

Company Number 00972762
Charity Registration Number 269181

Benesco Charity Limited

Financial statements

5 April 2022

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Company information

Directors

The Hon Andrew Daniel Wolfson
Jonathan Ragol-Levy
Lord David Wolfson of Tredegar KC
Mikael Breuer-Weil

Auditor

BDO LLP
Two 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
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W1W 6NS

Registered office

55 Baker Street
London
W1U 7EU

Charity registration number

269181

Company number

00972762

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") for the year ended 5 April 2022.

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 charitable 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:

The Hon Andrew Daniel Wolfson
Jonathan Ragol-Levy
Lord David Wolfson of Tredegar KC
Mikael Breuer-Weil (appointed 7 May 2021)

A director received remuneration for consultancy services provided to the charitable company, as outlined in Note 16.

Structure, governance and management

Structure

At 5 April 2021 Benesco Charity Limited had two dormant subsidiary entities. These were dissolved on 6 April 2021 and as such consolidated accounts have no longer been prepared.

Governing document

Benesco Charity Limited is a registered charity and a company limited by guarantee incorporated on 18 February 1970. Every member of the charitable 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 charitable 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 charitable 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 charitable company is administered by a board of directors appointed by the members for their particular skills and experience which may benefit the charitable company 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 charitable company 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 charitable company continuing as a going concern.

BENESCO CHARITY LIMITED

(Limited by Guarantee)

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 charitable company 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 charitable company wishes to give support.

Public benefit

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

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Directors' report (continued)

Achievements and performance

Investment policy and property report

The charitable company'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 charitable company.

With this in mind, supported by the services of professional property managers, the charitable company 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 charitable company'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 £105,878,400 (2021: £98,946,284) against a current value of £169,550,000 (2021: £178,530,000). The valuations were conducted by the charitable company's property managers on a market value basis. The rent roll at 5 April 2022 was £8,393,587 (2021: £9,139,437).

Grants made

During the year the charitable company made a grant to CWCT of £23,400,000 (2021: £5,800,000) and £196,936 (2021: £310,600) to other charities. See also the objectives and activities paragraphs for the charitable company's grant policy. The Directors have been reviewing their investment policy to endeavour to obtain the best return on investments in the group as a whole. This has led to the decision to reduce the reliance on investment property. As a consequence, the grant paid up to CWCT has significantly increased in the current year due to the sale of a property which generated additional funds in Benesco. These funds have been invested by CWCT and can be seen to have increased the value of the portfolio held at the year end.

The charitable company also makes programme related investments which at 5 April 2022 totalled £58 (2021: £1,382,700). Programme related investments are loans and equity investments made by the charitable company which directly further the charitable company's charitable objects which, at the same time, potentially will make a return. These are shown at cost less any impairment in value. Investments made to date 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 charitable company for the year totalled £8,050,081 (2021: £9,844,952). Charitable expenditure totalled £25,142,878 (2021: £6,327,075) and costs of raising funds totalled £2,177,429 (2021: £1,144,575). After a net loss on revaluation and profit on sale of investment properties of £3,221,994 (2021: £5,009,607) and £3,666,087 (2021: loss of £3,000,000) respectively, the net movement in funds for the year results in a deficit of £18,826,133 (2021: £5,636,305).

Fund balances at the year-end are £187,683,242 (2021: £206,509,375): £169,550,000 (2021: £178,530,000) of which was represented by investment properties; £nil (2021: £82) other fixed assets; £58 (2021: £1,382,700) programme related investments; and net current assets of £18,133,184 (2021: £26,596,591).

Reserves policy

In order to provide income to enable the charitable company 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 2022 amounted to £18,133,184 (2021: £26,596,593).

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.

BENESCO CHARITY LIMITED

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Directors' report *(continued)*

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.

COVID-19

The impact of COVID 19 was initially analysed by the professional property managers based on rental payments received on March 2021 quarter day. A full review of the portfolio was undertaken at the time and there was also continuous dialogue with the tenants. The initial cashflow forecasts prepared showed a reduction in income and, after allowing for expenses, indicated the amounts likely to be available for charitable donations. Ongoing discussions with tenants meant that rent due was not significantly impacted, with some tenants paying rent monthly and a few rent deferrals being agreed. The charitable company has followed the approach set out in the Government's code of practice first issued in June 2021. Since the year end, the majority of the tenants have resumed quarterly payments and settled the deferred rents.

Conflict in Ukraine and inflation

With the ongoing conflict in Ukraine and the impact of inflation, the additional reporting by the property managers has continued which includes updated cost estimates and reporting of capital expenditure. This information has assisted in providing guidance on the amounts available for charitable donations. The trustees of the Charles Wolfson Charitable trust (which is the principal recipient of the grants made by the charitable 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.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemption provided by part 15 of the Companies Act 2006.

BENESCO CHARITY LIMITED

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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 of the results of the charitable company 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 ~~22 November 2022~~ and signed on their behalf.

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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 Charitable Company's affairs as at 5 April 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Benesco Charity Limited ("the Charitable Company") for the year ended 5 April 2022 which comprise the statement of financial activities, the balance sheet, the 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 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 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. 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 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.

BENESCO CHARITY LIMITED

(Limited by Guarantee)

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

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 are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' Report.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 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 the Companies Act 2006 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 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.

BENESCO CHARITY LIMITED

(Limited by Guarantee)

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

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 Charitable Company and the sector within which it operates, and considered the risk of acts by the Charitable Company 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;
- 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.

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. Our audit work has been undertaken so that we might state to the Charitable Company's members 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 and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Samantha Lifford

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Samantha Lifford (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Birmingham, UK

Date 29 November 2022

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

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Statement of financial activities (incorporating the income and expenditure account)

Year ended 5 April 2022

	Notes	Unrestricted funds General funds £	Designated funds £	2022 Total £	2021 Total £
Income					
Investment income					
- Rental income	2	7,559,729	-	7,559,729	9,322,877
- Bank interest		352	-	352	4,575
- Dilapidations		190,000	-	190,000	517,500
Other Income		300,000	-	300,000	-
Total income		8,050,081	-	8,050,081	9,844,952
Expenditure					
Costs of raising funds	3	2,177,429	-	2,177,429	1,144,575
Charitable activities	4	25,142,878	-	25,142,878	6,327,075
Total expenditure		27,320,307	-	27,320,307	7,471,650
Net (expenditure)/income before gains on Investment properties		(19,270,226)	-	(19,270,226)	2,373,302
Net gains and losses on investment properties					
Realised gain/(loss) on revaluation					
- Investment properties		3,666,087	-	3,666,087	(3,000,000)
Unrealised loss on revaluation					
- Investment properties	8	-	(3,221,994)	(3,221,994)	(5,009,607)
Net expenditure		(15,604,139)	(3,221,994)	(18,826,133)	(5,636,305)
Transfers between funds		7,140,730	(7,140,730)	-	-
Net movement in funds		(8,463,409)	(10,362,724)	(18,826,133)	(5,636,305)
Reconciliation of funds:					
Fund balances brought forward		26,596,593	179,912,782	206,509,375	212,145,680
Fund balances carried forward		18,133,184	169,550,058	187,683,242	206,509,375

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 14 to 24 form part of these financial statements

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Statement of financial activities (incorporating the income and expenditure account)

Year ended 5 April 2021 – comparative figures

	Notes	Unrestricted funds General funds £	Designated funds £	2021 Total £
Income				
Investment income				
- Rental income	2	9,322,877	-	9,322,877
- Bank interest		4,575	-	4,575
- Dilapidations		517,500	-	517,500
Total income		9,844,952	-	9,844,952
Expenditure				
Costs of raising funds	3	1,144,575	-	1,144,575
Charitable activities	4	6,327,075	-	6,327,075
Total expenditure		7,471,650	-	7,471,650
Net income before gains on investment properties		2,373,302	-	2,373,302
Net losses on investment properties				
Realised loss on revaluation				
- Investment properties		(3,000,000)	-	(3,000,000)
Unrealised loss on revaluation				
- Investment properties	8	-	(5,009,607)	(5,009,607)
Net expenditure		(626,698)	(5,009,607)	(5,636,305)
Transfers between funds		19,384,962	(19,384,962)	-
Net movement in funds		18,758,264	(24,394,569)	(5,636,305)
Reconciliation of funds:				
Fund balances brought forward		7,838,329	204,307,351	212,145,680
Fund balances carried forward		26,596,593	179,912,782	206,509,375

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 14 to 24 form part of these financial statements

BENESCO CHARITY LIMITED


(Limited by Guarantee)

Balance sheet

As at 5 April 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	7	-	82
Investment property	8	169,550,000	178,530,000
Investments: Programme related	9	58	1,382,700
Other	9	-	2
		169,550,058	179,912,784
Current assets			
Debtors	10	3,616,736	4,858,733
Cash at bank, including deposits		17,174,556	23,514,627
		20,791,292	28,373,360
Creditors: amounts falling due within one year	11	(2,658,108)	(1,776,769)
Net current assets		18,133,184	26,596,591
Total assets less current liabilities		187,683,242	206,509,375
Net assets		187,683,242	206,509,375
Unrestricted funds			
Designated funds	12	169,550,058	179,912,782
General funds	13	18,133,184	26,596,593
		187,683,242	206,509,375

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..22.November.2022... and signed on their behalf.

DocuSigned by:

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A Wolfson – Director

Company Registration Number - 00972762

The notes on pages 14 to 24 form part of these financial statements

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Cash flow statement

Year ended 5 April 2022

	Note	2022 £	2021 £
Cash flows from operating activities:			
Net cash (used in)/provided by operating activities	15a	(15,764,518)	1,634,233
Cash flows from investing activities:			
Interest receivable & other income		352	4,575
Purchase of property, plant and equipment		(22,041,994)	(1,359,607)
Proceeds of sale of property, plant and equipment		31,466,089	18,400,000
Net cash provided by investing activities		9,424,447	17,044,968
Change in cash and cash equivalents in the reporting period		(6,340,071)	18,679,201
Cash and cash equivalents at the beginning of the period		23,514,627	4,835,426
Cash and cash equivalents at the end of the reporting period		17,174,556	23,514,627

The notes on pages 14 to 24 form part of these financial statements

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements

Year ended 5 April 2022

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:

1.1 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). 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 the Charles Wolfson Charitable Trust 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.

1.2 Preparation of the accounts on a going concern basis

Business continued during the Covid pandemic with many tenants paying rent monthly and in a few cases rent deferrals were 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. Post the balance sheet date, the majority of the tenants have resumed quarterly payments and settled the deferred rents.

Cash flow remains sufficient to meeting our liabilities and the professional property managers have closely monitored the portfolio and reported to the Trustees since the commencement of the COVID-19 pandemic. The charity will continue to make grants in accordance with its grant making policy, which will be in line with income generated. The directors have a reasonable expectation that the charity has sufficient resources to continue its activities for the foreseeable future and accordingly, they continue to adopt the going concern basis in the preparation of the financial statements.

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.

1.3 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 judgements 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.

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements *(continued)*

Year ended 5 April 2022

1.4 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 in line with the Charities SORP.

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.

1.5 Service charge

As agents of the charitable company, Metrus Limited, the company's investment property managers, manage the service charge account on behalf of the tenants of the company's investment properties. Costs are reimbursed by the tenants, these are not included in the income and expenditure account of the charitable company 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 Limited on behalf of the charitable company.

1.6 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 16).

1.7 Designated funds

Designated funds are as follows:

Property capital fund

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

1.8 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 unrealised revaluation fund which forms part of the designated 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.

1.9 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 which directly further the charitable company's 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.

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements (continued)

Year ended 5 April 2022

1.10 Financial instruments

The charitable company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors. Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of financial activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the charitable company would receive for the asset if it were to be sold at the Balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Investment income - Rental income

	2022 £	2021 £
Rents receivable	7,559,729	9,322,877
Total rental income	7,559,729	9,322,877

3. Costs of raising funds

	2022 £	2021 £
Property expenses		
Repairs, rates and other non-rechargeable property expenses	1,749,774	2,151,731
Recovery of expenses previously expensed	(695,727)	(1,868,580)
	1,054,047	283,151
Property management expenses		
Agents' management fees not recoverable	428,471	333,895
Agents' rent review and letting fees	244,453	392,187
Metrus purchase fee	206,000	-
Legal expenses	244,458	135,342
	1,123,382	861,424
Total property expenses	2,177,429	1,144,575

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements (continued)

Year ended 5 April 2022

4. Charitable activities

	2022 £	2021 £
Grants payable (see note 5)	23,596,936	6,110,600
Indemnity Insurance	31,728	35,500
Consultancy and professional fees	14,847	70,261
General office expenditure	48,119	56,606
Sundry expenses	416	324
Depreciation (see note 7)		82,182
Governance costs (see note 6)	68,108	53,602
Impairment of investment (see note 9)	1,382,642	-
	<u>25,142,878</u>	<u>6,327,075</u>

There were no directors reimbursed for expenses during the year (2021: Nil).

5. Grants payable

	2022 £	2021 £
The Charles Wolfson Charitable Trust	23,400,000	5,800,000
In relation to medicine	5,000	4,600
In relation to education	-	-
In relation to welfare	191,936	306,000
	<u>23,596,936</u>	<u>6,110,600</u>

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

	2022 £	2021 £
Education		
Grants made of less than £5,000	-	-
Medicine		
Grants made of less than £5,000	-	4,600
Grants made of between £5,000 and £9,999	5,000	-
Welfare		
Grants made of less than £5,000	3,000	-
Grants made of between £5,000 and £9,999	38,936	6,000
Grants made of between £10,000 and £49,999	60,000	-
Grants made of more than £50,000		
Jewish Care	-	200,000
The Work Avenue Foundation	-	100,000
Broughton Jewish Opportunity Fund	90,000	-
	<u>196,936</u>	<u>310,600</u>

6. Governance costs

	2022 £	2021 £
Audit fees	68,108	53,602

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements (continued)

Year ended 5 April 2022

7. Tangible fixed assets

	Office and office equipment £	Total £
Cost		
At 5 April 2021	142,876	142,876
At 5 April 2022	142,876	142,876
Depreciation		
At 5 April 2021	142,794	142,794
Charge for the year	82	82
At 5 April 2022	142,876	142,876
Net book value		
At 5 April 2022	-	-
At 5 April 2021	82	82

8. Investment Property

	Investment properties Freehold £	Total £
Valuation		
At 5 April 2021	178,530,000	178,530,000
Additions	22,041,994	22,041,994
Disposal	(27,800,000)	(27,800,000)
Net loss on revaluation	(3,221,994)	(3,221,994)
At 5 April 2022	169,550,000	169,550,000
Net book value		
At 5 April 2022	169,550,000	169,550,000
At 5 April 2021	178,530,000	178,530,000

The investment properties have been valued at 5 April 2022 by an independent professionally qualified RICS valuer. The valuations were undertaken in accordance with RICS Valuation – Global Standards (effective 31 January 2020).

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

	2022 £	2021 £
Cost	105,878,400	98,946,284

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements (continued)

Year ended 5 April 2022

9. Investments	2022 £	2021 £
Cost: programme related investments		
Brought forward	1,382,700	1,382,700
Further investments made during the year (see note below)	-	-
Impairment	(1,382,642)	-
Cost: Interest in group undertakings (see note below)	-	2
Carried forward	<u>58</u>	<u>1,382,702</u>
Programme related investments:	£	£
Position at end of year:		
Soza Health Limited		
Share capital: Ordinary shares	58	58
Other loan advances	-	1,382,642
	<u>58</u>	<u>1,382,700</u>
Carried forward	<u>58</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	1,382,642
	<u>1,382,700</u>	<u>1,382,700</u>
Change during the year		
- Soza Health Limited – share capital	-	-
- – impairment	(1,382,642)	-
	<u>(1,382,642)</u>	<u>-</u>
Movement for the year	<u>(1,382,642)</u>	<u>-</u>
Total programme related investment carried forward	<u>58</u>	<u>1,382,700</u>

As at 5 April 2022, Benesco held a 49% (2021: 49%) stake in Soza Health Limited, a company which provides diagnostic and other services to the Health sector. 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 2021. In the year ended 31 March 2022 unaudited financial statements indicate a loss of £106,069 (2021 £83,073), with a deficit on capital and reserves of £229,434 (2021: £123,350).

As at 5 April 2021 the investment consisted of share capital and a loan advance of £1,382,642, which is repayable on the sale or winding up of the company. The Directors have considered the programme related investment at 5 April 2022 and, following a review of the latest financial statements available, have concluded that due to uncertainty regarding the recoverability of the investment that it should be impaired to a value equivalent to the nominal value of the shares held.

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 Charity Limited received deferred shares in that company but the directors of Benesco Charity Limited have not attributed any value to these deferred shares as it is uncertain whether any value for these shares will be received.

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements *(continued)*

Year ended 5 April 2022

9. Investments (continued)

Interest in group undertakings:

At 5 April 2021 the charitable company held 100% of the share capital of two entities Heath Retail Holdings Limited and Heath Retail One Limited. At the time both of the entities were dormant. On 6 April 2021 these entities were dissolved.

10. Debtors

	2022 £	2021 £
Due from managing agents	1,033,217	1,171,333
Rent arrears	438,019	1,821,356
Other debtors and prepayments	2,007,822	1,728,366
Amounts owed from group undertakings	137,678	137,678
	<u>3,616,736</u>	<u>4,858,733</u>

11. Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxes and social security	433,214	30,571
Amounts owed to group undertakings	-	2
Accruals and deferred income	1,801,010	1,727,672
Other creditors	423,884	18,524
	<u>2,658,108</u>	<u>1,776,769</u>

Deferred income relates to a quarters rent received in advance and amounted to £1,598,684 (2021: £1,552,406).

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements *(continued)*

Year ended 5 April 2022

12. Designated funds

	Property capital fund		2022	2021
	Realised surplus on disposal £	Unrealised revaluation fund £	Total £	Total £
At 6 April 2021	100,329,066	79,583,716	179,912,782	204,307,351
Gain on property sale in the year	(3,666,087)	3,666,087	-	-
Movement due to revaluation in year	-	(3,221,994)	(3,221,994)	(5,009,607)
Transfers between funds	9,215,479	(16,356,209)	(7,140,730)	(19,384,962)
At 5 April 2022	<u>105,878,458</u>	<u>63,671,600</u>	<u>169,550,058</u>	<u>179,912,782</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.

13. General funds

	2022 £	2021 £
At 5 April 2021	26,596,593	7,838,329
Gain/(loss) on sale of investment property	3,666,087	(3,000,000)
Transfers between funds	7,140,730	19,384,962
Net (expenditure)/income	(19,270,226)	2,373,302
At 5 April 2022	<u>18,133,184</u>	<u>26,596,593</u>

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements *(continued)*

Year ended 5 April 2022

14. Analysis of net assets between funds

	General funds £	Designated funds £	2022 Total £
2022			
Fixed assets	-	169,550,058	169,550,058
Current assets	20,791,292	-	20,791,292
Creditors	(2,658,108)	-	(2,658,108)
	<u>18,133,184</u>	<u>169,550,058</u>	<u>187,683,242</u>
	General funds £	Designated funds £	2021 Total £
2021			
Fixed assets	-	179,912,784	179,912,784
Current assets	28,373,360	-	28,373,360
Creditors	(1,776,769)	-	(1,776,769)
	<u>26,596,591</u>	<u>179,912,784</u>	<u>206,509,375</u>

15. Notes to the cash flow statement

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

	2022 £	2021 £
Net expenditure for the year	(18,826,133)	(5,636,305)
Interest receivable	(352)	(4,575)
(Profit)/loss on sale of property, plant and equipment	(3,666,087)	3,000,000
Unrealised losses/(gains) on investment property	3,221,994	5,009,607
Depreciation on tangible assets	82	182
Decrease in debtors	1,241,997	350,344
Increase/(decrease) in creditors	881,339	(1,085,020)
Impairment of investment	1,382,642	-
Net cash (used in)/provided by operating activities	<u>(15,764,518)</u>	<u>1,634,233</u>

(b) Analysis of changes in net debt

	At 5 April 2021 £	Cash flow £	At 5 April 2022 £
Cash in hand and at bank	<u>23,514,627</u>	<u>(6,340,071)</u>	<u>17,174,556</u>

(c) Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in Hand and at bank	<u>17,174,556</u>	<u>23,514,627</u>

BENESCO CHARITY LIMITED

(Limited by Guarantee)

Notes to the financial statements (*continued*)

Year ended 5 April 2022

16. 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 charitable company's results are consolidated, are publicly available from its registered office.

As set out in note 9 to these financial statements, the charitable company made loans to Soza Health Limited, a company in which Lord Wolfson of Sunningdale (resigned 27 April 2021) and The Hon Andrew Daniel Wolfson are non executive directors.

A director was remunerated £40,000 (2021: £40,000) in respect of consultancy services during the year.

During the year, £23,400,000 (2021: £5,800,000) was donated to the charitable company's ultimate holding organisation, The Charles Wolfson Charitable Trust.

17. Control of company

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