise that the Society gives assistance that is non-monetary. Calling on the expertise of the Board and its contacts, 21 (2019: 15) individuals were given advice and in some cases redirected to other appropriate agencies. Of these, 8 (2019: 11) 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. 13 made applications for support but did not then take this further. There is always a greater number that contact the Society but do not then apply for financial support. In many cases the secretariat can redirect them to more appropriate bodies, and in others a discussion is all that is needed.

Financial Review

The Treasurer's Report, which follows on page 8, is to be treated as part of this Report.

Subscriptions received were slightly lower than 2019. Subscriptions appear to have leveled off at around 75% of the amounts received in the years up to 2014.

There were many generous donations this year, totaling almost £10,000 (2019: £26,000): some were in memory of Old Blues and there was also the collection from the CH Carol Concert in London in December 2019. There was a magnificent legacy of £60,000, plus some smaller testaments, all much appreciated.

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

The direct charitable expenditure in the year was £93,268, against £47,633 in 2019, mainly reflecting an increase from £15,000 to £50,000 in contributions to the Additional Costs fund, giving assistance to pupils of Christ's Hospital during and after the Covid-19 lockdown. During the last two years, the Society has also begun to address other needs for pupil support, including accommodation, during the school holidays. Interest free loans advanced during the year amounted to £17,545, against £23,698 in the previous year. The Directors consider that the overall levels of direct charitable expenditure represent an appropriate balance between meeting the Society's charitable objectives and maintaining its capital base.

There was an operating surplus of £39,615 in 2020, against a surplus of £49,644 in 2019.

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

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

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

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

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

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

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Appreciation

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

Finally, the Board would like to pay tribute to the hard work and enthusiasm of Julie Wilson, who is now well-established as our secretary, and has shown notable initiative in managing rapidly changing situations and extending the Society's reach to areas of charitable need that had not previously arisen. We are also very pleased that Rowena Harris has stayed in a part time capacity during the year to look after the financial records and provide a fund of knowledge and experience. Rowena will be finally retiring at the end of August 2020, and I would like to take this opportunity to thank her for more than a decade of dedicated service, during which she has been the BSB's friendly and approachable front line, whilst being dependable, organized and determined in ensuring that payments and support are delivered as agreed and on time. The smooth and successful functioning of the Society is heavily dependent upon the dedicated work of the secretariat, and we are very grateful to both Julie and Rowena.



Andrew Cosedge
Chairman

21 September 2020

THE BENEVOLENT SOCIETY OF BLUES

TREASURER'S REPORT

The principal features of the Accounts for the year ended 30 June 2020 are as follows:

Subscriptions (including tax recovered as Gift Aid), amounted to £32,807 (2019: £34,172), continuing a year by year gradual reduction, which the board is addressing. The Society is grateful for support from all its members.

Legacies this year totaled £64,142 (2019: £nil), including one very generous legacy of £60,000. Donations amounted to £9,697 (2019: £25,998). Our gratitude to those Old Blues and supporters who have thus demonstrated their generosity is extremely strong. Investment income received was £70,585 (2019: £74,509), the slight reduction reflecting the sale of one income-paying fund and its replacement by a fund that aims for capital growth.

Total incoming resources were £177,231 (2019: £134,679).

The following comments on charitable expenditure should be read with reference to the five-year summary on page 21. In the formal statement of financial activities on page 10, support costs are spread across the heads of charitable expenditure in accordance with applicable accounting standards.

The assistance given to older beneficiaries, at £1,650 (2019: £2,686) is 40% lower than last year, and some regular beneficiaries have died. We receive few applications in this category, though we believe there is no lack of people in need. It is our aim to seek out more persons in this age group who are in need of help from the Society.

Grants paid to other beneficiaries were £19,081 (2019: £20,428). There were several applications from students seeking support for postgraduate studies, and there were also some older applicants. Grants were targeted as precisely as possible to do the most good, and a number of those receiving financial support also received advice, introduction to other agencies, or redirection to other sources of funding as appropriate. In some cases, a grant or loan was not made, and assistance was given in the form of advice and guidance that is not reflected in the figures.

Grant support for needy pupils at the school to assist with travel and other needs amounted to £59,863 (2019: £23,703). The bulk of this was £50,000 (2019: £15,000) to Christ's Hospital for the Additional Costs Fund, on which there were unusually heavy calls due to the summer term shutdown.

There was no payment to Christ's Hospital for Donation Governorships (2019: £nil). The Society aims to present one or two children each year to the school, but recently there have been very few applications.

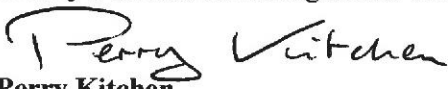
Salary costs increased from £26,143 to £31,329 reflecting the secretary moving to full time working whilst the former secretary remained part time, prior to her retirement in August 2020. Support costs increased from £6,658 to £8,019, due to IT expenditure to update equipment and ensure the protection of data. Governance costs principally comprise the audit fee.

Total resources expended amounted to £137,616 (2019: £85,035), the increase mainly due to the very much higher level of support for pupils. There was a net surplus for the year amounting to £39,615 (2019: £49,644).

Loans advanced to individuals on an interest free basis, were £17,545, compared with £23,698 last year. As with grants, several successful applications were from people of student age. Loan repayments totaled £29,233 (2019: £25,191). The level of repayments reflects the fact that during the last few years loans have been made only with a realistic prospect of recovery. The secretariat has worked unceasingly to encourage repayments.

The loan provision of £12,674 (2019: £816), reflects uncertainties over recovery in the anticipated economic downturn. The net value of the loan portfolio is now £122,269, which is considered to be realistic.

The investment portfolio decreased in value from £3.38m to £3.33m: new funds of £60,000 were invested and £35,000 of investment income was recycled back into the portfolio, but there was a decrease of £144,905 due to falls in stock markets. The net reduction in value was £49,905. Details of investments are in note 5. The Directors continue to believe that it is in the Society's long-term interest to have a spread of investments, and they take careful advice from the Society's investment managers and other sources.


Perry Kitchen
Treasurer

21 September 2020

THE BENEVOLENT SOCIETY OF BLUES

DIRECTORS' RESPONSIBILITIES

The Directors 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 Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (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 Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Other Statutory Information

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 as updated by Update Bulletin 1 published 2 February 2016, and related regulations, the Directors have pleasure in supplying the following additional information:

1. The Society is governed by the Charity Commission Scheme of Arrangement dated 9 November 1982 and by Rules that were last updated in November 2014.
2. The Society is an unincorporated association.
3. The Directors (between 12 and 24 in number) are elected by the members in accordance with the provisions of the Society's Rules. The Board may also co-opt up to 4 members to fill vacancies until the following AGM.
4. The Society's policy on Reserves is included within the Trustees' Report on 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



21 September 2020

THE BENEVOLENT SOCIETY OF BLUES

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 30 June 2020

	Note	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Income					
Incoming resources of a voluntary nature:					
Subscriptions including tax recovered		32,807	-	32,807	34,172
Donations including tax recovered		9,697	-	9,697	25,998
Legacies		64,142	-	64,142	0
		<u>106,646</u>	<u>-</u>	<u>106,646</u>	<u>60,170</u>
Investment Income:					
Distributions from investment managers		70,336	-	70,336	74,224
Deposit interest		249	-	249	285
		<u>70,585</u>	<u>-</u>	<u>70,585</u>	<u>74,509</u>
Total incoming resources		<u>177,231</u>	<u>-</u>	<u>177,231</u>	<u>134,679</u>
Expenditure					
Expenditure on charitable activities:					
Assistance for older beneficiaries		2,435	-	2,435	4,795
Grants to other beneficiaries		28,154	-	28,154	36,468
Support grants to pupils		88,327	-	88,327	42,315
Donations to Christ's Hospital		0	-	0	0
Loans unlikely to be recovered		18,700	-	18,700	1,457
Total resources expended	2, 3, 4, 6	<u>137,616</u>	<u>-</u>	<u>137,616</u>	<u>85,035</u>
Net incoming resources	9	39,615	-	39,615	49,644
Net (losses)/gains on investment assets	5, 9	<u>(77,818)</u>	<u>(67,087)</u>	<u>(144,905)</u>	<u>53,014</u>
Net movement in funds		<u>(38,203)</u>	<u>(67,087)</u>	<u>(105,290)</u>	<u>102,658</u>
Fund balances brought forward at 1 July 2019		<u>2,050,565</u>	<u>1,563,017</u>	<u>3,613,582</u>	<u>3,510,924</u>
Fund balances carried forward at 30 June 2020	9	<u>2,012,362</u>	<u>1,495,930</u>	<u>3,508,292</u>	<u>3,613,582</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 12 to 17 form part of these accounts.

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BALANCE SHEET at 30 June 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	5	3,326,166	3,376,071
		<hr/>	<hr/>
Current assets			
Loans	6	122,269	146,631
Cash balances	7	39,839	77,139
Debtors	8	<u>29,400</u>	<u>21,717</u>
		191,508	245,487
Less: Creditors falling due within one year			
Sundry creditors		(9,382)	(7,976)
		<hr/>	<hr/>
Net current assets		182,126	237,511
		<hr/>	<hr/>
Net assets		<u><u>3,508,292</u></u>	<u><u>3,613,582</u></u>
Funds			
Unrestricted	9	2,012,362	2,050,565
Restricted	9	1,495,930	1,563,017
		<hr/>	<hr/>
Total funds	9	<u><u>3,508,292</u></u>	<u><u>3,613,582</u></u>

Approved by the Board of Directors on 21 September 2020 and signed on its behalf by:



AJ Cosedge, Chairman



PDCN Kitchen, Treasurer

The notes on pages 12 to 17 form part of these accounts.

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS

for the year ended 30 June 2020

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(h) Financial Instruments

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

(i) Cash and cash equivalents

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

(j) Taxation

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

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

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

(l) Judgments and key sources of estimation uncertainty

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

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

- The Trustees have assumed that of the total loans repayable of £122,269 at the year end, £36,000 is estimated to be repayable after more than one year at the year end. A higher proportion of the total loans repayable due for repayable 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 the total estimated long term loans of £36,000 would 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 2020 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 £31,329 (2019: £26,144) in respect of the total emoluments of the Society's employees during the year. Pension costs of £2,208 (2019: £1,998) are included. The average number of the Society's employees was 2 (2019:2). This is apportioned to the various categories of the charitable activities.

3. Governance costs

Governance costs included £5,000 (2019: £4,600) in respect of auditors' remuneration. This comprised £4,800 for 2020 and £200 under-provided in 2019, and is apportioned to the various categories of the charitable activities.

None of the Trustees or the Directors received any remuneration.

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS

for the year ended 30 June 2020

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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 £	2020 total £	2019 total £
Grants to older beneficiaries (age 60+)	1,650	785	2,435	4,795
Grants to other beneficiaries	19,081	9,073	28,154	36,468
Grants to current pupils	59,863	28,464	88,327	42,315
Donations to Christ's Hospital	0	0	0	0
Loans unlikely to be recovered	12,674	6,026	18,700	1,457
	<u>93,268</u>	<u>44,348</u>	<u>137,616</u>	<u>85,035</u>

5. Investments

	01.07.19 £	Additions £	Disposals £	Net gains/ (losses) £	30.06.20 £
NON-ENDOWMENT PORTFOLIO					
Charities Aid Foundation (CAF)					
Fixed Interest Fund B	116,089	-	(116,089)	-	-
UK Equitrack Fund	50,658	-	(50,658)	-	-
UK Equity Fund B	43,659	-	(43,659)	-	-
	<u>210,406</u>	<u>-</u>	<u>(210,406)</u>	<u>-</u>	<u>-</u>
Dimensional					
UK Value	73,067	6,966	(38,168)	(9,795)	32,070
UK Small Companies	72,877	8,051	(49,945)	774	31,757
International Value	350,843	40,228	(30,145)	(50,458)	310,468
Global Small Companies	277,994	93,471	(22,309)	(28,484)	320,672
Short Dated Bond Fund	308,837	220,528	(103,240)	693	426,818
Emerging Markets Targeted Value	112,055	83,911	(1,460)	(20,976)	173,530
	<u>1,195,673</u>	<u>453,155</u>	<u>(245,267)</u>	<u>(108,246)</u>	<u>1,295,315</u>
Fidelity					
Index UK Fund P (Acc)	-	<u>64,861</u>	<u>(3,025)</u>	<u>(10,857)</u>	<u>50,979</u>
Vanguard					
FTSE Developed World Ex UK	360,053	87,231	(21,484)	12,653	438,454
Emerging Markets Stock Index	130,722	3,131	(16,205)	(2,284)	115,364
FTSE UK All Share Unit Trust R	17,160	-	(17,160)	-	-
	<u>507,935</u>	<u>90,362</u>	<u>(54,849)</u>	<u>10,369</u>	<u>553,818</u>
Non-Endowment total c/f	<u>1,914,014</u>	<u>608,378</u>	<u>(513,547)</u>	<u>(108,734)</u>	<u>1,900,112</u>

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS

for the year ended 30 June 2020

(continued)

The dates for commencement of loan repayments are not always specified and nor is the rate of repayment normally laid down. The amount of loans repayable after more than one year is approximately £36,000 (2019:£62,000). All loans are interest free.

7. Cash balances	2020 £	2019 £
Bank balances	15,470	27,260
Charities Fund Deposit Account	10,812	30,651
Transact Cash Account	13,557	19,228
	<u>39,839</u>	<u>77,139</u>

8. Debtors

Debtors of £29,400 (2019: £21,717) are amounts owed in investment income in respect of the Society's holdings on the Transact investment platform.

9. Funds

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

The movement in funds during the year was as follows:

	Unrestricted Funds (Reserves) £	Restricted Funds (Permanent Endowment) £	Total Funds £
Balance at 1 July 2019	2,050,565	1,563,017	3,613,582
Net surplus before investment losses	39,615	-	39,615
Investment losses	(77,818)	(67,087)	(144,905)
Balance at 30 June 2020	<u>2,012,362</u>	<u>1,495,930</u>	<u>3,508,292</u>
The funds comprised:			
Investments	1,830,236	1,495,930	3,326,166
Net current assets	182,126	-	182,126
Total	<u>2,012,362</u>	<u>1,495,930</u>	<u>3,508,292</u>

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

The Trustees are required to permanently maintain the whole of the Permanent Endowment Fund. 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 2020 (2019: £0).

THE BENEVOLENT SOCIETY OF BLUES

NOTES TO THE ACCOUNTS

for the year ended 30 June 2020

(continued)

11. Financial Instruments

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

Financial Assets

Measured at fair value through SOFA:

	2020	2019
	£	£
Fixed asset quoted investments	3,326,166	3,376,071
Cash under management	24,369	49,879
Cash at bank	15,470	27,260

Measured at amortised cost:

Accrued income	29,400	21,717
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Financial Liabilities

Measured at amortised cost:

Creditors & Accruals due within one year	9,382	7,976
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The income, expenses, net gains and net losses attributable to the society's financial instruments are summarised as follows:

Income and expense	2020	2019
	£	£
Measured at fair value through SOFA:		
Net (losses)/gains	(144,905)	53,014

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 2020 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes, including a summary of 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 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

THE BENEVOLENT SOCIETY OF BLUES

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Report of the Trustees; 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.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

THE BENEVOLENT SOCIETY OF BLUES

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

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: 21 September 2020

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 2020

	2020	2019	2018	2017	2016
	£	£	£	£	£
INCOME					
Subscriptions	32,807	34,172	33,843	35,808	36,132
Donations and legacies	73,839	25,998	42,308	248,356	4,801
Dividends and interest	70,585	74,509	72,317	66,641	64,419
Total incoming resources	177,231	134,679	148,468	350,805	105,352
EXPENDITURE					
Assistance for older beneficiaries	1,650	2,686	2,820	5,979	1,859
Grants to other beneficiaries	19,081	20,428	30,870	30,096	22,338
Support grants to pupils	59,863	23,703	19,266	12,954	13,027
Loans unlikely to be recovered	12,674	816	343	507	4,860
Donations to Christ's Hospital	-	-	-	30,000	-
	93,268	47,633	53,299	79,536	42,084
Salaries and support costs	39,348	32,802	31,931	31,298	38,645
Governance costs	5,000	4,600	4,800	4,400	4,000
Total resources expended	137,616	85,035	90,030	115,234	84,729
Net incoming resources	39,615	49,644	58,438	235,571	20,623
Net (losses)/gains on investments	(144,905)	53,014	118,108	363,108	32,989
Net movement in funds	(105,290)	102,658	176,546	598,679	53,612

Note: This page does not form part of the Statutory Financial Statements.