
THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

Trustees

Air Cdre David Adams (resigned 30 June 2021)
Mr Christopher Bell, (Chairman of the Committee of Management)
Mr Richard Bromilow
Mrs Joanna Chambers (resigned 30 June 2021)
Mr Geoffrey Clements
Mr Andrew Crawford (resigned 30 June 2021)
Mrs Victoria Daniell
Mr David McEuen (resigned 30 June 2021)
Mr James Golob
The Revd John Hunnisett
Mr Grahame Nicholson

Charity registered number

212450

Principal office

Peter Hervé House
Eccles Court
Tetbury
Gloucestershire
GL8 8EH

Patron

His Royal Highness The Prince of Wales

Chief Executive

Ali Russell

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 2021

Bankers

HSBC Bank plc
The Cross
Gloucester
Gloucestershire
GL1 2AP

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

Investment Managers

Rathbones
8 Finsbury Circus
London
EC2M 7AZ

M&G Investments
10 Fenchurch Avenue
London
EC3M 5AG

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the audited financial statements of The National Benevolent Charity for the 1 January 2021 to 31 December 2021.

Overview of the year ending 31 December 2021

The Charity's mission is to provide financial support to people experiencing poverty to help them in a time of crisis. It achieves this by providing grants to individuals experiencing hardship and by supporting organisations whose aim is to alleviate poverty.

The last decade has seen a steady rise in poverty. The Joseph Rowntree Foundation's latest data shows a big increase in destitution with more than a million households (containing 2.4 million people, including 550,000 children) experiencing destitution in 2019, a rise of 35% since 2017.

The Trustees are conscious that the grants the Charity provides are never more needed and during 2021 they made several strategic changes in support of the mission and to lay the foundations for future growth in grant making.

The first of these changes was to finalise the sale of The Tapestries property, the sole asset of linked Charity, The Knowles Foster Homes.

The Trustees had decided to sell The Tapestries in 2020, due to the rising costs of maintaining the property and a desire to focus on grant making. The property was marketed with a national estate agent from September 2020 and following a closed bidding process was sold in February 2021 to Rural Portfolio Limited, part of the William Pears Group for £4,450,000 which, after costs, netted the Charity £3,947,519. The funds were invested in a restricted account.

After selling The Tapestries, The Trustees decided to simplify the investments and minimise the administration costs and therefore made a Cy Pres application to the Charity Commission for permission to merge the investment accounts of The Knowles Foster Homes and the Bristol funds (formerly the Peter Hervé Benevolent Fund) with the National Benevolent Charity funds and to remove The Knowles Foster Homes from Charity Commission Register of Charities. However, during the application process, it was found that Royal Charter and Bye Laws needed to be updated. These were subsequently approved by the Privy Council on 16th February 2022. The Cy Pres application was resumed and on 20th of April 2022, Trustees were notified by the Charity Commission that the application had been approved.

In March, Trustees agreed to cease the programme of giving regular payments to the remaining regular beneficiaries. This was intended to make more equitable use of Charity funds by releasing them for the individual grants programme and reducing the Charity's long-term liability. It was also felt to be more in line with the policy of supporting people at a time of financial crisis. Regular beneficiaries were given due notice and the final payments made in December 2021.

In July, the Charity launched its new logo and website, and a new Improving Lives grants programme aimed at organisations alleviating poverty in Swindon and Wiltshire, subsequently £50,000 of grants were awarded.

In October, Trustees visited Caring in Bristol and Fare Share Southwest to hear first-hand about their work throughout the pandemic.

In June the Charity bade a fond farewell to four retiring Trustees David McEuen, former Chairman, and the longest serving trustee, giving 49 years of service, overseeing the move of the Charity from London to Tetbury and the Charity's investments, Jo Chambers, a trustee for 17 years and valued member of the Investment Committee, David Adams, Chairman of the Welfare Committee, and a trustee for 16 years and finally Andrew Crawford, trustee, and welfare committee member for 16 years.

Christopher Bell, Chairman who had been a Trustee for 15 years and Chairman for 6 years, steering the Charity through the sale of The Priory and The Tapestries also ended his term of office at the end of the year and

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

handed over the Chairmanship to James Golob. Trustees extended their thanks and gratitude to Christopher and all retiring Trustees for their commitment to the Charity.

The staff team also welcomed Vicky Oram-Ohern in January as Organisation Grants Manager, to help set the tone, direction and policy of the Charity's grant making to organisations and Jane Weaver took on the management of the Individual Grants programme in addition to managing the property in Tetbury.

The Charity's balance sheet at the end of the year was a healthy £26,562,807 compared with £19,459,799 the previous year, due to the sale of the Tapestries, investment gains and reduced liabilities with the end of the regular beneficiary's programme.

These changes will enable the Charity to grow its grant making activity through 2022 and beyond.

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 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.

Amendments to modernise the Royal Charter and remove the upper age qualification were approved on 16th February 2022.

The Charity is also governed by its Bye Laws, first adopted by the Charity 10th September 2009 and modernised and amended to remove the upper age qualification and to allow for general meetings via electronic means on 16th Feb 2022.

The National Benevolent Charity is a registered charity, number 212450, and is constituted under a Royal Charter, number RC000364.

b. Methods of appointment or election of Trustees

The Trustees of the Charity are the Board of Trustees.

The General Meeting may make appointments to the Board as detailed in Byelaws 12 and 13. Each Trustee shall be elected for a three-year term, and such term will expire at the end of the third Annual General Meeting following the Annual General Meeting at which they are elected. At the end of each term, a Trustee may be re-elected for up to two further terms of office of three years.

There shall be a Board of Trustees, consisting of not more than twelve and not less than four Members qualified in law to act as Trustees to direct and manage the affairs and concerns of the Charity.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The Board of Trustees is responsible for the strategic direction and policy of the Charity. They met eight times during 2021.

The work of the Board of Trustees is supported by the Finance and Investment Committee and the Welfare Committee. Both committees are governed by Terms of Reference.

The Welfare Committee met four times in the year. They are responsible for welfare strategy and individual and organisation grant making. They receive a monthly report on the individual grants programme and make collective decisions on exceptional applications. Decisions regarding grants to organisations are made during the regular grants panel.

The Finance and Investment Committee is responsible for financial reporting and oversight of the Charity investments. They met five times in the year including one meeting with the Charity Investment Managers.

The Charity employs four staff. Ali Russell, Chief Executive, Dawn Swirczek, Office Manager, Jane Weaver Individual Grants and Property Manager and Vicky Oram-Ohern, Organisation Grants Manager.

d. Related party relationships

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

e. Risk management

Risks are kept under review and were re-assessed during the year. The Trustees believe that the two greatest risks to the Charity are: 1) That there is a significant fall in investment income which will affect the funds that can be distributed to beneficiaries and 2) That there is a breach of trust, Charity law, or other legislation such as employment, housing, or data protection. The Trustees are satisfied that systems are in place to mitigate these risks or their effects.

f. Subsidiary charities

The Knowles Foster Homes is a linked Charity and is governed by its own Charity objects, but The Trustees are the same as those of the National Benevolent Charity. The Cy Pres application made in 2021 and subsequently approved in April 2022 was intended to merge The Knowles Foster Homes and its investments with the National Benevolent Charity and remove it from the Charity Commission Register of Charities.

g. Restricted funds

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

The Peter Hervé Benevolent Fund merged with the Charity in December 2018 and the funds invested in a separate account. The Charity no longer appears in the Charity commission register. Trustees have decided to designate the funds for use in Bristol but constitutionally they may be used anywhere in the UK.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

h. Land and property

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

Objectives and activities

a. Policies and objectives

The objects of the Charity are for the relief of qualifying persons who need assistance by reason of old age, infirmity, sickness, or economic circumstances.

b. Strategies for achieving objectives

In 2021 the Charity gave financial help in the form of individual grants, regular payments, grants to organisations and the provision of subsidised housing. All grants are made following the policy and guidelines approved by the board of trustees and the Charity's governing documents.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

Individual Grants

The Charity awarded individual welfare grants to meet crisis costs, including food and clothing, furniture, domestic appliances, minor repairs, utility bills and training or work tools. In exceptional circumstances grants were also awarded for bankruptcy and debt relief orders, flooring, disability aids, minor home or garden improvements and rent arrears or debts. Applicants were over 18 years old, had UK citizenship or had been granted leave to remain and had lived in the UK for twelve months.

Individual grants applicants 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 and are requested to provide bank statements, medical reports, and details of a professional referrer.

Individual grants are promoted on the website and applicants are encouraged to apply online. Successful applicants may receive up to maximum of £750.

In 2021 the Charity received 905 applications for individual grants and made 447 awards (2020: 528 awards). The average value of the award was £357.00 (2020 £309.00). This included 142 appliances such as a fridge, freezer, washing machine or cooker, 108 grants for household goods including beds and bedding 106 vouchers for food and clothing and the remainder for "other items" such as bankruptcy orders, flooring, and baby equipment.

The total value of individual grants was £159,736, a decrease of £45,388 on the previous year. This was in part due to Charity grantmaking staff being occupied with the sale of the Tapestries at the beginning of the year which reduced the time available to process grants.

Regular payments

Since its inception the Charity has made regular payments to beneficiaries. However, as the need for individual grants has grown, the Charity has been phasing them out and in early 2021 Trustees decided that payments should end completely by the end of the year. The Charity, therefore, wrote to all sixty-eight beneficiaries to inform them that their payments would cease and encouraged them to contact the Charity if the withdrawal of the regular payment was going to cause them hardship and to ask that their case be reviewed. As a result, eight regular beneficiaries' cases were reviewed. Of these, it was agreed that only one merited being retained as regular beneficiary. The remainder ceased in December 21. However, a further three had significant loans and credit cards paid off and all beneficiaries were encouraged to apply to the Charity through the individual grants programme should they find themselves in financial difficulty.

By December 2021 there were sixty-five beneficiaries (Dec 2020: 80) in receipt of regular payments and the total expenditure for the year was £63,427, a decrease of £19,643, on the previous year.

Grants to Organisations

Grants are made to organisations which support beneficiaries experiencing poverty or hardship. The grants are limited to organisations operating in Bristol, Gloucestershire, or Wiltshire & Swindon. Applicants can apply through the Charity's website or through Gloucestershire Funders. The grants are for a maximum of £10,000 per year but the Charity will also consider multiyear grants and core funding. Guidance is clearly laid out on the website for all three programmes and a funding policy is in place.

In total twenty-three grants were made ranging from £425 to £30,000 per annum. Gloucestershire Organisations received £66,000, Bristol £45,000 and Wiltshire & Swindon £50,000. A total of £152,000. This was an increase of £30,066 on the previous year.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and activities (continued)

Housing

Peter Hervé House & Lenox House.

The Charity has two accommodation blocks in Tetbury. Peter Hervé House, a purpose-built block designed for independent living, is occupied by single people, over fifty in one bedroomed apartment. Lenox House a refurbished 16th century coach house and grade II listed building comprises two one bed flats let on an investment basis. There is a communal garden for the use of all tenants. Occupancy rates in the year were high in Lenox with tenants remaining in situ. Peter Hervé House had one flat unoccupied for the last quarter.

Partnerships

Charity staff are active members of the Association of Charitable Organisations and regularly attend training sessions and the CEO is a member of the CEO network. The Charity also joined the Association of Charitable Foundations, has regularly attended their specialist networks and training, and use their resources to inform good practice.

The Charity is also active members of the Bristol Funders Network, Gloucestershire Funders Group and Swindon & Wiltshire Funders Network and has strengthened relationships with referral agencies such Citizens Advice, Step Change, Money Advice and Refugee Council.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and activities (continued)

Achievements and performance

a. 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.

b. 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.

b. Financial risk management objectives and policies

The charities balance sheet at the end of 2021 was £26,266,626 compared with £19,546,261 at the end of 2020. However, total income was £996,751 down from £1,313,534 the previous year. This was due to a reduction of £125,629 in donation and legacy income compared to the previous year and a reduction in rental income from the Tapestries. Income from Peter Hervé House and Lenox House increased from £72,851 to £77,027 due to Lenox House being let on an investment basis from early 2021.

Total expenditure on charitable activities was £678,565 down from £806,455 in 2020 largely because of the spend on the Emergency Coronavirus Grant programme in the previous year. Expenditure on governance was £27,840 up from £12,963 the previous year due to higher professional fees relating to The Knowles Foster Homes and updating the Objects and the Cy Pres application.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

c. Reserves policy

The Charity's reserves policy is based on an assessment of the volatility and certainty of each of the organisation's main income streams; a potential need for unplanned or unexpected expenditure and the requirement to maintain sufficient working capital to ensure the continuing smooth running of the Charity. The Trustees decided that it would be appropriate in normal times to maintain a free reserves of three months' expenditure. This provides enough funds to cover management, administration, and payments to beneficiaries. Some of this may be held by the Investment Managers, outside the managed portfolio.

Currently, it aims to hold £85,000 in reserve in the current account and £215,000 in the Rathbones Reserve Account giving a total general reserve of £300,000. Monies greater than these amounts held in either account at the end of the year will be either invested or used for charitable giving depending on the circumstances at the time. The Charity has unrestricted funds invested of £16,100,912 compared to £15,412,493 the previous year.

d. Investments policy

The Charity seeks to produce the best possible financial return within an acceptable level of risk, which is classified as a level 5 by their professional investment managers (with level 1 being the lowest risk level and 6 being the highest).

The investment objective is to generate a total return of CPI plus 4% per annum over the long- term, net of all fees. Returns from these funds are required to provide for the Charity's benevolence for the foreseeable future and it is therefore essential to invest with a longer-term perspective.

The Charity adopts a total return approach to investment, generating the investment return from income and capital gains or losses. It is expected that, in the long term, the real value of the portfolio will be maintained in accordance with the investment objective above.

Net gains on investments were £2,380,480 compared to a net loss of £40,817 in the previous year.

e. Future Developments

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 the development of legacy fundraising: the merging of investments and the launch of a national awareness and fundraising campaign in addition to continuing to build partnerships with other trusts and foundations, strengthening our governance and board, and improving public awareness of our grant making programmes.

THE NATIONAL BENEVOLENT CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of Trustees' responsibilities

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 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;
- 14 June 2022 methods and principles of the Charities SORP (FRS 102);
- make judgements 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter. 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

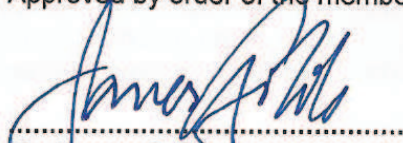
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- 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 and signed on their behalf by:



Mr James Golob
Chairman of the Board

Date: 14 June 2022

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 2021 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 charity's affairs as at 31 December 2021 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 charity'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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charity 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 Charity. These include but are not limited to compliance with the Companies Act 2006, Charities SORP, UK GAAP and tax legislation;
- we agreed the financial statement disclosures to supporting documentation;
- we made enquiries of management and Trustees; 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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

THE NATIONAL BENEVOLENT CHARITY

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



Ryan Moore CA (senior statutory auditor)

Randall & Payne LLP

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Date: 14 June 2022

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 2021

| | Note | Endowment funds 2021 £ | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--|------|---------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 3 | - | - | 50,840 | 50,840 | 176,469 |
| Charitable activities | 4 | - | 23,288 | 77,027 | 100,315 | 264,476 |
| Investments | 5 | - | - | 705,835 | 705,835 | 868,589 |
| Other income | 6 | - | - | 139,761 | 139,761 | 4,000 |
| Total income and endowments | | - | 23,288 | 973,463 | 996,751 | 1,313,534 |
| Expenditure on: | | | | | | |
| Raising funds: | 7 | | | | | |
| Movement in provision for regular payments | | - | - | (180,767) | (180,767) | (732,470) |
| Voluntary income | | - | - | 106,586 | 106,586 | 83,375 |
| Charitable activities | 8 | - | 215,541 | 463,024 | 678,565 | 806,455 |
| Total expenditure | | - | 215,541 | 388,843 | 604,384 | 157,360 |
| Net (expenditure)/income before net gains/(losses) on investments | | | | | | |
| | | - | (192,253) | 584,620 | 392,367 | 1,156,174 |
| Net gains/(losses) on investments | | - | 2,276,680 | 103,800 | 2,380,480 | (40,817) |
| Net movement in funds before other recognised gains | | - | 2,084,427 | 688,420 | 2,772,847 | 1,115,357 |
| Other recognised gains: | | | | | | |
| Gain/(Loss) on the sale of Fixed assets | 14 | - | 3,947,519 | - | 3,947,519 | - |
| Net movement in funds | | - | 6,031,946 | 688,420 | 6,720,366 | 1,115,357 |

THE NATIONAL BENEVOLENT CHARITY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Endowment funds 2021 £ | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|------------------------------------|---------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Note | | | | | |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 1,672,692 | 2,461,076 | 15,412,493 | 19,546,261 | 18,430,904 |
| Net movement in funds | - | 6,031,946 | 688,420 | 6,720,366 | 1,115,357 |
| Total funds carried forward | 1,672,692 | 8,493,022 | 16,100,913 | 26,266,627 | 19,546,261 |

THE NATIONAL BENEVOLENT CHARITY

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 1,170,000 | 1,170,000 |
| Heritage asset | 14 | - | 359,513 |
| Investments | 15 | 24,568,664 | 17,698,924 |
| | | <u>25,738,664</u> | <u>19,228,437</u> |
| Current assets | | | |
| Debtors | 16 | 3,826 | 7,571 |
| Cash at bank and in hand | | 561,566 | 542,903 |
| | | <u>565,392</u> | <u>550,474</u> |
| Creditors: amounts falling due within one year | 17 | (36,442) | (50,895) |
| Net current assets | | <u>528,950</u> | <u>499,579</u> |
| Total assets less current liabilities | | <u>26,267,614</u> | <u>19,728,016</u> |
| Provisions for liabilities | | (988) | (181,755) |
| Net assets excluding pension asset | | <u>26,266,626</u> | <u>19,546,261</u> |
| Total net assets | | <u>26,266,626</u> | <u>19,546,261</u> |
| Charity funds | | | |
| Endowment funds | 20 | 1,672,692 | 1,672,692 |
| Restricted funds | 20 | 8,493,022 | 2,461,076 |
| Unrestricted funds | 20 | 16,100,912 | 15,412,493 |
| Total funds | | <u>26,266,626</u> | <u>19,546,261</u> |

THE NATIONAL BENEVOLENT CHARITY

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

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


.....
Mr James Golob
Chairman of the Board
Date: 14 June 2022

The notes on pages 23 to 49 form part of these financial statements.

THE NATIONAL BENEVOLENT CHARITY

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2021

| | Note | 2021 £ | 2020 £ |
|--|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 1,170,000 | 1,170,000 |
| Investments | 15 | 24,568,664 | 17,698,924 |
| | | <u>25,738,664</u> | <u>18,868,924</u> |
| Current assets | | | |
| Debtors | 16 | 282,448 | 262,346 |
| Cash at bank and in hand | | 561,566 | 542,903 |
| | | <u>844,014</u> | <u>805,249</u> |
| Creditors: amounts falling due within one year | 17 | (28,690) | (32,619) |
| Net current assets | | <u>815,324</u> | <u>772,630</u> |
| Total assets less current liabilities | | <u>26,553,988</u> | <u>19,641,554</u> |
| Provisions for liabilities | | (988) | (181,755) |
| Net assets excluding pension asset | | <u>26,553,000</u> | <u>19,459,799</u> |
| Total net assets | | <u><u>26,553,000</u></u> | <u><u>19,459,799</u></u> |
| Charity funds | | | |
| Endowment funds | 20 | 1,672,692 | 1,672,692 |
| Restricted funds | 20 | 6,988,536 | 2,374,614 |
| Unrestricted funds | 20 | 17,891,772 | 15,412,493 |
| Total funds | | <u><u>26,553,000</u></u> | <u><u>19,459,799</u></u> |

THE NATIONAL BENEVOLENT CHARITY

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

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



.....
Mr James Golob
Chairman of the Board

Date: 14 June 2022

The notes on pages 23 to 49 form part of these financial statements.

THE NATIONAL BENEVOLENT CHARITY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Cash flows from operating activities | | |
| Net cash (used)/generated in operating activities | (440,143) | (833,835) |
| Cash flows from investing activities | | |
| Dividends, interests and rents from investments | 744,835 | 1,018,589 |
| Net proceeds from the sale of heritage asset (Tapestries) | 4,307,040 | - |
| Proceeds from sale of investments | 2,774,092 | 3,052,278 |
| Purchase of investments | (7,284,255) | (3,402,804) |
| Net cash provided by investing activities | 541,712 | 668,063 |
| Cash flows from financing activities | | |
| Net cash provided by financing activities | - | - |
| Change in cash and cash equivalents in the year | 101,569 | (165,772) |
| Cash and cash equivalents at the beginning of the year | 912,281 | 1,078,053 |
| Cash and cash equivalents at the end of the year | 1,013,850 | 912,281 |

The notes on pages 23 to 49 form part of these financial statements

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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, an Order in Council of 19th July 2005 and 14th December 2011.

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 National Benevolent Charity has net current assets of £528,950 (2020: £499,579) and total net assets (which includes the Charity's investment portfolio) of £26,266,626 (2020: £19,546,261). The Charity manages its working capital requirements carefully through bank balances and income generated from its investments. The Charity ensures that robust budgets are set and that actual spend against these budgets is analysed on a monthly basis by the Chief Executive and subsequently by the Board of Trustees' Finance Sub-Committee. The forecast figures for 2021/22 continue to show positive cash flow and maintenance of a strong balance sheet position. Having regard to these matters, the Trustees consider it appropriate to prepare the financial statements using a going concern basis. The Trustees do not consider that there are any 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 2021

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 2021

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.

Gains and losses on disposal are determined by comparing the net sales proceeds with the carrying amount of the asset and are recognised in the Consolidated Statement of Financial Activities in the period they arise. Further details regarding the disposal of the heritage asset in the period can be found in Note 14 to the financial statements.

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.

Fair value measure is determined with reference to observable market share/ instrument prices.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

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.

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 Charity 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 2021

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. Further details regarding the current provision are included in Note 19 to the financial statements.

3. Income from donations and legacies

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|---|--|---------------------------------------|
| Donations and subscriptions- Governance | 11,840 | 11,840 |
| Legacies- Governance | 39,000 | 39,000 |
| | <u>50,840</u> | <u>50,840</u> |
| | | |
| | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
| Donations and subscriptions- Governance | 26,469 | 26,469 |
| Legacies- Governance | 150,000 | 150,000 |
| | <u>176,469</u> | <u>176,469</u> |

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Income from charitable activities

| | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ |
|--------------------------------------|--|--|---------------------------------------|
| Accommodation | - | 77,027 | 77,027 |
| Rental Income - Knowles Foster Homes | 23,288 | - | 23,288 |
| | <u>23,288</u> | <u>77,027</u> | <u>100,315</u> |
| | <u><u>23,288</u></u> | <u><u>77,027</u></u> | <u><u>100,315</u></u> |
| | <i>Restricted funds 2020 £</i> | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
| 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> |
| | <u><u>191,625</u></u> | <u><u>72,851</u></u> | <u><u>264,476</u></u> |

5. Investment income

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|-----------------------|--|---------------------------------------|
| Dividends- Governance | 643,976 | 643,976 |
| Interest- Governance | 61,859 | 61,859 |
| | <u>705,835</u> | <u>705,835</u> |
| | <u><u>705,835</u></u> | <u><u>705,835</u></u> |

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Investment income (continued)

| | <i>Restricted funds 2020 £</i> | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|-----------------------|--|--|---------------------------------------|
| 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> |

6. Other incoming resources

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|----------------------|--|---------------------------------------|
| Employment allowance | 4,000 | 4,000 |
| Other income | 135,761 | 135,761 |
| | <u>139,761</u> | <u>139,761</u> |

| | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|----------------------|--|---------------------------------------|
| Employment allowance | 4,000 | 4,000 |

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Expenditure on raising funds

Costs of raising voluntary income

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|---------------------------|------------------------------------|-----------------------------|
| Publicity | 6,905 | 6,905 |
| Portfolio Management Fees | 99,681 | 99,681 |
| | <u>106,586</u> | <u>106,586</u> |

| | 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> |

Fundraising trading expenses

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|--|------------------------------------|-----------------------------|
| Movement in provision for regular payments | <u>(180,767)</u> | <u>(180,767)</u> |

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Expenditure on raising funds (continued)

Fundraising trading expenses (continued)

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

8. Analysis of expenditure on charitable activities

Summary by fund type

| | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ |
|------------------------------------|--|--|---------------------------------------|
| Accommodation | - | 77,607 | 77,607 |
| Beneficiaries | - | 347,580 | 347,580 |
| Knowles Foster Homes | 144,406 | 6,825 | 151,231 |
| Peter Herve Benevolent Institution | 69,376 | 4,931 | 74,307 |
| Governance | 1,759 | 26,081 | 27,840 |
| | 215,541 | 463,024 | 678,565 |

| | <i>Restricted funds 2020 £</i> | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|------------------------------------|--|--|---------------------------------------|
| Accommodation | - | 134,373 | 134,373 |
| Beneficiaries | - | 402,532 | 402,532 |
| Knowles Foster Homes | 155,861 | - | 155,861 |
| Peter Herve Benevolent Institution | 100,726 | - | 100,726 |
| Governance | 8,593 | 4,370 | 12,963 |
| | 265,180 | 541,275 | 806,455 |

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Analysis of expenditure by activities

| | Activities undertaken directly 2021 £ | Support costs 2021 £ | Total funds 2021 £ |
|------------------------------------|---|-------------------------------|-----------------------------|
| Accommodation | 73,820 | 3,787 | 77,607 |
| Beneficiaries | 321,814 | 25,767 | 347,581 |
| Knowles Foster Homes | 140,924 | 10,307 | 151,231 |
| Peter Herve Benevolent Institution | 66,577 | 7,730 | 74,307 |
| Governance | 25,262 | 2,577 | 27,839 |
| | <u>628,397</u> | <u>50,168</u> | <u>678,565</u> |

| | 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> |

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Accommodation 2021 £ | Beneficiaries 2021 £ | Knowles Foster Homes 2021 £ | Peter Herve Benevolent In 2021 £ |
|------------------------|----------------------------|----------------------------|-----------------------------------|--|
| Wages and salaries | 54,433 | 85,296 | 7,019 | 16,921 |
| Grants | 160 | 175,214 | 120,052 | 47,368 |
| Regular payments | - | 61,139 | - | 2,288 |
| Property Costs | 16,981 | - | 13,672 | - |
| General administrative | 2,246 | 165 | 181 | - |
| | <u>73,820</u> | <u>321,814</u> | <u>140,924</u> | <u>66,577</u> |

| | Governance 2021 £ | Total funds 2021 £ |
|------------------------|-------------------------|--------------------------|
| Wages and salaries | 22,253 | 185,922 |
| Grants | 630 | 343,424 |
| Regular payments | - | 63,427 |
| Property Costs | - | 30,653 |
| General administrative | 2,380 | 4,972 |
| | <u>25,263</u> | <u>628,398</u> |

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

| | 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> |

Analysis of support costs

| | Accommodation 2021 £ | Beneficiaries 2021 £ | Knowles Foster Homes 2021 £ | Peter Herve Benevolent In 2021 £ |
|------------------------|----------------------------|----------------------------|---|--|
| Property Costs | 110 | 552 | 221 | 166 |
| General administrative | 3,677 | 25,215 | 10,086 | 7,564 |
| | <u>3,787</u> | <u>25,767</u> | <u>10,307</u> | <u>7,730</u> |

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

| | Governance 2021 £ | Total funds 2021 £ |
|------------------------|-------------------------|-----------------------------|
| Property Costs | 55 | 1,104 |
| General administrative | 2,522 | 49,064 |
| | <u>2,577</u> | <u>50,168</u> |

| | Accommodation Beneficiaries 2020 £ | Beneficiaries 2020 £ | Knowles Foster Homes 2020 £ | Peter Herve Benevolent In 2020 £ |
|------------------------|---|----------------------------|---|--|
| Wages and salaries | 1,304 | 3,679 | 2,332 | 1,117 |
| Property Costs | 238 | 1,189 | 475 | 357 |
| General administrative | 2,665 | 13,326 | 5,330 | 3,998 |
| Governance costs | 30,692 | - | - | - |
| | <u>34,899</u> | <u>18,194</u> | <u>8,137</u> | <u>5,472</u> |

| | Governance 2020 £ | Total funds 2020 £ |
|------------------------|-------------------------|-----------------------------|
| Staff costs | - | 8,432 |
| Property Costs | - | 2,259 |
| General administrative | - | 25,319 |
| Governance costs | - | 30,692 |
| | <u>-</u> | <u>66,702</u> |

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Auditors' remuneration

| | 2021 | <i>2020</i> |
|--|--------------|--------------|
| | £ | £ |
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | 5,925 | <i>7,200</i> |
| Fees payable to the Charity's auditor in respect of: | | |
| All non-audit services not included above | 3,325 | <i>4,200</i> |

11. Staff costs

| | Group 2021 | <i>Group 2020</i> | Charity 2021 | <i>Charity 2020</i> |
|--|-----------------------|-----------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ |
| Wages and salaries | 185,553 | <i>173,141</i> | 185,128 | <i>132,636</i> |
| Contribution to defined contribution pension schemes | 368 | <i>-</i> | 368 | <i>-</i> |
| | 185,921 | <i>173,141</i> | 185,496 | <i>132,636</i> |

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

| | Group 2021 | <i>Group 2020</i> |
|--------------------------|-----------------------|-----------------------|
| | No. | No. |
| Administration & Support | 4 | <i>4</i> |

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

| | Group 2021 | <i>Group 2020</i> |
|-------------------------------|-----------------------|-----------------------|
| | No. | No. |
| In the band £70,001 - £80,000 | 1 | <i>1</i> |

The above employee has pension contributions of £5,755 (2020: £5,685).

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 £144.525 (2020: £139,411).

12. Trustees' remuneration and expenses

THE NATIONAL BENEVOLENT CHARITY

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During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, expenses totalling £432 were reimbursed or paid directly to 2 Trustees (2020 - £141 to 2 Trustees).

13. Tangible fixed assets

Group

| | Freehold property £ |
|--------------------------|---------------------------|
| Cost or valuation | |
| At 1 January 2021 | 2,079,375 |
| At 31 December 2021 | 2,079,375 |
| Depreciation | |
| At 1 January 2021 | 909,375 |
| At 31 December 2021 | 909,375 |
| Net book value | |
| At 31 December 2021 | 1,170,000 |
| At 31 December 2020 | 1,170,000 |

Charity

| | Freehold property £ |
|--------------------------|---------------------------|
| Cost or valuation | |
| At 1 January 2021 | 2,079,375 |
| At 31 December 2021 | 2,079,375 |
| Depreciation | |
| At 1 January 2021 | 909,375 |
| At 31 December 2021 | 909,375 |

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets (continued)

Charity (continued)

| | Freehold property £ |
|----------------------------|------------------------------------|
| Net book value | |
| At 31 December 2021 | 1,170,000 |
| <i>At 31 December 2020</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 asset

Group and Charity

Assets recognised at cost

| | Heritage asset 2021 £ | Total 2021 £ |
|---|--|-----------------------------|
| Cost at 1 January 2020 and 31 December 2020 | 359,513 | 359,513 |
| Disposals | (359,513) | (359,513) |
| At 31 December 2019 | - | - |

During the year the Heritage asset also known as the Tapestries was disposed of. The net sale proceeds after considering attributable sale costs amounts to £4,303,733. The book value of the asset on the date of sale was £359,513. Accordingly, a gain on sale of £3,947,519 has been recognised in the Statement of Financial Activities. The income from the sale has been treated by the Trustees as restricted and has been invested into the Charity's investment fund.

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
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15. Fixed asset investments

| Group | Listed investments £ |
|---------------------------|----------------------------|
| Cost or valuation | |
| At 1 January 2021 | 17,698,924 |
| Additions | 7,284,255 |
| Disposals | (2,774,092) |
| Revaluations | 2,276,680 |
| Transfers between classes | 82,897 |
| At 31 December 2021 | <u>24,568,664</u> |
| Net book value | |
| At 31 December 2021 | <u>24,568,664</u> |
| At 31 December 2020 | <u>17,698,924</u> |

In addition to the above analysis, the gain on investments included in the Statement of Financial Activities includes unrealised gain on valuation of £2,300,230 (2020: £247,088 gain).

| Charity | Listed investments £ |
|---------------------------|----------------------------|
| Cost or valuation | |
| At 1 January 2021 | 17,698,924 |
| Additions | 7,284,255 |
| Disposals | (2,774,092) |
| Revaluations | 2,276,680 |
| Transfers between classes | 82,897 |
| At 31 December 2021 | <u>24,568,664</u> |
| Net book value | |
| At 31 December 2021 | <u>24,568,664</u> |
| At 31 December 2020 | <u>17,698,924</u> |

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
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Material investments

| | 2021 £ | 2020 £ |
|-----------------------------------|-------------------|-------------------|
| UK Equity | 12,493,346 | 8,406,714 |
| UK Fixed Interest | 1,471,983 | 1,678,675 |
| Overseas Equities | 7,756,186 | 5,336,294 |
| Overseas Fixed Equities | 253,489 | 480,252 |
| Alternatives | 1,988,903 | 1,251,583 |
| Cash held for investment purposes | 452,284 | 369,378 |
| M&G Investment | 152,473 | 176,028 |
| | <u>24,568,664</u> | <u>17,698,924</u> |

Investments at cost

| | 2021 £ | 2020 £ |
|----------|-------------------|-------------------|
| Shares | 16,681,871 | 12,825,562 |
| Property | - | - |
| Cash | 452,284 | 369,378 |
| | <u>17,134,155</u> | <u>13,194,940</u> |

16. Debtors

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Due within one year | | | | |
| Amounts owed by group undertakings | - | - | 278,239 | 254,392 |
| Other debtors- Rents | 373 | 797 | 756 | 1,180 |
| Prepayments and accrued income | 3,453 | 6,774 | 3,453 | 6,774 |
| | <u>3,826</u> | <u>7,571</u> | <u>282,448</u> | <u>262,346</u> |

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Creditors: Amounts falling due within one year

| | Group 2021 £ | <i>Group 2020 £</i> | Charity 2021 £ | <i>Charity 2020 £</i> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Other taxation and social security | 4,362 | 3,973 | 4,362 | 3,973 |
| Other creditors | 32,080 | 46,922 | 24,328 | 28,646 |
| | 36,442 | 50,895 | 28,690 | 32,619 |

18. Financial instruments

| | Group 2021 £ | <i>Group 2020 £</i> | Charity 2021 £ | <i>Charity 2020 £</i> |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Financial assets | | | | |
| Financial assets measured at fair value through income and expenditure | 561,566 | 542,903 | 561,566 | 542,903 |

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 2021**

19. Provisions**Group**

| | Lifetime Cost Provision £ |
|-------------------|--|
| At 1 January 2021 | 181,755 |
| Amounts used | (180,767) |
| | <hr/> 988 <hr/> |

Included within note 19 is a provision for regular payments to elderly individuals over their remaining lifetime. In the prior year, the Trustees confirmed that there was no contractual obligation to continue these payments and began communicating with the individuals that the final payment was to be made in December 2021 and not continued thereafter.

As at 31 December 2021, there remains 1 individual who the Charity have agreed to provide payments to until 31 December 2022. The value of these future payments is provided for above. The Trustees have confirmed that a further review of the regular payments will be conducted in December 2022, however, given there is no contractual obligation for the Charity to meet these payments, no provision has been made in the financial statements beyond the above individual.

Charity

| | Lifetime Cost Provision £ |
|-------------------|--|
| At 1 January 2021 | 181,755 |
| Amounts used | (180,767) |
| | <hr/> 988 <hr/> |

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Statement of funds

Statement of funds - current year

| | Balance at 1 January 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 December 2021 £ |
|---------------------------------|--------------------------------------|----------------|------------------|-------------------------|---|
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Designated Funds - all funds | 14,016,506 | - | 180,767 | 103,800 | 14,301,073 |
| General funds | | | | | |
| General Funds - all funds | 1,395,987 | 973,462 | (569,610) | - | 1,799,839 |
| Total Unrestricted funds | 15,412,493 | 973,462 | (388,843) | 103,800 | 16,100,912 |
| Endowment funds | | | | | |
| Endowment Funds - all funds | 1,672,692 | - | - | - | 1,672,692 |
| Restricted funds | | | | | |
| Restricted Funds - all funds | 2,461,076 | 23,288 | (215,541) | 6,224,199 | 8,493,022 |
| Total of funds | 19,546,261 | 996,750 | (604,384) | 6,327,999 | 26,266,626 |

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Statement of funds (continued)

Statement of funds - prior 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 | 129,058 | 14,016,507 |
| General funds | | | | | |
| Income fund | 948,483 | 1,072,153 | (624,650) | - | 1,395,986 |
| Total Unrestricted funds | 14,103,462 | 1,072,153 | 107,820 | 129,058 | 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 | 18,430,903 | 1,313,534 | (157,360) | (40,816) | 19,546,261 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

THE NATIONAL BENEVOLENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

21. Summary of funds

Summary of funds - current year

| | Balance at 1 January 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 December 2021 £ |
|------------------|--------------------------------------|----------------|------------------|-------------------------|---|
| Designated funds | 14,016,506 | - | 180,767 | 103,800 | 14,301,073 |
| General funds | 1,395,987 | 973,462 | (569,610) | - | 1,799,839 |
| Endowment funds | 1,672,692 | - | - | - | 1,672,692 |
| Restricted funds | 2,461,076 | 23,288 | (215,541) | 6,224,199 | 8,493,022 |
| | <u>19,546,261</u> | <u>996,750</u> | <u>(604,384)</u> | <u>6,327,999</u> | <u>26,266,626</u> |

Summary of funds - prior year

| | Balance at 1 January 2020 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 December 2020 £ |
|------------------|--------------------------------------|------------------|------------------|-------------------------|---|
| Designated funds | 13,154,979 | - | 732,470 | 129,058 | 14,016,507 |
| General funds | 948,483 | 1,072,153 | (624,650) | - | 1,395,986 |
| Endowment funds | 1,672,692 | - | - | - | 1,672,692 |
| Restricted funds | 2,654,749 | 241,381 | (265,180) | (169,874) | 2,461,076 |
| | <u>18,430,903</u> | <u>1,313,534</u> | <u>(157,360)</u> | <u>(40,816)</u> | <u>19,546,261</u> |

THE NATIONAL BENEVOLENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Endowment funds 2021 £ | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ |
|--|---|--|--|---------------------------------------|
| Tangible fixed assets | 732,692 | 349,398 | 87,910 | 1,170,000 |
| Fixed asset investments | 940,000 | 7,910,374 | 15,718,290 | 24,568,664 |
| Current assets | - | 294,947 | 270,445 | 565,392 |
| Creditors due within one year | - | (60,709) | 24,268 | (36,441) |
| Provisions for liabilities and charges | - | (988) | - | (988) |
| Inter charity loan | - | - | (1) | 1 |
| Total | 1,672,692 | 8,493,022 | 16,100,912 | 26,266,626 |

Analysis of net assets between funds - prior year

| | <i>Endowment funds 2020 £</i> | <i>Restricted funds 2020 £</i> | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|---------------------------------------|---|--|--|---------------------------------------|
| 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) |
| Provision 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 |

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 2021

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

| | Group 2021 £ | Group 2020 £ |
|--|--------------------|--------------------|
| Net income for the year (as per Statement of Financial Activities) | 2,772,847 | 1,115,357 |
| Adjustments for: | | |
| Gains on investments | (2,276,680) | (210,139) |
| Dividends, interests and rents from investments | (744,835) | (1,018,589) |
| Decrease/(increase) in debtors | 3,745 | (3,692) |
| Increase/(decrease) in creditors | (14,453) | 15,698 |
| Movement in provisions | (180,767) | (732,470) |
| Net cash used in operating activities | (440,143) | (833,835) |

24. Analysis of cash and cash equivalents

| | Group 2021 £ | Group 2020 £ |
|--|--------------------|--------------------|
| Cash in hand | 1,013,850 | 912,281 |
| Total cash and cash equivalents | 1,013,850 | 912,281 |

25. Analysis of changes in net debt

| | At 1 January 2021 £ | Cash flows £ | At 31 December 2021 £ |
|--------------------------|------------------------------|-----------------|--------------------------------|
| Cash at bank and in hand | 542,903 | 18,663 | 561,566 |
| | 542,903 | 18,663 | 561,566 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

26. Post balance sheet events

Having disposed of the Tapestries during the year, the Trustees wanted to simplify the investments and minimise administration and therefore made a Cy Pres application to the Charity Commission for permission to merge the investment accounts of The Knowles Foster Homes and the Bristol funds (formerly the Peter Hervé Benevolent Fund) with the National Benevolent Charity funds. However, during the application process, it was found that Royal Charter and Bye Laws needed to be updated. These were subsequently approved by the Privy Council on 16th February 2022. The Cy Pres application was restarted and on 20th April 2022 the Board was notified by the Charity Commission that the application had been approved.