

Charity Registration No. 1149282

**THE BETTY MESSENGER CHARITABLE FOUNDATION
TRUSTEES' REPORT AND CONSOLIDATED
ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2020**



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THE BETTY MESSENGER CHARITABLE FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Steven Jaffe Robert Wallis Jennifer Hirsch
Senior management team	Steven Jaffe Robert Wallis Jennifer Hirsch
Charity Number	1149282
Principal address	The Art Stables C/O The Sternberg Centre 80 East End Road London N3 2SY
Auditors	Sobell Rhodes LLP Ground Floor Unit 501 Centennial Park Centennial Avenue Elstree, Borehamwood Hertfordshire WD6 3FG
Investment Managers	Schroder Unit Trusts Ltd 31 Gresham Street London EC2V 7QA Investec Wealth & Investment Ltd 2 Gresham Street London EC2V 7QP

THE BETTY MESSENGER CHARITABLE FOUNDATION

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**THE BETTY MESSENGER CHARITABLE FOUNDATION
TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2020**

The Trustees present their annual report and financial statements of the Foundation for the year ended 5th April 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's Trust Deed, the Charities Act 2011, and the Statement of Recommended Practice; Accounting and Reporting by Charities 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Betty Messenger Charitable Foundation is an unincorporated trust established by a Trust Deed dated 17th September 2010 and registered with the Charity Commission on 11th October 2012. The Trustees have the power to spend or retain both capital and income. The Foundation does not actively fundraise and seeks to continue its charitable work through careful stewardship of its existing resources and providing funding for its charitable purposes.

The Foundation owns the entire share capital of Messenger Estates (Holdings) Limited which in turn owns the entire share capital of Messenger Estates Limited.

The Trustees who served during the year are as follows:

Jennifer Hirsch

Steven Jaffe

Robert Wallis

The Trustees, with the active involvement of our part-time Grants and Governance Officer, deal with the day-to-day management of the Foundation, including administration of grants, and the processing of applications. The Trustees undertake much of the work themselves and only employ such professional support as is necessary to operate effectively, so as to maximise the funds available for the beneficiaries.

The Trustees comply with the Foundation's Conflicts of Interest Policy to ensure best practice when carrying out the Foundation's activities. The Foundation has reviewed its activities to ensure compliance with the GDPR. An exercise was undertaken to benchmark the Foundation against the principles of the Charity Governance Code and the Trustees were satisfied that they could either apply the principles or explain why they have taken a different approach.

OBJECTIVES AND ACTIVITIES

The objects of the Foundation are for the Trustees to determine such charitable purposes as shall, from time to time be in accordance with its objectives. In setting their grant making strategy and when reviewing the Foundation's aims and objectives, they have due regard to the guidelines laid down by the Charity Commission.

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TRUSTEES' REPORT
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Public Benefit and impact

The objects of the Foundation are for the Trustees to determine such charitable purposes as shall, from time to time be in accordance with its objectives. In setting their grant making strategy and when reviewing the Foundation's aims and objectives and when planning future activities and setting the grant making policy, they have due regard to the guidelines laid down by the Charity Commission.

The Foundation is mindful of its obligations to meet the Public Benefit criterion and to be transparent, to this end it makes grants to UK based registered charities for activities and projects and, seeks to demonstrate its impact. Though the number of beneficiaries supported by the Foundation's funding is important when monitoring and evaluating its grants, the qualitative impact on individuals is also where the Trustees seek to understand their impact.

Over the course of the last year, the Trustees have continued to refine the Foundation's grant making strategy to focus on specific areas. In general terms this means direct support to alleviate those suffering from disease which includes end of life care, community or educational initiatives that support the health and wellbeing, creating opportunities for them that would otherwise be unobtainable and support for smaller charities, though capital projects will also be considered. The Foundation continues to be concerned with individuals who "fall through the gaps" of other support.

The Trustees therefore offer some examples of where and how we are seeking to implement this strategy and make an impact, as follows:

Charities workshop

One of the areas of focus for funding is the small charity sector, and to support that, in February 2020 the Trustees ran a workshop for people who had a great idea for a new charity but were not sure what to do next. It was offered free of charge for participants to explore ways to develop their charitable idea into a real project or, to take their small charities up to the next level. Facilities were booked at the Royal Society of Arts, London for 20 participants who were also eligible to apply for £1,000 development grants. Recruitment was difficult, but after concerted marketing efforts we found the right participants.

The half-day workshop included a presentation of a case study from one of our grant recipients, Susannah Hardyman, CEO of Action Tutoring, to inspire and act as a role model for our participants. The Trustees hosted the event and were involved with the other presentations and activities. This was the first event of this type the Trustees had put on, so feedback forms were provided to learn from participants' experiences and for evaluation. The comments were mostly positive, but the application for grants was low. The Trustees initially concluded that the event had not been that successful however, over the following year more applications were received and a number look like they are developing into interesting and useful charities. Many charities have kept in touch to advise their progress and so this has proven to be a useful exercise by incubating new charities. The Trustees decided that although the event could be considered successful, there was a great deal of investment in putting it together and the small charity sector could be better directly supported by another organisation; the Small Charities Coalition and two projects were initiated with them in the following year.

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Some examples of the charities formed or developed through this event are: Her Path to Purpose - empowering young women to lead purposeful lives, Brighter Together - Intergenerational work to benefit care home residents and children, The Skateparks Project - advice to councils and communities seeking new skatepark facilities. The Trustees look forward to their future success as they grow.

Charity of The Year Award

The Trustees are always considering different ways to support charities and decided that making an annual award could be a useful way for charities to raise their profile and demonstrate recognition of their work when applying to other funders. The first award was made in 2019 to the Watford Workshop whose services were detailed in last year's report. The award comes with a small grant to cover the cost of promoting their achievement with an event and publicity and a certificate was presented by the Trustees. The citation on the certificate was for the award to Watford Workshop 'Whose remarkable and dedicated team make their users and our world a better place'.

Noah's Ark Children's Hospice

The Trustees identified this organisation, because it fitted the end of life funding strand and they were impressed with the people involved in delivering their services and, their approach taken to support the whole family in these tragic and challenging situations.

The hospice provides support for babies, children and young people with life-limiting or life-threatening conditions and their families. They help seriously unwell children, and their families make the most of the special time they have together. The majority of babies and children supported are unlikely to reach their 18th birthday. The staff and volunteers provide clinical, emotional and practical support to families across North and Central London and Hertsmere. The Trustees have committed just over £1m over a 3-year period and are regularly in touch to see how the work is progressing. The Trustees are always inspired by what is accomplished for the children and their families in these difficult circumstances.

The Sawmill Trust

For some years the Trustees had given consideration to the best way to commemorate Betty Messenger's connection and support for the people of the village Stokenchurch where she lived. Although it was agreed to make a substantial donation, problems were encountered when trying to find an organisation that would take responsibility for custody and distribution of the funds. The solution was to find a group of dependable local people to form a new local organisation and fund the cost of establishing that entity to undertake the work.

A new charitable trust, The Sawmill Trust was consequently formed as a fitting way to continue the legacy of Betty Messenger with a £1m donation from the Foundation. The donation also included the cost of providing a minibus for local services. The Trustees have no connection with The Sawmill Trust which will be supporting charitable causes within Stokenchurch Parish once the Trust is fully established with sustainable income in place.

THE BETTY MESSENGER CHARITABLE FOUNDATION
TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2020

Refugee Support Network

The Trustees initially made some small donations to this charity that helps refugee and asylum-seeking children and young people to build more hopeful futures through education.

The Trustees then visited the charity and met the CEO and one of the trustees to understand their work and see how specific assistance might be given. Following those discussions a £90,000 grant was agreed, payable over 3-years.

For young refugees arriving in Europe, education is a priority: It is how lives begin to be rebuilt and hope for the future is rekindled. The charity provides a range of services which help 14-25 year olds seeking safety in the UK to get into, stay in and do well in education. This includes educational mentoring, specialist education and wellbeing support, access to higher education, an innovation stream and research, consultancy, training.

North London Hospice

The establishment of an out of hours service was a Trustees' initiative identified from personal experience of this real need. This multi-year project took a while to become operational due to problems recruiting staff and marketing. However, during the Covid-19 crisis, this service which is now fully established, has been a huge benefit to patients, their families and health professionals. Due to the restricted access to hospital cancer units, the out of hours service is being well used and many people who cannot get to hospital are being dealt with by our service.

The health commissioners are reorganising their funding methods which has placed the hospice funding under greater strain, so the Foundation grant has enabled this ground breaking work to continue in the face of cut backs in this critical period.

Grant Making Policy and Strategy

The end of the year saw the effect of the Covid-19 pandemic on the world and this was a major factor influencing strategy and our activities. Visiting grant applicants and continuing projects has always been a feature of our grant making policy. Since the start of lockdown, Trustees have been able to maintain these visits virtually through video conference facilities. Also, trustee meetings continued throughout this period as well as other meetings, e.g. with our investment advisors. The Trustees considered it crucial to continue maintaining our work which is needed more than ever during this crisis.

The Trustees decided to respond to the impact of Covid-19 in two ways. Firstly, by contacting our existing projects to see whether assistance was required to help them over the crisis. Having made the initial investment in these projects, it made sense to ensure that where possible they continued. Secondly, opportunities were found to provide support where most needed through a series of small grants typically around £2,000. Many of these grants were made to perceived areas of specific need at this time, for example, small local food banks and domestic violence charities.

Reviewing our grant making policy overall this year, it had become increasingly clear that the most successful projects are those where relationships based on trust have been built up with the key people involved. Usually, this will be the CEO and Chair of the trustee board. An important element is communication so that the Foundation is aware of progress and any problems that may arise. This light touch and informal monitoring is often more informative and effective than formal reviewing written reports, though these are still required.

**THE BETTY MESSENGER CHARITABLE FOUNDATION
TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2020**

The Trustees have established their grant making strategy to achieve their objects as previously explained. The Trustees also have a grant making policy which covers eligibility criteria and the whole process of application so as to facilitate due diligence and be fair to applicants.

The Trustees monitor the grants to ensure that they meet the aims and objectives of the Foundation and public benefit, by insisting upon periodic updates from recipients and assessing the outcomes. Overall grant making is monitored through a specially designed management tool to track grants committed and paid in the year compared with the budget which is linked to the strategic focus areas.

The Trustees play a very active role in the Foundation and review their strategy, policy and criteria regularly. Although they have a central policy, flexibility is retained to allow for reaction to changes in the community as seen at the beginning of the Covid-19 pandemic. The Trustees believe the current governance structure allows them to respond to need in the community faster and more efficiently than larger foundations. The Trustees are also proactive and seek out charities and projects that meet their criteria. The Trustees continue to commit a proportion of their income to multi-year grants. The Trustees keep the value of these continuing grants under review to avoid over-committing their resources.

In the short term, the Trustees will continue to make grants and donations that fall within their aims and objectives. In the long term, the Trustees reviewed their strategy to consider various options including whether all the objectives could be achieved in line with the full depletion of capital and income. After review and discussion, the Trustees have committed to continue its grant making policy for the foreseeable future. The Trustees hold Away Day events about twice a year; this is an opportunity to take time out of the day-to-day business of the Foundation and focus on reviewing work to date and looking to the future, at a strategic level.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

The Trustees meet on a monthly basis. On top of on-going grant commitments, the Trustees authorised several further grants in the year, in addition to ad hoc donations. These are detailed within the body of the financial statements.

The Foundation has focused its grants on charities that are involved in areas defined by its current grant making strategy.

Aside from small grants, which are subject to less stringent criteria, all successful applicants are requested to provide a report on the use of the funding provided and how it has benefitted the target groups. A standard reporting format is provided and we expect the financial information to be provided on a timely basis, and in a format that enables the Foundation to assess how the funds are being expended.

As part of the recipient's commitments, if there is inadequate financial accountability and/or there has been a material underspend, the Foundation reserves the right to withhold future funding.

Income from donations and legacies during the year amounted to £555,000 and rental income from the Group's investment properties amounted to £Nil.

**THE BETTY MESSENGER CHARITABLE FOUNDATION
TRUSTEES' REPORT
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Fund raising expenditure included £2,900 (2019 - £3,357) of refurbishment and repair costs for the properties. As noted in the accounts, because the Foundation does not undertake any fundraising activities the expenditure is shown against the description 'Raising funds' purely to comply with charity accounting requirements and the expenditure actually relates to 'Investment property management costs'.

By reviewing the periodic reports of the recipients, the Trustees are able to assess the added value and impact that their funding has made. This in turn, enables the Trustees to assess whether the beneficiaries have been able to benefit the wider community through for example, their advances in research.

RISK MANAGEMENT

The Trustees have identified the risks to which the Foundation is exposed and have implemented procedures to mitigate those risks. The principle risk to the Foundation is considered to be a dramatic downturn in capital value.

The Trustees consider the major financial risk to be a variability of returns on their investments. Spreading the investments with two established fund managers helps to mitigate this risk, as does their different approaches with one picking stocks and the other investing in a specialist charity fund. The fund managers engaged are both respected and established specialists in the charity sector and are mindful of our requirements and risk profile. Their respective performances are monitored monthly with daily online access. The Trustees meet with their fund managers at least twice a year to review performance.

The impact at the beginning of the Covid-19 pandemic on the investment portfolio was dramatic however, since then it has recovered back towards its original position. In terms of sustainability and going concern, the Trustees consider that in the event of another serious market downturn, they would be able to continue meeting their ongoing multi-year grant commitments, because there is no endowment restriction and the capital can be spent. If necessary, future grant making would have to be curtailed. There were no other risks or negative impact of Covid-19 in addition to what has been reported.

The major operational risk faced by the Foundation is misuse of grant funding by recipients. The Trustees have implemented procedures to manage this risk including a thorough review of all applications, including a financial assessment, and, effective monitoring of grants made including visits to projects. To mitigate this risk, grants are only made to UK registered charities.

To manage the risks, with the assistance of our Grants and Governance Officer, we maintain a Risk Register which is reviewed annually by the Trustees. We have also established reporting requirements in order to not only measure the outcomes, but also to evaluate actual expenditure against budget for those projects we have funded. We, as a policy, will not advance further funding if there are significant underspends or reporting by the recipients is found to be inadequate.

FINANCIAL REVIEW

The Foundation's work is not solely dependent upon income from its investments, and if necessary, will use the capital fund. The Trustees policy is to maximise income from their investments. This policy is kept under review and if the need arises, the Trustees will reconsider this decision.

**THE BETTY MESSENGER CHARITABLE FOUNDATION
TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2020**

Most of the Foundation's income derives from its listed investments. Given the climate of uncertainty brought about by Covid-19, long range forecasts of stock market performance and its impact upon dividend income has been sought from its investment advisors. This has enabled the Foundation to take an informed view through to April 2021.

During the year the Group's primary income source was from income from its investments. Rental income has now ceased, but raised £5,770 in the prior year.

All the funds are unrestricted. There are no funds in deficit at the date of the financial statements. The Charity's financial position at the balance sheet date is sufficient to meet ongoing expenditure and commitments.

The Trustees' power to invest are unrestricted. At the balance sheet date, the Group has cash of £172,062 on current and deposit accounts. The Group recorded a deficit of £4,702,551 (2019 - £116,215 surplus) for the year, primarily as a result of the fall in the value of its investments.

INVESTMENT POLICY

The capital fund of the Foundation consists of both stock exchange and fund of funds investments, which enables the fund managers to be flexible on their holdings. There is no restriction on the type of investments that the fund managers may wish to make.

The Trustees are satisfied with the fund managers' performance and measure their performance against the funds own internal benchmarks and benchmarks provided by ARC.

The Trustees have continued to dispose of their property portfolio and are reviewing options for the remaining property with appropriate professional advice.

RESERVES POLICY

The Trustees have given consideration as to how best to benefit those groups and individuals to whom its policies are targeted to help in the short and medium term. They keep under review the number of grants, which include payments in future years, to ensure that they have sufficient funds to meet needs as they arise.

Total reserves held by the Group at the year end was £16,611,959 (2019: £21,314,510).

The Foundation has an unrestricted capital and income fund of £15,692,446, which includes known liabilities for future approved grants. The figure for 2019 was £19,798,637.

The Trustees have considered the level of reserves, which adequately meets future grants already committed, and the overhead running expenses of the Foundation.

The principal funding source remains the legacy from the estate of the late Betty Messenger. No other funding is received by the Foundation.

**THE BETTY MESSENGER CHARITABLE FOUNDATION
TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2020**

FUTURE PLANS

The Trustees are continuing to dispose of all the properties held by the Foundation and its subsidiary. They plan to complete this process in the near future.

The Trustees look forward to continuing to make grants in accordance with their stated objectives and identify opportunities to make a positive impact on the lives of those who "fall through the gaps" in society. The Trustees anticipate that for the foreseeable future their work in responding to the Covid-19 pandemic will continue to be a significant feature.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees are responsible for preparing a Trustee's annual report and financial statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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


- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles in the applicable Charities SORP and FRS102.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the Foundation will continue in existence.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and to enable them to ensure that the financial Statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provision of the Trust Deed.

They are also responsible for safeguarding the assets of the Foundation and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Foundation and the financial information included in the Foundation's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Agreed by the Trustees on 29/01/20 2020 and signed on behalf by:

 Steven Jaffe FCA

THE BETTY MESSENGER CHARITABLE FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BETTY MESSENGER CHARITABLE FOUNDATION

Opinion

We have audited the financial statements of The Betty Messenger Charitable Foundation for the year ended 5 April 2020 which comprise Group Statement of Financial Activities, the Group and the Parent Charity Balance Sheets, the Group Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 5 April 2020, and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 are independent of the charity in accordance with the ethical requirements that are 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE BETTY MESSENGER CHARITABLE FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BETTY MESSENGER CHARITABLE FOUNDATION

Matters on which we are required to report by exception

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

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. The Trustees are responsible for assessing the group's and charity's ability to continue as a going concern.

We have been appointed auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sobell Rhodes LLP

Sobell Rhodes LLP, Statutory Auditor

Ground Floor
Unit 501 Centennial Park
Centennial Avenue
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WD6 3FG

Date: *9/11/2020*

Sobell Rhodes LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE BETTY MESSENGER CHARITABLE FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2020**

		2020	2020	2019
		Unrestricted Funds	Total Funds	Total Funds
	Notes	£	£	£
Income from:				
Investments	2	726,662	726,662	668,991
Total	2	<u>726,662</u>	<u>726,662</u>	<u>668,991</u>
Expenditure on:				
Raising funds	3	298,311	298,311	160,114
Charitable activities - grant making	3	2,337,225	2,337,225	2,001,788
Total		<u>2,635,536</u>	<u>2,635,536</u>	<u>2,161,902</u>
Net gains/(losses) on investments		(2,793,677)	(2,793,677)	1,609,126
Net income / (expenditure)		<u>(4,702,551)</u>	<u>(4,702,551)</u>	<u>116,215</u>
Net movement in funds		<u>(4,702,551)</u>	<u>(4,702,551)</u>	<u>116,215</u>
Reconciliation of funds:				
Total funds brought forward		21,314,510	21,314,510	21,198,295
Total funds carried forward		<u>16,611,959</u>	<u>16,611,959</u>	<u>21,314,510</u>

All amounts relate to continuing activities of the group.

The notes on pages 14 to 27 form part of these financial statements.

THE BETTY MESSENGER CHARITABLE FOUNDATION

BALANCE SHEETS
AS AT 5 APRIL 2020

		Group		Charity	
	Notes	2020	2019	2020	2019
		£	£	£	£
Fixed assets					
Tangible assets	6	-	-	-	-
Investments	7	18,430,847	22,414,741	17,520,190	21,504,084
Total fixed assets		<u>18,430,847</u>	<u>22,414,741</u>	<u>17,520,190</u>	<u>21,504,084</u>
Current assets					
Debtors	8	11,662	13,462	-	-
Cash at bank and in hand	3	172,062	670,735	170,018	70,771
Total current assets	3	<u>183,724</u>	<u>684,197</u>	<u>170,018</u>	<u>70,771</u>
Creditors					
Amounts falling due within one year	9	(1,175,603)	(696,622)	(1,170,753)	(688,412)
Net current assets		<u>(991,879)</u>	<u>(12,425)</u>	<u>(1,000,735)</u>	<u>(617,641)</u>
Total assets less current liabilities		<u>17,438,968</u>	<u>22,402,316</u>	<u>16,519,455</u>	<u>20,886,443</u>
Creditors: amounts falling due in greater than one year		(827,009)	(1,087,806)	(827,009)	(1,087,806)
Total net assets		<u>16,611,959</u>	<u>21,314,510</u>	<u>15,692,446</u>	<u>19,798,637</u>
Income funds					
Unrestricted income funds	11	16,611,959	21,314,510	15,692,446	19,798,637
Total funds	11	<u>16,611,959</u>	<u>21,314,510</u>	<u>15,692,446</u>	<u>19,798,637</u>

The financial statements were approved by the trustees on 29/10/20 and signed on their behalf by:


Steven Jaffe

The notes on page 14 to 27 form part of these financial statements.

THE BETTY MESSENGER CHARITABLE FOUNDATION

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 5 APRIL 2020**

		2020	2019
	Notes	£	£
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities	15	(2,415,552)	(109,610)
Cash flows from investing activities:			
Dividends and Interest from Investments		726,662	663,222
Proceeds on disposal of fixed asset investments		-	900,000
Purchase of investments		(709,783)	(3,662,900)
Proceeds on disposal Investments		1,900,000	-
Net cash provided by / (used in) investing activities		1,916,879	(2,099,678)
Net movement in cash and cash equivalents in the reporting period		(498,673)	(2,209,288)
Cash and cash equivalents at the beginning of the reporting period		670,735	2,880,026
Cash and cash equivalents at the end of the reporting period		172,062	670,735
Analysis of cash and cash equivalents		2020	2019
		£	£
Cash in hand		172,062	670,735
Total cash and cash equivalents		172,062	670,735

The notes on pages 14 to 27 form part of these financial statements.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2020

1. Accounting policies

Company Information

The Betty Messenger Charitable Foundation is a charity domiciled in England and Wales. The registered office is 14 David Mews, London, W1U 6EQ. The charity registration number is 1149282.

a) Basis of Preparation

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 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland).

Betty Messenger Charitable Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Going concern

The trustees consider that there are no material uncertainties about Betty Messenger Charitable Foundation's ability to continue as a going concern.

c) Group financial statements

The financial statements consolidated the results of the charity and its wholly owned subsidiaries Messenger Estates (Holdings) Limited and Messenger Estates Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has been included in the notes to the financial statements and is presented on page 11.

d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2020

e) Income (continued)

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the charity.

Rental income is derived from investment properties and is accounted for in the period in which the charity is entitled to the income on an accruals basis.

f) Grants payable

Grants payable represent amounts awarded by the charity during the year for charitable purposes. Grants payable are shown under creditors in the balance sheet and represent the full liability to pay grants to recipients over the full duration of their research projects. The grants are recognised as being payable once the recipient has met the conditions for receipt and the grant has been minuted at the trustees' meeting.

h) Tangible fixed assets

All assets are capitalised at their historical cost when purchased.

Depreciation is provided to write off the cost or revalued amount, less an estimated residual value, of all fixed assets evenly over their expected economic useful lives on a straight line basis as follows:

Fixtures and Fittings	15% straight line
Motor Vehicles	20% straight line

The need for any impairment of a fixed asset write-down is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

i) Investments

Listed securities are stated at open market value. The shares in the subsidiary company are stated at costs less any provision for diminution of value.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2020

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income is included at the best estimate of the amounts receivable at the balance sheet date. Rent deposits recoverable are all held by Independent Authorities in accordance with law.

k) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recognised at transaction price (including transaction costs). The charity 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.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity does not acquire put options, derivatives or other complex financial instruments.

n) Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charity for UK corporation tax purposes.

o) Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

THE BETTY MESSENGER CHARITABLE FOUNDATION

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2020**

p) Judgements and key sources of estimation uncertainty (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The assets that have a significant judgement in the reporting period are the investment properties. These have been valued by the Trustees at the reporting date using available market data and post year end sales information.

q) Concessionary Loan

The charity has taken advantage of section 34 of FRS 102 to recognise the loan to its trading subsidiary as a concessionary loan as the charity and subsidiary form a public benefit entity group. As such the charity initially recognises and measures the loan at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

THE BETTY MESSENGER CHARITABLE FOUNDATION

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2020**

2) Investment Income	2020	2019
	£	£
Rental Income	-	5,770
Income from listed Investments	726,574	662,901
Interest receivable	88	320
	726,662	668,991

Rental Income is derived from Investment properties held by the Foundation and its subsidiary.

3) Expenditure

	Direct costs	Support costs	2020
	£	£	£
Raising funds - Investment property	227,737	70,574	298,311
Charitable activities - Grant making (note 4)	2,337,225	-	2,337,225
	2,564,962	70,574	2,635,536

	Direct costs	Support costs	2019
	£	£	£
Raising funds - Investment property	156,765	3,349	160,114
Charitable activities - Grant making (note 4)	2,001,788	-	2,001,788
	2,158,553	3,349	2,161,902

The Foundation does not undertake any fundraising activities although expenditure is shown against the description 'Raising funds', this is purely to comply with charity accounting requirements and the expenditure relates to - 'Investment property management costs'.

Allocation of Support costs

	Total	Basis of allocation	Raising funds	Grant Making
2020				
Governance Costs	70,574	on percentage of time spent	7,057	63,517
2019				
Governance Costs	47,454	on percentage of time spent	4,745	42,709

THE BETTY MESSENGER CHARITABLE FOUNDATION

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2020**

3) Expenditure (continued)

	2020	2019
	£	£
Governance costs		
Audit fee	9,155	900
Accountancy fee	4,000	3,770
Legal and professional fees	54,734	39,586
Trustees expenses	2,685	3,198
	70,574	47,454

4) Grants Payable

	2020	2019
	£	£
North London Hospice	- 100,775	1,260,658
The Honeypot Children's Charity	-	196,130
Watford Workshop	98,000	50,000
RSA	-	95,000
CST	-	300,000
Action Tutoring	150,000	
Noah's Ark	1,050,000	
Refugee Support Network	90,000	
Sawmill Trust	1,000,000	
Ovarian Cancer Action		99,999
Royal National Chldrens	50,000	
	2,337,225	2,001,787

All grants are payable to Institutions.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2020

5) Tangible Fixed Assets

Group

	Fixtures, fittings and equipment £
Cost or valuation	
At 6 April 2019	214,017
Additions	-
Disposals	-
At 5 April 2020	214,017
Depreciation	
At 6 April 2019	214,017
Depreciation charge	-
Eliminated on disposal	-
At 5 April 2020	214,017
Net book value at 5 April 2020	-
Net book value at 5 April 2019	-

THE BETTY MESSENGER CHARITABLE FOUNDATION

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2020**

6) Fixed asset Investments

Group	Investment Properties £	Listed securities £	Total £
Cost or valuation			
At 6 April 2019	1,200,000	21,214,741	22,414,741
Additions	-	709,783	709,783
Transfers/Disposals	-	(1,900,000)	(1,900,000)
Changes in fair value	-	(2,793,677)	(2,793,677)
Value At 5 April 2020	1,200,000	17,230,847	18,430,847
Historical cost			
At 5 April 2020	315,000	18,774,768	19,089,768
At 5 April 2019	315,000	20,674,768	20,989,768
Charity	Shares in subsidiary companies £	Listed securities £	Total £
Cost or valuation			
At 6 April 2019	289,343	21,214,741	21,504,084
Additions	-	709,783	709,783
Transfers/Disposals	- -	1,900,000 -	1,900,000
Changes in fair value	- -	2,793,677 -	2,793,677
Value At 5 April 2020	289,343	17,230,847	17,520,190
Historical cost			
At 5 April 2020	289,343	18,774,768	19,064,111
At 5 April 2019	289,343	20,674,768	20,964,111

Investment properties were subject to Independent, professional valuation at 25th September 2019. The valuation was undertaken by Duncan Bailey Kennedy who are registered under Royal Institution of Chartered Surveyors.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2020

7) Fixed asset Investments (continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	County of registration or Incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Messenger Estates (Holdings) Limited - Company number 07253414	England and Wales	Ordinary	100
Messenger Estates Limited - Company number 00465048	England and Wales	Ordinary	100

The principal activity of these undertakings from the last relevant financial year was as follows:

Principal Activity	
Messenger Estates (Holdings) Limited	Intermediate holding company
Messenger Estates Limited	Property Investment and letting

Messenger Estates Limited is a wholly owned subsidiary of Messenger Estates (Holdings) Limited.

8) Debtors

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Prepayments and accrued income	11,662	13,462	-	-
	11,662	13,462	-	-

The loan between The Betty Messenger Charitable Foundation and Messenger Estates Limited is a concessionary loan at zero interest and with no repayment terms attached.

9) Creditors : amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Other creditors	1,164,153	681,812	1,164,153	681,812
Accruals	11,450	14,810	6,600	6,600
	1,175,603	696,622	1,170,753	688,412

THE BETTY MESSENGER CHARITABLE FOUNDATION

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2020**

10) Creditors : amounts falling due in greater than one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Grant commitments > 1 year	827,009	1,087,806	827,009	1,087,806
	827,009	1,087,806	827,009	1,087,806

11) Unrestricted funds

Charity

	Balance at 5 April 2019	Income	Expenditure	Gains/Losses	Balance at 5 April 2020
	£		£	£	£
General funds	19,798,637	1,281,574	(2,594,088)	(2,793,677)	15,692,446

	Balance at 5 April 2018	Income	Expenditure	Gains/Losses	Balance at 5 April 2019
	£		£	£	£
General funds	18,735,501	2,699,760	(2,119,689)	483,065	19,798,637

Group

	Balance at 5 April 2019	Income	Expenditure	Gains/ (Losses)	Transfers	Balance at 5 April 2020
	£	£	£	£		£
General funds	21,314,510	726,662	(2,635,536)	(2,793,677)	-	16,611,959
Total Funds	21,314,510	726,662	(2,635,536)	(2,793,677)	-	16,611,959

	Balance at 5 April 2018	Income	Expenditure	Gains/ (Losses)	Transfers	Balance at 5 April 2019
	£	£	£	£	£	£
General funds	21,198,295	668,991	(2,161,902)	1,609,126	-	21,314,510
Total Funds	21,198,295	668,991	(2,161,902)	1,609,126	-	21,314,510

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2020

12) Parent and Subsidiary Accounts

Investment in subsidiaries

The consolidated statement of financial activities includes the results of Betty Messenger Charitable Foundation's (charity number 1149282) wholly owned subsidiary Messenger Estates Limited (company number 00465048). The summary performance of Messenger Estates Limited along is as follows:

	2020	2019
	£	£
<u>Income</u>		
Income from investments	88	6,015
<u>Expenditure</u>		
Raising funds	(41,448)	(42,213)
Charitable activities	(555,000)	(2,036,784)
Net gains on investments	-	1,126,061
Net Income / (expenditure) including movement in funds	(596,360)	(946,921)
<u>Reconciliation of funds</u>		
Total funds brought forward	1,764,216	2,711,137
Total funds carried forward	1,167,856	1,764,216

THE BETTY MESSENGER CHARITABLE FOUNDATION

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2020**

12) Related party transactions (continued)

Balance sheet of Messenger Estates Limited

	2020	2019
	£	£
<u>Fixed Assets</u>		
Investment Properties	1,200,000	1,200,000
Tangible assets	-	-
	<hr/> 1,200,000	<hr/> 1,200,000
<u>Current Assets</u>		
Debtors	11,662	13,462
Cash at bank and in hand	2,044	599,964
	<hr/> 13,706	<hr/> 613,426
<u>Liabilities</u>		
Creditors : amounts falling due within one year	<hr/> 4,850	<hr/> 8,210
Net current assets	<hr/> 8,856	<hr/> 605,216
Total assets less current liabilities	1,208,856	1,805,216
Creditors: amounts falling due in greater than one year		
Total net assets	<hr/> <hr/> 1,208,856	<hr/> <hr/> 1,805,216
<u>Unrestricted funds</u>		
Ordinary share capital	41,000	41,000
General funds	1,167,856	1,764,216
Total funds	<hr/> <hr/> 1,208,856	<hr/> <hr/> 1,805,216

THE BETTY MESSENGER CHARITABLE FOUNDATION

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2020**

12) Related party transactions (continued)

Financial performance of the foundation

The consolidated statement of financial activities includes the results of the Foundation's wholly owned subsidiary Messenger Estates Ltd. The summary performance of the Foundation alone is as follows:

	2020	2019
	£	£
<u>Income</u>	1,281,574	2,699,760
<u>Expenditure</u>	<u>(2,594,088)</u>	<u>(2,119,689)</u>
Net expenditure before investment gains / (losses)	(1,312,514)	580,071
Gains/ (losses) on investment assets	<u>(2,793,677)</u>	<u>483,065</u>
Net movement in funds	(4,106,191)	1,063,136
Total funds brought forward	<u>19,798,637</u>	<u>18,735,501</u>
Total funds carried forward	<u>15,692,446</u>	<u>19,798,637</u>
<u>Represented by:</u>		
Unrestricted funds	<u>15,692,446</u>	<u>19,798,637</u>

13) Trustees remuneration and expenses

The trustees received reimbursement of subsistence expenses of £2,685 (2019: £1,230) and laptop expenses of £nil (2019: £1,968)

No Trustee, nor any persons connected with them, have received any remuneration or other benefits from the Charity during the year

14) Related party transactions

The Charity has taken exemption not to disclose Inter-company transactions and balances with 100% group companies

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2020

15) Net cash (outflow)/ Inflow from operating activities

	2020	2019
	£	£
Net movement in funds	(4,702,551)	116,215
(Gains)/losses on Investments	2,793,677	(1,609,126)
Dividends and Interest from Investments	(726,662)	(563,221)
Depredation and impairment of tangible fixed assets	-	-
Impairment of fixed assets		2,919
Decrease/(increase) in debtors	1,800	483,177
Increase/(decrease) in creditors	218,184	1,560,426
	<u>(2,415,552)</u>	<u>(109,610)</u>