

Richard Cloudesley's Charity
Report & Accounts
Year to 30 June 2011



The Board beside Richard Cloudesley's grave at St Mary's Church, Upper Street, Islington, following a Strategy "Awayday" held 23 July 2011.

Pictured - clockwise, left to right - Michael Maunsell, Keith Wallace (Clerk to the Charity) , Roger Goodman, Dawn Reeves, David Stephens, Courtney Bailey, Simon Harvey, Dorothy Newton, Miranda Coates, Maggie Elliott, Kathleen Frenchman.

Other directors, not in photo: Mayor of Islington, Paul Convery, Rupert Perry, Jessica Asato, Joe Trotter, Heather Wood (not then appointed).

RICHARD CLOUDESLEY'S CHARITY

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

30TH JUNE 2011

RICHARD CLOUDESLEY'S CHARITY**TRUSTEE, DIRECTORS AND ADVISERS****Trustee: Richard Cloudesley Trustee Ltd (appointed 15.11.10)****Directors of the Trustee:****COMMITTEES****Ex-officio**

The Mayor of Islington	T, G
Rev Simon Harvey (from 15/7/10)	T

LBI nominated

Mr David Stephens, Vice Chair	T, E, F
Cllr Paul Convery	T
Cllr Rupert Perry	T
Cllr Jessica Asato	T, G
Mr Joe Trotter	T, G

Synod nominated

Mr Kevin Streater (appointment ceased 4/6/11)	-
Ms Kathleen Frenchman	T, E, G
Ms Dorothy Newton M.B.E., Chair	T, E, G, F
Mr Courtney Bailey	T, E, G
Mr Michael Maunsell (appointed 13/10/10)	T, E, G, F
Ms Heather Wood (appointed 10/10/11)	T

Co-optative

Mr Roger Goodman	T, E
Ms Miranda Coates (appointment ceased 19/9/11)	-
Ms Vicky Mirfin (appointed 8/09/10)	T, E, G
Ms Dawn Reeves (appointed 08/09/10)	T, F, G
Ms Maggie Elliott (appointed 08/09/10)	T, F, G

Honorary Trustees:

Mr Pat Haynes
Mr John Durdin

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

RICHARD CLOUDESLEY'S CHARITY**ADVISERS**

ADMINISTRATION	Keith Wallace 29 th 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	BANKERS	CAF Bank Limited Kings Hill West Malling Kent ME19 4TA
PROPERTY SERVICE PROVIDERS	Chesterton Humberts 327-329 Upper Street London N1 2XQ Warmans 13 Swan Yard Highbury Corner Islington London N1 1SD	'HEALTH GRANT' ADVISERS	Cripplegate Foundation 76 Central Street London EC1V 8AG
AUDITORS	Knox Cropper Chartered Accountants 8/9 Well Court London EC4M 9DN	SOLICITORS	Reed Smith LLP Broadgate Tower 20 Primrose Street London EC2A 2RS
CHARITY REGISTRATION NUMBER	205959		
TRUSTEE COMPANY NUMBER	7425897		

RICHARD CLOUDESLEY'S CHARITY

TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE 2011

The Year

These accounts record the 493rd year of 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 historic parish and half to the Church of England churches.

Our directors 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 Deanery Synod and five are co-opted by the directors themselves after an open selection process.

During the year we said farewell to Kevin Streater, latterly Chairman of the Board. We thank him for his twelve years of service.

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.

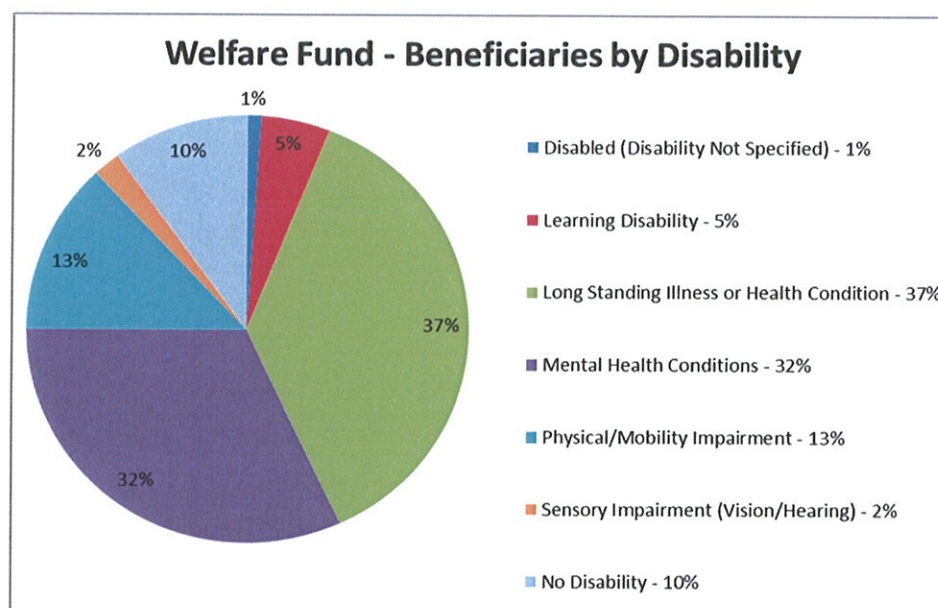
Objectives and Public Benefit

Welfare Fund

We deploy a sizeable proportion of the half of our income 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.

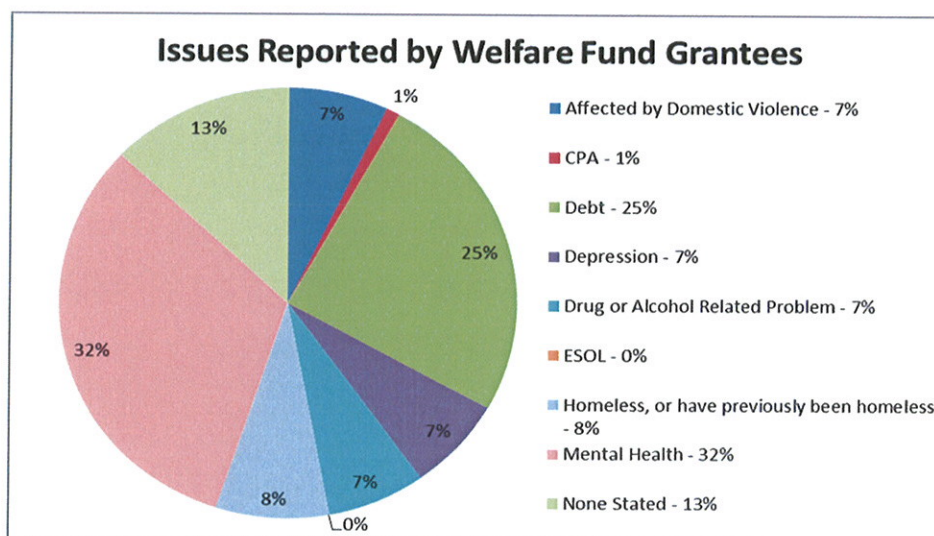
A feature of our approach is to ensure that each applicant has access to a test to gauge their potential entitlement to national benefits. In this way – as a highly important by-product of our grant process – 146 individuals were advised of claimable benefits worth over £420,000 per annum.

Reaching the vulnerable and disadvantaged quickly is seen as a key benefit of this programme – and we are pleased we have been able to confer on a number of agencies with which we work the status of 'trusted partner'. This trust allows us to rely more heavily on their own assessment and fact-find, freeing up our Almoner's time to more detailed personal interviews with those who self-refer for grant assistance.



RICHARD CLOUDESLEY'S CHARITY

TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE 2011



Health Grants

Our 'pro-active' funding has added a 'Catalyst Program' to the two bodies already assisted, Finsbury Park Advice Project and Help on Your Doorstep. In all cases we have committed to these over 24 months. In the Catalyst Program we allocate to two of our regular fundees, St Mungo's and Peter Bedford, funds to be disbursed by them amongst individuals they themselves work with – where they believe the award, often of quite a modest amount, will catalyse a dramatic benefit. Their reporting-back has been conscientious and extremely encouraging.

Our health grant programme supports bodies we have regularly helped in the past but our stance seeks to encourage these to attain greater self-reliance by obtaining wider funding. We favour local groups with high volunteer engagement. Within this group we must mention with appreciation Community Language Support Services based in Finsbury Park. They seek to combat social exclusion particularly among refugees and asylum seekers. Our grants help them maintain much needed contact with the vulnerable, elderly and housebound, as well as providing a venue for the Finsbury Park Advice Project we also support.

Islington Giving

We were delighted to be a founding partner in this coalition of Islington charities. Launched in September 2010 it has attracted further partners and has been successful in raising both funds and volunteers to assist the causes in Islington it endorses. We are pleased to salute the energy of Kristina Glenn in making this a success.

Church Grants

The other half of our income goes to Church of England churches on criteria we have developed over the years.

There are 21 churches in the area which are potential beneficiaries and during the year the processes for Church Grants have been revised. These now require the completion of an application form which gives similar information to that which we require from organisations applying for Health Grants and we also are taking steps to receive feedback so we can see that the money has been used as agreed and that the benefits have been assessed. We are also attaching focussed conditions to awards. We are working on ways to be more involved with long term large projects and working with the churches on wider goals and community benefit which they achieve. In this on-going process we have maintained contact with the churches and we look forward to further constructive dialogue as our thinking develops in this area.

RICHARD CLOUDESLEY'S CHARITY

TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE 2011

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 are conferred.

Performance Review

The accounted outturn for the year shows a shortfall on revenue of £288,512. This has been caused by three factors.

The Charity holds and manages a permanent endowment which it cannot spend. Part of this endowment comprises the historic Cloudesley Estate from which opportunities for remunerative exploitation arise at unpredictable intervals. This, and the previous, year has seen a larger number of these than is typical.

Following careful thought, the Board formulated exploitation plans which were known to have the accounting effect of imposing a strain on distributable revenue.

At the same time the Board has been conscious of the stringency facing our beneficiaries in our Area of Benefit. Local authority and other funding for the voluntary sector has been reducing. For all its apparent air of prosperity, all wards of Islington experience severe deprivation as assessed on a national scale. As stated earlier in this Report, we have played our part in major initiatives, Help on Your Doorstep, Finsbury Park Advice Project and the Catalyst Programme. The intelligence and information about conditions in the Borough gathered from our grant making activities has demonstrated to us where need requires to be satisfied. However, start up initiatives like these necessarily require the assurance of solid funding. We have therefore gladly entered into longer term commitments despite recognising that support in this form has the accounting consequence of creating an immediate creditor liability in the year of award.

We have not felt it right that our beneficiaries should be required to suffer a dramatic reduction in grant awards merely as a consequence of the accounting treatment of expense that will substantially increase revenue for them in future years.

In order to redress these imbalances:

- New proactive Health grants will not be made next year, current awards, of course, being honoured at the stated time.
- A differential has been adopted that will correct the accounted differences between the Church and the Health halves.
- As a result of investing the proceeds of a major property sale, expected rental increases arising through refurbishments and for other reasons we anticipate continuing growth in our investment income and a considerably more favourable property revenue experience in the next year.

The result is that we plan to redress our current overdistribution and to return to our more traditional reserve pattern as soon as we reasonably can and certainly within three to five years.

During the year, under guidance from Mercer, we implemented a revised investment programme. We anticipate it will meet our minimum investment income objective and give us the benefit of a diversified investment performance under professional management.

RICHARD CLOUDESLEY'S CHARITY

TRUSTEE'S ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE 2011

Future Plans

We held a Saturday "away day" in the Summer which provoked a wide range of issues for ongoing thought and work. We are grateful to Dawn Reeves for helping us here. As a result we have working parties tasked with a wide variety of topics. These include a major review of the strategy for our grant giving taking account of the difficult economic times, the use of resources and management, visibility and profile. We confidently expect this will help us focus on bringing a clear vision of how – in these stringent times – the generosity of Richard Cloudesley may best be deployed in Islington.

Operational

The directors 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. During the year we "incorporated" our Trustee body with the help of a Charity Commission scheme. The new structure is more suitable for a complex property-owning charity, protects our volunteer directors and brings some modest operational savings.

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

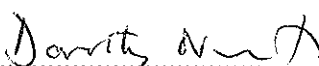
We have though been devoting effort to amplifying our 'governance' procedures in terms of framing and adopting fuller objectives, reports and terms of reference and I would like to record our gratitude to Michael Maunsell for leading this process.

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 Trustee 
Dorothy Newton M.B.E., Chair

23rd November 2011

INDEPENDENT AUDITORS' REPORT**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 2011 which comprise the Statement of Financial Activities, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Board, as a body, in accordance with regulations made under Section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the Board 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 Board as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statements the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustee's annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Richard Cloudesley's Charity affairs as at 30th June 2011 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 1993.

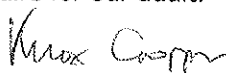
MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

8/9 Well Court
London EC4M 9DN

23rd November 2011


Knox Cropper
Chartered Accountants
Statutory Auditor

RICHARD CLOUDESLEY'S CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30TH JUNE 2011

	Notes	Un- Restricted Funds	Restricted Fund	Permanent Endowment Funds	2011 Total Funds	2010 Total Funds
INCOMING RESOURCES		£	£	£	£	£
Incoming Resources from Generated Funds						
Investment Income						
- Investments	2	548,648	-	-	548,648	592,973
- Properties	3	438,212	-	-	438,212	350,201
TOTAL INCOMING RESOURCES		986,860	-	-	986,860	943,174
RESOURCES EXPENDED						
Costs of Generating Funds						
Investment Management Costs	4	(65,499)	-	-	(65,499)	(6,779)
Property Related Costs	4	(706,498)	-	-	(706,498)	(622,862)
Charitable Activities	5	(1,019,694)	-	-	(1,019,694)	(740,196)
Governance Costs	6	(15,352)	-	-	(15,352)	(16,022)
TOTAL RESOURCES EXPENDED		(1,807,043)	-	-	(1,807,043)	(1,385,859)
NET OUTGOING RESOURCES BEFORE TRANSFERS		(820,183)	-	-	(820,183)	
Transfer Between Funds		489,472	(489,472)	-	-	(442,685)
NET OUTGOING RESOURCES BEFORE OTHER GAINS AND LOSSES		(330,711)	(489,472)	-	(820,183)	(442,685)
OTHER RECOGNISED GAINS AND LOSSES						
Gains on Property Assets	7	-	-	210,658	210,658	102,204
Gains on Investment Assets	8	-	27,349	673,853	701,202	882,038
NET MOVEMENT IN FUNDS		(330,711)	(462,123)	884,511	91,677	541,557
BALANCE AT 1ST JULY 2010		42,199	462,123	22,403,546	22,907,868	22,366,311
BALANCE AT 30TH JUNE 2011		£(288,512)	£ -	£23,288,057	£22,999,545	£22,907,868

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 2011**

	Notes	£	2011	£	£	2010	£
FIXED ASSETS							
Freehold Properties	7			7,242,556			6,718,007
Permanent Endowment Fund Investments	8			13,704,060			12,184,702
Restricted Fund Investments	8			-			445,151
				<u>20,946,616</u>			<u>19,347,860</u>
CURRENT ASSETS							
Debtors	9	233,670			35,831		
Cash at Bank	10	<u>2,147,067</u>			<u>3,597,526</u>		
		2,380,737			3,633,357		
CREDITORS : Amounts Falling due within one year	11	<u>(327,808)</u>			<u>(73,349)</u>		
NET CURRENT ASSETS				<u>2,052,929</u>			<u>3,560,008</u>
NET ASSETS				<u>£22,999,545</u>			<u>£22,907,868</u>
UNRESTRICTED FUNDS	12			(288,512)			42,199
RESTRICTED FUND	13			-			462,123
PERMANENT ENDOWMENT FUNDS	15			<u>23,288,057</u>			<u>22,403,546</u>
TOTAL FUNDS				<u>£22,999,545</u>			<u>£22,907,868</u>

Approved by the Board on 23rd November 2011 and signed on their behalf by:


 _____)
 _____)
 _____) Directors
 _____)
 _____)


 _____ Clerk to the Charity

RICHARD CLOUDESLEY'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

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 Trustee's 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 Trustee's 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 2011

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 Health Needs in accordance with the Charity's objects. Allocations to Churches and Health Needs are computed as follows. Any surplus arising on the Charity's Income and Expenditure Account before debiting grants paid to Churches and Health Needs and before crediting income restricted to Health Needs is divided equally between Churches and Health Needs as required under the Trust instrument. Related handling costs are attributed to each fund. Any net surplus appropriated to Churches and Health 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 Health 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 2011

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 2011	Total 2010
	£	£	£	£
Income from Investments	530,473	-	530,473	568,224
Interest	18,175	-	18,175	24,749
	<u>£548,648</u>	<u>£ -</u>	<u>£548,648</u>	<u>£592,973</u>

RICHARD CLOUDESLEY'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2011

3. PROPERTY INCOME AND EXPENDITURE

	Weekly/ Monthly Tenancies £	Long/ Commercial Leaseholds £	2011 Total £	2010 Total £
INCOME				
Rents Receivable	310,012	128,100	438,112	349,930
Other Income	100	-	100	271
	<u>310,112</u>	<u>128,100</u>	<u>438,212</u>	<u>350,201</u>
EXPENDITURE				
Collection and Management Costs	23,995	7,645	31,640	25,392
Council tax and Utilities	23,961	-	23,961	30,111
Insurance	21,221	-	21,221	13,813
Legal and Professional Fees	56,675	28,338	85,013	61,791
Audit and Accountancy	3,000	1,500	4,500	3,362
Service Charges	9,073	-	9,073	7,444
Property Managers Repairs	22,344	5,360	27,704	31,183
Sundries	-	-	-	69
Sub-Total Property Management Costs	<u>160,269</u>	<u>42,843</u>	<u>203,112</u>	<u>173,165</u>
Refurbishment, Repairs and Professional Costs	503,386	-	503,386	449,697
	<u>£663,655</u>	<u>£42,843</u>	<u>£706,498</u>	<u>£622,862</u>
NET (EXPENDITURE)/INCOME FROM PROPERTIES	<u>£(353,543)</u>	<u>£85,257</u>	<u>£(268,286)</u>	<u>£(272,661)</u>

4. COST OF GENERATING FUNDS

	£	2011 £	£	2010 £
Property Expenditure				
Investment Management		706,498		622,862
- Advisory and Specific Fees	44,100		499	
- Internal Management Fees	6,439		6,280	
- Legal Costs	14,960		-	
		<u>65,499</u>		<u>6,779</u>
		<u>£771,997</u>		<u>£629,641</u>

5. CHARITABLE ACTIVITIES
GRANTS PAYABLE

Grants to Churches (Note 19)		292,000		334,000
Health Grants (Note 20)	452,500		108,050	
Welfare Grants	<u>181,209</u>		<u>205,330</u>	
		633,709		313,380
COST OF ADMINISTERING GRANTS				
Clerk to the Charity		19,318		18,841
Almoner and Health Grants Administration		70,167		70,600
Accountancy		4,500		3,362
Sundries		-		13
		<u>£1,019,694</u>		<u>£740,196</u>

The Almoner and Health 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 CLOUDESLEY'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2011

6. GOVERNANCE COSTS

	2011	2010
	£	£
Audit Fees	5,400	5,072
Trustees Expenses	28	-
Clerk to the Charity	9,659	9,421
Subscription	95	1,245
Sundries	170	284
	<u>£15,352</u>	<u>£16,022</u>

The total accountancy fees and audit amounted to £9,000 and £5,400 respectively (2010: £6,864 and £5,179).

7. (a) FREEHOLD PROPERTIES

	Freehold at Trustees Valuation	Reversionary Interest in Long Leaseholds	Total
	£	£	£
At 1 st July 2010	5,634,075	1,083,932	6,718,007
Additions	600,999	-	600,999
Disposals	-	(76,450)	(76,450)
At 30 th June 2011	<u>£6,235,074</u>	<u>£1,007,482</u>	<u>£7,242,556</u>

The net proceeds on disposal of property and lease extensions in the current year amounted to £287,108 and the realised surpluses amounted to £210,658.

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
 40,52,74,76,80,82,88-94,98,
 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
 4 Stonefield Mansions
 The Old Bakery, Cloudesley Place

(c) Service charges

The Charity, as freeholder of a block of flats, is committed to paying a proportion of service charges to 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 2011

8. INVESTMENTS
Securities

Movements on Securities during the year were as follows:

	----- Permanent Endowment Investments -----				
	Combined Range £	Exclusive Medical Funds £	Sub Total £	Restricted Funds £	2011 Total £
AT MARKET VALUE					
At 1 st July 2010	11,861,705	322,997	12,184,702	445,151	11,524,301
Additions and Accumulated Income in Year	11,063,731	188,188	11,251,919	-	223,514
Disposal Proceeds	(10,500,309)	(178,605)	(10,678,914)	(200,000)	-
Realised Gains/(Losses) in Year	163,551	2,782	166,333	10,395	176,728
Unrealised Gains/(Losses) in Year	481,784	25,736	507,520	16,954	524,474
	645,335	28,518	673,853	27,349	701,202
Transfer Between Funds	272,500	-	272,500	(272,500)	-
At 30 th June 2011	£13,342,962	£361,098	£13,704,060	-	£13,704,060
Investments at Cost	£12,797,393	£339,450	£13,136,843	-	£13,136,843

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 Event Driven Side Pocket	Currently unrealisable.
Quadris	Dealings suspended by Isle of Man Regulator and currently unrealisable.
MMC Ventures	1. Realisation when each investee company achieves exit, hence 5 years delay expectation and liquidity warning.
	2. Original commitment to invest up to £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 previously representing the Restricted Funds which consisted of units in Miton Optimal Asset Management – Arcturus Fund have now been transferred to the Combined Range.

RICHARD CLOUDESLEY'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2011

9. **DEBTORS**

	2011	2010
	£	£
Proceeds on Disposal of Property and Lease Extensions	176,266	-
Rent Receivable	48,928	35,831
Proceeds on Disposal of Investments	8,476	-
	<u>£233,670</u>	<u>£35,831</u>

10. **CASH AT BANK**

Bank Balances	<u>£2,147,067</u>	<u>£3,597,526</u>
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11. **CREDITORS**

Trade Creditors	15,293	19,305
Health and Welfare Grants	217,215	-
Church Grants	84,500	42,000
Accruals and Income in Advance	10,800	12,044
	<u>£327,808</u>	<u>£73,349</u>

Reconciliations of Grants Payable

	Health and Welfare Grants	Church Grants
	£	£
Commitments at 1 st July 2010	-	42,000
Commitments made in the year	633,709	334,000
Grants written back	-	(42,000)
Paid in Year	<u>(416,494)</u>	<u>(249,500)</u>
Commitments at 30th June 2011	<u>£217,215</u>	<u>£84,500</u>

12. **UNRESTRICTED FUNDS - ACCUMULATED**

	Churches	Health and Welfare	Total
	£	£	£
At 1 st July 2010	39,874	2,325	42,199
Investment Income	267,389	267,390	534,779
Income on Exclusive Medical Fund Investments	-	13,869	13,869
Net Expenditure on Properties (Note 3)	(134,143)	(134,143)	(268,286)
Governance Costs (Note 6)	(15,156)	(15,156)	(30,312)
Charitable Activities (Note 5)	(303,909)	(715,785)	(1,019,694)
Investment Management	(25,270)	(25,269)	(50,539)
Transfer from Restricted Funds	244,736	244,736	489,472
At 30 th June 2011 (Being reserve available for future distribution)	<u>£73,521</u>	<u>£(362,033)</u>	<u>£(288,512)</u>

RICHARD CLOUDESLEY'S CHARITY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30TH JUNE 2011****13. RESTRICTED FUND**

	Extraordinary Repair Fund
	£
At 1 st July 2010	462,123
Unrealised Gains on Investments	16,954
Realised Gains on Investments	10,395
Transfer to Unrestricted Funds	(489,472)
At 30 th June 2011	<u>£ -</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, and in the current year, this was fully expended.

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, unrestricted reserves were overdrawn, but this will be rectified in the coming years as set out in the Annual Report.

The purpose behind smoothing grant distributions has been to assist the long term planning of the churches and health 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.

RICHARD CLOUDESLEY'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2011

15. **PERMANENT ENDOWMENT FUNDS**

	Capital Reserve	Exclusive Medical Funds	Total
	£	£	£
At 1 st July 2010	22,095,949	307,597	22,403,546
Gains in Market Value of Investments (Note 8)	645,335	28,518	673,853
Gains on Sale of Property or Grants of Long Leases	210,658	-	210,658
At 30 th June 2011	<u>£22,951,942</u>	<u>£336,115</u>	<u>£23,288,057</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 "health" 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.

RICHARD CLOUDESLEY'S CHARITY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30TH JUNE 2011****16. ANALYSIS OF NET ASSETS**

	Fixed Assets	Net Current Assets	Total
	£	£	£
Unrestricted Funds	-	(288,512)	(288,512)
Restricted Fund	-	-	-
Permanent Endowment Funds	20,946,616	2,341,441	23,288,057
	<u>£20,946,616</u>	<u>£2,052,929</u>	<u>£22,999,545</u>

17. FUTURE CONTRACTUAL COMMITMENTS

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

	2011	2010
	£	£
Contracted for	<u>£214,000</u>	<u>£130,000</u>

18. RELATED PARTY TRANSACTIONS

As recorded in the Trustee's 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 directors 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 Trustee does 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 Trustee takes 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 2011****19. GRANTS TO CHURCHES**

	2011	2010
	£	£
All Saints, Caledonian Road	14,500	4,000
St. Andrew, Whitehall Park	20,000	32,000
St. Andrew with Holy Trinity and All Saints	18,000	29,500
St. Augustine, Highbury New Park	27,500	35,000
Christchurch, Highbury Grove	7,000	4,000
St. David's Lough Road	3,000	-
Emmanuel, Hornsey Road	10,000	10,000
St. George's, Tufnell Park	10,000	4,000
St. James with St. Peter, Prebend Street	3,000	8,000
St. John's District Church	11,000	28,000
St. Jude with St. Paul, Mildmay Park	15,000	19,500
St. Luke, Hilmarton Road	27,500	30,000
St. Mark with St. Anne, Tollington Park	18,000	4,000
St. Mary Magdalene	16,000	8,000
St. Mary, Ashley Road	18,000	22,000
St. Mary's Upper Street	26,000	32,000
St. Saviour, Hanley Road	10,000	7,000
St. Silas with All Saints and St. James, Penton Street	25,000	30,000
St. Stephen, Canonbury	24,500	20,000
St. Thomas Finsbury Park	20,000	17,000
The Church on the Corner	10,000	-
	334,000	344,000
Grants Written Back relating to Preceding Years	(42,000)	(10,000)
TOTAL (Note 5)	£292,000	£334,000

RICHARD CLOUDESLEY'S CHARITY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30TH JUNE 2011****20. GRANTS FOR MEDICAL AND WELFARE NEEDS**

	2011	2010
	£	£
All Saints Church – Breakfast Stop	-	1,500
Angel Shed Theatre Company	4,000	2,000
CARIS (Islington)	17,000	7,000
Cally's Over 50's Club	1,000	-
Catalyst Programme (2012 - £15,000)*	30,000	-
Choices Islington	5,000	5,000
Claremont Project	12,500	7,500
Community Languages Support Services	6,000	3,000
Elfrida Society	-	6,000
Eritrean Community in the UK	-	5,200
Finsbury Park Advice Project (2012 - £35,000)*	70,000	22,500
Finsbury Park Homeless Families	10,000	-
Help on your Doorstep (2012 - £30,000)*	90,000	-
I Bug	4,000	-
Islington Bangladesh Association	4,000	3,000
Islington Borough User Group	-	6,000
Islington Dyslexia Support Group	-	1,750
Islington Giving (2012 - £35,000)*	105,000	-
Islington Law Centre	37,500	-
Keen London	3,000	3,000
Kurdish and Middle Eastern Women's Organisation	3,000	-
Manna – St Stephens	5,000	6,000
Maya Centre	15,000	5,000
Multicultural Counselling Centre	-	3,500
Music for People	3,000	4,050
PALACE for All	3,000	3,000
Room2Heal	5,000	-
Rowan Arts Project	-	5,000
Single Homelessness Project	-	300
South Islington Stroke Club	500	-
Stuart Low Trust	5,000	6,000
Talking News Islington	1,000	300
Union Chapel	13,000	5,000
	452,500	111,600
Unpresented Cheques Written Back and Refunds	-	(3,550)
	452,500	108,050
Welfare Fund Grants	181,209	205,330
	£633,709	£313,380

* Grants in respect of these projects were committed for two years in the year to 30th June 2011, with the amounts disclosed in brackets being due for payment in the year to 30th June 2012.



Houses in Cloudesley Street, N1. The Charity has spent substantially in renovating its housing stock, including these houses on the historic Cloudesley Estate. In addition to major upgrading, refurbishments and repair, the Charity has reinstated the original Georgian railings which had been removed in World War II. Warmans Architectural were the supervising building surveyors. Letting or sale of completed units is undertaken by Chesterton Humberts.