

Company Number 00972762
Charity Registration Number 269181

Benesco Charity Limited

Financial statements

5 April 2021

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Company information

Directors

The Hon Andrew Daniel Wolfson
Jonathan Ragol-Levy
David Wolfson
Mikael Breuer-Weil

Secretary

Michael Franks

Auditor

BDO LLP
2 Snow Hill
Birmingham
B4 6GA

Bankers

Bank of Scotland
33 Old Broad Street
London branch
POBox 1000
BX2 1LB

Solicitors

Taylor Wessing LLP
5 New Street Square
London
EC4A 3TW

Investment property managers

Metrus Limited
8-10 Hallam Street
London
W1W 6NS

Registered office

55 Baker Street
London
W1U 7EU

Charity registration number

269181

Company number

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BENESCO CHARITY LIMITED

(Limited by Guarantee)

Directors' report

The directors present their report and the financial statements for Benesco Charity Limited ("Benesco"/"the charitable company") and the group for the year ended 5 April 2021.

"Group" means the charitable company and its two wholly-owned dormant subsidiary companies as listed in Note 8b, namely Heath Retail Holdings Limited and Heath Retail One Limited.

Reference and administrative details of the charity, its trustees and advisors

Benesco Charity Limited is a charitable company limited by guarantee.

The charity number, company number, present trustees (being directors of the company) and advisors are given on page 1.

Directors & trustees

All the trustees of the charity are also directors of the charitable company, and there are no other directors. The directors who held office throughout the year were as follows:

Lord Wolfson of Sunningdale (Resigned 12 August 2020)

The Hon Andrew Daniel Wolfson

Jonathan Ragol-Levy

David Wolfson

A director received remuneration for consultancy services provided to the charitable company, as outlined in Note 15.

Structure, governance and management

Governing document

Benesco Charity Limited is a registered charity and a company limited by guarantee incorporated on 18 February 1970. Every member of the company undertakes to contribute to its assets in the event of winding up such amount, as may be required, not exceeding one pound.

Appointment of trustees, organisational structure and related parties

Benesco passes a substantial proportion of its income to The Charles Wolfson Charitable Trust ("CWCT"), for distribution. CWCT is a grant-making charity, which derives the bulk of its income from grants received from Benesco. The majority of the members of Benesco are also the majority of the trustees of CWCT who therefore have the power to appoint and remove directors. The company considers CWCT to be the ultimate holding organisation.

New directors / trustees upon appointment are provided with information about the practical mechanics as to how the company transacts its business and advised who the key personnel are at our professional advisers. The quarterly board meetings are attended by the professionals so any updates to law / regulation / industry practice are discussed in this forum. The most recent example of significance was the impact of COVID 19 and the guidelines and legislation relating to rent arrears.

The group is administered by a board of directors appointed by the members for their particular skills and experience which may benefit the group in its operation. The board, the members of which serve on a voluntary basis, meets quarterly and receives regular reports on its properties and finances from its property managers and other advisors.

Risk management statement

The directors have examined the major strategic, business and operational risks which the group faces and confirm that systems have been established to enable these risks to be managed to an acceptable level. The directors consider that the major risks to the charitable company are: a reduction in rental income reducing the ability to make donations; a significant fall in property values; and insufficient liquidity as assets are retained in property assets. These risks have been addressed by the appointment of professional property managers and the regular and close management of cash resources, together with input from external lawyers and independent consultant surveyor.

The directors consider there are no material uncertainties that would cast doubt on the group or the charitable company continuing as a going concern.

BENESCO CHARITY LIMITED

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Directors' report *(continued)*

Objectives and activities

The objects of the charitable company ("the Objects") are to further any purpose or purposes recognised by the law of England as charitable. In furtherance of the Objects, the charitable company may apply the capital and income of the charitable company:

1. for the charitable purposes of such one or more of the bodies, associations and organisations being charitable, which the charitable company shall select; and
2. for such other charitable purposes as the charitable company shall select and in particular to make grants to The Charles Wolfson Charitable Trust to enable it to carry out its charitable objects.

Although the directors have power to apply both capital and income to charitable purposes, the medium and long term policy has been to preserve the capital and to expend the income, after giving consideration to the effects of inflation.

It is considered that it is not practical to make any predetermined annual allocation between the various grant headings, especially as it is sometimes appropriate not to fully distribute in a particular year in order to accommodate large projects which extend over more than one year.

The directors have chosen to focus on property investment because, after allowing for annual running costs and renewals and refurbishment, the rental income over the years tends to keep pace with inflation, so long as the portfolio is well spread in appropriate properties. Income from property does not include monies spent and recouped by way of reimbursement from lessees, such as service charges, insurance premiums and the usual outgoings recovered.

Grant making policy

During the year, the charitable company continued to carry out its charitable activities through its policy of investment in property. Its charitable activities include:

- (i) the making of direct grants;
- (ii) the provision of premises to operational charities on a rent free or rent-reduced basis; and
- (iii) the provision of loans, on which the interest is in certain circumstances waived.

The majority of the grants made are to CWCT, its holding organisation. The charitable company also makes grants in its own right.

The normal policy of the directors of Benesco and the trustees of CWCT is not to make grants to individuals and to make grants in the UK only to registered charities, or to hospitals and schools and similar charitable institutions. The intention is to direct grants to the major areas listed below, especially for capital or fixed term projects, and with particular, but not exclusive, regard to the needs of the Jewish community. This statement of objectives is not intended as a formal limitation of the way that the directors and trustees may exercise their discretion from time to time.

1. Medicine
2. Education
3. Welfare

The group in suitable circumstances in previous years has purchased buildings to be made available to other charities so that effectively the income which should otherwise be derived from such property, or most of it, is foregone by way of conferring a grant or benefit to the other charities to assist them in the work for which the group wishes to give support.

Public benefit

We have taken note of the Charity Commission's guidance on public benefit.

BENESCO CHARITY LIMITED

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Directors' report (continued)

Achievements and performance

Investment policy and property report

The group's investment policy is primarily to focus on property providing a good rental income to enable it to support its charitable objectives, combined with long term security to ensure the longevity of the group.

With this in mind, supported by the services of professional property managers, the group invests to build what it considers to be a high quality portfolio with the vast majority in commercial and non-residential property let to business tenants. The directors consider this policy to have been successful over previous years given both the income generation and the realised and unrealised gains in property values.

At the balance sheet date, the group's property portfolio consisted of 7 commercial holdings, all of which were freehold.

The portfolio has been built up over 40 years, the first purchase having been made in February 1977.

The changes in fixed assets during the year are summarised in the notes to the financial statements. The original cost of the properties at the balance sheet date was £98,946,284 (2020: £123,467,641) against a current value of £178,530,000 (2020: £203,580,000). The valuations were conducted by the group's property managers on a market value basis. The rent roll at 5 April 2021 was £9,139,437 (2020: £10,157,923).

Grants made

During the year the group made a grant to CWCT of £5,800,000 (2020: £6,300,000) and £ 310,600 (2020: £30,443) to other charities. See also the objectives and activities paragraphs for the charitable company's grant policy.

The charitable company also makes programme related investments which at 5 April 2021 totalled £1,382,700 (2020: £1,382,700). Programme related investments are loans and equity investments made by the charitable company or group which directly further the charitable company's or group's charitable objects which, at the same time, potentially will make a return. These are shown at cost less any impairment in value. Both of the investments so far made were to assist companies developing products and services that will benefit the health sector including the NHS and NHS Trusts which is in accordance with the charitable objectives. One of the programme related investments was disposed of in the year to 5 April 2018. As part of the settlement on that disposal in the year ended 5 April 2018, Benesco received deferred shares but no value has been attributed to the deferred shares received.

Financial review

Incoming resources for the group for the year, before charitable expenditure of £6,327,075 (2020: £6,559,070) totalled £9,844,952 (2020: £10,187,733).

After a net loss on revaluation and sale of investment properties of £5,009,607 (2020: £3,930,900) and £3,000,000 (2020: Nil) respectively, the net movement in funds for the year results in a deficit of £5,636,305 (2020: £1,705,963).

Fund balances at the year-end are £206,509,375 (2020: £212,145,680): £ 178,530,000 (2020: £203,580,000) of which was represented by investment properties; £82 (2020: £264) other fixed assets; £1,382,700 (2020: £1,382,700) programme related investments; and net current assets of £26,596,593 (2020: £7,182,716).

Reserves policy

In order to provide income to enable the group to fulfil its charitable objectives and make grants, it is necessary to maintain and fund assets to generate this income. The directors' current policy is to match expenditure to incoming resources over the medium term. Unrestricted funds, excluding designated funds, at 5 April 2021 amounted to £26,596,593 (2020: £7,838,329).

The charitable company designates an amount equal to the carrying value of the investment properties and investments as these amounts are required to be retained to allow for the on-going generation of income and enable the charitable company to make its donations and fulfil its charitable objectives.

Plans for future periods

It is the directors' intention to continue to preserve the capital, invested predominately in property, with an emphasis on commercial rather than residential properties and to continue to make grants in accordance with its grants making policy.

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Directors' report (*continued*)

COVID-19

The impact of COVID 19 was analysed by the professional property managers based on rental payments received on March 2021 quarter day. A full review of the portfolio was undertaken, and there was also a dialogue with the tenants. Cashflow forecasts were prepared which showed a reduction in income, and after allowing for expenses indicated the amounts likely to be available for charitable donations.

Many tenants are now paying rent monthly and in a few cases rent deferrals have been arranged. The company has followed the approach set out in the Government's code of practice first issued in June 2020.

The professional property managers have reported to the directors more frequently during the COVID-19 pandemic. In addition, the trustees of the Charles Wolfson Charitable trust (which is the principal recipient of the grants made by the company) have been kept informed so that they can consider the appropriate quantum of grants / donations to be made.

Restrictions on distribution

The Memorandum of Association prohibits the distribution of income and property of the charitable company to the members. Upon dissolution or winding up of the charitable company the assets shall be given or transferred to some similar institution or institutions having objects similar to the charitable company.

Tax status

The charitable company is entitled to exemption from taxation on income and capital gains to the extent that its funds are applied for charitable purposes.

Post balance sheet event

On 6 April 2021 the Charity's subsidiaries, Heath Retail Holdings Limited and Heath Retail One Limited, were dissolved.

In July 2021, the Charity completed on the sale of wholly owned and unencumbered investment property known as Lincoln's inn Fields. The proceeds from the sale were £32.6m.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemption provided by section 485 of the Companies Act 2006.

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Directors' report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and group and of the results of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 charitable company and the group will continue in business.

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

Insofar as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the board of directors on 2 December 2021 and signed on their behalf.

DocuSigned by:

8519A34135264CF
A Wolfson – Director

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Independent auditor's report to the members and trustees of Benesco Charity Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the Parent Charitable Company's affairs as at 5 April 2021 and of the incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Benesco Charity Limited ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 5 April 2021 which comprise the Consolidated and Parent Charitable Company Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, 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).

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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related 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 and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprise the Directors' 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Independent auditor's report to the members and trustees of Benesco Charity Limited

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report, which includes the Trustees' Report, prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report which includes the Trustees', has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under s section 144 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts 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 auditor's 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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 Group and the sector within which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. This included but was not limited to compliance with the Companies Act 2006, the Charities Act 2011, Charities SORP and relevant tax legislation;

BENESCO CHARITY LIMITED

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Independent auditor's report to the members and trustees of Benesco Charity Limited

- We held discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- We reviewed minutes of meetings of those charged with governance;
- We requested and reviewed any regulatory correspondence, in particular compliance with the Charity Commission, and details of legal expenses;
- We addressed the risk of management override, in particular by testing any journal entries containing material amounts and any irregular journals;
- We have considered the control environment at both entity level and financial statement level to consider the ability to detect and prevent fraud; and
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations that have a direct effect on the financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 at the Financial Reporting Council's ("FRC's") website at:
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Kyla Bellingall
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Kyla Bellingall (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham, UK

16 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Consolidated and Company statement of financial activities (incorporating the income and expenditure account)

Year ended 5 April 2021

	Notes	Unrestricted funds General funds £	Designated funds £	2021 Total £	2020 Total £
Income					
Investment income					
- Rental income	2	9,322,877	-	9,322,877	10,146,215
- Bank interest		4,575	-	4,575	22,753
- Dilapidations		517,500	-	517,500	18,765
Total income		9,844,952	-	9,844,952	10,187,733
Expenditure					
Costs of raising funds	3	1,144,575	-	1,144,575	1,403,726
Charitable activities	4	6,327,075	-	6,327,075	6,559,070
Total expenditure		7,471,650	-	7,471,650	7,962,796
Net losses on property investments					
Realised loss on disposal of investment property		(3,000,000)	-	(3,000,000)	-
Unrealised loss on revaluation of investment properties	7	-	(5,009,607)	(5,009,607)	(3,930,900)
Net expenditure		(626,698)	(5,009,607)	(5,636,305)	(1,705,963)
Transfers between funds		19,384,962	(19,384,962)	-	-
Net movement in funds		18,758,264	(24,394,569)	(5,636,305)	(1,705,963)
Reconciliation of funds:					
Fund balances brought forward		7,838,329	204,307,351	212,145,680	213,851,643
Fund balances carried forward		26,596,593	179,912,782	206,509,375	212,145,680

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure as stated above arises from continuing activities.

The notes on pages 15 to 26 form part of these financial statements

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Consolidated and Company statement of financial activities (incorporating the income and expenditure account)

Year ended 5 April 2020 – comparative figures

	Notes	Unrestricted funds General funds	Designated funds	2020 Total	2019 Total
Income		£	£	£	£
Investment income					
- Rental income	2	10,146,215	-	10,146,215	8,829,681
- Bank interest		22,753	-	22,753	87,182
- Dilapidations		18,765	-	18,765	-
Total income		10,187,733	-	10,187,733	8,916,863
Expenditure					
Costs of raising funds	3	1,403,726	-	1,403,726	1,047,131
Charitable activities	4	6,559,070	-	6,559,070	6,682,754
Total expenditure		7,962,796	-	7,962,796	7,729,885
Net losses on property investments					
Unrealised loss on revaluation of investment properties	7	-	(3,930,900)	(3,930,900)	(7,935,693)
Net income / (expenditure) & Net movement in funds		2,224,937	(3,930,900)	(1,705,963)	(6,748,715)
Reconciliation of funds:					
Fund balances brought forward		5,613,392	208,238,251	213,851,643	220,600,358
Fund balances carried forward		7,838,329	204,307,351	212,145,680	213,851,643

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure as stated above arises from continuing activities.

The notes on pages 15 to 26 form part of these financial statements

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Consolidated balance sheet

As at 5 April 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	7	178,530,082	203,580,264
Programme related investments	8a	1,382,700	1,382,700
		<u>179,912,782</u>	<u>204,962,964</u>
Current assets			
Debtors	9	4,858,733	5,209,077
Cash at bank, including deposits		23,514,627	4,835,426
		<u>28,373,360</u>	<u>10,044,503</u>
Creditors: amounts falling due within one year	10	<u>(1,776,767)</u>	<u>(2,861,787)</u>
Net current assets		<u>26,596,593</u>	<u>7,182,716</u>
Total assets less current liabilities		<u>206,509,375</u>	<u>212,145,680</u>
Net assets		<u>206,509,375</u>	<u>212,145,680</u>
Unrestricted funds			
Designated funds	11a	179,912,782	204,307,351
General funds	12a	26,596,593	7,838,329
		<u>206,509,375</u>	<u>212,145,680</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. These financial statements have been approved and authorised for issue by the board of directors on 2 December 2021 and signed on their behalf.

DocuSigned by:

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A Wolfson - Director

Company Registration Number - 00972762

The notes on pages 15 to 26 form part of these financial statements

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Company balance sheet

As at 5 April 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	7	178,530,082	203,580,264
Investments: Programme related	8b	1,382,700	1,382,700
Other	8b	2	2
		<u>179,912,784</u>	<u>204,962,966</u>
Current assets			
Debtors	9	4,858,733	5,209,077
Cash at bank, including deposits		23,514,627	4,835,426
		<u>28,373,360</u>	<u>10,044,503</u>
Creditors: amounts falling due within one year	10	<u>(1,776,769)</u>	<u>(2,861,789)</u>
Net current assets		<u>26,596,591</u>	<u>7,182,714</u>
Total assets less current liabilities		<u>206,509,375</u>	<u>212,145,680</u>
Net assets		<u><u>206,509,375</u></u>	<u><u>212,145,680</u></u>
Unrestricted funds			
Designated funds	11b	179,912,782	204,307,351
General funds	12b	26,596,593	7,838,329
		<u>206,509,375</u>	<u>212,145,680</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. These financial statements have been approved and authorised for issue by the board of directors on 2 December 2021 and signed on their behalf.

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A Wolfson – Director

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The notes on pages 15 to 26 form part of these financial statements

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Consolidated cash flow statement

Year ended 5 April 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	14a	1,634,233	1,331,330
Cash flows from investing activities:			
Interest receivable & other income		4,575	22,753
Purchase of property, plant and equipment		(1,359,607)	(580,900)
Proceeds of sale of property, plant and equipment		18,400,000	-
Purchase of programme related investments		-	(75,000)
Net cash provided by/(used in) investing activities		17,044,968	(633,147)
Change in cash and cash equivalents in the reporting period		18,679,201	698,183
Cash and cash equivalents at the beginning of the period		4,835,426	4,137,243
Cash and cash equivalents at the end of the reporting period		23,514,627	4,835,426

The notes on pages 15 to 26 form part of these financial statements

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements

Year ended 5 April 2021

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Basis of preparation

Benesco Charity Limited is a registered charity and a private company registered in England and Wales, limited by guarantee and incorporated in the UK on 18 February 1970 (Company number: 00972762, Charity number: 269181). The registered office address (55 Baker Street, London, United Kingdom, W1U 7EU) is given on the company information page (page 1). Information regarding the charitable company's objectives and activities are included within the directors' report.

The parent charity of Benesco Charity Limited is The Charles Wolfson Charitable Trust (Charity number: 238043). The Charles Wolfson Charitable Trust is a grant-making charity. The majority of the trustees of the Charles Wolfson Charitable Trust must be members of Benesco Charity Limited, and the majority of the members of Benesco Charity Limited will consist of trustees of Charles Wolfson who have the power to appoint and remove directors. Benesco Charity Limited is therefore controlled by The Charles Wolfson Charitable Trust. The consolidated accounts of Benesco Charity Limited and The Charles Wolfson Charitable Trust can be obtained from the Charity Commission.

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The functional currency is Pound Sterling (£) and the figures have been rounded to the nearest £1. The charity meets the definition of a public entity under FRS102.

b. Preparation of the accounts on a going concern basis

Business has continued during the current Covid pandemic with many tenants now paying rent monthly and in a few cases rent deferrals have been arranged. The charity's approach which was implemented at the start of lockdown is aligned with that set out in the Government's code of practice issued in June 2021.

Cash flow remains sufficient to meeting our liabilities and the professional property managers have closely monitored the portfolio and reported to the Trustees more frequently during the COVID-19 pandemic. The charity will continue to make grants in accordance with its grant making policy, which can be reduced in line with income generated.

The Trustees have engaged with the property managers, external lawyers and an independent surveyor to prepare forecasts. These indicate that the charity has sufficient cash liquidity to meet its obligations as they fall due for a period of at least 12 months from approval of the financial statements.

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, which is a period of at least 12 months from signing these accounts. The Trustees acknowledge the uncertainty this creates but do not consider it to represent a material uncertainty in relation to going concern.

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements *(continued)*

Year ended 5 April 2020

c. Estimates and judgements

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charitable company's accounting policies. Estimates and judgments are continually evaluated by the Trustees based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The most significant estimates and judgements relate to the market value of the investment properties, for which the charitable company relies on the experience of property management experts, together with recoverability of amounts due to the charitable company.

1.1 Basis of consolidation

The group financial statements consolidate the financial statements of Benesco Charity Limited and its subsidiary undertakings on a line by line basis for the financial year ended 5 April 2021.

1.2 Incoming resources and resources expended

Incoming resources, including rent and interest, are recognised when receivable.

Donations and legacies are accounted for on a receivable basis. Grants payable are recognised in full at the point at which a legal or constructive obligation arises. If these obligations are for a period of greater than one year, the creditor for the part due after more than one year from the balance sheet date is disclosed as such. No discount factors are applied to such liabilities.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure involving more than one category has been apportioned by the Directors on a reasonable, justifiable and consistent basis.

1.3 Service charge

As agents of the group, Metrus Limited, the group's investment property managers, manage the service charge account on behalf of the tenants of the group's investment properties. All costs, including those relating to the employment of 1 member of staff (2020: 1), are reimbursed by the tenants.

These costs and reimbursements are not included in the income and expenditure account of the group as they are incurred solely on behalf of the tenants and consequently are dealt with in the service charge accounts of Metrus Limited with regard to each property. Sinking funds held for maintenance are held by Metrus on behalf of the charitable company.

1.4 Provision of services

The directors receive no remuneration for their services. Furthermore, no value has been attributed to the provision of services by the directors (note 15).

1.5 Designated funds

Designated funds are as follows:

Property capital fund

An amount equal to the carrying value of the investment properties and investments is held in the property capital fund in order to allow for the ongoing generation of income to enable the company and group to continue to make their donations and fulfil their charitable objectives.

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements *(continued)*

Year ended 5 April 2020

1.6 Tangible fixed assets and depreciation

Investment properties

Investment properties are re-valued annually and included in the balance sheet at their market value. The surplus or deficit over book value is transferred to the revaluation fund which forms part of the capital funds.

Purchases and sales of investment properties, and any deposits paid or received in respect thereto, are recognised in the financial statements on completion.

Office equipment

Depreciation is provided on office equipment so as to write off its cost less estimated residual value over its expected useful life of 5 years on a straight line basis.

Capitalisation policy

Individual items under £500 are not capitalised unless part of a larger project or asset purchase.

1.7 Fixed asset investments

The investment in subsidiary undertakings is accounted for at cost less any provision required to reflect a permanent diminution in value.

Programme related investments are loans and equity investments made by the charitable company or group which directly further the charitable company's or group's charitable objects which, at the same time, potentially will make a return. These are shown at cost less any impairment in value. Details of these investments are included in note 8.

1.8 Financial instruments

Financial assets such as cash and debtors are measured at the present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors and loans are measured at the present value of the obligation. An equity instrument is any contract that evidences a residual interest in the assets of the charitable company or group after deducting all of its liabilities.

The charitable company and group only have 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.

2. Investment income - Rental income

	2021	Group	2021	Company
	£	2020	£	2020
		£		£
Rents receivable	9,322,877	10,146,215	9,322,877	10,146,215
Total rental income	9,322,877	10,146,215	9,322,877	10,146,215

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements (continued)

Year ended 5 April 2020

3. Costs of raising funds

	2021 £	Group 2020 £	2021 £	Company 2020 £
Property expenses				
Repairs, rates and other non-rechargeable property expenses	2,151,731	1,081,173	2,151,731	1,081,173
Recovery of expenses previously expensed	(1,868,580)	(524,777)	(1,868,580)	(524,777)
	<u>283,151</u>	<u>556,396</u>	<u>283,151</u>	<u>556,396</u>
Property management expenses				
Agents' management fees not recoverable	333,895	383,945	333,895	383,945
Agents' rent review and letting fees	392,187	324,978	392,187	324,978
Legal expenses	135,342	138,407	135,342	138,407
	<u>861,424</u>	<u>847,330</u>	<u>861,424</u>	<u>847,330</u>
Total property expenses	<u>1,144,575</u>	<u>1,403,726</u>	<u>1,144,575</u>	<u>1,403,726</u>

4. Charitable activities

	2021 £	Group 2020 £	2021 £	Company 2020 £
Grants payable (see note 5)	6,110,600	6,330,443	6,110,600	6,330,443
Indemnity Insurance	35,500	18,997	35,500	18,997
Consultancy and professional fees	70,261	93,012	70,261	93,012
General office expenditure	56,606	60,605	56,606	60,605
Sundry expenses	324	4,311	324	4,311
Depreciation	182	287	182	287
Governance costs (see note 6)	53,602	51,415	53,602	51,415
	<u>6,327,075</u>	<u>6,559,070</u>	<u>6,327,075</u>	<u>6,559,070</u>

There were no directors reimbursed for expenses during the year (2020: Nil).

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements *(continued)*

Year ended 5 April 2020

5. Grants payable

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
The Charles Wolfson Charitable Trust	5,800,000	6,300,000	5,800,000	6,300,000
In relation to medicine	4,600	4,443	4,600	4,443
In relation to education	-	3,000	-	3,000
In relation to welfare	306,000	23,000	306,000	23,000
	<u>6,110,600</u>	<u>6,330,443</u>	<u>6,110,600</u>	<u>6,330,443</u>

An analysis of grants paid in the year is as follows:

	2021	2020
	£	£
Education		
Grants made of less than £5,000	-	3,000
Medicine		
Grants made of less than £5,000	4,600	4,443
Welfare		
Grants made of between £5,000 and £9,999	6,000	-
Grants made of between £10,000 and £49,999	-	23,000
Grants made of more than £50,000		
Jewish Care	200,000	-
Work Avenue	100,000	-
	<u>310,600</u>	<u>30,443</u>

6. Governance costs

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Audit fees	<u>53,602</u>	<u>51,415</u>	<u>53,602</u>	<u>51,415</u>

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements *(continued)*

Year ended 5 April 2021

7. Tangible fixed assets Group and Company	Investment properties	Office and office	Total £
	Freehold £	equipment £	
Cost or valuation			
At 6 April 2020	203,580,000	142,876	203,722,876
Additions	1,359,607	-	1,359,607
Disposal	(21,400,000)	-	(21,400,000)
Net loss on revaluation	(5,009,607)	-	(5,009,607)
At 5 April 2021	178,530,000	142,876	178,672,876
Depreciation			
At 6 April 2020	-	142,612	142,612
Charge for the year	-	182	182
At 5 April 2021	-	142,794	142,794
Net book value			
At 5 April 2021	178,530,000	82	178,530,082
At 5 April 2020	203,580,000	264	203,580,264

The investment properties have been valued by a chartered surveyor from Metrus, the group's investment property managers, on a market value basis as at 5 April 2021.

If stated under historical cost principles, the comparable amounts for the investment properties would be:

	2021 £	2020 £
Cost	98,946,284	123,468,641

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements *(continued)*

Year ended 5 April 2021

8.	Investments	2021	2020
8(a)	Group	£	£
	Cost: programme related investments		
	Brought forward	1,382,700	1,307,700
	Further investments made during the year (see note below)	-	75,000
	Carried forward	<u>1,382,700</u>	<u>1,382,700</u>
	Programme related investments:	£	£
	Position at end of year:		
	Soza Health		
	Share capital: Ordinary shares	58	58
	Other loan advances	1,382,642	1,382,642
		<u>1,382,700</u>	<u>1,382,700</u>
	Carried forward	<u>1,382,700</u>	<u>1,382,700</u>
	Movements in year		
	Position at start of the year:	£	£
	- Soza Health Limited – share capital	58	58
	– loan advance	1,382,642	1,307,642
		<u>1,382,700</u>	<u>1,307,700</u>
	Change during the year		
	- Soza Health Limited – share capital	-	-
	– further loan advance	-	75,000
		<u>-</u>	<u>75,000</u>
	Movement for the year	<u>-</u>	<u>75,000</u>
	Total programme related investment carried forward	<u>1,382,700</u>	<u>1,382,700</u>

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements (continued)

Year ended 5 April 2021

8(a). Investments (continued)

As at 5 April 2021, Benesco held a 49% (2020: 49%) stake in Soza Health Limited, a company which provides diagnostic and other services to the Health sector. In the year ended 31 March 2021 unaudited financial statements indicate a loss of £ 85,439 (31 March 2020 £65,017), with a deficit on capital and reserves of £123,350 (2020: £37,911). On 24 August 2016, Lord Wolfson of Sunningdale, and The Hon Andrew Daniel Wolfson were appointed as non executive directors. Lord Wolfson of Sunningdale resigned as a director on 27 April 2020.

As at 5 April 2021, of the loan advances totalling £1,382,642, (2020: £1,382,642) is repayable on the sale or winding up of the company and bears interest of £nil to September 2018, 5% for the following two years and 10% thereafter. The directors have also considered the carrying value of this investment and consider that no provision needs to be made. Subsequent to the balance sheet date negotiations continued and are well advanced with regard to converting the loan advances into non voting shares.

On 8 September 2017, the shares in Prospitalia hTrak Limited (previously Healthlogistics.co.uk) were sold and debt settled for £1,697,882 in total. As part of the disposal Benesco received deferred shares in that company but the directors of Benesco have not attributed any value to these deferred shares as it is uncertain whether any value for these shares will be received.

8(b). Company

	2021	2020
Cost	£	£
Interest in group undertakings (see note below)	2	2
Programme related investments (for detail see 8(a) above)	1,382,700	1,382,700
Carried forward	1,382,702	1,382,702

Interest in group undertakings:

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of issued shares held by Group	Company
Heath Retail Holdings Limited	England	£1 ordinary	100%	100%
Heath Retail One Limited	England	£1 ordinary	100%	100%

The principal activity of Heath Retail Holdings Limited continued to be that of a non-trading holding company.

Heath Retail One Limited remained dormant during the year as it sold its properties to Benesco Charity Limited on 4 April 2011.

9. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Due from managing agents	1,171,333	1,860,787	1,171,333	1,860,787
Rent arrears	1,821,356	894,114	1,821,356	894,114
Other debtors and prepayments	1,728,366	2,326,998	1,728,366	2,326,998
Amounts owed from group undertakings	137,678	127,178	137,678	127,178
	4,858,733	5,209,077	4,858,733	5,209,077

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements (continued)

Year ended 5 April 2021

10. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Other taxes and social security	30,571	420,936	30,571	420,936
Amounts owed to group undertakings	-	-	2	2
Accruals and deferred income	1,727,672	2,440,851	1,727,672	2,440,851
Other creditors	18,524	-	18,524	-
	<u>1,776,767</u>	<u>2,861,787</u>	<u>1,776,769</u>	<u>2,861,789</u>

Deferred income relates to a quarters rent received in advance and amounted to £1,552,406 (2020: £2,265,586).

11. Designated funds

(a)	Group	Property capital fund		2021 Total £	2020 Total £
		Realised surplus on disposal £	Unrealised revaluation fund £		
	At 6 April 2020	124,195,992	80,111,359	204,307,351	208,238,251
	Realised loss on property sale in the year	(3,000,000)	3,000,000	-	-
	Movement due to revaluation in year	-	(5,009,607)	(5,009,607)	(3,930,900)
	Transfers between funds	(20,866,926)	1,481,964	(19,384,962)	-
	At 5 April 2021	<u>100,329,066</u>	<u>79,583,716</u>	<u>179,912,782</u>	<u>204,307,351</u>

(b)	Company	Property capital fund		2021 Total £	2020 Total £
		Realised surplus on disposal £	Unrealised revaluation fund £		
	At 6 April 2020	124,195,992	80,111,359	204,307,351	208,238,251
	Realised loss on property sale in the year	(3,000,000)	3,000,000	-	-
	Movement due to revaluation in year	-	(5,009,607)	(5,009,607)	(3,930,900)
	Transfers between funds	(20,866,926)	1,481,964	(19,384,962)	-
	At 5 April 2021	<u>100,329,066</u>	<u>79,583,716</u>	<u>179,912,782</u>	<u>204,307,351</u>

The transfers between funds above and in general funds bring the designated funds in line with the total of the investments in property and other investments.

12. General funds

(a)	Group	2021 £	2020 £
	At 6 April 2020	7,838,329	5,613,392
	Realised loss on sale of investment property	(3,000,000)	-
	Transfers between funds	19,384,962	-
	Net income	<u>2,373,302</u>	<u>2,224,937</u>
	At 5 April 2021	<u>26,596,593</u>	<u>7,838,329</u>

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements *(continued)*

Year ended 5 April 2021

12. General funds (continued)

(b) Company

	2021 £	2020 £
At 6 April 2020	7,838,329	5,613,392
Realised loss on sale of investment property	(3,000,000)	-
Transfers between funds	19,384,962	-
Net income	2,373,302	2,224,937
At 5 April 2021	26,596,593	7,838,329

13. Analysis of net assets between funds

	General funds £	Designated funds £	2021 Total £
Group 2021			
Fixed assets	-	179,912,782	179,912,782
Current assets	28,373,360	-	28,373,360
Creditors	(1,776,767)	-	(1,776,767)
	26,596,593	179,912,782	206,509,375

	General funds £	Designated funds £	2021 Total £
Company 2021			
Fixed assets	-	179,912,784	179,912,784
Current assets	28,373,360	-	28,373,360
Creditors	(1,776,769)	-	(1,776,769)
	26,596,591	179,912,784	206,509,375

	General funds £	Designated funds £	2020 Total £
Group 2020			
Fixed assets	-	204,962,964	204,962,964
Current assets	10,044,503	-	10,044,503
Creditors	(2,861,787)	-	(2,861,787)
	7,182,716	204,962,964	212,145,680

	General funds £	Designated funds £	2020 Total £
Company 2020			
Fixed assets	-	204,962,966	204,962,966
Current assets	10,044,503	-	10,044,503
Creditors	(2,861,789)	-	(2,861,789)
	7,182,714	204,962,966	212,145,680

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements *(continued)*

Year ended 5 April 2021

14. Notes to the cash flow statement

(a) Reconciliation of net expenditure to net cash flow from in operating activities

	2021 £	2020 £
Net expenditure for the year	(5,636,305)	(1,705,963)
Interest receivable	(4,575)	(22,753)
Loss on sale of property, plant and equipment	3,000,000	-
Unrealised gains realised on disposal	5,009,607	3,930,900
Depreciation on tangible assets	182	287
Decrease/(increase) in debtors	350,344	(1,125,927)
(Decrease)/increase in creditors	(1,085,020)	254,786
Net cash provided by operating activities	1,634,233	1,331,330

(b) Analysis of changes in net debt

	At 6 April 2020 £	Cash flow £	At 5 April 2021 £
Cash in hand and at bank	4,835,426	18,679,201	23,514,627

(c) Reconciliation of net cash flow to movement in net debt

	2021 £	2020 £
Increase in cash in the year	18,679,201	698,183
Net funds at the beginning of the year	4,835,426	4,137,243
Net funds at the end of the year	23,514,627	4,835,426

15. Related party transactions

Advantage has been taken of the exemption conferred by FRS 102 not to disclose transactions between group entities, because the financial statements of the ultimate parent organisation, within which this company's results are consolidated, are publicly available from its registered office.

As set out in note 8 to these financial statements, the group made loans to Soza Health Limited, a company in which Lord Wolfson of Sunningdale (resigned 27 April 2020) and The Hon Andrew Daniel Wolfson are non executive directors.

A director was remunerated £40,000 (2020: £40,000) in respect of consultancy services during the year.

16. Control of company and group

The company and the group consider The Charles Wolfson Charitable Trust, a charity registered in England and Wales to be the ultimate holding organisation.

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements (*continued*)

Year ended 5 April 2021

17. Post balance sheet event

On 6 April 2021 the Charity's subsidiaries, Heath Retail Holdings Limited and Heath Retail One Limited, were dissolved.

In July 2021, the Charity completed on the sale of wholly owned and unencumbered investment property known as Lincoln's inn Fields. The proceeds from the sale were £32.6m.