



THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019

Trustees

Air Cdre David Adams, (Chairman of the Welfare Committee)
Mr Christopher Bell, (Chairman of the Committee of Management)
Mrs Joanna Chambers, (formerly Miss Joanna M Bradley)
Mr Geoffrey Clements, (Chairman of the Audit Committee) (appointed 13 March 2019)
Mr Andrew Crawford
Mrs Victoria Daniell
The Revd John Hunnisett
Mr David McEuen, (Chairman of the Investment Committee)
Mr Grahame Nicholson

Charity registered number

212450

Principal office

Peter Hervé House
Eccles Court
Tetbury
Gloucestershire
GL8 8EH

Patron

His Royal Highness The Prince of Wales

Chief Executive

Paul N Rossi (resigned 31 October 2019)
Ali Russell (appointed 1 September 2019)

President

Vacant

Vice Presidents

Dr Elisabeth Beverley (resigned 11 September 2019)
Mr R Peter Gent (resigned 11 September 2019)

Independent auditors

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

THE NATIONAL BENEVOLENT CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2019

Advisers (continued)

Bankers

HSBC Bank plc
The Cross
Gloucester
Gloucestershire
GL1 2AP

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

Investment Managers

Rathbones
1 Curzon Street
London
EC2M 7AZ

M&G Investments
Laurence Pountney Hill
London
EC4R 0HH

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present their annual report together with the audited financial statements for the 1 January 2019 to 31 December 2019.

Structure, governance and management

a. 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.

b. Method of appointment or election of Trustees

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.

During the year Mr Baker retired as a Trustee and Mrs Sandeman resigned because she was moving to Scotland. The Charity expresses its most sincere thanks to both for their invaluable service.

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 on 13th September 2017, and Mr Nicholson (first appointed 7th June 2017) was elected as a Member of the Committee of Management on 13th September 2017.

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 total 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.

c. Organisational structure and decision making

The Committee of Management, which met four times during 2019, is responsible for the strategic direction and policy of the charity.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019, the Investment Committee met on three occasions, the Welfare Committee met eleven 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.

d. 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.

e. 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.

f. Subsidiary Charities

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

g. 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.

On 31st March 2018 the Trustees of the Peter Hervé Benevolent Institution resigned and resolved to transfer the funds of the organisation to The National Benevolent Charity. The Peter Hervé Benevolent Institution was the Bristol committee of National Benevolent Institution founded by Peter Hervé. The funds transferred are restricted for use in the geographical area of Bristol and they have been invested in a discrete portfolio by Rathbones.

h. Land and Property

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

Objectives and Activities

a. 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.

b. Strategies for achieving objectives

The Charity gives financial help to qualified people in the form of single grants, grants to organisations and regular payments, through the provision of goods, and through the provision of housing accommodation. Single payments are made to meet sudden or occasional costs, such as those for food and clothing, basic furniture and other household needs, domestic appliances, heating system repairs etc. Grants are made to organisations which support beneficiaries on a low income to access essentials such as food, clothing and housing. 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.

The Committee of Management, on the advice of the Welfare Committee, has agreed general criteria for single grants and regular payments 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 because of sickness, disability, age or some other substantial reason. To qualify for housing accommodation, applicants will usually be retired or nearer to retirement and of limited means. All applicants for financial assistance must, usually, have been resident within the UK for, at least, the preceding 24 months.

The welfare state and the provision of state-funded benefits have relieved the absolute poverty and destitution that existed in times long gone by. Nevertheless, 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 incidence of poverty appears to be increasing. The government's programme of welfare reform has had a significant negative impact and it is being closely monitored by the Charity. Changes in policy have been made to reflect changing patterns of poverty and the changing needs of beneficiaries.

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 28 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 limited help is available.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and performance

a. Review of activities

Benevolence

At the end of the year there were 101 beneficiaries (2018: 111) in receipt of regular payments of which 92 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 £19.00 per week, and for a couple it was £25.00 per week. For beneficiaries not in receipt of the state retirement pension the rate was up to £25.00 per week for a single person and up to £31.00 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 account of 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.

The Charity decided in 2011 to change the emphasis of the benevolence programme from regular payments to single payments and to provide regular payments only in exceptional circumstances and for a limited period only. During the year no new beneficiaries were approved for regular 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, food, clothing and help to acquire special disability equipment where no other funding is available. Most single payments are of no more than £500.00, though exceptions can be made in special circumstances. The number of applications for single payments that were approved was 394 (2018: 399), and the aggregate amount of these payments was £125,973 (2018: £125,501).

Applicants for financial assistance complete an application form and 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 Charitable Organisations, the umbrella body for benevolence charities. The charity works with other charities in the sector, such as Elizabeth Finn Fund, the Smallwood Trust, the armed forces charities and the benevolence charities linked to a trade or profession, and with Citizens Advice Bureaux, Age UK, home improvement agencies and other advice and welfare organisations.

Accommodation

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

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

The apartments are let mainly to people with low incomes. Many tenants are in receipt of means tested 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 tenants means, and particularly with reference to the maximum levels of housing benefit payable.

The apartments in Tetbury are relatively new and require limited repair and maintenance. The Tapestry buildings are of Victorian construction and need greater levels of repair and maintenance.

Gardens are maintained for the enjoyment of the tenants and their guests.

Vacancies in the accommodation are filled following local and national press advertising, and nominations are invited from other charities, societies and housing associations. All prospective tenants complete a standard application form, and the Trustees endeavour to maintain a mixed and happy community. Throughout the year the occupancy rates were high.

The Charity is a member of the Registered Landlords Association which provides valuable information and training for the trustees and staff of member organisations and the Almshouse Association.

Information and Publicity

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

The Charity continues to maintain a website with up to date information about its services and with on-line application forms for benevolence and housing.

b. 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.

c. Policies

During the year, the Charity reviewed and revised its policies on health and safety and data protection to ensure that they comply with current legislation and good practice.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

Financial review

a. 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.

b. Financial risk management objectives and policies

Total incoming resources were £1,041,137, down from £3,143,409, the previous year. This was due to the transfer of funds from the Peter Herve Benevolent Institution (see Restricted Funds). Donations and Legacy income were £203,615 compared with £15,800 in the previous year. Investment income was £548,820, a decrease from £613,500 in 2018. Income from rents from the accommodation in Tetbury and at the Tapestries was £282,491 up from £278,814 in the previous year.

Total resources expended was £872,966, a rise from £679,648 in the previous year. Expenditure on charitable activities was £738,946 (2018: £675,368). Expenditure on governance was £68,743 (2018: £51,970).

Net income with investment gains was £2,151,951 (2018: £1,159,951). Total funds carried forward £18,430,904 (2018: £16,278,953).

c. Priory Nursing Home

The Charity has retained its restrictive covenant preventing development of the garden of the Priory and the land below without the Charity's consent.

d. 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 £250,000. This provides enough funds to cover management, administration and payments to beneficiaries. The current level of unrestricted general funds, excluding the inter-charity loan, is £322,097.

e. 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 the advice and guidance of the Charity Commission.

By the Charity's Royal Charter, grants are payable to individuals and institutions. During the year grants totalling £62,500 were awarded to organisations after a scrutiny of their charitable objectives, their plans and their financial standing, and the use of the grants is monitored during the year.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

f. 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.

In 2019 the values of the main and the PHBI portfolios rose by 17.5% and 18.6% respectively, which compared to a rise in FTSE All Share Index of 19.2% (figures calculated on a total return basis).

Plans for future periods

a. 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 building closer relationships with relevant organisations in Bristol and the continuing expansion of the benevolence programme.

Auditors

A resolution proposing that Randall & Payne LLP 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 2019**

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 8 July 2020 and signed on their behalf by:

Mr Christopher Bell, Chairman of the Committee of Management

THE NATIONAL BENEVOLENT CHARITY

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

Opinion

We have audited the financial statements of The National Benevolent Charity (the 'Charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an 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 opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

THE NATIONAL BENEVOLENT CHARITY

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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.

Responsibilities of trustees

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Randall & Payne LLP - Statutory Auditor

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA
8 July 2020

Randall & Payne LLP - Statutory Auditor 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 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income and endowments from:						
Donations and legacies	2	203,615	-	-	203,615	15,800
Charitable activities	3	67,504	214,987	-	282,491	278,814
Investments	5	521,378	27,442	-	548,820	613,500
Other income	6	5,511	700	-	6,211	2,235,295
Total income and endowments		798,008	243,129	-	1,041,137	3,143,409
Expenditure on:						
Raising funds:						
Voluntary income	7	90,835	-	-	90,835	86,053
Movement in provision for regular payments	4	43,185	-	-	43,185	(81,773)
Charitable activities	8,9,10	472,302	266,644	-	738,946	675,368
Total expenditure		606,322	266,644	-	872,966	679,648
Net income / (expenditure) before investment gains/(losses)						
		191,686	(23,515)	-	168,171	2,463,761
Net gains/(losses) on investments	15	1,700,227	283,553	-	1,983,780	(1,304,575)
Net income before other recognised gains and losses		1,891,913	260,038	-	2,151,951	1,159,186
Net movement in funds		1,891,913	260,038	-	2,151,951	1,159,186
Reconciliation of funds:						
Total funds brought forward		12,211,550	2,394,711	1,672,692	16,278,953	15,119,767
Total funds carried forward		14,103,463	2,654,749	1,672,692	18,430,904	16,278,953

The notes on pages 17 to 34 form part of these financial statements.

THE NATIONAL BENEVOLENT CHARITY

**BALANCE SHEET
AS AT 31 DECEMBER 2019**

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	13		1,170,000		1,170,000
Heritage assets	14		359,513		359,513
Investments	15		17,100,514		15,177,398
			<u>18,630,027</u>		<u>16,706,911</u>
Current assets					
Debtors	16	6,197		6,258	
Cash at bank and in hand		746,420		471,539	
			<u>752,617</u>	<u>477,797</u>	
Creditors: amounts falling due within one year	17		<u>(37,515)</u>	<u>(34,715)</u>	
Net current assets			<u>715,102</u>		<u>443,082</u>
Total assets less current liabilities			<u>19,345,129</u>		<u>17,149,993</u>
Provisions for Liabilities	18		<u>(914,225)</u>		<u>(871,040)</u>
Net assets			<u>18,430,904</u>		<u>16,278,953</u>
Charity Funds					
Endowment funds	19		1,672,692		1,672,692
Restricted funds	19		2,654,749		2,394,711
Unrestricted funds	19		14,103,463		12,211,550
Total funds			<u>18,430,904</u>		<u>16,278,953</u>

The financial statements were approved by the Trustees on 8 July 2020 and signed on their behalf, by:

Mr Christopher Bell, Chairman of the Committee of Management

The notes on pages 17 to 34 form part of these financial statements.

THE NATIONAL BENEVOLENT CHARITY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	<u>(334,602)</u>	<u>1,768,752</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		548,820	613,500
Proceeds from sale of investments		1,748,070	2,374,445
Purchase of investments		<u>(1,988,106)</u>	<u>(3,981,140)</u>
Net cash provided by/(used in) investing activities		<u>308,784</u>	<u>(993,195)</u>
Change in cash and cash equivalents in the year		(25,818)	775,557
Cash and cash equivalents brought forward		<u>1,103,871</u>	<u>328,314</u>
Cash and cash equivalents carried forward		<u><u>1,078,053</u></u>	<u><u>1,103,871</u></u>

The notes on pages 17 to 34 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting Policies (continued)

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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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 educational 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting Policies (continued)

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.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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
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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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting Policies (continued)

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and 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.

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 2016-2018 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.

1.14 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Donations	3,615	-	-	3,615	10,750
Legacies	200,000	-	-	200,000	5,050
Total donations and legacies	203,615	-	-	203,615	15,800
<i>Total 2018</i>	<i>15,800</i>	<i>-</i>	<i>-</i>	<i>15,800</i>	

3. Income from charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Accommodation	67,504	-	-	67,504	66,874
Knowles Foster Homes	-	214,987	-	214,987	211,940
	67,504	214,987	-	282,491	278,814
<i>Total 2018</i>	<i>66,874</i>	<i>211,940</i>	<i>-</i>	<i>278,814</i>	

4. Movement in provision of regular payment

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Movement in provision of regular payment	43,185	-	-	43,185	(81,773)

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Dividends	518,581	27,442	-	546,023	612,753
Interest	2,797	-	-	2,797	747
	<u>521,378</u>	<u>27,442</u>	<u>-</u>	<u>548,820</u>	<u>613,500</u>
<i>Total 2018</i>	<u>603,369</u>	<u>10,131</u>	<u>-</u>	<u>613,500</u>	

6. Other incoming resources

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Other income	5,511	700	-	6,211	6,110
Transfer from the Peter Herve Benevolent Institution	-	-	-	-	2,229,185
	<u>5,511</u>	<u>700</u>	<u>-</u>	<u>6,211</u>	<u>2,235,295</u>
<i>Total 2018</i>	<u>6,110</u>	<u>2,229,185</u>	<u>-</u>	<u>2,235,295</u>	

7. Cost of generating funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Publicity	6,391	-	-	6,391	8,914
Portfolio management fees	76,705	-	-	76,705	70,064
Staff Costs	7,739	-	-	7,739	7,075
	<u>90,835</u>	<u>-</u>	<u>-</u>	<u>90,835</u>	<u>86,053</u>
<i>Total 2018</i>	<u>86,053</u>	<u>-</u>	<u>-</u>	<u>86,053</u>	

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Direct costs

	Accommodati on £	Beneficarie s £	Knowles Foster Homes £	Peter Herve Benevolent Institution £	Total 2019 £	Total 2018 £
Grants	710	128,118	2,866	69,323	201,017	131,657
Regular payments	-	92,508	-	3,588	96,096	95,305
Property costs	67,753	-	119,309	-	187,062	221,076
Legal and professional	-	-	1,008	-	1,008	-
General administrative	1,751	352	1,133	570	3,806	5,394
Wages and salaries	36,796	66,463	36,024	11,625	150,908	141,841
	<u>107,010</u>	<u>287,441</u>	<u>160,340</u>	<u>85,106</u>	<u>639,897</u>	<u>595,273</u>
<i>Total 2018</i>	<u>102,065</u>	<u>277,657</u>	<u>200,352</u>	<u>15,199</u>	<u>595,273</u>	

9. Support costs

	Peter Herve Benevolent In £	Accommodati on £	Beneficarie s £	Knowles Foster Homes £	Total 2019 £	Total 2018 £
Property costs	645	431	2,151	860	4,087	6,045
General administrative	2,591	1,726	8,636	3,454	16,407	12,958
Staff costs	823	2,392	4,416	2,181	9,812	9,122
	<u>4,059</u>	<u>4,549</u>	<u>15,203</u>	<u>6,495</u>	<u>30,306</u>	<u>28,125</u>
<i>Total 2018</i>	<u>3,747</u>	<u>4,221</u>	<u>14,064</u>	<u>6,093</u>	<u>28,125</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	10%
Beneficiaries	50%
Knowles Foster Homes	20%
Peter Herve Benevolent Institution	15%
Governance	5%

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Governance costs

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Legal & professional	30,967	-	-	30,967	18,219
General administrative expenses	7,505	-	-	7,505	6,172
Support costs	1,079	-	-	1,079	1,000
Staff costs	29,192	-	-	29,192	26,579
	68,743	-	-	68,743	51,970

11. Net income/(expenditure)

This is stated after charging:

	2019 £	<i>2018 £</i>
Auditors' remuneration - audit	7,200	7,200
Auditors' remuneration - other services	4,200	4,200
Trustees' indemnity insurance	2,191	2,801

6 Trustees received reimbursement of expenses amounting to £1,064 in the current year, (2018 - 6 Trustees - £588).

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Staff costs

Staff costs were as follows:

	2019	<i>2018</i>
	£	£
Wages and salaries	197,651	<i>184,617</i>

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

	2019	<i>2018</i>
	No.	<i>No.</i>
Administration & Support	4	<i>4</i>

The number of higher paid employees was:

	2019	<i>2018</i>
	No.	<i>No.</i>
In the band £80,001 - £90,000	1	<i>0</i>
In the band £90,001 - £100,000	0	<i>1</i>

The above employee has pension contributions included in the band of £5,705 (2018: £6,679).

Included in the above staff costs is an amount which relates to the key management personnel. The total amount of employee benefits (including employer pension contributions) received by key management personnel was £167,605 (2018: £154,977).

Analysis of wages and salaries

	2019	<i>2018</i>
	£	£
Gross salaries	168,417	<i>157,573</i>
Social security	18,282	<i>17,047</i>
Pension	10,952	<i>9,997</i>
Total	197,651	<i>184,617</i>

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Tangible fixed assets

	Freehold property £
Cost	
At 1 January 2019 and 31 December 2019	<u>2,079,375</u>
Depreciation	
At 1 January 2019 and 31 December 2019	<u>909,375</u>
Net book value	
At 31 December 2019	<u><u>1,170,000</u></u>
<i>At 31 December 2018</i>	<u><u><i>1,170,000</i></u></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.

14. Charity heritage assets

	Freehold Property £	Total £
Market value		
At 1 January 2019 and 31 December 2019	<u>359,513</u>	<u>359,513</u>
<i>At 31 December 2018</i>	<u><u><i>359,513</i></u></u>	<u><u><i>359,513</i></u></u>

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.

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Fixed asset investments

	Listed securities £
Market value	
At 1 January 2019	15,177,398
Additions	1,988,107
Disposals	(1,678,151)
Revaluations	1,913,859
Cash movement	(300,699)
	17,100,514
At 31 December 2019	17,100,514
Historical cost	11,913,262

Valuation

In addition to the above analysis, the gain on investments included in the Statement of Financial Activities includes unrealised gain on valuation of £1,913,859 (2018: £1,093,970 loss).

Material investments

	31 December 2019 £	<i>31 December 2018 £</i>
UK Equity	8,268,145	6,969,351
UK Fixed Interest	1,985,249	1,906,542
Overseas Equities	4,762,369	4,064,707
Overseas Fixed Equities	422,080	436,880
Alternatives	1,118,060	984,959
Cash held for investment purposes	331,633	632,332
M&G Investment	212,978	182,627
	17,100,514	15,177,398
	17,100,514	15,177,398

Investments at cost

	2019 £	<i>2018 £</i>
Shares	11,581,629	11,251,395
Property	-	-
Cash	331,633	632,332
	11,913,262	11,883,727
	11,913,262	11,883,727

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Debtors

	2019 £	2018 £
Prepayments and accrued income	6,197	6,258

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	3,936	4,478
Deferred income	2,318	1,703
Trade creditors	11,199	10,015
Accruals	13,819	14,224
Other creditors	6,243	4,295
	37,515	34,715

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

18. Analysis of provision

	2019 £	2018 £
Commitments at 1 January	871,040	952,813
Change in annual payments	(3,254)	137,184
Ceased commitments	(41,790)	(82,744)
Release of provision	(7,199)	(62,861)
Movement in provision discount	95,428	(73,352)
Total	914,225	871,040

During the year there was one (2018: four) new beneficiary approved for regular payments. Historically this beneficiary was on a yearly commitment, however it was agreed to extend the commitment over the life expectancy of the annuitant. The payments made to the beneficiaries in the prior year 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
FOR THE YEAR ENDED 31 DECEMBER 2019

The provision can be broken down as follows:

	2019	2018
	£	£
Due within one year	92,560	109,215
Discount within one year	(1,646)	(3,439)
Due in greater than one year	954,792	990,380
Discount for greater than one year	(131,481)	(225,116)
	<hr/>	<hr/>
Total	914,225	871,040
	<hr/> <hr/>	<hr/> <hr/>

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 2019

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds					
Capital fund	11,497,937	-	(43,185)	1,700,227	13,154,979
General funds					
Income fund	713,613	798,008	(563,137)	-	948,484
Total Unrestricted funds	12,211,550	798,008	(606,322)	1,700,227	14,103,463
Endowment funds					
Endowment Funds - all funds	1,672,692	-	-	-	1,672,692
Restricted funds					
Knowles Foster Homes	1,845	215,687	(166,835)	-	50,697
Henderson Fund	182,627	10,644	(10,644)	30,351	212,978
Peter Herve Benevolent Institution	2,210,239	16,798	(89,165)	253,202	2,391,074
	2,394,711	243,129	(266,644)	283,553	2,654,749
Total of funds	16,278,953	1,041,137	(872,966)	1,983,780	18,430,904

Statement of funds - prior year

	Balance at 1 January 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2018 £
Capital fund	12,692,698	81,773	-	(1,276,534)	11,497,937
Income fund	543,709	610,380	(440,476)	-	713,613
Endowment Funds - all funds	1,672,692	-	-	-	1,672,692
Restricted funds					
Knowles Foster Homes	-	211,940	(210,095)	-	1,845
Henderson Fund	210,668	10,131	(10,131)	(28,041)	182,627
Peter Herve Benevolent Institution	-	2,229,185	(18,946)	-	2,210,239
	210,668	2,451,256	(239,172)	(28,041)	2,394,711

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. Statement of funds (continued)

Summary of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds	11,497,937	-	(43,185)	1,700,227	13,154,979
General funds	713,613	798,008	(563,137)	-	948,484
	<u>12,211,550</u>	<u>798,008</u>	<u>(606,322)</u>	<u>1,700,227</u>	<u>14,103,463</u>
Endowment funds	1,672,692	-	-	-	1,672,692
Restricted funds	2,394,711	243,129	(266,644)	283,553	2,654,749
	<u>16,278,953</u>	<u>1,041,137</u>	<u>(872,966)</u>	<u>1,983,780</u>	<u>18,430,904</u>

Summary of funds - prior year

	Balance at 1 January 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2018 £
Designated funds	12,692,698	81,773	-	(1,276,534)	11,497,937
General funds	543,709	610,380	(440,476)	-	713,613
	<u>13,236,407</u>	<u>692,153</u>	<u>(440,476)</u>	<u>(1,276,534)</u>	<u>12,211,550</u>
Endowment funds	1,672,692	-	-	-	1,672,692
Restricted funds	210,668	2,451,256	(239,172)	(28,041)	2,394,711
	<u>15,119,767</u>	<u>3,143,409</u>	<u>(679,648)</u>	<u>(1,304,575)</u>	<u>16,278,953</u>

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 NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. Statement of funds (continued)

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

No transfers have been made during the year and there does not appear to be any necessary at the year-end also.

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Tangible fixed assets	87,910	349,398	732,692	1,170,000
Fixed asset investments	13,528,993	2,631,521	940,000	17,100,514
Heritage assets	359,513	-	-	359,513
Current assets	746,419	6,198	-	752,617
Creditors due within one year	(27,244)	(10,271)	-	(37,515)
Provisions for liabilities and charges	(914,225)	-	-	(914,225)
Inter charity loan	322,097	(322,097)	-	-
	<u>14,103,463</u>	<u>2,654,749</u>	<u>1,672,692</u>	<u>18,430,904</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.

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Endowment funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	87,910	349,398	732,692	1,170,000
Fixed asset investments	11,894,440	2,342,958	940,000	15,177,398
Heritage assets	359,513	-	-	359,513
Current assets	471,539	6,258	-	477,797
Creditors due within one year	(24,768)	(9,947)	-	(34,715)
Provisions for liabilities and charges	(871,040)	-	-	(871,040)
	<u>11,917,594</u>	<u>2,688,667</u>	<u>1,672,692</u>	<u>16,278,953</u>

21. Breakdown of unrestricted funds

	Unrestricted General £	Unrestricted Designated £
Tangible fixed assets	-	447,423
Fixed asset investments	-	13,528,993
Inter charity loan	322,097	-
Current assets	653,631	92,788
Creditors due within one year	(27,244)	-
Provisions for liabilities and charges	-	(914,225)
Total	<u>948,484</u>	<u>13,154,979</u>

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

	2019	2018
	£	£
Net income for the year (as per Statement of Financial Activities)	2,151,951	1,159,186
Adjustment for:		
(Gains)/ loss on investments	(1,983,780)	1,304,575
Dividends, interest and rents from investments	(548,820)	(613,500)
Decrease/(increase) in debtors	62	(45)
Increase in creditors	2,800	309
Movement in provisions	43,185	(81,773)
Net cash (used in)/provided by operating activities	(334,602)	1,768,752

23. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	1,078,053	1,103,871
Total	1,078,053	1,103,871

24. Controlling party

The Charity is controlled by the Committee of Management.