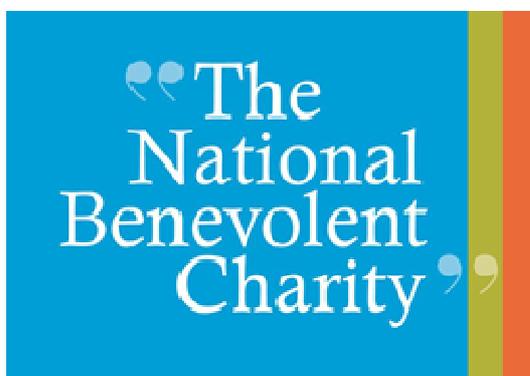

THE NATIONAL BENEVOLENT CHARITY



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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 2014

Trustees

Air Cdre David N Adams, Chairman of the Welfare Committee
Mr Michael Anthony (resigned 19 January 2015)
Mr F John Baker, Chairman of the Audit Committee
Mr Christopher C Bell, Chairman of the Committee of Management (from 11 March 2015)
Miss Joanna M Bradley
Mr Andrew Crawford
Mr David S P McEuen, Chairman of the Committee of Management (to 11 March 2015)
Ms Fran Mahon (resigned 1 September 2014)
Mr J Christopher Whitaker, Chairman of the Investment Committee
Mrs Elizabeth Sandeman (formerly Ms Elizabeth Robin) (appointed 19 March 2014)

Registered Charity 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

President

The Baroness Morris of Bolton OBE

Vice Presidents

Dr Elisabeth Beverley
Mr R P Gent
Mr W P Halliday MBE

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 2014**

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
W1J 5FB

M&G Investments
Laurence Pountney Hill
London
EC4R 0HH

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Trustees present their Annual Report together with the audited Financial Statements of The National Benevolent Charity (the Charity) for the year ended 31 December 2014. The Trustees confirm that the Annual Report and Financial Statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

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 Royal Charter number is RC000364.

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

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Royal Charter and the Bye-laws.

Mr Baker (first appointed 7th December 2006) was re-elected as a Member of the Management Committee 12th September 2012 and will offer himself for re-election at the Annual General Meeting. Mr McEuen (first appointed 6th June 1972), Miss Bradley (first appointed 9th March 2004) and Air Cdre Adams (first appointed 11th May 2004) were re-elected as Members of the Committee of Management on 9th September 2013. Mr Crawford (first appointed 6th September 2005), Mr Whitaker (first appointed 5th January 2006) and Mr Bell (first appointed 21st September 2006) were re-elected as Members of the Committee of Management on 11th September 2014.

During the year, Ms Mahon resigned as a Member of the Committee of Management because of ill health. The Trustees record their sincere thanks to Ms Mahon for her contribution to the Charity's affairs and wish her well.

Under the Royal Charter, the Trustees must be elected from amongst the members of the Charity and they must number no less than six and no more than twenty. The Committee of Management has the power to co-opt additional members during the year and must do so if the number falls to below six. Using this power to co-opt, the Committee of Management appointed Ms Elizabeth Robin, now Mrs Elizabeth Sandeman, to the Committee on 19th March 2014. Mrs Sandeman was subsequently elected as a Member of the Committee of Management at the Annual General Meeting on 11th September 2014.

Mr Michael Anthony was elected as a Member of the Committee of Management at the Annual General Meeting on 11th September 2014. Subsequent advice from Randall & Payne LLP was that his continuing consultancy work with the firm could be deemed by the Institute of Chartered Accountants in England and Wales as presenting a conflict of interest, and consequently Mr Anthony resigned from the office on 19th January 2015.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

c. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Committee of Management, which met four times during 2014, is responsible for the strategic direction and policy of the charity.

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

During 2014, the Investment Committee met on four occasions, the Welfare Committee met seven times and the Audit Committee met once. Meetings of the Welfare Committee are sometimes 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.

At the end of the year, Mrs Jayne West left the Charity's employment after 9 years of service. The Trustees record their thanks to Mrs West for her work for the Charity and welcome her successor, Ms Jane Weaver.

d. SUBSIDIARY CHARITY

The Knowles Foster Homes is a subsidiary charity of the Charity and owns the housing accommodation known as The Tapestries.

e. RESTRICTED FUND

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 fund will be used to make financial payments to people who meet the criteria.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

f. LAND AND PROPERTY

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

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

The Committee of Management, on the advice of the Welfare Committee, has agreed general criteria for regular and single 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 by their own efforts or means. To qualify for housing accommodation, applicants will usually be retired or near to retirement and of limited means. All applicants for assistance must have been resident within the UK for the preceding 12 months.

The evolution of the welfare state and the provision of state-funded benefits have relieved the absolute poverty that existed in past times. Nevertheless, relative poverty remains a continuing social evil endured by many people who cannot work because of age, illness, disability or some other circumstance. The government's programme of reform is having a significant impact on welfare and is being closely monitored by the Charity.

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 some limited support is available at Tetbury and Old Windsor for residents who need occasional help.

The Charity also owns the freehold of the Priory in Tetbury and the surrounding land on which Peter Hervé House and Lenox House stand. The Priory is a grade II listed building leased to Somerset Care Ltd for use as a nursing home.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

ACHIEVEMENTS AND PERFORMANCE

a. REVIEW OF ACTIVITIES

Benevolence

At the end of the year there were 171 beneficiaries (2013: 185) in receipt of regular payments of which 156 (2013: 147) were single people and the remainder couples. The amount of the regular payments for those also in receipt of the state retirement pension was increased to £17.00 per week for a single person, and up to £22.50 per week for a couple. For those who are not in receipt of the state retirement pension the rates were increased to £22.50 for a single person and up to £28.00 for a couple. However, the Welfare Committee has the authority to vary these rates in exceptional cases.

13 new beneficiaries received regular payments. Most were for varying periods of between 12 months to 36 months, but they can be extended following review. This was in accordance with the policy decided in 2011 to move towards providing regular payments for a limited period only, usually twelve or 24 months, in order to assist people through periods of particular hardship.

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

Single payments are made to meet urgent needs, including the purchase of much needed electrical equipment such as refrigerators and cookers, the repair of heating systems and leaking roofs, and help to acquire special disability equipment. The number of applications for single payments that were approved was 142 (2013: 135), and the aggregate amount of these payments, together with additional Christmas payments to regular beneficiaries, increased from £60,832 to £78,777.

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

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

Accommodation

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

The apartments are let mainly to people on low incomes. Many residents are in receipt of income based state benefits, including housing benefit. The Trustees approach the fixing of rents and management and maintenance charges with flexibility in order to ensure that these are within the residents' means, particularly with reference to the maximum levels of housing benefit payable. These rents and management and maintenance charges were reviewed during the year. In Tetbury this led to most rents and charges remaining unchanged. In Old Windsor, rents and charges were increased by, on average, 10% and a number of anomalies were corrected.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

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

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

Vacancies in the residential accommodation are filled following local and national press advertising, and nominations are invited from other charities, societies and housing associations. All prospective residents complete a standard application form, and the Trustees endeavour to maintain a mixed and happy community. The occupancy rate was greater than 90% throughout most of the year.

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

Information and Publicity

The Charity advertised its work in a number of journals, such as Retirement Today and The Oldie and on the websites Charity Choice, Turn2Us and several others operated by advice services.

The Charity's own website was maintained and kept up to date for applicants for benevolence and housing and for the general public.

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

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.

FINANCIAL REVIEW

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Total incoming resources decreased by £120,070 to £740,643. Included as part of last year's other incoming resources was the proceeds received as a result of the sale of Margaret Cottages, which accounts for the majority of the movement this year. Legacy income, which is quite unpredictable, was £200 compared with £676 in the previous year. Investment income increased by £25,631 to £385,216 and rental income from the accommodation in Tetbury and at the Tapestries increased by £22,185 to £247,583.

Total resources expended, excluding the movement in the provision for regular payments was £776,888 a decrease of £27,449 over the previous year. Charitable expenditure increased by £104,099 to £576,908. Expenditure on governance increased by £10,765 to £38,773.

Net incoming resources amounted to £5,804 and after taking account of unrealised losses on investments of £91,985, total funds decreased to £12,309,141.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

b. PRIORY NURSING HOME

The Charity continued to maintain to a high standard the Priory in Tetbury and the adjacent grounds. The Priory, a listed building, is leased to Somerset Care Ltd for the purpose of operating a nursing home for the elderly and infirm. Under the terms of the lease a rent review, scheduled for the 30th April 2010, was completed in November 2011, and the rental was increased to £80,000 per annum, with annual inflationary increases of not less than 1% and not more than 3%. On 30th April 2014 the annual rental was increased to £88,765. The next market rent review is scheduled to take place on 30th April 2015.

c. 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 £100,000. This provides sufficient funds to cover management, administration and payments to beneficiaries. The current level of unrestricted general funds, excluding the inter-charity loan and fixed assets is £97,212.

d. GRANT MAKING POLICY

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

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

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. Further details can be found in the notes to the financial statements.

At the moment grants are payable only to individuals and not to institutions.

e. INVESTMENT 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 sustain a level of withdrawals set by the Investment Committee. Reports on performance are prepared quarterly and are reviewed by the Committee. The investment manager attends at least one meeting of the Investment Committee each year.

The performance of the fund for 2014, measured on a total return basis, was growth of 2.6% (2013: 19.8%) compared with the composite benchmark index growth of 5.9% (2013: 13.2%).

f. RELATED PARTY RELATIONSHIPS

The Knowles Foster Homes (which owns the Tapestries) is a subsidiary charity of the Charity.

Related parties include all the members of the Committee of Management. There have been no transactions with related parties during the year apart from expenses which have been reimbursed to Trustees (see notes to financial statements for details).

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

g. 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.

PLANS FOR THE FUTURE

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 the continuous expansion of the benevolence programme and further improvements to the residential accommodation, particularly at the Tapestries.

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.

AUDITORS

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

TRUSTEES' RESPONSIBILITIES STATEMENT

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The 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.

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

Mr Christopher C Bell, Chairman (from 11 March 2015)

THE NATIONAL BENEVOLENT CHARITY

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

We have audited the financial statements of The National Benevolent Charity for the year ended 31 December 2014 set out on pages 13 to 27. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

We have been appointed as auditors under section 145 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2014 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

THE NATIONAL BENEVOLENT CHARITY

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Randall & Payne LLP - Statutory Auditor

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Date:

THE NATIONAL BENEVOLENT CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2014

	Unrestricted funds 2014 £	Restricted funds 2014 £	Endowment funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Note					
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	16,984	-	-	16,984	15,469
Investment income	464,732	8,528	-	473,260	442,141
Incoming resources from charitable activities	68,525	179,058	-	247,583	225,458
Other incoming resources	2,816	-	-	2,816	177,645
TOTAL INCOMING RESOURCES	553,057	187,586	-	740,643	860,713
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	119,158	-	-	119,158	135,720
Charitable activities	316,049	260,859	-	576,908	472,809
Governance costs	38,773	-	-	38,773	28,008
TOTAL RESOURCES EXPENDED	473,980	260,859	-	734,839	636,537
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS	79,077	(73,273)	-	5,804	224,176

THE NATIONAL BENEVOLENT CHARITY

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Endowment funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Transfers between Funds	15	(73,273)	73,273	-	-	-
NET INCOMING RESOURCES BEFORE INVESTMENT ASSET DISPOSALS		5,804	-	-	5,804	<i>224,176</i>
Gains and losses on investment assets	11	(90,427)	(1,558)	-	(91,985)	<i>1,517,762</i>
NET INCOMING RESOURCES / (RESOURCES EXPENDED) FOR THE YEAR		(84,623)	(1,558)	-	(86,181)	<i>1,741,938</i>
NET MOVEMENT IN FUNDS FOR THE YEAR		(84,623)	(1,558)	-	(86,181)	<i>1,741,938</i>
<i>Total funds at 1 January 2014</i>		<i>10,536,630</i>	<i>186,000</i>	<i>1,672,692</i>	<i>12,395,322</i>	<i>10,653,384</i>
TOTAL FUNDS AT 31 DECEMBER 2014		<u>10,452,007</u>	<u>184,442</u>	<u>1,672,692</u>	<u>12,309,141</u>	<i><u>12,395,322</u></i>

The notes on pages 16 to 27 form part of these financial statements.

A Statement of total gains and losses is not required as all gains and losses are included in the Statement of Financial Activities.

THE NATIONAL BENEVOLENT CHARITY

**BALANCE SHEET
AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
Tangible assets	9		1,530,465		1,530,783
Investment property	10		940,000		940,000
Investments	11		<u>11,244,312</u>		<u>11,167,135</u>
			13,714,777		13,637,918
Debtors	12	32,317		30,521	
Cash at bank and in hand			<u>119,935</u>		<u>307,636</u>
			152,252		338,157
CREDITORS: amounts falling due within one year	14		<u>(52,866)</u>		<u>(33,682)</u>
NET CURRENT ASSETS			<u>99,386</u>		<u>304,475</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			13,814,163		13,942,393
PROVISIONS FOR LIABILITIES					
Provision for regular payments			<u>(1,505,022)</u>		<u>(1,547,071)</u>
NET ASSETS			<u>12,309,141</u>		<u>12,395,322</u>
CHARITY FUNDS					
Endowment funds	16		1,672,692		1,672,692
Restricted funds	16		184,442		186,000
Unrestricted funds	16		<u>10,452,007</u>		<u>10,536,630</u>
TOTAL FUNDS			<u>12,309,141</u>		<u>12,395,322</u>

The financial statements were approved by the Trustees on

and signed on their behalf, by:

Mr Christopher C Bell, Chairman (from 11 March 2015)

The notes on pages 16 to 27 form part of these financial statements

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Charities Act 2011. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005 and applicable accounting standards.

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.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. Legacies are accounted for at the time of receipt of the gift or once there is a reasonable certainty of the actual receipt, if sooner.

1.4 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Costs of generating funds comprise the costs associated with attracting voluntary income and other income.

Charitable activities comprise those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the 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.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The accounts have been prepared using the 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 £250 are in most cases not capitalised.

No depreciation is provided on freehold buildings. It is the Charity's practice to maintain these assets in a 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.

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

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

1.7 Investments

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

1.8 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 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 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 the financial year.

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014**

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 an individual's life expectancy published in the Office of National Statistics 2011-2013 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.

1.9 Operating leases

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

2. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Endowment funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Rental Income	88,044	-	-	88,044	82,556
Dividends	317,857	8,528	-	326,385	301,543
Interest	58,831	-	-	58,831	58,042
	<u>464,732</u>	<u>8,528</u>	<u>-</u>	<u>473,260</u>	<u>442,141</u>

3. COSTS OF GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Endowment funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Publicity	4,255	-	-	4,255	3,699
Portfolio management fees	52,904	-	-	52,904	51,695
Property costs	23,195	-	-	23,195	41,836
Staff costs	32,543	-	-	32,543	31,614
Support costs	6,261	-	-	6,261	6,876
	<u>119,158</u>	<u>-</u>	<u>-</u>	<u>119,158</u>	<u>135,720</u>

4. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Endowment funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Legal & professional	16,516	-	-	16,516	10,505
General administrative expenses	6,872	-	-	6,872	2,782
Support costs	1,857	-	-	1,857	1,570
Staff costs	13,528	-	-	13,528	13,151
	<u>38,773</u>	<u>-</u>	<u>-</u>	<u>38,773</u>	<u>28,008</u>

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014**

5. CHARITABLE ACTIVITIES

	Accommodation £	Beneficiaries £	Knowles Foster Homes £	Total 2014 £	Total 2013 £
Grants	1,367	74,982	2,428	78,777	60,832
Regular payments	-	146,505	-	146,505	144,000
Property costs	58,252	-	180,227	238,479	230,189
Legal and professional	12	-	9,606	9,618	9,639
General administrative	1,284	-	1,418	2,702	3,727
Movement in provision for Regular payments	-	(42,049)	-	(42,049)	(112,902)
Staff costs	22,694	34,220	36,208	93,122	90,608
Support costs	14,556	24,522	10,676	49,754	46,716
	<u>98,165</u>	<u>238,180</u>	<u>240,563</u>	<u>576,908</u>	<u>472,809</u>

6. SUPPORT COSTS

	Nursing Home £	Governance £	Accommodation £	Beneficiaries £
Property costs	431	252	755	1,006
Legal and professional	-	-	-	-
General administrative	1,605	1,605	4,812	6,418
Staff costs	4,225	-	8,989	17,098
	<u>6,261</u>	<u>1,857</u>	<u>14,556</u>	<u>24,522</u>

	Knowles Foster Homes £	Total 2014 £	Total 2013 £
Property costs	252	2,696	1,826
Legal and professional	-	-	1,200
General administrative	1,605	16,045	14,109
Staff costs	8,819	39,131	38,027
	<u>10,676</u>	<u>57,872</u>	<u>55,162</u>

Allocation of support costs:

Salaries and pension costs are apportioned based on staff time.

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

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

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014**

7. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	318	424
Auditors' remuneration	8,670	7,005
Auditors' remuneration - non-audit	4,800	4,800
Trustees' indemnity insurance	<u>2,868</u>	<u>1,419</u>

3 Trustees received reimbursement of expenses amounting to £716 in the current year (2013 - £378).

During the year, no Trustees received any remuneration (2013: - £nil)

8. STAFF COSTS

Staff costs were as follows:

	2014	2013
	£	£
Wages and salaries	<u>178,324</u>	<u>173,400</u>

The average monthly number of employees during the year was as follows:

	2014	2013
	No.	No.
Administration & Support	<u>4</u>	<u>4</u>

The number of higher paid employees was:

	2014	2013
	No.	No.
In the band £80,001 - £90,000	<u>1</u>	<u>1</u>

Analysis of wages and salaries

	2014	2013
	£	£
Gross salaries	154,985	150,712
Social Security	16,980	16,505
Pension	6,359	6,183
Total	<u>178,324</u>	<u>173,400</u>

The above employee has pension contributions included in the band above of £6,183.

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014**

9. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2014 and 31 December 2014	<u>2,438,888</u>	<u>26,134</u>	<u>10,298</u>	<u>2,475,320</u>
Depreciation				
At 1 January 2014	909,375	24,864	10,298	944,537
Charge for the year	<u>-</u>	<u>318</u>	<u>-</u>	<u>318</u>
At 31 December 2014	<u>909,375</u>	<u>25,182</u>	<u>10,298</u>	<u>944,855</u>
Net book value				
At 31 December 2014	<u>1,529,513</u>	<u>952</u>	<u>-</u>	<u>1,530,465</u>
At 31 December 2013	<u>1,529,513</u>	<u>1,270</u>	<u>-</u>	<u>1,530,783</u>

In March 2008 the Trustees engaged an independent firm of Chartered Surveyors to carry out an evaluation of the 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. The Trustees have not adopted a policy of revaluation.

10. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	<u>940,000</u>

At 1 January 2014 and 31 December 2014

The 2014 valuations were made by the Trustees, on an open market value for existing use basis.

The Priory Nursing Home is an investment asset. The property specifically associated with the Priory Nursing Home is therefore recognised under fixed asset investments.

11. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 1 January 2014	11,167,135
Additions	1,568,357
Disposals	(1,065,296)
Revaluations	(45,569)
Cash movement	<u>(380,315)</u>
At 31 December 2014	<u>11,244,312</u>

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014**

Valuation

In addition to the above analysis, the loss on investments included in the Statement of Financial Activities includes a loss on disposal of £46,416 (2013: loss of £58,201)

Material investments

	31 December 2014	<i>31 December 2013</i>
	£	£
UK Equity	6,558,032	6,651,580
UK Fixed Interest	1,569,444	1,523,584
Overseas Equities	2,428,856	2,130,354
Overseas Fixed Equities	157,452	135,216
Cash held for investment purposes	346,086	726,401
M&G Investment	184,442	-

Listed Securities Sub-Total

	11,244,312	<i>11,167,135</i>
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Property Investment

	940,000	<i>940,000</i>
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	12,184,312	<i>12,107,135</i>
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Investments at cost

	2014	2013
	£	£
Shares	7,769,264	6,983,684
Property	2,028,679	2,028,679
Total	9,797,943	<i>9,012,363</i>

12. DEBTORS

	2014	2013
	£	£
Other debtors	1,220	1,606
Prepayments and accrued income	31,097	28,915
	32,317	<i>30,521</i>

13. CREDITORS:

Amounts falling due within one year

	2014	2013
	£	£
Other taxation and social security	4,961	4,867
Trade creditors	15,735	10,030
Accruals	30,490	18,785
Other creditors	1,680	-
	52,866	<i>33,682</i>

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

14. ANALYSIS OF PROVISION

	2014	2013
	£	£
Commitments at 1 January 2014	1,547,071	1,659,973
New commitments	196,173	68,755
Ceased commitments	(133,343)	(178,823)
Release of provision	(104,879)	(2,834)
Commitment payable as at 31 December 2014	<u>1,505,022</u>	<u>1,547,071</u>

The provision can be broken down as follows:

	2014	2013
	£	£
Due within one year	134,334	130,970
Due in greater than one year	1,370,688	1,416,101
	<u>1,505,022</u>	<u>1,547,071</u>

Whilst the Charity retains the right to cease payments to beneficiaries at any time, the Trustees also recognise that individuals' circumstances generally do not change significantly from one year to the next. Accordingly once they have met the financial criteria for an award it is likely that the beneficiary will continue to qualify for a number of years or the fixed period agreed. The Trustees therefore believe it prudent to recognise a provision for future payments to beneficiaries, although there is no legal obligation to continue with the payments. The National Statistics tables have been used to estimate the life expectancy of the beneficiaries.

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

15. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Capital fund	<u>10,057,370</u>	-	<u>42,049</u>	<u>(16,838)</u>	<u>(90,427)</u>	<u>9,992,154</u>
General funds						
Income fund	<u>479,260</u>	<u>553,057</u>	<u>(516,029)</u>	<u>(56,435)</u>	-	<u>459,853</u>
Total Unrestricted funds	<u>10,536,630</u>	<u>553,057</u>	<u>(473,980)</u>	<u>(73,273)</u>	<u>(90,427)</u>	<u>10,452,007</u>
Endowment funds						
Endowment Funds - all funds	<u>1,672,692</u>	-	-	-	-	<u>1,672,692</u>
Restricted funds						
Knowles Foster Homes	-	179,058	(240,563)	61,505	-	-
Henderson Fund	186,000	8,528	(20,296)	11,768	(1,558)	184,442
	<u>186,000</u>	<u>187,586</u>	<u>(260,859)</u>	<u>73,273</u>	<u>(1,558)</u>	<u>184,442</u>
Total of funds	<u>12,395,322</u>	<u>740,643</u>	<u>(734,839)</u>	<u>-</u>	<u>(91,985)</u>	<u>12,309,141</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	10,057,370	-	42,049	(16,838)	(90,427)	9,992,154
General funds	479,260	553,057	(516,029)	(56,435)	-	459,853
	<u>10,536,630</u>	<u>553,057</u>	<u>(473,980)</u>	<u>(73,273)</u>	<u>(90,427)</u>	<u>10,452,007</u>
Endowment funds	1,672,692	-	-	-	-	1,672,692
Restricted funds	186,000	187,586	(260,859)	73,273	(1,558)	184,442
	<u>12,395,322</u>	<u>740,643</u>	<u>(734,839)</u>	<u>-</u>	<u>(91,985)</u>	<u>12,309,141</u>

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

Permanent endowment funds

Endowed Legacies fund:

Bye-Law 31 which was abolished in 2005 which 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 Fund was set up in 1934 to provide homes and maintenance for poor gentlewomen at The Tapestries, Old Windsor.

The Henderson fund:

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

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

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

Designated funds

Capital fund:

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

Transfers

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

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Endowment funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Tangible fixed assets	438,112	359,661	732,692	1,530,465	1,530,783
Fixed asset investments	11,059,870	184,442	-	11,244,312	11,167,135
Investment property	-	-	940,000	940,000	940,000
Inter Charity Loan	361,835	(361,835)	-	-	-
Current assets	124,293	27,959	-	336,694	338,157
Creditors due within one year	(27,081)	(25,785)	-	(52,866)	(33,682)
Provisions for liabilities and charges	(1,505,022)	-	-	(1,505,022)	(1,547,071)
	<u>10,452,007</u>	<u>184,442</u>	<u>1,672,692</u>	<u>12,309,141</u>	<u>12,395,322</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.

17. BREAKDOWN OF UNRESTRICTED FUNDS

	Unrestricted General £	Unrestricted Designated £
Tangible fixed assets	806	437,306
Fixed asset investments	-	11,059,870
Inter Charity Loan	361,835	-
Current assets	124,293	-
Creditors due within one year	(27,081)	-
Provisions for liabilities and charges	-	(1,505,022)
Total	<u>459,853</u>	<u>9,992,154</u>

18. CONTROLLING PARTY

The Charity is controlled by the Committee of Management.