
THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020

Trustees

Air Cdre David Adams, (Chairman of the Welfare Committee)
Mr Christopher Bell, (Chairman)
Mr Richard Bromilow (appointed 30 September 2020)
Mrs Joanna Chambers
Mr Geoffrey Clements, (Chairman of the Finance and Investment Committee)
Mr Andrew Crawford
Mrs Victoria Daniell
Mr David McEuen, (Chairman of the Investment Committee)
Mr James Golob (appointed 30 September 2020)
The Revd John Hunnisett
Mr Grahame Nicholson

Charity registered number

212450

Registered office

Peter Hervé House
Eccles Court
Tetbury
Gloucestershire
GL8 8EH

Patron

His Royal Highness The Prince of Wales

Chief Executive

Ali Russell

President

Vacant

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
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020

The Trustees present their annual report together with the audited financial statements of the The National Benevolent Charity for the year 1 January 2020 to 31 December 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the Charity qualify as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Structure, governance and management

a. Constitution

The National Benevolent Charity is registered as a charitable company limited by guarantee and was set up by a Royal Charter.

b. Methods of appointment or election of Trustees

The Trustees of the Charity are the Members of the Committee of Management. The Byelaws 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.

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 policies

The Committee of Management, which met four times during 2020, is responsible for the strategic direction and policy of the charity.

The work of the Committee of Management is supported by the Finance and Investment Committee and the Welfare Committee. Both committees are governed by Terms of Reference. During the year the Welfare Committee met monthly via email to discuss Welfare Applications that could not be dealt with by delegated authority. They also met three further times to discuss welfare strategy. The Finance and Investment Committee met four times in the year. Due to the pandemic all meetings were held via Zoom from the end of March onwards.

Strategic development and day to day management is the responsibility of the Chief Executive. The charity employed three further staff during the year, two managing the office administration, property, and welfare applications. A further staff member was employed as Resident Warden at the Tapestries in Old Windsor until October 2020.

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management (continued)

e. Subsidiary charities

The Knowles Foster Homes, which owns the Tapestries accommodation block, is a linked charity.

f. 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 Peter Herve Benevolent Fund merged with the charity in December 2018 and no longer appears in the charity commission register. However, during the year funds were restricted to use in Bristol.

g. Land and property

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

Plans for future periods

The trustees continually review the financial, economic, and social environments in which the Charity operates to adapt or change policy and practice. Specific strategic plans include: Building partnerships with other trusts and foundations, strengthening our governance and board, improving public awareness of our grant making programmes and streamlining our investment accounts portfolio.

Objectives and activities

a. Policies and objectives

The objects of the Charity are the relief of qualifying persons who need assistance by reason of old age, infirmity, sickness, or economic circumstances. The government's programme of structural welfare reform and the resulting benefit cuts have had a significant negative impact and are 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 scope is UK-wide, and beneficiaries live in all parts of the country.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The Charity gives financial help in the form of single grants, regular payments, grants to organisations and subsidised housing.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

Single Grants

Throughout the year the charity awarded single welfare grants to meet sudden or occasional costs, such as food and clothing, furniture, domestic appliances, minor repairs, fuel, and training. In exceptional circumstances grants were also awarded for bankruptcy and debt relief orders, private medical treatment, flooring, disability aids or adaptations, garden improvements and rent arrears. Applicants for single grants complete an application form explaining what the grant will be used for and why it is needed. They are also asked to provide details of their financial situation, disabilities or health issues or other exceptional circumstances. They are also requested to provide bank statements, medical reports, and details of a professional referrer.

To qualify, applicants needed to demonstrate that they were living in poverty, through no fault of their own, and that it was not possible for them to escape from that poverty because of sickness, disability, age, or some other substantial reason. They also needed to have UK citizenship or have been granted leave to remain and be over 18 years old.

Full criteria and the application process is supplied on the website

Between March and June, in response to the pandemic the charity established an Emergency Coronavirus Fund and awarded a single cash payment to those who had lost their job or income as a direct result of the pandemic and the UK lockdown. To apply applicants needed only to supply bank statements.

Regular payments

These are made quarterly in advance. Since 2003 the charity has been phasing out regular payments in favour of single payments. There were no new regular beneficiaries during the period.

Grants to Organisations

Grants are made to organisations which support beneficiaries experiencing poverty or hardship to access essentials such as food, clothing, and housing.

Housing

The Charity has accommodation blocks in Tetbury and Old Windsor (The Tapestries). The accommodation is for independent living and is mostly occupied by single people, on low incomes over 50 in one or two bedroomed apartments. Some tenants are in receipt of means tested state benefits, including housing benefit.

On the Tetbury site, there are nine apartments in Peter Hervé House, a purpose-built block, and a further two in Lenox House, a refurbished 16th century coach house and grade II listed building. On the Old Windsor site, the Tapestries is in three Victorian buildings converted into 28 apartments (one occupied by the on-site Warden) and two houses. All the accommodation is safe and peaceful, and the gardens are maintained for the enjoyment of tenants and guests.

Vacancies were filled following local advertising and nominations from other charities, societies, and housing associations. All prospective tenants completed a standard application form and were interviewed prior to a flat being let.

The Charity is a member of the Registered Landlords Association and the Almshouse Association.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and activities (continued)

In March 2020, the trustees took the decision that, due to the ongoing costs incurred in maintaining the Tapestries and the trustees desire to focus on its grant giving activities, that the Tapestries would be sold. This was paused due to the pandemic and first lockdown but in August 2020 the charity announced to tenants that the Tapestries was to be sold. Savills was engaged to find a buyer who would ideally be sympathetic to existing tenants and retain them in situ. An offer was accepted from Rural Portfolio Limited, part of the William Pears Group who committed to retain the tenants with their existing tenancy agreements and the sale completed in February 2021.

d. Grant-making policies

Grants are made to individual beneficiaries and organisations following approval by the Welfare Committee or with delegated authority in accordance with the terms agreed by the board of trustees and the Charity's governing documents.

Achievements and performance

a. Review of activities

Single Grants

The charity received 1,238 applications for single payments and made 528 awards (2019: 376 awards). The average value of the award was £309.00 (2019 335). This included 48 beds or bedding, 146 vouchers for food and clothing, 106 "other items" such as bankruptcy orders, flooring, baby equipment and laptop and 206 fridges, cookers and washing machines.

The charity also received 547 applications to the Emergency Coronavirus Fund, 200 grant awards were made with the average award being £200.

The total amount of individual grants awarded was £205,124 an increase of £79,151 on the previous year.

Regular Payments

At the end of the 2020 there were 80 beneficiaries (2019: 100) in receipt of regular payments of which 68 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. The total amount of our regular grants was £83,070. This is a decrease of £13,026 on the previous year due to natural attrition.

Grants to Organisations

In March 2020, the board agreed to extend its organisation grant giving into Gloucestershire and Wiltshire in addition to the existing programme in Bristol. During the year 10 grants were awarded to smaller, local grassroots organisations in Gloucestershire and two grants were made in Wiltshire. In Bristol we continued to support our existing funded organisations to a greater extent and support two other organisations. In total 17 grants were made ranging from £100 to £45,000. Thirteen of these grants were made to help organisations provide food during the pandemic. Grants totalled £121,934. This was an increase of £86,933 on the previous year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance (continued)

Housing

Occupancy rates were high until the last quarter of the year when there were two voids at Lennox House at the same time and the charity took the opportunity to refurbish the building. There were also voids at the Tapestries as some tenants chose to leave when it was put up for sale and the flats were not relet in the interim.

b. Factors relevant to achieve objectives

Information and Publicity

The Charity advertised the single grant programme on the turn2us website which directs applicants to the charity's website and an online application form.

Partnerships

The Charity is a member of the Association of Charitable Organisations, the umbrella body for benevolence charities. The charity is also a member of the Bristol Funders Network, Gloucestershire Funders Group and National Council for Voluntary Organisations. The charity also has relationships with other charities in the sector such as Turn2Us, the Smallwood Trust and other benevolence charities and takes referrals from advice and welfare organisations including Citizens Advice, Age UK and StepChange. There were also over 400 agencies which referred applicants to the charity during 2020.

c. 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 relief of poverty, and for the relief of those in need because of old age, infirmity sickness or economic circumstances.

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.

d. 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.

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

b. 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 £194,141.

c. 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 Finance and Investment Committee. Reports on performance are prepared quarterly and are reviewed by the Finance and Investment Committee. The investment managers attend at least one meeting of the Investment Committee each year. Due to the pandemic 2020 was a year of considerable volatility in stock markets and over the year the FTSE All Share Index fell 9.8%. The main fund rose in value by 6.0% and the PHBI fund value was unchanged (figures calculated on a total return basis).

d. Principal risks and uncertainties

Risks are kept under review and were re-assessed during the year. The Trustees believe that the four greatest risks to the Charity are:

- 1) The turbulence in the financial markets and the impact this might have on the Charity's investment income
- 2) Cyber security
- 3) Fraud by welfare applicants
- 4) The loss of key staff members.

The Trustees are satisfied that systems are in place to mitigate these risks or their effects.

e. Financial performance during the year

Total income was £1,313,534 up from £1,041,137 the previous year. This was due to an increase in investment income of £319,769 compared to the previous year. Donations and Legacy income was £176,469 compared with £203,615 in the previous year. Income from rents from accommodation was £264,476 down from £282,491 in the previous year.

Expenditure on charitable activities was £806,455 (2019: £738,946). Expenditure on governance was £30,692 (2019: 68,743)

Net income with investment gains was £1,115,357 (2019: £2,151,951). Total funds carried forward £19,546,261 (2019: £18,430,904)

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

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.

Approved by order of the members of the board of Trustees on
06/07/2021 and signed on their behalf by:



Mr Christopher Bell, Chairman of the Committee of Management

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

Opinion

We have audited the financial statements of The National Benevolent Charity (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2020 and of the Group's incoming resources and application of resources, including its income and expenditure 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 Group 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE NATIONAL BENEVOLENT CHARITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL BENEVOLENT CHARITY (CONTINUED)

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
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity 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 (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 Group's and the parent charitable company'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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL BENEVOLENT CHARITY
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the company. These include but are not limited to compliance with the Companies Act 2006, UK GAAP and tax legislation;
- we agreed the financial statement disclosures to supporting documentation;
- we made enquiries of management; and
- we reviewed board minutes throughout the year.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

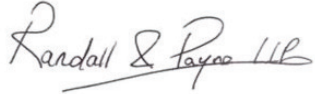
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

THE NATIONAL BENEVOLENT CHARITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL BENEVOLENT CHARITY
(CONTINUED)



Randall & Payne LLP

Chargrove House

Shurdington Road

Cheltenham

Gloucestershire

GL51 4GA

Date: 07/07/2021

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

THE NATIONAL BENEVOLENT CHARITY

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:						
Donations and legacies	3	-	-	176,469	176,469	203,615
Charitable activities	4	-	191,625	72,851	264,476	282,491
Investments	5	-	49,756	818,833	868,589	548,820
Other income	6	-	-	4,000	4,000	6,211
Total income and endowments		-	241,381	1,072,153	1,313,534	1,041,137
Expenditure on:						
Raising funds:	7					
Movement in provision for regular payments		-	-	(732,470)	(732,470)	43,185
Voluntary income		-	-	83,375	83,375	90,835
Charitable activities	8	-	265,180	541,275	806,455	738,946
Total expenditure		-	265,180	(107,820)	157,360	872,966
Net (expenditure)/income before net (losses)/gains on investments		-	(23,799)	1,179,973	1,156,174	168,171
Net (losses)/gains on investments		-	(169,874)	129,057	(40,817)	1,983,780
Net movement in funds		-	(193,673)	1,309,030	1,115,357	2,151,951
Reconciliation of funds:						
Total funds brought forward		1,672,692	2,654,749	14,103,463	18,430,904	16,278,953
Net movement in funds		-	(193,673)	1,309,030	1,115,357	2,151,951
Total funds carried forward		1,672,692	2,461,076	15,412,493	19,546,261	18,430,904

THE NATIONAL BENEVOLENT CHARITY

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	1,170,000	1,170,000
Heritage assets	14	359,513	359,513
Investments	15	17,698,924	17,100,514
		<u>19,228,437</u>	<u>18,630,027</u>
Current assets			
Debtors	16	7,571	3,879
Cash at bank and in hand		542,903	746,420
		<u>550,474</u>	<u>750,299</u>
Creditors: amounts falling due within one year	17	(50,895)	(35,197)
Net current assets		<u>499,579</u>	<u>715,102</u>
Total assets less current liabilities		<u>19,728,016</u>	<u>19,345,129</u>
Provisions for liabilities		(181,755)	(914,225)
Net assets excluding pension asset		<u>19,546,261</u>	<u>18,430,904</u>
Total net assets		<u><u>19,546,261</u></u>	<u><u>18,430,904</u></u>
Charity funds			
Endowment funds	20	1,672,692	1,672,692
Restricted funds	20	2,461,076	2,654,749
Unrestricted funds	20	15,412,493	14,103,463
Total funds		<u><u>19,546,261</u></u>	<u><u>18,430,904</u></u>

THE NATIONAL BENEVOLENT CHARITY

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on
06/07/2021 and signed on their behalf by:



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

The notes on pages 20 to 46 form part of these financial statements.

THE NATIONAL BENEVOLENT CHARITY

**CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	1,170,000	1,170,000
Investments	15	17,698,924	17,100,514
		<u>18,868,924</u>	<u>18,270,514</u>
Current assets			
Debtors	16	7,954	5,019
Cash at bank and in hand		542,903	746,420
		<u>550,857</u>	<u>751,439</u>
Creditors: amounts falling due within one year	17	221,774	272,479
		<u>772,631</u>	<u>1,023,918</u>
Total assets less current liabilities		<u>19,641,555</u>	<u>19,294,432</u>
Provisions for liabilities		(181,755)	(914,225)
Net assets excluding pension asset		<u>19,459,800</u>	<u>18,380,207</u>
Total net assets		<u><u>19,459,800</u></u>	<u><u>18,380,207</u></u>
Charity funds			
Endowment funds	20	1,672,692	1,672,692
Restricted funds	20	2,374,614	2,604,052
Unrestricted funds	20	15,412,494	14,103,463
Total funds		<u><u>19,459,800</u></u>	<u><u>18,380,207</u></u>

THE NATIONAL BENEVOLENT CHARITY

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on
06/07/2021 and signed on their behalf by:



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

The notes on pages 20 to 46 form part of these financial statements.

THE NATIONAL BENEVOLENT CHARITY

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	(833,835)	(334,602)
Cash flows from investing activities		
Dividends, interests and rents from investments	1,018,589	548,820
Proceeds from sale of investments	3,052,278	1,748,070
Purchase of investments	(3,402,804)	(1,988,106)
Net cash provided by investing activities	668,063	308,784
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(165,772)	(25,818)
Cash and cash equivalents at the beginning of the year	1,078,053	1,103,871
Cash and cash equivalents at the end of the year	912,281	1,078,053

The notes on pages 20 to 46 form part of these financial statements

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

The National Benevolent Charity was founded as the National Benevolent Institution by Peter Herve in 1812 and is a Registered Charity constituted under a Royal Charter of 5th November 1859 and supplemental Royal Charters of 17th May 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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 in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The National Benevolent Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

These financial statements consolidate the results of the Charity and the Charity for which they have been given uniting direction or allotted trusteeship (linked Charity), namely Knowles Foster Homes.

2.2 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

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.

2.4 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 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 2020

2. Accounting policies (continued)

2.5 Interest receivable

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

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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 costs, net of depreciation and any provision for impairment.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Freehold property	- not provided
-------------------	----------------

2.7 Heritage assets

Where heritage assets have been purchased, they are initially recognised at cost. After recognition, under the cost model, heritage assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

2.8 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 the 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 presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

2.9 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 2020

2. Accounting policies (continued)

2.10 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.

2.11 Liabilities

Liabilities and provisions 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.

2.12 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Operating leases

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

2.14 Pensions

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

2.15 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 Group 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 Group 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.

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.16 Beneficiaries

Regular payments are paid subject to a continuing assessment of financial circumstances and payments can be suspended by the committee of management at any time. Whilst the Charity retains the right to cease payments to beneficiaries at any time, the Trustees also recognise that the 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 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 2017-2019 life expectancy tables. The provision for these future liabilities is reviewed at each year end and updated to take account any changes to circumstances and life expectancy data.

3. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £
Donations and subscriptions- Governance	26,469	26,469
Legacies- Governance	150,000	150,000
	176,469	176,469
	176,469	176,469
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations and subscriptions- Governance	3,615	3,615
Legacies- Governance	200,000	200,000
	203,615	203,615
	203,615	203,615

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Income from charitable activities

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Accommodation	-	72,851	72,851
Rental Income - Knowles Foster Homes	191,625	-	191,625
	<u>191,625</u>	<u>72,851</u>	<u>264,476</u>
	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Accommodation	-	67,504	67,504
Rental Income - Knowles Foster Homes	214,987	-	214,987
	<u>214,987</u>	<u>67,504</u>	<u>282,491</u>

5. Investment income

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Dividends- Governance	49,756	742,085	791,841
Interest- Governance	-	76,748	76,748
	<u>49,756</u>	<u>818,833</u>	<u>868,589</u>

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Investment income (continued)

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Dividends- Governance	27,442	518,581	546,023
Interest- Governance	-	2,797	2,797
	<u>27,442</u>	<u>521,378</u>	<u>548,820</u>

6. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £
Other income	4,000	4,000
	<u>4,000</u>	<u>4,000</u>

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Other income	700	5,511	6,211
	<u>700</u>	<u>5,511</u>	<u>6,211</u>

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £
Publicity	1,721	1,721
Portfolio Management Fees	75,561	75,561
Staff costs	6,093	6,093
	<u>83,375</u>	<u>83,375</u>

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7. Expenditure on raising funds (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Publicity	6,391	6,391
Portfolio Management Fees	76,705	76,705
Staff Costs	7,739	7,739
	<hr/>	<hr/>
	90,835	90,835
	<hr/> <hr/>	<hr/> <hr/>

Fundraising trading expenses

	Unrestricted funds 2020 £	Total funds 2020 £
Movement in provision for regular payments	(732,470)	(732,470)
	<hr/> <hr/>	<hr/> <hr/>

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Expenditure on raising funds (continued)

Fundraising trading expenses (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Movement in provision for regular payments	43,185	43,185
	43,185	43,185

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Accommodation	-	134,373	134,373
Beneficiaries	-	402,532	402,532
Knowles Foster Homes	155,861	-	155,861
Peter Herve Benevolent Institution	100,725	-	100,725
Governance	8,594	4,370	12,964
	265,180	541,275	806,455
	265,180	541,275	806,455

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Accommodation	-	180,301	180,301
Beneficiaries	-	302,644	302,644
Knowles Foster Homes	166,836	-	166,836
Peter Herve Benevolent Institution	89,165	-	89,165
	256,001	482,945	738,946
	256,001	482,945	738,946

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Accommodation	99,474	34,899	134,373
Beneficiaries	384,338	18,194	402,532
Knowles Foster Homes	147,723	8,137	155,860
Peter Herve Benevolent Institution	95,254	5,472	100,726
Governance	12,964	-	12,964
	<u>739,753</u>	<u>66,702</u>	<u>806,455</u>

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Accommodation	107,010	73,292	180,302
Beneficiaries	287,441	15,203	302,644
Knowles Foster Homes	160,340	6,496	166,836
Peter Herve Benevolent Institution	85,106	4,059	89,165
	<u>639,897</u>	<u>99,050</u>	<u>738,946</u>

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Accommodation 2020 £	Beneficiaries 2020 £	Knowles Foster Homes 2020 £	Peter Herve Benevolent In 2020 £
Wages and salaries	21,172	60,496	38,173	16,216
Grants	615	243,722	1,033	75,408
Regular payments	-	79,482	-	3,588
Property Costs	76,889	-	103,931	-
Legal and Professional	-	-	3,300	-
General administrative	797	638	1,286	42
	<u>99,473</u>	<u>384,338</u>	<u>147,723</u>	<u>95,254</u>
			Governance 2020 £	Total funds 2020 £
Wages and salaries			-	136,057
Grants			4,370	325,148
Regular payments			-	83,070
Property Costs			-	180,820
Legal and Professional			8,594	11,894
General administrative			-	2,763
			<u>12,964</u>	<u>739,752</u>

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Accommodat ion</i>	<i>Beneficiaries</i>	<i>Knowles Foster Homes</i>	<i>Peter Herve Benevolent In</i>
	<i>2019</i>	<i>2019</i>	<i>2019</i>	<i>2019</i>
	£	£	£	£
Wages and salaries	36,796	66,463	36,024	11,625
Grants	710	128,118	2,866	69,323
Regular payments	-	92,508	-	3,588
Property Costs	67,753	-	119,309	-
Legal and Professional	-	-	1,008	-
General administrative	1,751	352	1,133	570
	<u>107,010</u>	<u>287,441</u>	<u>160,340</u>	<u>85,106</u>
			<i>Governance</i>	<i>Total</i>
			<i>2019</i>	<i>funds</i>
			£	<i>2019</i>
				£
Wages and salaries			-	150,908
Grants			-	201,017
Regular payments			-	96,096
Property Costs			-	187,062
Legal and Professional			-	1,008
General administrative			-	3,806
			<u>-</u>	<u>639,897</u>

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Accommodation 2020 £	Beneficiaries 2020 £	Knowles Foster Homes 2020 £	Peter Herve Benevolent In 2020 £	Total funds 2020 £
Staff costs	1,304	3,679	2,332	1,117	8,432
Property Costs	238	1,189	475	357	2,259
General administrative	2,665	13,326	5,330	3,998	25,319
Governance costs	30,692	-	-	-	30,692
	<u>34,899</u>	<u>18,194</u>	<u>8,137</u>	<u>5,472</u>	<u>66,702</u>

	Accommodation 2019 £	Beneficiaries 2019 £	Knowles Foster Homes 2019 £	Peter Herve Benevolent In 2019 £	Total funds 2019 £
Wages and salaries	2,392	4,416	2,181	823	9,812
Property Costs	431	2,151	860	645	4,087
General administrative	1,726	8,636	3,455	2,591	16,408
Governance costs	68,743	-	-	-	68,743
	<u>73,292</u>	<u>15,203</u>	<u>6,496</u>	<u>4,059</u>	<u>99,050</u>

10. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	7,200	7,200
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	4,200	4,200
	<u>4,200</u>	<u>4,200</u>

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Staff costs

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Wages and salaries	173,141	<i>197,651</i>	132,636	<i>159,446</i>
	173,141	<i>197,651</i>	132,636	<i>159,446</i>

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

	Group 2020 No.	<i>Group 2019 No.</i>
Administration & Support	4	<i>4</i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020 No.	<i>Group 2019 No.</i>
In the band £70,001 - £80,000	1	<i>-</i>
In the band £80,001 - £90,000	-	<i>1</i>

The above employee has pension contributions of £5,685 (2019: £5,705).

Included within the above staff costs is an amount which relates to the key management personnel. The total amount of employee benefits (including employers pension contributions) received by key management personnel was £139,411 (2019: £167,605).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, expenses totalling £141 were reimbursed or paid directly to 2 Trustees (2019 - £1,064 to 6 Trustees).

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Tangible fixed assets

Group

Freehold
property
£

Cost or valuation

At 1 January 2020

2,079,375

At 31 December 2020

2,079,375

Depreciation

At 1 January 2020

909,375

At 31 December 2020

909,375

Net book value

At 31 December 2020

1,170,000

At 31 December 2019

1,170,000

Charity

Freehold
property
£

Cost or valuation

At 1 January 2020

2,079,375

At 31 December 2020

2,079,375

Depreciation

At 1 January 2020

909,375

At 31 December 2020

909,375

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Tangible fixed assets (continued)

Charity (continued)

	Freehold property £
Net book value	
At 31 December 2020	1,170,000
<i>At 31 December 2019</i>	<i>1,170,000</i>

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. Heritage assets

Group

Assets recognised at cost

	Heritage asset 1 2020 £	Total 2020 £
Cost at 1 January 2020 and 31 December 2020	359,513	359,513
At 31 December 2019	359,513	359,513

Included in Freehold Property is a heritage asset for The Tapestries which is held at cost less accumulated impairment. This has been reviewed for any signs of impairment, and it was concluded that an impairment charge was not necessary.

Post year-end The Tapestries were sold, however there was no contractual obligation for the sale at the year-end and therefore the heritage asset has been recorded at cost. The gain made on the sale, as detailed in note 25, will be recognised in future years.

Charity

Assets recognised at cost

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 January 2020	17,100,514
Additions	3,402,804
Disposals	(3,052,278)
Revaluations	210,139
Transfers between classes	37,745
At 31 December 2020	17,698,924
Net book value	
At 31 December 2020	17,698,924
<i>At 31 December 2019</i>	<i>17,100,514</i>

In addition to the above analysis, the gain on investments included in the Statement of Financial Activities includes unrealised gain on valuation of £247,088 (2019: £1,913,859 gain).

Charity	Listed investments £
Cost or valuation	
At 1 January 2020	17,100,514
Additions	3,402,804
Disposals	(3,052,278)
Revaluations	210,139
Transfers between classes	37,745
At 31 December 2020	17,698,924
Net book value	
At 31 December 2020	17,698,924
<i>At 31 December 2019</i>	<i>17,100,514</i>

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Material investments

	2020 £	2019 £
UK Equity	8,406,714	8,268,145
UK Fixed Interest	1,678,675	1,985,249
Overseas Equities	5,336,294	4,762,369
Overseas Fixed Equities	480,252	422,080
Alternatives	1,251,583	1,118,060
Cash held for investment purposes	369,378	331,633
M&G Investment	176,028	212,978
	<u>17,698,924</u>	<u>17,100,514</u>

Investments at cost

	2020 £	2019 £
Shares	12,825,562	11,581,629
Property	-	-
Cash	369,378	331,633
	<u>13,194,940</u>	<u>11,913,262</u>

16. Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Due within one year				
Other debtors- Rents	797	(2,318)	1,180	(1,178)
Prepayments and accrued income	6,774	6,197	6,774	6,197
	<u>7,571</u>	<u>3,879</u>	<u>7,954</u>	<u>5,019</u>

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Amounts owed to group undertakings	-	-	(254,392)	(297,405)
Other taxation and social security	3,973	3,936	3,973	3,936
Other creditors	46,922	31,261	28,645	20,990
	50,895	35,197	(221,774)	(272,479)

Deferred income, included within other creditors, at the year end is in relation to rental received in advance of the following month's fee.

18. Financial instruments

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	542,903	746,420	542,903	746,420

Financial assets measured at fair value through income and expenditure comprise of cash at bank.

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

19. Provisions

Group

	Lifetime Cost Provision £
At 1 January 2020	914,225
Amounts reversed	(732,470)
	<hr/> 181,755 <hr/> <hr/>

During the year no (2019: one) new beneficiaries approved for regular payments. 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.

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.

Subsequent to the year-end the Trustees confirmed that there is no contractual obligation to continue these payments and have therefore communicated with the individuals that the final payment will be made in December 2021 and not continued thereafter (see note 26 for further details).

Charity

	Lifetime Cost Provision £
At 1 January 2020	914,225
Amounts reversed	(732,470)
	<hr/> 181,755 <hr/> <hr/>

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds					
Designated funds					
Capital fund	13,154,979	-	732,470	129,057	14,016,506
General funds					
Income fund	948,484	1,072,153	(624,650)	-	1,395,987
Total Unrestricted funds	14,103,463	1,072,153	107,820	129,057	15,412,493
Endowment funds					
Endowment Funds - all funds	1,672,692	-	-	-	1,672,692
Restricted funds					
Knowles Foster Homes	50,697	191,625	(155,862)	-	86,460
Henderson Fund	212,978	8,593	(8,593)	(36,949)	176,029
Peter Herve Benevolent Institution	2,391,074	41,163	(100,725)	(132,925)	2,198,587
	2,654,749	241,381	(265,180)	(169,874)	2,461,076
Total of funds	18,430,904	1,313,534	(157,360)	(40,817)	19,546,261

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2019 £</i>
Unrestricted funds					
Designated funds					
Capital fund	11,497,937	-	(43,186)	1,700,227	13,154,978
General funds					
Income fund	713,613	798,008	(563,136)	-	948,485
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)	-	212,978
Peter Herve Benevolent Institution	2,210,239	16,798	(89,165)	-	2,391,074
	<u>2,394,711</u>	<u>243,129</u>	<u>(266,644)</u>	<u>-</u>	<u>2,654,749</u>
Total of funds	<u>16,278,953</u>	<u>1,041,137</u>	<u>(872,966)</u>	<u>1,700,227</u>	<u>18,430,904</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

20. **Statement of funds (continued)**

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 linked charity fund was originally set up in 1934 to provide homes and maintenance for poor gentlewomen at The Tapestries, Old Windsor. The Objects were amended in the 2009 Scheme to be the provision of housing or maintenance for people having insufficient income to live in reasonable comfort without financial support.

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.

21. **Summary of funds**

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. Summary of funds (continued)

Summary of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds	13,154,979	-	732,470	129,057	14,016,506
General funds	948,484	1,072,153	(624,650)	-	1,395,987
Endowment funds	1,672,692	-	-	-	1,672,692
Restricted funds	2,654,749	241,381	(265,180)	(169,874)	2,461,076
	<u>18,430,904</u>	<u>1,313,534</u>	<u>(157,360)</u>	<u>(40,817)</u>	<u>19,546,261</u>

Summary of funds - prior year

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2019 £</i>
Designated funds	11,497,937	-	(43,186)	1,700,227	13,154,978
General funds	713,613	798,008	(563,136)	-	948,485
Endowment funds	1,672,692	-	-	-	1,672,692
Restricted funds	2,394,711	243,129	(266,644)	-	2,654,749
	<u>16,278,953</u>	<u>1,041,137</u>	<u>(872,966)</u>	<u>1,700,227</u>	<u>18,430,904</u>

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	732,692	349,398	87,910	1,170,000
Fixed asset investments	940,000	2,317,321	14,441,603	17,698,924
Heritage assets	-	-	359,513	359,513
Current assets	-	6,774	543,700	550,474
Creditors due within one year	-	(18,276)	(32,618)	(50,894)
Provisions for liabilities and charges	-	-	(181,755)	(181,755)
Inter charity loan	-	(194,141)	194,140	1
Total	1,672,692	2,461,076	15,412,493	19,546,261

Analysis of net assets between funds - prior period

	<i>Endowment funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	732,692	349,398	87,910	<i>1,170,000</i>
Fixed asset investments	940,000	2,631,521	13,528,993	<i>17,100,514</i>
Heritage assets	-	-	359,513	<i>359,513</i>
Current assets	(2,318)	6,198	746,419	<i>750,299</i>
Creditors due within one year	2,318	(10,271)	(27,244)	<i>(35,197)</i>
Inter charity loan	-	(322,097)	322,097	<i>-</i>
Provision for liabilities and charges	-	-	(914,225)	<i>(914,225)</i>
Total	1,672,692	2,654,749	14,103,463	18,430,904

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 2020

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

	Group 2020 £	<i>Group 2019 £</i>
Net income for the period (as per Statement of Financial Activities)	1,115,357	2,151,951
Adjustments for:		
Losses on investments	(210,139)	<i>(1,983,780)</i>
Dividends, interests and rents from investments	(1,018,589)	<i>(548,820)</i>
Decrease/(increase) in debtors	(3,692)	62
Increase in creditors	15,698	2,800
Movement in provisions	(732,470)	43,185
Net cash used in operating activities	<u>(833,835)</u>	<i><u>(334,602)</u></i>

24. Analysis of cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>
Cash in hand	912,281	1,078,053
Total cash and cash equivalents	<u>912,281</u>	<i><u>1,078,053</u></i>

25. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	746,420	(203,517)	542,903
	<u>746,420</u>	<u>(203,517)</u>	<u>542,903</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

26. Post balance sheet events

The Tapestries were held as a heritage asset as at 31 December 2020 at a value of £359,513, with no contractual obligation for sale. However, post year-end they were sold for £4,450,000. Within the accounts (note 14), The Tapestries are held at cost less accumulated impairment in line with FRS102. The gain on sale of the asset will be recognised within 2021 in line with the contractual obligation. This constitutes a non-adjusting post balance sheet event.

Included within note 19 is a provision for regular payments to elderly individuals over their remaining lifetime. Subsequent to the year-end the Trustees confirmed that there is no contractual obligation to continue these payments and have therefore communicated with the individuals that the final payment will be made in December 2021 and not continued thereafter. There are 10 people who have contacted the charity to explain that the withdrawal of the regular payment will cause them severe hardship. The charity is considering how to support them in the future. As a result, the provision has been reduced to allow for the continued support of the 10 people, as well as the final year of payments for the other people within the scheme.