
THE NATIONAL BENEVOLENT CHARITY



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

THE NATIONAL BENEVOLENT CHARITY

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THE NATIONAL BENEVOLENT CHARITY

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Trustees

Air Cdre David N Adams, Chairman of the Welfare Committee
Mr F John Baker, Chairman of the Audit Committee
Mr Christopher C Bell, Chairman of the Committee of Management
Mrs Joanna M Chambers, (formerly Miss Joanna M Bradley)
Mr Andrew Crawford
Revd John Hunnisett
Mr David S P McEuen, Chairman of the Investment Committee (from 16 September 2016)
Mrs Elizabeth Sandeman (formerly Ms Elizabeth Robin)
Mr J Christopher Whitaker, Chairman of the Investment Committee (to 16 September 2016) (resigned 16 September 2016)

Charity registered number

212450

Principal office

Peter Hervé House
Eccles Court
Tetbury
Gloucestershire
GL8 8EH

Telephone 01666 505500
e-mail: office@TheNBC.org.uk
website: www.TheNBC.org.uk

Patron

His Royal Highness The Prince of Wales

President

Vacant

Vice Presidents

Dr Elisabeth Beverley
Mr R P Gent

Chief Executive

Paul N Rossi

THE NATIONAL BENEVOLENT CHARITY

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Independent auditors

Randall & Payne LLP
Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Bankers

HSBC Bank plc
The Cross
Gloucester
Gloucestershire
GL1 2AP

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

Bond Dickenson LLP
3 Temple Quay
Temple Back East
Bristol
BS1 6DZ

Investment Managers

Rathbones
1 Curzon Street
London
W1J 5FB

M&G Investments
Laurence Pountney Hill
London
EC4R 0HH

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Trustees present their annual report together with the audited financial statements for the year 1 January 2016 to 31 December 2016.

Structure, governance and management

Constitution

The National Benevolent Charity was founded as the National Benevolent Institution by Peter Hervé in 1812 and is a Registered Charity constituted under a Royal Charter of 5th November 1859, and supplemental Royal Charters of 17th March 1948, 12th February 1997 and an Order in Council of 19th July 2005. The bye-laws were last amended on 10th September 2009.

The change of the Charity's name to The National Benevolent Charity was approved by HM The Queen meeting in Privy Council on 14th December 2011.

The Registered Charity number is 212450. The Royal Charter number is RC000364.

The Trustees of the Charity are the Members of the Committee of Management. The Bye-laws of the Charity were amended, with effect from 10th September 2009, to provide for one third of Trustees to retire each year in order of length of service and, with effect from that date but disregarding previous service, for no Trustee to serve for more than twelve consecutive years without a break in service.

Method of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

During the year, Mr Whitaker resigned as a Member of the Committee of Management because of ill health. The Trustees record their sincere thanks to Mr Whitaker for his major contribution to the Charity's affairs and wish him well.

Mr Bell (first appointed 21st September 2006) and Mr Crawford (first appointed 5th September 2005) were re-elected as Members of the Committee of Management and Mrs Sandeman (first appointed 19th March 2014) was elected as a Member on 10th September 2014 and they will offer themselves for re-election at the Annual General Meeting. Mr Baker (first appointed 7th December 2006) was re-elected as a Member of the Management Committee and Revd Hunnisett was elected as a Member on 16th September 2015. Air Cdre Adams (first appointed 11th May 2004), Mrs Chambers (first appointed 9th March 2004) and Mr McEuen (first appointed 6th June 1972) were re-elected as Members of the Committee of Management on 14th September 2016.

Under the Royal Charter, the Trustees must be elected from amongst the members of the Charity and they must number no less than six and no more than twenty. The Committee of Management has the power to co-opt additional members during the year and must do so if the number falls to below six.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

Organisational structure and decision making

The Committee of Management, which met four times during 2016, is responsible for the strategic direction and policy of the charity.

The work of the Committee of Management is supported by three committees with responsibility for investments, benevolence & welfare and audit. The Investment Committee is responsible for recommending the appointment of the investment managers, for reviewing their performance and for approving their charges. The Welfare Committee meets to consider applications for assistance from individuals, to review benevolence policy and practice, and to review decisions delegated to members of staff. The Audit Committee meets to review the financial policies and procedures of the Charity, to review the annual accounts and to recommend them to the Committee of Management, and to receive reports and recommendations from the Charity's appointed auditors.

During 2016, the Investment Committee met on three occasions, the Welfare Committee met nine times and the Audit Committee met once. Meetings of the Welfare Committee are usually conducted through e-mail and telephonic communication.

The administration and day to day management of the Charity is the responsibility of the Chief Executive based at the principal office in Tetbury. Two other members of staff are based in Tetbury, and a fourth member of staff is the Resident Warden at the Tapestries in Old Windsor.

Related party relationships

Related parties include all the members of the Committee of Management. There have been no transactions with related parties during the year.

Risk management

The Trustees have identified the major risks that face the charity and are satisfied that systems are in place to mitigate those risks or their effects. The risks are kept under review and were re-assessed during the year. The Trustees believe that the greatest risk to the Charity is the turbulence in the financial markets and the impact this might have on the Charity's investment income. The Investment Committee keeps this under constant review.

Subsidiary Charities

The Knowles Foster Homes, which owns the Tapestries, is a subsidiary charity.

Restricted funds

The Henderson bequest is a restricted fund providing accommodation or assistance to former members of the nursing or care professions. The fund is invested in a Charifund account managed by M&G Investments.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

Land and Property

Land registrations have been completed for all of the Charity's properties.

Objectives and Activities

Policies and objectives

The objects of the Charity, as stated in the supplemental charter of 19th July 2005, shall be the relief of qualifying persons who are in need by reason of old age, infirmity, sickness or economic circumstances.

The Charity's scope is UK-wide, and beneficiaries live in all parts of the country.

Strategies for achieving objectives

The Charity gives financial help to qualified people in the form of regular payments and single grants, through the provision of goods, and through the provision of housing accommodation. The regular payments, previously called annuities, are paid weekly, often for life in the case of older people or, now more commonly, for a fixed period to help people through a difficult period. Single payments are made to meet sudden or occasional costs, such as those for broken down cooking appliances, heating system repairs, urgent house repairs, furniture or clothing etc.

The Committee of Management, on the advice of the Welfare Committee, has agreed general criteria for regular payments and single grants which are displayed on the Charity's web-site and in guidance notes attached to the Charity's application form. To qualify, applicants must demonstrate that they are living in poverty, through no fault of their own, and that it is not possible for them to escape from that poverty by their own efforts or means. To qualify for housing accommodation, applicants will usually be retired or nearer to retirement and of limited means. All applicants for assistance must have been resident within the UK for, at least, the preceding 12 months.

The welfare state and the provision of state-funded benefits have relieved the absolute poverty and destitution that existed in past times. Nevertheless, relative poverty continues to be a social evil endured by many people who cannot work because of age, illness, disability or some other circumstance, and the amount of poverty appears to be increasing. The government's programme of welfare reform is having a significant impact and it is being closely monitored by the Charity. Changes in policy have been made to reflect changing patterns of poverty and changing needs.

The Charity's residential accommodation is located in Tetbury in Gloucestershire and in Old Windsor in Berkshire. In Tetbury, there are nine apartments in Peter Hervé House, a purpose built sheltered style block, and a further two in Lenox House, a refurbished 16th century coach house and grade II listed building. In Old Windsor, there are 27 apartments (one occupied by the Resident Warden) and two houses at the Tapestries, a late 19th century estate originally part of the Royal Windsor Tapestry Manufactory, left in trust by the late Miss Frances George Knowles-Foster. Care is taken to ensure that the accommodation is in a safe and peaceful setting, and some limited support is available at Tetbury and Old Windsor for residents who need occasional help.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

Achievements and performance

Review of activities

Benevolence

At the end of the year there were 135 beneficiaries (2015: 143) in receipt of regular payments of which 111 were single people and the remainder couples. The amount of a regular payment for a single beneficiary in receipt of the state retirement pension was £17.00p per week, and for a couple it was £22.50 per week. For beneficiaries not in receipt of the state retirement pension the rate was up to £25.00p for a single person and up to £28.00p for a couple. However, the Welfare Committee has the authority to vary these rates, upwards or downwards, depending on individual circumstances.

The levels of the regular payments are reviewed occasionally to take into account inflation, the range of state benefits available to different groups of people and the minimum income standards calculated by the Centre for Research in Social Policy at Loughborough University.

Four new beneficiaries were approved for regular payments. These were for varying periods of six, twelve or 24 months, although they can be extended following review. The Charity decided in 2011 to move towards providing regular payments for a limited period only in order to assist people through periods of particular hardship and to change the emphasis of the benevolence programme from regular payments and to single payments.

Single payments are made to meet urgent needs, including the purchase of household appliances such as refrigerators and cookers, the repair of heating systems, furniture, clothing and help to acquire special disability equipment where no other funding is available. Most single payments are of no more than £500.00p, though exceptions can be made in exceptional circumstances. The number of applications for single payments that were approved was 356 (2015: 159), and the aggregate amount of these payments increased to £295,191 (2015: £72,851). This substantial increase in demand for the Charity's help followed a higher profile for the Charity on the website of turn2us and is expected to continue.

Applicants for regular and single payments have to complete an application form and have to provide details of their financial and any health, disability or other exceptional circumstances. Documents such as benefits statements, medical reports, bank statements etc. are inspected, and references taken up where appropriate.

The Charity is a member of the Association of Charity Officers, the umbrella organisation for benevolence charities. The charity works with other charities in the sector, such as Elizabeth Finn Care, the Society for Ladies in Reduced Circumstances, the armed forces charities and the benevolence charities linked to a particular trade or profession, and with Citizens Advice Bureaux, Age UK, home improvement agencies and other advice and welfare organisations.

Accommodation

The Charity provides sheltered style accommodation, mostly for single, retired or elderly people. All the accommodation is provided in relatively safe environments, giving residents some protection and peace of mind. Members of staff are available to provide a helping hand to residents for part of each day and at other times in cases of emergency, but nursing care and social care are not provided.

The apartments are let mainly to people on low incomes. Many residents are in receipt of income based state benefits, including housing benefit. The Trustees approach the fixing of rents and management and maintenance charges with flexibility in order to ensure that these are within the residents' means, and particularly with reference to the maximum levels of housing benefit payable. The rents were not reviewed during the year.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

The apartments in Tetbury are relatively new and require limited repair and maintenance. At the Tapestries, in addition to routine repair and maintenance, a major programme of improvements continued as and when apartments were vacated. This work included a re-configuration of ground floor apartments to provide a better living space and the installation of staggered staircases to the first floor apartments. In addition, special adaptations are sometimes put in place to support residents with special physical needs.

A particular feature of the properties in Tetbury and Old Windsor is the very high standard of the gardens which are provided for the enjoyment of the residents and their guests.

Vacancies in the residential accommodation are filled following local and national press advertising, and nominations are invited from other charities, societies and housing associations. All prospective residents complete a standard application form, and the Trustees endeavour to maintain a mixed and happy community. Throughout the year the occupancy rate was 100% in Tetbury. The rate was lower in Old Windsor as a result of the programme of improvements.

The Charity is a member of the Almshouse Association which provides valuable information and training for the trustees and staff of member organisations, and which represents the interests of the Almshouse movement.

Information and Publicity

The Charity advertised its work in a number of journals, such as Retirement Today and The Oldie and on the website turn2us and several others operated by advice services.

The Charity began a review and reconstruction of its own website which will come on-line in 2017.

A book published by the Charity to commemorate the Charity's bi-centenary in 2012, entitled Peter Hervé's Charity, can be purchased from the Charity's registered office.

Public Benefit

The Trustees are aware of Public Benefit provisions of the Charities Act 2011 and of the guidance on them published by the Charity Commission. They are satisfied that the Objects of the Charity and the activities of the Charity are within the definitions of Charitable Purposes as set down in the Act in that they are for the prevention or relief of poverty, and for the relief of those in need as a result of age. The Trustees are not aware of any public detriment caused by the Charity's Objects or activities, and nor are they aware of anyone receiving any private benefit from the Charity's activities.

Financial review

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

Financial risk management objectives and policies

Total incoming resources increased by £57,028. to £787,300. Legacy income, which is quite unpredictable, was £5,266 compared with £3,219 in the previous year. Investment income increased by £56,325 to £441,035. Total resources expended was £580,345 a decrease of £425,994 over the previous year. Charitable expenditure in the year was £466,008. Expenditure on governance decreased by £1,204 to £33,055.

Net incoming resources amounted to £206,955 and after taking account of unrealised gains on investments of £1,284,229, total funds increased to £14,073,535.

Reflected in the Statement of Financial Activities for the movement in regular payment provision, is an amount of £295,191 in respect of the reduction in the overall provision for regular payments. This is as a result of ceased commitments, a release of the provision during the year and also the movement in discount of the provision via a Consumer Price Index discount factor.

In late 2016 the Priory Nursing Home sale was completed for £1,400,000, of which £1,375,000 was injected into the Rathbones Investment account. As the transfer was made at the end of the financial year, the majority of the money received from the sale was being held in a Rathbones Capital account at the year-end to be invested in line with investment objectives.

Priory Nursing Home

The Priory, a grade II listed building, was leased to Somerset Care Ltd for the purpose of operating a nursing home for the elderly and infirm. On 28th October 2015, Somerset Care Ltd exercised a provision in the Lease and gave 12 months' notice of termination. The nursing home closed on the 19th February 2016 and the Charity subsequently accepted surrender of the Lease on 31st March 2016 in return for compensation.

Following receipt of professional advice, the Charity offered the freehold of the Priory for sale together with the adjacent garden and additional land below the garden. Following a bidding process managed by the Charity's agents a sale was agreed and completed on 1st December 2016. The Charity imposed a restrictive covenant preventing development of the garden and the land below without the Charity's consent. The sale of the Priory and the associated land was in compliance with the requirements of sections 117 to 127 of the Charities Act 2011.

Reserves policy

It is the aim of the Charity to maintain unrestricted funds, which are free reserves of the Charity, at a level which equates to six months' expenditure, approximately £150,000. This provides sufficient funds to cover management, administration and payments to beneficiaries. The current level of unrestricted general funds, excluding the inter-charity loan, fixed assets, and cash held for investment purposes is £151,387.

Grant making policy

Regular payments and single payments to beneficiaries are paid to qualifying persons following approval by the Welfare Committee or on delegated authority in accordance with both the terms of the Charity's governing documents and taking into account the advice and guidance of the Charity Commission.

Grants are payable only to individuals and not to institutions.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

Material investments policy

The instructions given to the investment manager are to obtain a reasonable long term overall return on the funds invested at moderate risk, and, at the same time, to aim for income targets set by the Investment Committee. Reports on performance are prepared quarterly and are reviewed by the Committee. The investment manager attends at least one meeting of the Investment Committee each year.

The performance of the fund for 2016, measured on a total return basis, was growth of 14.8% compared with the composite benchmark index growth of 15.1%.

Plans for future periods

Future developments

The Trustees are committed to maintaining the high quality services for the benefit of the Charity's beneficiaries. They keep under continuous review the external financial, economic and social environments against which the Charity operates, and they use this knowledge to adapt or change policy and practice.

Future specific plans include the continuing expansion of the benevolence programme and its greater emphasis on single grants and further improvements to the residential accommodation at the Tapestries.

Auditors

A resolution proposing that Randall & Payne be re-appointed as auditors of the charity will be put to the forthcoming Annual General Meeting.

Trustees' responsibilities statement

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 NATIONAL BENEVOLENT CHARITY

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and 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 Trustees are responsible for the maintenance and integrity of the charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Trustees on _____ and signed on their behalf by:

**Mr Christopher C Bell, Chairman of the Committee
of Management**

THE NATIONAL BENEVOLENT CHARITY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE NATIONAL BENEVOLENT CHARITY

We have audited the financial statements of The National Benevolent Charity for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 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 its trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

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

We have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 Charity's affairs as at 31 December 2016 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.

THE NATIONAL BENEVOLENT CHARITY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE NATIONAL BENEVOLENT CHARITY

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 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' 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.

Randall & Payne LLP - Statutory Auditor

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA
Date:

Randall & Payne LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE NATIONAL BENEVOLENT CHARITY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income and endowments from:						
Donations and legacies	2	22,076	-	-	22,076	13,460
Charitable activities	3	69,800	192,751	-	262,551	240,826
Investments	5	480,381	9,106	-	489,487	473,476
Other income		13,186	-	-	13,186	2,510
Total income and endowments		585,443	201,857	-	787,300	730,272
Expenditure on:						
Raising funds:						
Voluntary income	6	114,337	-	-	114,337	139,800
Charitable activities						
Charitable activities	7,8,9	407,495	353,704	-	761,199	793,688
Movement in provision for regular payments	4	(295,191)	-	-	(295,191)	72,851
Total expenditure		226,641	353,704	-	580,345	1,006,339
Net income / (expenditure) before investment gains						
		358,802	(151,847)	-	206,955	(276,067)
Net gains on investments	13,14	1,108,542	13,024	-	1,121,566	529,967
Net income / (expenditure) before transfers		1,467,344	(138,823)	-	1,328,521	253,900
Transfers between Funds	18	(151,847)	151,847	-	-	-
Net income before other recognised gains and losses		1,315,497	13,024	-	1,328,521	253,900
Net movement in funds		1,315,497	13,024	-	1,328,521	253,900
Reconciliation of funds:						
Total funds brought forward		10,888,433	183,889	1,672,692	12,745,014	12,491,114
Total funds carried forward		12,203,930	196,913	1,672,692	14,073,535	12,745,014

All activities relate to continuing operations.

The notes on pages 15 to 31 form part of these financial statements.

THE NATIONAL BENEVOLENT CHARITY

**BALANCE SHEET
AS AT 31 DECEMBER 2016**

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	12	1,529,513		1,530,227	
Investment property	13	-		1,400,000	
Total tangible assets			<u>1,529,513</u>		2,930,227
Investments	14		<u>13,509,688</u>		<u>11,160,725</u>
			15,039,201		14,090,952
Current assets					
Debtors	15	18,509		22,656	
Cash at bank and in hand		<u>160,050</u>		<u>64,064</u>	
		178,559		86,720	
Creditors: amounts falling due within one year	16	<u>(43,516)</u>		<u>(36,758)</u>	
Net current assets			<u>135,043</u>		<u>49,962</u>
Total assets less current liabilities			15,174,244		14,140,914
Provisions for Liabilities			<u>(1,100,709)</u>		<u>(1,395,900)</u>
Net assets			<u>14,073,535</u>		<u>12,745,014</u>
Charity Funds					
Endowment funds	18		1,672,692		1,672,692
Restricted funds	18		196,913		183,889
Unrestricted funds	18		<u>12,203,930</u>		<u>10,888,433</u>
Total funds			<u>14,073,535</u>		<u>12,745,014</u>

The financial statements were approved by the Trustees on

and signed on their behalf, by:

**Mr Christopher C Bell, Chairman of the Committee
of Management**

The notes on pages 15 to 31 form part of these financial statements.

THE NATIONAL BENEVOLENT CHARITY

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash used in operating activities	21	<u>(620,897)</u>	<u>(663,869)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		498,593	454,444
Proceeds from sale of investments		2,843,260	1,263,642
Purchase of investments		<u>(1,719,432)</u>	<u>(1,232,380)</u>
Net cash provided by investing activities		<u>1,622,421</u>	<u>485,706</u>
Change in cash and cash equivalents in the year		1,001,524	(178,163)
Cash and cash equivalents brought forward		<u>287,858</u>	<u>466,021</u>
Cash and cash equivalents carried forward		<u><u>1,289,382</u></u>	<u><u>287,858</u></u>

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The National Benevolent Charity constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Permanent endowment funds are funds which the Trustees may not spend as if it were income. They must be held permanently to produce income for the Charity or to further the Charity's purposes.

1.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting Policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Charity's operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on the basis of management estimates of the amount attributable to that activity in the year either by reference to staff time, space occupied, or estimated usage, as appropriate.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.5 Going concern

The accounts have been prepared using a basis of going concern. There are no material uncertainties that may cast significant doubt about the Charity's ability to continue as a going concern.

1.6 Tangible fixed assets and depreciation

Assets which cost less than £1,000 are in most cases not capitalised.

No depreciation is provided on freehold buildings. It is the Charity's practice to maintain these assets in continual state of sound repair and to extend and make improvements thereto from time to time. Accordingly the Trustees consider that the lives of these assets are so long, and residual values so high, that the depreciation is insignificant. Any permanent diminution in the value of such buildings will be charged to the Statement of Financial Activities as appropriate.

Scheduled maintenance and repair work is recognised in the Statement of Financial Activities as the commitment arises.

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting Policies (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	not provided
Fixtures and fittings	-	25% reducing balance
Computer equipment	-	33.3% on cost

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and the income account holding short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting Policies (continued)

1.13 Beneficiaries

Regular payments are paid subject to a continuing assessment of financial circumstances and payments can be suspended by the committee of the management at any time. Whilst the Charity retains the right to cease payments to beneficiaries at any time, the Trustees also recognise that individual's circumstances do not change significantly from one year to the next. Accordingly once they have met the financial criteria for an award it is likely that the beneficiary will continue to qualify for a number of years of the fixed period agreed. The Trustees therefore believe it prudent to recognise a provision for future payments to beneficiaries, although there is no legal obligation to continue with the payments.

A provision for a fixed term commitment, which is granted for a limited period of time is recognised in full in the year it is approved. The provision for the future liability reflects the balance remaining at the end of financial year.

A provision for a without time limit commitment is recognised in full in the year it is approved. An estimate of the future commitment is calculated based upon individual's life expectancy published in the office of national statistics 2013-2015 life expectancy tables. The provision for these future liabilities is reviewed at each year end and updated to take into account any changes to circumstances and life expectancy data.

2. Income from donations and legacies

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Donations	16,810	-	-	16,810	10,241
Legacies	5,266	-	-	5,266	3,219
Total donations and legacies	22,076	-	-	22,076	13,460

In 2015, of the total income from donations and legacies, £13,460 was to unrestricted funds and £NIL was to restricted funds

3. Income from charitable activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Accommodation	69,800	192,751	-	262,551	240,826
Total	69,800	192,751	-	262,551	240,826

In 2015, of the total income from charitable activities, £69,734 was to unrestricted funds and £171,092 was to restricted funds.

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. Movement in provision for regular payment

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Movement in provision for regular payment	(295,191)	-	-	(295,191)	72,851
Net (expenditure)/income from movement in provision for regular payment	<u>(295,191)</u>	<u>-</u>	<u>-</u>	<u>(295,191)</u>	<u>72,851</u>

5. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Rental Income	48,452	-	-	48,452	88,766
Dividends	371,532	9,106	-	380,638	323,331
Interest	60,397	-	-	60,397	61,379
	<u>480,381</u>	<u>9,106</u>	<u>-</u>	<u>489,487</u>	<u>473,476</u>

In 2015, of the total investment income, £464,627 was to unrestricted funds and £8,849 was to restricted funds.

6. Cost of generating funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Publicity	8,790	-	-	8,790	8,552
Portfolio management fees	53,345	-	-	53,345	53,470
Property costs	20,908	-	-	20,908	47,652
Staff Costs	24,623	-	-	24,623	24,501
Support costs	6,671	-	-	6,671	5,625
	<u>114,337</u>	<u>-</u>	<u>-</u>	<u>114,337</u>	<u>139,800</u>

In 2015, of the total voluntary income, £139,800 was to unrestricted funds and £NIL was to restricted funds.

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Direct costs

	Accommodati on £	Beneficiaries £	Knowles Foster Homes £	Total 2016 £	Total 2015 £
Grants	1,247	112,502	2,546	116,295	72,058
Regular payments	-	123,018	-	123,018	136,805
Property costs	51,537	-	267,736	319,273	388,789
Legal and professional	-	-	1,500	1,500	4,650
General administrative	1,010	-	2,176	3,186	3,165
Loss on disposal of fixed assets	-	-	714	714	-
Staff costs	16,483	34,874	56,533	107,890	103,652
	<u>70,277</u>	<u>270,394</u>	<u>331,205</u>	<u>671,876</u>	<u>709,119</u>

8. Support costs

	Fundraising costs £	Accommod ation £	Beneficiaries £	Knowles Foster Homes £	Total 2016 £	Total 2015 £
Property costs	587	1,765	2,354	587	5,293	2,728
Legal and professional	420	-	-	-	420	-
General administrative	1,868	5,605	7,473	1,868	16,814	13,962
Staff costs	3,796	8,241	17,437	10,938	40,412	39,245
	<u>6,671</u>	<u>15,611</u>	<u>27,264</u>	<u>13,393</u>	<u>62,939</u>	<u>55,935</u>

Allocation of Support Cost:

Salaries and pension costs are apportioned based on staff time.

All remaining support costs are split on a percentage basis to reflect time spent and the resources used in managing each activity of the charity. The percentage used were:

Accommodation	30%
Beneficiaries	40%
Knowles Foster Homes	10%
Nursing Home	10%
Governance	10%

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

9. Governance costs

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Legal & professional	12,756	-	-	12,756	13,783
General administrative expenses	4,119	-	-	4,119	4,983
Support costs	2,455	-	-	2,455	1,855
Staff costs	13,725	-	-	13,725	13,638
	<u>33,055</u>	<u>-</u>	<u>-</u>	<u>33,055</u>	<u>34,259</u>

10. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	<i>2015 £</i>
Depreciation of tangible fixed assets: - owned by the charity	-	238
Auditors' remuneration - audit	5,000	5,000
Auditors' remuneration - other services	4,500	4,500
Trustees' indemnity insurance	<u>1,672</u>	<u>1,431</u>

During the year, no Trustees received any remuneration (2015 - £NIL).

5 Trustees received reimbursement of expenses amounting to £808 in the current year, (2015 - 3 Trustees - £676).

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. Staff costs

Staff costs were as follows:

	2016	<i>2015</i>
	£	£
Wages and salaries	<u>186,650</u>	<u><i>181,036</i></u>

The average number of persons employed by the Charity during the year was as follows:

	2016	<i>2015</i>
	No.	<i>No.</i>
Administration & Support	4	<i>4</i>

The number of higher paid employees was:

	2016	<i>2015</i>
	No.	<i>No.</i>
In the band £90,001 - £100,000	1	<i>1</i>

The above employee has pension contributions included in the band above of £6,404 (2015: £6,404).

Analysis of wages and salaries

	2016	<i>2015</i>
	£	£
Gross salaries	159,711	<i>159,539</i>
Social security	17,510	<i>15,093</i>
Pension	9,429	<i>6,404</i>
Total	<u>186,650</u>	<u><i>181,036</i></u>

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2016	2,438,888	26,134	10,298	2,475,320
Disposals	-	(26,134)	(10,298)	(36,432)
At 31 December 2016	<u>2,438,888</u>	-	-	<u>2,438,888</u>
Depreciation				
At 1 January 2016	909,375	25,420	10,298	945,093
On disposals	-	(25,420)	(10,298)	(35,718)
At 31 December 2016	<u>909,375</u>	-	-	<u>909,375</u>
Net book value				
At 31 December 2016	<u>1,529,513</u>	-	-	<u>1,529,513</u>
At 31 December 2015	<u>1,529,513</u>	714	-	<u>1,530,227</u>

In March 2008 the Trustees engaged an independent firm of Chartered Surveyors to carry out an evaluation of freehold land and buildings. This included a valuation of each of the properties. It was found that the carrying value of the land and buildings exceeded its recoverable amount. In line with the accounting policy, a diminution in value of £909,375 was charged directly to the Statement of Financial Activities as an exceptional item in the year ended 31 December 2008.

Included in Freehold Property is a heritage asset. This has been reviewed for any signs of impairment, and it was concluded that an impairment charge was not necessary.

13. Investment property

	Freehold investment property £
Valuation	
At 1 January 2016	1,400,000
Disposals	<u>(1,400,000)</u>
At 31 December 2016	<u>-</u>

The 2016 valuations were made by the Trustees, on an open market value for existing use basis.

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. Fixed asset investments

	Listed securities £
Market value	
At 1 January 2016	11,160,725
Additions	1,694,433
Disposals	(1,548,262)
Revaluations	1,297,254
Cash movement	<u>905,538</u>
At 31 December 2016	<u><u>13,509,688</u></u>

Valuation

In addition to the above analysis, the gain on investments included in the Statement of Financial Activities includes a gain on disposal of £1,167,251 (2015: £69,967).

Material investments

	31 December 2016 £	<i>31 December 2015 £</i>
UK Equity	6,825,871	6,521,729
UK Fixed Interest	1,729,836	1,538,047
Overseas Equities	3,240,921	2,550,224
Overseas Fixed Equities	386,815	143,046
Cash held for investment purposes	1,129,332	223,790
Property Investment	-	1,400,000
M&G Investment	196,913	183,889
	<u><u>13,509,688</u></u>	<u><u>12,560,725</u></u>

Investments at cost

	2016 £	<i>2015 £</i>
Shares	8,333,380	7,896,109
Property	-	2,028,679
Cash	1,129,332	-
Total	<u><u>9,462,712</u></u>	<u><u>9,924,788</u></u>

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

15. Debtors

	2016	2015
	£	£
Prepayments and accrued income	<u>18,509</u>	<u>22,656</u>

16. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Other taxation and social security	4,571	4,584
Deferred income	3,199	1,574
Trade creditors	19,448	5,438
Accruals	15,622	24,184
Other creditors	676	978
	<u>43,516</u>	<u>36,758</u>

Deferred income at the year-end is in relation to rental received in advance of the following month's fees.

17. Analysis of provision

	2016	2015
	£	£
Commitments at 1 January 2015	1,395,900	1,323,049
New commitments	-	7,897
Ceased commitments	(128,082)	(61,967)
Release of provision	(66,453)	(41,397)
Movement in provision discount	(100,656)	168,318
Total	<u>1,100,709</u>	<u>1,395,900</u>

During the year there were four new beneficiaries approved for regular payments. The payments made to the beneficiaries were completed during the year and therefore at the year-end there were no new commitments going forward.

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
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The provision can be broken down as follows:

	2016 £	2015 £
Due within one year	107,613	125,911
Due in greater than one year	1,107,407	1,283,644
Discount for greater than one year	(114,311)	(13,655)
Total	<u>1,100,709</u>	<u>1,395,900</u>

Whilst the Charity retains the right to cease payments to beneficiaries at any time, the Trustees also recognise that individuals' circumstances generally do not change significantly from one year to the next.

Accordingly once they have met the financial criteria for an award it is likely that the beneficiary will continue to qualify for a number of years or the fixed period agreed. The Trustees therefore believe it prudent to recognise a provision for future payments to beneficiaries, although there is no legal obligation to continue with the payments. The National Statistics Tables have been used to estimate the life expectancy of the beneficiaries.

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

18. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Capital fund	<u>10,631,796</u>	<u>295,191</u>	<u>-</u>	<u>(460,000)</u>	<u>1,167,251</u>	<u>11,634,238</u>
General funds						
Income fund	<u>256,637</u>	<u>290,252</u>	<u>(226,641)</u>	<u>308,153</u>	<u>(58,709)</u>	<u>569,692</u>
Total Unrestricted funds	<u>10,888,433</u>	<u>585,443</u>	<u>(226,641)</u>	<u>(151,847)</u>	<u>1,108,542</u>	<u>12,203,930</u>
Endowment funds						
Endowment Funds - all funds	<u>1,672,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,672,692</u>
Restricted funds						
Knowles Foster Homes	-	192,751	(344,598)	151,847	-	-
Henderson Fund	183,889	9,106	(9,106)	-	13,024	196,913
	<u>183,889</u>	<u>201,857</u>	<u>(353,704)</u>	<u>151,847</u>	<u>13,024</u>	<u>196,913</u>
Total of funds	<u>12,745,014</u>	<u>787,300</u>	<u>(580,345)</u>	<u>-</u>	<u>1,121,566</u>	<u>14,073,535</u>
Summary of funds						
	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	10,631,796	295,191	-	(460,000)	1,167,251	11,634,238
General funds	256,637	290,252	(226,641)	308,153	(58,709)	569,692
	<u>10,888,433</u>	<u>585,443</u>	<u>(226,641)</u>	<u>(151,847)</u>	<u>1,108,542</u>	<u>12,203,930</u>
Endowment funds	1,672,692	-	-	-	-	1,672,692
Restricted funds	183,889	201,857	(353,704)	151,847	13,024	196,913
	<u>12,745,014</u>	<u>787,300</u>	<u>(580,345)</u>	<u>-</u>	<u>1,121,566</u>	<u>14,073,535</u>

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Permanent endowment funds

Endowed Legacies fund:

Bye-Law 31, which was abolished in 2005, required legacy income over and above the amount allowed to be expended as income to be invested in the name of the Charity. This fund represents the total amount of these endowed legacies. The fund balance is represented by costs associated with the land and buildings at the Charity's headquarters in Tetbury.

Restricted funds

Knowles Foster Homes fund:

The Knowles Foster Homes, a subsidiary charity fund was set up in 1934 to provide homes and maintenance for poor gentlewomen at The Tapestries, Old Windsor.

The Henderson fund:

The Henderson fund arose as a result of the sale of Margaret Cottages. The Henderson bequest is a restricted fund. In the prior year the Charity Commission gave approval for the objects of the bequest to be amended to the following,

'To provide accommodation or to provide grants or other financial assistance for the relief of members or former members of the nursing profession who are in need, hardship or distress, or, insofar as the Charity is not able to provide relief to such people, to members or former members of professions allied to medicine or the care sector.'

'For the purposes of these objects, "care sector" shall include those people who work or have worked in care homes for older people and for younger adults, domiciliary care providers, day centres and supported living providers, including both private (independent) and public.'

Designated funds

Capital fund:

The Capital fund is represented by assets that are used to generate income for the general purposes of the Charity.

Transfers

Transfers have been made from the unrestricted income fund to make up any overspend on the restricted Knowles Foster Homes and Henderson funds.

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

19. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Tangible fixed assets	437,308	359,513	732,692	1,529,513	1,530,227
Fixed asset investments	12,372,775	196,913	940,000	13,509,688	11,160,725
Investment property	-	-	-	-	1,400,000
Debtors due after more than 1 year	343,169	(343,169)	-	-	-
Current assets	160,051	18,508	-	178,559	86,720
Creditors due within one year	(8,664)	(34,852)	-	(43,516)	(36,758)
Provisions for liabilities and charges	(1,100,709)	-	-	(1,100,709)	(1,395,900)
	<u>12,203,930</u>	<u>196,913</u>	<u>1,672,692</u>	<u>14,073,535</u>	<u>12,745,014</u>

Inter Charity Loan

The inter Charity loan between The National Benevolent Charity and the Knowles Foster Homes is an interest free loan with no set repayment terms.

20. Breakdown of unrestricted funds

	Unrestricted General £	Unrestricted Designated £
Tangible fixed assets	-	437,308
Fixed asset investments	-	13,312,775
Inter Charity Loan	343,169	-
Current assets	160,051	-
Creditors due within one year	(8,664)	-
Provisions for liabilities and charges	-	(1,100,709)
Investment Property Revaluation	-	-
Total	<u>494,556</u>	<u>12,649,374</u>

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	1,328,521	253,900
Adjustment for:		
Depreciation charges	-	238
(Gains)/Losses on investments	(1,167,251)	(529,967)
Dividends, interest and rents from investments	(498,593)	(454,444)
Loss on the sale of fixed assets	714	-
Decrease in debtors	4,146	9,661
Increase/(decrease) in creditors	6,757	(16,108)
Movement in provisions	(295,191)	72,851
Net cash used in operating activities	<u>(620,897)</u>	<u>(663,869)</u>

22. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	<u>1,289,382</u>	<u>287,858</u>
Total	<u>1,289,382</u>	<u>287,858</u>

23. Capital commitments

At 31 December 2016 the Charity had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>59,971</u>

24. Controlling party

The Charity is controlled by the Committee of Management.