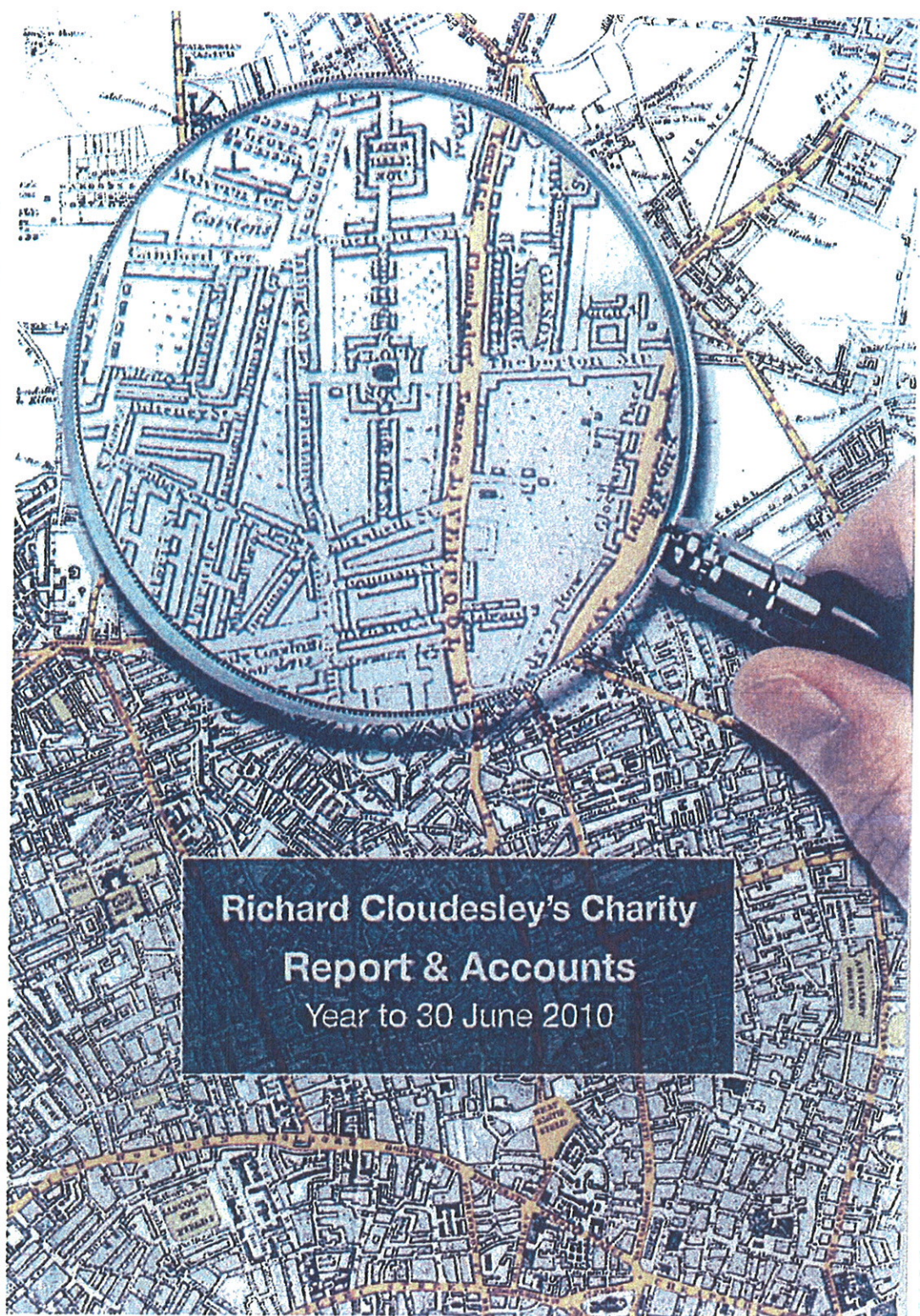




Richard Cloudesley's Charity
Report & Accounts
Year to 30 June 2010

Cover: The historic Clondesley Estate centred on the newly-built Clondesley Square Church. Some of the street names have since changed. Source: Map published 1st November 1843 under the Superintendence of the Society for the Diffusion of Useful Knowledge.

RICHARD CLOUDESLEY'S CHARITY

Page 1

TRUSTEES AND ADVISERS

Trustees during the year

COMMITTEES

Ex-officio trustees

The Mayor of Islington

T, G

Rev S Harvey (from 15/07/10)

T

LBI nominated trustees

Mr D R Stephens, Vice Chairman

T, E, F

Cllr P Convery

T

Cllr R. Perry

T

Cllr J Asato (appointed 18/05/10)

T

Mr J R Trotter (appointed 03/12/09)

T, G

Synod nominated trustees

Mr K A Streater, Chairman

T, E, G, F

Ms K Frenchman

T, E, G

Ms D Newton, Vice Chairman

T, G, F

Mr M P Black (retired 01/06/10)

Mr C Bailey

T, G

Mr M Maunsell (appointed 13/10/10)

T, E, G, F

Co-optative trustees

Mr M Simmonds (appointment ceased 16/11/09)

T, E

Mr R Goodman

T, E

Mr B H March (retired 01/06/10)

T, E, F

Ms M Coates

T, G

Mr C Moss (appointment ceased 18/11/09)

T, G

Ms V Mirfin (appointed 08/09/10)

T, G, E

Ms D Reeves (appointed 08/09/10)

T, G, F

Ms M Elliott (appointed 08/09/10)

T, G, F

Honorary Trustees:

Mr Pat Haynes

Mr John Durdin

Code	Committee/Body
T	Trustees
E	Estates
G	Grants
F	Finance

Page 2

RICHARD CLOUDESLEY'S CHARITY

TRUSTEES AND ADVISERS

ADMINISTRATION

Keith Wallace
29th Floor, Broadgate Tower
20 Primrose Street
London EC2A 2RS
020 3116 3624

ALMONER

Chris Hobbs
76 Central Street
London
EC1V 8AG

**INVESTMENT
ADVISERS**

Mercer
1 Tower Place West
Tower Place
London EC3R 5BU
June 2009

BANKERS

CAF Bank Limited
Kings Hill
West Malling
Kent ME19 4TA

**PROPERTY SERVICE
PROVIDERS**

Chestertons
327-329 Upper Street,
London N1 2XQ

Warmans
13 Swan Yard
Highbury Corner, Islington,
London,
N1 1SD

**'MEDICAL GRANT'
ADVISERS**

Cripplegate Foundation
76 Central Street
London
EC1V 8AG

AUDITORS

Knox Cropper
Chartered Accountants
8/9 Weil Court
London EC4M 9DN

SOLICITORS

Reed Smith LLP
Broadgate Tower
20 Primrose Street
London EC2A 2RS

**CHARITY
REGISTRATION
NUMBER**

205959

RICHARD CLOUDESLEY'S CHARITY
TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE 2010

The Year

These accounts record the 492nd year of our stewardship of the gift made in 1518 by Richard Cloudesley for the benefit of his fellow parishioners in Islington. Under the Scheme currently governing the Charity we distribute the fruits of this generosity half to the sick poor of the parish and half to the Church of England churches.

Our trustees come to hold office in ways intended to broadly reflect our stewardship duties. Two are "ex-officio", five are appointed by the local council, five by the Church of England Islington Deanery Synod and five are co-opted by the trustees themselves.

During the year we said farewell to Michael Simmonds, a local businessman and trustee of longstanding. We were also sorry to lose Brian March, on his retirement from professional practice in the Borough and – a trustee of more recent standing – Martin Black. We thank them for their very individual contributions and wish them well.

With three vacancies arising within our co-optative trustees opportunity was taken to repeat an exercise conducted four years ago, indentifying desirable skill sets, public advertisement, short-listing, interview and appointment. As a consequence, three new trustees were selected, all with vibrant experience of the voluntary sector and of our own Area of Benefit.

Role

Our role is to manage what Richard Cloudesley gave – which is "permanent endowment" – in the form this currently takes. This consists of the remaining properties within the Cloudesley Estate, and portfolio investments representing sales that have occurred over the last eighty years.

Objectives and Public Benefit

We deploy a sizeable proportion of the funds devoted to the "sick poor" of Islington through quick grants, normally of equipment but sometimes of cash, to the needy. This program is administered by our much appreciated Almoner, Chris Hobbs. Every applicant is individually assessed and the process is coupled with detailed data capture, analysis and report.

A feature of our approach is to ensure that each applicant has access to a test to gauge their potential entitlement to central benefits. In this way – as a highly important by-product of our grant process – 109 individuals were advised of claimable benefits worth over £360,000 per annum.

Information obtained in this way as to the needs of our applicant beneficiaries has been found to enable us to identify precisely where in Islington services and help are most needed.

This vital evidence feeds through to our "medical" grants to organisations which are arranged as a pattern of "small" and "large" grants. Two key projects thus identified have received substantial backing from the Charity, Help on your Doorstep and the Finsbury Park Advice Centre.

In handling these grants we have been fortunate to engage the attentive help of the staff of our sister Charity in Islington, the Cripplegate Foundation. Their own wider and deeper grant making activities provide vital information over the voluntary sector in Islington and avoid needless duplication and competition. It is a pleasure to be able to express our gratitude to all at Cripplegate for their help.

RICHARD CLOUDESLEY'S CHARITY

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE 2010

Particular mention should be made of Kristina Glenn, its Chief Executive, who has been a leader in a further and unique initiative known as Islington Giving. This project was launched at The Guardian in September 2010 and we hope to report more fully on its success over the next few years.

The other half of our income goes to Church of England churches on criteria we have developed over the years. Three features may be mentioned. First, we are able, consistently with our legal restrictions, to encourage churches to think of the role of their buildings in serving the wider community. Second, we have found that giving an assurance of the likelihood of ongoing Cloudesley financial support enables churches to access Diocesan loans which might otherwise not have been available. In this way imaginative congregations can be given additional encouragement. Finally, our assistance to St. Silas, Pentonville, in its recent major works enabled those overseeing that project to incorporate substantial solar generation material which, therefore, conferred an incidental wider social benefit than the maintenance of Christian worship, our primary purpose.

Mindful of the Charity Commission guidance in this area, we record that the public benefit we bestow is the fulfilment of our historic purposes under tightly controlled guidelines, in the course of which additional benefits (take-up of central benefits, access to Diocesan loans and environmental gain, as already instanced) are conferred.

Performance and Review

Our Statement of Financial Activities records an operating outgo of £442,685 against a surplus of £1,1961 for 2009. This was not unexpected and is attributed to a number of factors. From our property estate, gross rents increased slightly this year. We have, though, been engaged in substantial refurbishment and upgrading of our estate, as opportunity has afforded from tenant vacancies. Where a decision has been taken to re-let the property rather than sell it the accounting treatment for refurbishment expenditure is that it is treated as revenue expenditure. This has resulted in a very significant increase this year in the property expenditure with the result that on properties there was negative reported income of £272,661 against £68,552 in 2009. This was anticipated and is an unavoidable consequence of the investment judgement that had been taken to re-let, rather than immediately sell, three refurbished properties. Our property revenue has always been sensitive to the timing and incidence of refurbishment expenditure.

Our investment income reduced both through the fall of dividend income and in deposit interest earned. (£592,973 (2010) against £828,426 (2009)). Capital values of our investments again disappointed, though not to such a extent as the previous two years.

Despite wanting to maintain the grants at the fullest level possible, a consequence was that Trustees felt that grants could not be maintained and the overall figure fell from £761,963 in 2009 to £647,380 this year.

Our Finance Committee appointed Mercer as new investment consultants during the year and a revised investment program is being undertaken.

Future Plans

Our "medical" grant making programme is becoming more focused in helping a smaller number of locally based charities with a high volunteer input, undertaking projects which our own experience, research and information tell us will do demonstrable good. Our church grants equally, have a wider slant towards community benefit though we are somewhat restricted in this regard by the terms of our Scheme

The Borough of Islington has some high deprivation scores, and, despite outside appearances, need is evident in pockets in every street. As government and local authority funding becomes more stringent the role of stable, long-term, endowed charities such as ourselves become even more important in addressing, with consistency, areas of need.

RICHARD CLOUDESLEY'S CHARITY

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE 2010

Operational

The trustees meet quarterly, receiving reports from the three operating committees – Estates, Grants and Finance, under regularly reviewed terms of reference. Standing authorisations and delegations permit efficient decision taking between meetings.

The Charity keeps its risk policies and procedures under review and believes these to be well understood and controlled. In tandem with this exercise, the personal legal exposures on our board of unpaid volunteer trustees were reassessed. The outcome is that a proposal to "incorporate" the trusteeship will shortly be made to the Charity Commission and we shall report on this next year.

New trustees have received formal trustee induction, and access is afforded to trustees to attend other trustee training, if desired. Apart from incorporation, no other structural change has, on review, been seen as necessary.

Our approach to reserves is explained elsewhere in these accounts. It is driven by the difficulties of managing a mixed-tenure estate of predominantly Georgian and Victorian buildings in a Conservation Area, and by the need to provide stability and consistency of grant-making to those we serve.

We believe we are well equipped to meet the challenges we face with energy, thought, and care.

Statement of Trustees Responsibilities

Trustees are required 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 its income and expenditure for that period. In preparing those financial statements, Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume the Charity will continue to operate.

Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and comply with the Charities Act 1993. 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.

Approved by the Trustees

D R Stephens, acting Chairman

24th November 2010

REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES OF
RICHARD CLOUDESLEY'S CHARITY

We have audited the financial statements of Richard Cloudesley's Charity for the year ended 30th June 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention, (as modified by the inclusion of freehold properties at valuation and investments at market value), and the accounting policies set out therein.

This report is made solely to the Trustees, as a body, in accordance with legislation. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditors' 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.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The Trustees responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustee's Responsibilities.

We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Report of the Trustee's is not consistent with the financial statements, if Richard Cloudesley's Charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law is not disclosed.

We read other information contained in the Financial Statements, and consider whether it is consistent with the audited financial statements. The other information comprises only the Report of the Trustees. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the Financial Statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of Richard Cloudesley's Charity's affairs as at 30th June 2010 and of its incoming and application of resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

8/9 Well Court
London EC4M 9DN

Knox Cropper
Chartered Accountants
Statutory Auditor

24th November 2010

RICHARD CLOUDESLEY'S CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30TH JUNE 2010

	Notes	Un- Restricted Funds	Restricted Fund	Permanent Endowment Funds	2010 Total Funds	2009 Total Funds
		£	£	£	£	£
INCOMING RESOURCES						
Incoming Resources from Generated Funds						
Investment Income			-	-	592,973	828,426
- Investments	2	592,973	-	-	592,973	341,591
- Properties	3	350,201	-	-	350,201	25
Donations		-	-	-	-	-
Other Incoming Resources						
Transfer from other Charities	15b	-	-	-	-	130,967
TOTAL INCOMING RESOURCES		943,174	-	-	943,174	1,301,009
RESOURCES EXPENDED						
Costs of Generating Funds						
Investment Management Costs	4	(6,779)	-	-	(6,779)	(37,687)
Property Management Costs	4	(622,862)	-	-	(622,862)	(410,143)
Charitable Activities	5	(740,196)	-	-	(740,196)	(836,641)
Governance Costs	6	(16,022)	-	-	(16,022)	(14,577)
TOTAL RESOURCES EXPENDED		(1,385,859)	-	-	(1,385,859)	(1,299,048)
NET (OUTGOING)/INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(442,685)	-	-	(442,685)	1,961
OTHER RECOGNISED GAINS AND LOSSES						
Gains on Property Assets	7	-	-	102,204	102,204	1,150,994
Gains/(Losses) on Investment Assets	8	-	32,389	849,649	882,038	(3,549,128)
NET MOVEMENT IN FUNDS		(442,685)	32,389	951,853	541,557	(2,396,173)
BALANCE AT 1ST JULY 2009		484,884	429,734	21,451,693	22,366,311	24,762,484
BALANCE AT 30TH JUNE 2010		£42,199	£462,123	£22,403,546	£22,907,868	£22,366,311

All recognised gains and losses are reflected through the Statement of Financial Activities. No separate Statement of Total Recognised Gains and Losses is presented.

All the activities reported above relate to continuing operations.

RICHARD CLOUDESLEY'S CHARITY**BALANCE SHEET****AS AT 30TH JUNE 2010**

	Notes	£	2010 £	£	2009 £
FIXED ASSETS					
Freehold Properties	7		6,718,007		6,549,740
Permanent Endowment Fund Investments	8		12,184,702		11,111,539
Restricted Fund Investments	8		<u>445,151</u>		<u>412,762</u>
			19,347,860		18,074,041
CURRENT ASSETS					
Debtors	9	35,831		40,279	
Cash at Bank	10	<u>3,597,526</u>		<u>4,454,938</u>	
		3,633,357		4,495,217	
CREDITORS : Amounts Falling due within one year	11	<u>(73,349)</u>		<u>(202,947)</u>	
NET CURRENT ASSETS			<u>3,560,008</u>		<u>4,292,270</u>
NET ASSETS			<u>£22,907,868</u>		<u>£22,366,311</u>
UNRESTRICTED FUNDS	12		42,199		484,884
RESTRICTED FUND	13		462,123		429,734
PERMANENT ENDOWMENT FUNDS	15		<u>22,403,546</u>		<u>21,451,693</u>
TOTAL FUNDS			<u>£22,907,868</u>		<u>£22,366,311</u>

Approved by the Trustees on 24th November 2010 and signed on their behalf by:

_____ D R Stephens _____)
 _____) Trustees
 _____ Dorothy Newton _____)

_____ K Wallace _____ Clerk to the Charity

RICHARD CLOUDESLEY'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2010

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the accounts are as follows:

(a) ACCOUNTING CONVENTION

The Financial Statements have been prepared under the historical cost convention (as modified for the valuation of properties and fixed asset listed investments), in accordance with relevant accounting standards and the provisions of the Statement of Recommended Practice, Accounting and Reporting by Charities, issued by the Charity Commissioners in March 2005.

(b) FIXED ASSETS

(i) Investments - Listed Securities and Managed Funds

Investments in Managed Funds and direct investments are stated in the Accounts at market value as reported by the respective managers.

(ii) Freehold Properties

To avoid the not inconsiderable expense of obtaining a professional valuation, the Trustees have agreed with the Charity Commission that freehold properties should be reflected in the accounts at the Trustees' estimate of their market value. This is in accordance with SSAP 19 which suggests that a professional external valuation would normally be required only in the case of a major enterprise. The estimates are based on the following.

(a) "In hand" Freehold Properties are valued at the Trustees' estimates of open market value based on values achieved at sale in the recent past.

(b) Reversionary Interests in Freehold Property are valued at twenty-two times the annual Ground Rent receivable subject to a minimum of £5,000, this being based on property values achieved in recent years.

Disposals of freehold property, and the grant of long leases are accounted for at the date of contract.

In accordance with SSAP 19, no depreciation is charged on Investment Properties.

RICHARD CLOUDESLEY'S CHARITY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30TH JUNE 2010****1. ACCOUNTING POLICIES (CONTINUED)****(c) INVESTMENT INCOME****(i) Listed Securities and Managed Funds**

Income from Managed Funds and the Managed Account is accounted for when amounts due are receivable by the Charity's.

(ii) Gains on Disposals of Property and Investments

All gains and losses on disposal of property and investments are measured by comparison of the proceeds with their carrying value in the latest audited accounts and are reflected in the Statement of Financial Activities. Properties and Investments (other than investments which represent restricted funds) are assets which represent the Permanent Endowment of the Charity. As such any gains on the disposals of property and investments are credited to Permanent Endowment Funds. Gains on disposals of restricted funds' investments are credited to those funds.

(iii) Bank Deposit Interest

Bank Deposit Interest is accounted for on an accruals basis.

(d) RENTAL INCOME

Rental income is accounted for on an accruals basis.

(e) EXPENDITURE

All expenditure is accounted for on an accruals basis.

(f) FUND ACCOUNTING

The Charity's Balance Sheet discloses a number of funds.

(i) Unrestricted Funds

Unrestricted Funds consist of Accumulated Revenue Surpluses and consist of funds available to support either Churches or Medical Needs in accordance with the Charity's objects. Allocations to Churches and Medical Needs are computed as follows. Any surplus arising on the Charity's Income and Expenditure Account before debiting grants paid to Churches and Medical Needs and before crediting income restricted to Medical Needs is divided equally between Churches and Medical Needs as required under the Trust instrument. Related handling costs are attributed to each fund. Any net surplus appropriated to Churches and Medical Needs Funds is computed from this gross appropriation adjusted for grants paid and specific income (The Calculations are set out in note 12).

The Welfare Grants are a sub-division of funds available for Medical Needs, and are administered by the Almoner employed by the Cripplegate Foundation.

RICHARD CLOUDESLEY'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2010

1. **ACCOUNTING POLICIES (CONTINUED)**

(f) **FUND ACCOUNTING (Continued)**

(ii) **Restricted Funds**

Restricted Funds are funds which may only be applied to purposes specified by donors or under arrangements with the Charity Commissioners. Details of the restricted fund together with its objects are set out in Note 13 to the accounts.

(iii) **Permanent Endowment Funds**

The capital of these funds cannot be expended although any income arising can be expended either for restricted or general purposes. An analysis of the funds together with an analysis of their objects are set out in Note 15.

(g) **CASH FLOW STATEMENT**

The Charity has taken advantage of the exemption available under FRS 1 and has not produced a Cash Flow Statement.

2. **INVESTMENT INCOME**

	Unrestricted Funds	Restricted Fund	Total 2010	Total 2009
	£	£	£	£
Income from Investments	568,224	-	568,224	691,146
Interest	24,749	-	24,749	137,280
	<u>£592,973</u>	<u>£-</u>	<u>£592,973</u>	<u>£828,426</u>

RICHARD CLOUDESLEY'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2010

3. PROPERTY INCOME AND EXPENDITURE

	Weekly/ Monthly Tenancies £	Long/ Commercial Leaseholds £	2010 Total £	2009 Total £
INCOME				
Rents Receivable	232,536	117,394	349,930	341,591
Other Income	271	-	271	-
	<u>232,807</u>	<u>117,394</u>	<u>350,201</u>	<u>341,591</u>
EXPENDITURE				
Collection and Management Costs	18,748	6,644	25,392	18,287
Council tax and Utilities	30,111	-	30,111	34,024
Insurance	13,813	-	13,813	24,594
Legal and Professional Fees	41,194	20,597	61,791	81,631
Audit and Accountancy	2,241	1,121	3,362	3,357
Service Charges	7,444	-	7,444	11,904
Refurbishment Repairs and Renewals	478,895	1,985	480,880	235,413
Sundries	-	69	69	933
	<u>592,446</u>	<u>30,416</u>	<u>622,862</u>	<u>410,143</u>
NET (EXPENDITURE)/INCOME FROM PROPERTIES	<u>£(359,639)</u>	<u>£86,978</u>	<u>£(272,661)</u>	<u>£(68,552)</u>

4. COST OF GENERATING FUNDS

	2010 £	2009 £
Property Expenditure	£ 622,862	£ 410,143
Investment Management		
- Advisory and Specific Fees	499	31,865
- Internal Management Fees	6,280	5,822
	<u>6,779</u>	<u>37,687</u>
	<u>£629,641</u>	<u>£447,830</u>

5. CHARITABLE ACTIVITIES

GRANTS PAYABLE

Grants to Churches (Note 19)	334,000	339,400
Medical Grants (Note 20)	108,050	333,450
Welfare Grants	<u>205,330</u>	<u>89,113</u>

313,380 422,563

COST OF ADMINISTERING GRANTS

Clerk to the Charity	18,841	17,467
Almoner and Medical Grant		
Administration	70,600	36,925
Accountancy	3,362	3,356
Report on Grant Giving	-	16,920
Sundries	13	10
	<u>£740,196</u>	<u>£836,641</u>

The Almoner and Medical Grants Administration charge includes a recharge from our Almoner's main employer, the Cripplegate Foundation.

Due to the confidential nature of the welfare grants they are not disclosed separately in the accounts. The Trustees however receive monthly reports of the Grants paid.

RICHARD CLOUDSLEY'S CHARITY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30TH JUNE 2010****6. GOVERNANCE COSTS**

	2010 £	2009 £
Audit Fees	5,072	5,049
Trustees Expenses	-	795
Clerk to the Charity	9,421	8,733
Subscription	1,245	-
Sundries	284	-
	<u>£16,022</u>	<u>£14,577</u>

The total accountancy fees and audit amounted to £6,864 and £5,179 respectively (2009: £6,713 and £5,049).

7. (a) FREEHOLD PROPERTIES

	Freehold at Trustees Valuation £	Reversionary Interest in Long Leaseholds £	Total £
At 1 st July 2009	5,470,038	1,079,702	6,549,740
Additions	164,037	4,230	168,267
Disposals	-	-	-
At 30 th June 2010	<u>£5,634,075</u>	<u>£1,083,932</u>	<u>£6,718,007</u>

The net proceeds on disposal of property and lease extensions in the current year amounted to £102,204 and the realised surpluses amounted to £102,204.

As indicated in note 1b(ii) Properties are disclosed at the Trustees estimate of their open market value.

(b) Properties held at Year End

Freehold Properties held at the year end were:

7 and 14 Cloudesley Square,
1-27 Dove's Yard
40,52,66,74,76,80,82,88-94,98,
106-112,116,130,154,158 (Even) Cloudesley Road
1-17,19-23, 25, 26,28, 29-48 Cloudesley Mansions
7-11,13,15,16 Cloudesley Street
1-6, 8-10, 12 Stonefield Mansions
The Old Bakery, Cloudesley Place

(c) Service charges

The Charity, as freeholder of two blocks of flats, is committed to paying a proportion of service charges to two separately maintained service charge funds in respect of unsold units and those held on short term tenancies.

Although the Charity has a contingent interest in these funds, these Accounts only record payments-out by the Charity to them.

RICHARD CLOUDESLEY'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH JUNE 2010

8. INVESTMENTS

Securities

Movements on Securities during the year were as follows:

	Combined Range £	Permanent Endowment Investments Exclusive Medical Funds £	Sub Total £	Restricted Funds £	2010 Total £	2009 Total £
AT MARKET VALUE						
At 1 st July 2009	10,818,222	293,317	11,111,539	412,762	11,524,301	14,921,096
Additions and Accumulated Income in Year	219,776	3,738	223,514	-	223,514	1,436,406
Disposal Proceeds	-	-	-	-	-	(1,284,073)
Realised Gains/(Losses) in Year	823,707	25,942	849,649	32,389	882,038	(921)
Unrealised Gains/(Losses) in Year	823,707	25,942	849,649	32,389	882,038	(3,548,207)
						(3,549,128)
At 30th June 2010						
Investments at Cost	£11,861,705	£322,997	£12,184,702	£445,151	£12,629,853	£11,524,301
	£16,261,555	£411,661	£16,673,216	£493,091	£17,166,307	£16,942,793

Investments representing the Combined Range and Exclusive Medical Funds consist of collective investment funds managed by professional fund managers and a managed venture capital account. Restrictions may apply as under:

- | | |
|-----------------------|--|
| Matrix Asian Property | 3 year lock-in, quarterly redemption on 65 days notice |
| Matrix Max | Monthly dealing and one month to settlement |
| Quadrus | Five year tapering exit penalty and liquidity warning: dealings suspended by Isle of Man Regulator at Balance Sheet Date, but since resumed. |
| MMC Ventures | 1. Realisation when each investee company achieves exit, hence 5 years delay expectation and liquidity warning. |
| | 2. Commitment to invest up to a further £500,000 with investment lock-in up to 12 years thereafter |

Investments representing the Exclusive Medical Funds amount to 1.6725% of the combined portfolio.

Investments representing Restricted Funds consist of units in Milton Optimal Asset Management – Arcturus Fund.

RICHARD CLOUDESLEY'S CHARITY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30TH JUNE 2010****9. DEBTORS**

	2010	2009
	£	£
Rent Receivable	<u>£35,831</u>	<u>£40,279</u>

10. CASH AT BANK

Bank Balances	<u>£3,597,526</u>	<u>£4,454,931</u>
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An amount of £1,234,072 held in a Cafcash Deposit Account is accounted for in investments (Note 8).

11. CREDITORS

Trade Creditors	19,305	61,335
Grants Payable to Churches	42,000	106,500
Accruals and Income in Advance	<u>12,044</u>	<u>35,112</u>
	<u>£73,349</u>	<u>£202,947</u>

12. UNRESTRICTED FUNDS - ACCUMULATED

	Churches	Medical	Total
	£	£	£
At 1 st July 2009	243,523	241,361	484,884
Investment Income	289,191	289,191	578,382
Income on Exclusive Medical Fund Investments	-	14,591	14,591
Net Expenditure on Properties (Note 3)	(136,331)	(136,330)	(272,661)
Governance Costs (Note 6)	(8,011)	(8,011)	(16,022)
Charitable Activities (Note 5)	(345,108)	(395,088)	(740,196)
Investment Management	(3,390)	(3,389)	(6,779)
	<u>£39,874</u>	<u>£2,325</u>	<u>£42,199</u>
At 30 th June 2010 (Being reserve available for future distribution)			

13. RESTRICTED FUND

	Extraordinary Repair Fund
	£
At 1 st July 2009	429,734
Unrealised Gains on Investments	<u>32,389</u>
At 30 th June 2010	<u>£462,123</u>

Extraordinary Repair Fund:

The Extraordinary Repair Fund was constituted in 1963 to allow for some smoothing in the Charity's otherwise lumpy property repair expenditure. Under its terms the Charity may add to the fund out of income and draw on it to meet repair expenditure.

RICHARD CLOUDESLEY'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2010

14. RESERVES POLICY

The Charity's income is distributable between church and medical causes in Islington. The income in the past has been subject to fluctuations caused by general events in the property market or specific events affecting the Charity's estate.

The trustees in previous years held back a proportion of – otherwise distributable – income with a view to ensuring a smooth and rising trend of distributions. At the balance sheet date, accounted reserves equated to one month of activity spend but as the Charity has some flexibility to draw on Restricted Funds this ratio understates the position.

The purpose behind smoothing grant distributions has been to assist the long term planning of the churches and medical causes served. In many cases, Cloudesley money supports a salary structure for a worker, or provides a worker with essential facilities. "Stop-go" funding would jeopardise these essential, but inelastic, commitments.

15. PERMANENT ENDOWMENT FUNDS

	Capital Reserve	Exclusive Medical Funds	Total
	£	£	£
At 1 st July 2009	21,170,038	281,655	21,451,693
Unrealised Gains in Market Value of Investments (Note 8)	823,707	25,942	849,649
Gains on Sale of Property or Grants of Long Leases	102,204	-	102,204
At 30 th June 2010	<u>£22,095,949</u>	<u>£307,597</u>	<u>£22,403,546</u>

(a) Capital Reserve

This represents the original benefaction to the charity together with subsequent gains on the disposal of properties and both realised and unrealised gains on the reserve's investments.

(b) Exclusive Medical Funds

The Charity has assumed over the years funds derived from these sources:

Richard Cloudesley Charity Convalescent Homes Fund
 Islington Relief in Need
 Islington Relief in Sickness
 Finsbury Dispensary Relief in Sickness
 Dame Sarah Temple Foundation
 Brand's Charity

All these funds are held and applicable in the "relief in sickness" or "medical" part of the Charity's Surplus (Note 12). The funds are the subject of a permanent appropriation representing 1.6725% of the overall Investment (but not property) Portfolio.

During the course of the preceding year, the investments from the former Dame Sarah Temple Foundation and Brand's Gift Charity amounting to £130,967 were transferred to the Charity, and these were shown in Other Incoming Resources in the Statement of Financial Activities.

RICHARD CLOUDSLEY'S CHARITY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30TH JUNE 2010****16. ANALYSIS OF NET ASSETS**

	Fixed Assets	Net Current Assets	Total
	£	£	£
Unrestricted Funds	-	42,199	42,199
Restricted Fund	445,151	16,972	462,123
Permanent Endowment Funds	18,902,709	3,500,837	22,403,546
	<u>£19,347,860</u>	<u>£3,560,008</u>	<u>£22,907,868</u>

17. FUTURE CONTRACTUAL COMMITMENTS

At the year end, the Trustees were committed to expenditure on repairs and refurbishment over and above routine maintenance of the following magnitude:

	2010	2009
	£	£
Contracted for	<u>£130,000</u>	<u>£70,000</u>

18. RELATED PARTY TRANSACTIONS

As recorded in the Trustees' Report, it is a condition of eligibility for appointment of 15 of the 17 Trustees that they have knowledge of Islington and its voluntary sector.

It is therefore inevitable that trustees may be, and are, officeholders, service users, worshippers or beneficiaries of and at the entities the Charity funds. The potential for "conflict" in practice is addressed by declaration of interest and reticence.

Given the procedures and the breadth of support that the Charity offers to all qualifying entities in its Area of Benefit, the Trustees do not consider that there is any single recipient body of whom it could be said that the awarded grant could have been influenced by interests other than those of Cloudesley's Charity.

Accordingly the Trustees take the view that no awarded grants (or other transactions) fall within the definition of "related party transactions" in terms of the relevant SORP, and that no specific additional disclosure is called for.

RICHARD CLOUDESLEY'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2010

19. **GRANTS TO CHURCHES**

	2010	2009
	£	£
All Saints, Caledonian Road	4,000	13,000
St. Andrew, Whitehall Park	32,000	19,500
St. Andrew with Holy Trinity and All Saints	29,500	5,000
St. Augustine, Highbury New Park	35,000	10,000
Christchurch, Highbury Grove	4,000	18,400
St. David's Lough Road	-	10,000
Emmanuel, Hornsey Road	10,000	22,000
St. George's, Tufnell Park	4,000	35,000
St. James with St. Peter, Prebend Street	8,000	10,000
St. John's District Church	28,000	16,000
St. Jude with St. Paul, Mildmay Park	19,500	6,000
St. Luke, Hilmarton Road	30,000	30,000
St. Mark with St. Anne, Tollington Park	4,000	8,000
St. Mary Magdalene	8,000	12,000
St. Mary, Ashley Road	22,000	29,000
St. Mary's Upper Street	32,000	25,000
St. Saviour, Hanley Road	7,000	6,000
St. Silas with All Saints and St. James, Penton Street	30,000	19,000
St. Stephen, Canonbury	20,000	16,000
St. Thomas Finsbury Park	17,000	16,000
The Church on the Corner	-	13,500
	344,000	339,400
Unpresented Cheques Written Back	(10,000)	-
TOTAL (Note 5)	£334,000	£339,400

RICHARD CLOUDESLEY'S CHARITY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30TH JUNE 2010****20. GRANTS FOR MEDICAL AND WELFARE NEEDS**

	2010
	£
All Saints Church – Breakfast Stop	1,500
Angel Shed Theatre Company	2,000
CARIS (Islington)	7,000
Choices Islington	5,000
Claremont Project	7,500
Community Languages Support Services	3,000
Elfrida Society	6,000
Eritrean Community in the UK	5,200
Finsbury Park Advice Centre	22,500
Islington Bangladesh Association	3,000
Islington Borough User Group	6,000
Islington Dyslexia Support Group	1,750
Keen London	3,000
Manna – St Stephens	6,000
Maya Centre	5,000
Multicultural Counselling Centre	3,500
Music for People	4,050
PALACE for All	3,000
Rowan Arts Project	5,000
Single Homelessness Project	300
Stuart Low Trust	6,000
Talking News Islington	300
Union Chapel	5,000
	<u>111,600</u>
Unpresented Cheques Written Back and Refunds	(3,550)
	<u>108,050</u>
Welfare Fund Grants	205,330
	<u>£313,380</u>