

Charity Registration No. 1149282

**THE BETTY MESSENGER CHARITABLE FOUNDATION
TRUSTEES' REPORT AND CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2016**

THE BETTY MESSENGER CHARITABLE FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2016

Public benefit

In compliance with Section 17 of the Charities Act 2011, when setting the objectives and planning the work of the Charity for the year as outlined above, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Income from donations and legacies during the year amounted to £nil and rental income from the Group's investment properties amounted to £788,476.

Fund raising expenditure included £364,178 of refurbishment and repair costs for the properties.

Financial review

During the year the Group relied on rental income from its investment property and investment income, raising £788,476.

All the funds are un-restricted. 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 charity, however, is reliant on future donations in order to be able to support the charitable objectives.

The trustees' powers to invest are unrestricted. At the balance sheet date, the Group has cash of £2,784,671 on current and deposit accounts. The Group recorded a surplus of £1,031,429 for the year.

THE BETTY MESSENGER CHARITABLE FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2016

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

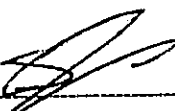
Principal funding source

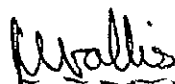
The principal funding source was the bulk of the assets of the late Betty Messenger which is in excess of £17 million. There will be no fund raising activities as there is significant income already derived from the investments.

Plans for the future

The trustees have reviewed the operations of the Group and concluded that the losses incurred in operating the property portfolio limit the ability to support the charitable activities. The trustees have therefore embarked on a strategy to dispose of the properties and invest the proceeds to focus on effective charitable donations. The trustees will adhere to the objectives and activities detailed earlier in this report.

On behalf of the board of trustees


Steven Daffe
Trustee
Dated: 5/01/17


R WALLIS
TRUSTEE


J HINCH
TRUSTEE

THE BETTY MESSENGER CHARITABLE FOUNDATION

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

Independent Auditor's Report to the trustees of The Betty Messenger Charitable Foundation

We have audited the financial statements of The Betty Messenger Charitable Foundation for the year ended 5 April 2016 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".

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.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 1, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 for our report.

THE BETTY MESSENGER CHARITABLE FOUNDATION

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE BETTY MESSENGER CHARITABLE FOUNDATION

Opinion on financial statements

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 2016, 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.

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
- we have not received all the information and explanations we require for our audit.

Price Bailey LLP

Price Bailey LLP
7th Floor
Dashwood House
69 Old Broad Street
London EC2M 1QS

6 January 2017

THE BETTY MESSENGER CHARITABLE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2016

		2016	2016	2015
		Unrestricted	Total Funds	As restated
	Notes	Funds	Total Funds	Total Funds
		£	£	£
Income from:				
Donations and legacies	2	-	-	347,143
Investments	3	788,476	788,476	755,499
Total		788,476	788,476	1,102,642
Expenditure on:				
Raising funds	4	788,563	788,563	646,203
Grant making	5	482,229	482,229	646,472
Total		1,270,792	1,270,792	1,292,675
Net gains/(losses) on investments		1,513,745	1,513,745	11,255
Net income/(expenditure)		1,031,429	1,031,429	(178,778)
Net movement in funds		1,031,429	1,031,429	(178,778)
Total funds brought forward		17,941,702	17,941,702	18,120,480
Total funds carried forward		18,973,131	18,973,131	17,941,702

All amounts relate to continuing activities of the group.

The notes on pages 10 to 25 form part of these financial statements.

THE BETTY MESSENGER CHARITABLE FOUNDATION

BALANCE SHEETS AS AT 5 APRIL 2016

		Group		Charity	
	Notes	2016 £	2015 As restated £	2016 £	2015 As restated £
Fixed Assets					
Tangible assets	7, 8	15,001	177,262	-	163,478
Investments	9	16,815,652	16,496,337	1,067,370	10,919,114
		<u>16,830,653</u>	<u>16,673,599</u>	<u>1,067,370</u>	<u>11,082,592</u>
Current assets					
Debtors	10	177,762	205,728	10,007,167	128,417
Cash at bank and in hand		2,784,671	1,719,106	1,099,610	1,276,266
		<u>2,962,433</u>	<u>1,924,834</u>	<u>11,106,777</u>	<u>1,404,683</u>
Liabilities					
Creditors: amounts falling due within one year	11	(369,955)	(406,731)	(300,782)	(437,712)
		<u>2,592,478</u>	<u>1,518,103</u>	<u>10,805,995</u>	<u>966,972</u>
Net current assets					
		<u>19,423,131</u>	<u>18,191,702</u>	<u>11,873,365</u>	<u>12,049,564</u>
Total assets less current liabilities					
Creditors: amounts falling due in greater than one year	12	(450,000)	(250,000)	(450,000)	(250,000)
		<u>18,973,131</u>	<u>17,941,702</u>	<u>11,423,365</u>	<u>11,799,563</u>
Total net assets					
Income funds:					
Unrestricted income funds	13	17,673,131	17,941,702	11,423,365	11,799,563
Revaluation reserve		1,300,000	-	-	-
		<u>18,973,131</u>	<u>17,941,702</u>	<u>11,423,365</u>	<u>11,799,563</u>
Total funds					
	13	<u>18,973,131</u>	<u>17,941,702</u>	<u>11,423,365</u>	<u>11,799,563</u>

The accounts were approved by the Trustees on 5/04/17

Steven Jaffe

W. J. Jaffe
W. J. Jaffe

J. Hirsch
J. Hirsch

The notes on pages 10 to 25 form part of these financial statements.

THE BETTY MESSENGER CHARITABLE FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 5 APRIL 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash (outflow)/inflow from operating activities	18	(145,904)	244,455
Investing activities			
Dividends and interest from investments		17,040	9,477
Proceeds on disposal of fixed asset investments		1,194,429	-
Purchase of investments		-	(355,061)
Net cash from investing activities		1,211,469	(345,584)
Net movement in cash and cash equivalents in the reporting period		1,065,565	(101,129)
Cash and cash equivalents at the beginning of the reporting period		1,719,106	1,820,235
Cash and cash equivalents at the end of the reporting period		2,784,671	1,719,106
Analysis of cash and cash equivalents			
Cash in hand		2,784,671	1,719,106
Total cash and cash equivalents		2,784,671	1,719,106

The notes on pages 10 to 25 form part of these financial statements.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2016

1 Accounting policies

Company Information

The Betty Messenger Charitable Foundation is a charity domiciled in England and Wales. The registered office is Tanaris House, The Common, Stokenchurch, HP14 3TZ. The charity registration number is 1149282.

The group consists of The Betty Messenger Charitable Foundation; Messenger Estates Limited and Messenger Estates (Holdings) Limited.

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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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) Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required, other than the reclassification of governance costs to support costs.

c) Going concern

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

d) Group financial statements

The financial statements consolidate 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 not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Where an acquisition is in substance a gift to the parent charity (where the consideration paid is nil or a nominal amount) the surplus of the share of net assets acquired over the consideration paid is recognised as a gain and included in other income in the consolidated Statement of Financial Activities.

In all other cases, the surplus of the share of net assets acquired over the consideration paid is taken to negative goodwill. Goodwill is amortised over 5 years.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2016

e) Fund accounting

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

f) 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.

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.

g) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the charity and include governance cost, finance, and office costs.

h) 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.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2016

l) Tangible fixed assets

All assets are capitalised at their historical cost when purchased.

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

Fixture & fittings	15%
Motor vehicles	20%

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.

j) Revaluation of tangible fixed assets

The charity has adopted the revaluation model to revalue items of freehold property whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Revaluation gains and losses are recognised in the Statement of Financial Activities and added to reserves in a separate revaluation reserve.

k) 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.

Antiques and Jewellery are stated at their open market 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.

l) 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. Rent in advance is recognised on receipt.

m) Cash at bank and in hand

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.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2016

n) 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

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

p) 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 charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

q) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

r) Pension scheme

The charity operates a defined contribution pension scheme for its employees. Pension costs are charged to the statement of financial activities and represent the amounts payable to the scheme for the year. The assets of the scheme are held separately from those of the charity.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2016

s) Judgements and key sources of estimation uncertainty

In the application of the company'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 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.

t) 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 (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2016

2 Donations and legacies	2016 £	2015 £
Legacies receivable	-	347,143
	-	347,143

Legacies receivable were from the Estate of the late Betty Messenger.

3 Investment Income	2016 £	2015 £
Rental income	771,436	742,602
Income from listed investments	16,880	9,103
Interest receivable	160	3,794
	788,476	755,499

Rental income is derived from investment properties held by the Foundation and its subsidiary. All investment income in both the current and previous year relate to unrestricted funds.

4 Expenditure

	Direct costs £	Support costs £	2016 £
Raising funds	531,436	257,127	788,563
Grant making (note 5)	482,229	-	482,229
	1,013,665	257,127	1,270,792

	Direct costs £	Support costs £	2015 £
Raising funds	520,223	125,980	646,203
Grant making (note 5)	646,472	-	646,472
	1,166,695	125,980	1,292,675

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2016

4 Expenditure (continued)

	2016	2015
	£	£
Support costs		
Staff costs	57,137	54,951
Depreciation	162,261	11,282
IT and office	-	36,147
Governance costs	37,729	23,600
	<u>257,127</u>	<u>125,980</u>

	2016	2015
	£	£
Governance costs		
Audit fees	37,729	23,600
Legal fees	-	-
	<u>37,729</u>	<u>23,600</u>

5 Grants payable	2016	2015
	£	£
Tommy's	150,400	-
Advocacy in Barnet	30,000	-
North London Hospice	20,000	10,000
The Art Stables	12,000	-
Royal National Children's Foundation	250,000	-
Ovarian Cancer Action	-	300,000
Skidz	-	10,000
Motor Neurone Disease Association	-	250,000
Stokenchurch Parish Council	-	25,000
Norwood	2,000	-
Manor House Trust	6,000	-
Other	11,829	51,472
	<u>482,229</u>	<u>646,472</u>

All grants are payable to institutions.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2016

6 Analysis of staff costs and key management personnel	2016 £	2015 £
Wages and salaries	54,091	51,898
Social security costs	2,591	3,054
Pension costs	455	-
	<u>57,137</u>	<u>54,952</u>

The key management personnel of the charity are considered to be its trustees.

The charity trustees were not paid or received any other benefits from employment with the Charity or its subsidiary in the year (2015: £nil). Trustee expenses of £1,141 (2015: £5,600) were reimbursed during the year. These expenses related to motor and all trustees received them.

The average monthly head count was 2 (2015: 2) and analysis of the staff employees in the year were:

	2016	2015
Administrative	<u>2</u>	<u>2</u>

There were no employees whose annual remuneration was £80,000 or more.
The pension liability at the year end was nil (2015: nil).

THE BETTY MESSENGER CHARITABLE FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2016

7 Tangible fixed assets

Group

**Fixtures,
fittings and
equipment**

£

Cost or valuation

At 6 April 2015

741,003

Additions

-

Disposals

-

741,003

At 5 April 2016

Depreciation

At 6 April 2015

563,741

Depreciation charge

162,261

726,002

At 5 April 2016

15,001

Net book value at 5 April 2016

177,262

Net book value at 6 April 2015

8 Tangible fixed assets

Charity

**Fixtures,
fittings and
equipment**

£

Cost or valuation

At 6 April 2015

214,017

Additions

-

Disposals

-

Revaluation

-

214,017

At 5 April 2016

Depreciation

At 6 April 2015

50,539

Charge for the year

-

Depreciation charge

163,478

Eliminated on disposal

-

Eliminated on revaluation

-

214,017

At 5 April 2016

Net book value at 5 April 2016

-

Net book value at 6 April 2015

163,478

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2016

9 Fixed asset investments

Group	Investment properties £	Listed securities £	Antiques and Jewellery £	Total £
Cost or valuation				
At 6 April 2015	15,637,323	759,778	99,236	16,496,337
Additions	-	471,150	-	471,150
Transfers				
/disposals	(899,696)	(454,270)	(99,236)	(1,453,202)
Revaluation	1,300,000	1,367	-	1,301,367
Value at 5 April 2016	16,037,627	778,025	-	16,815,652
Historical cost:				
At 5 April 2016	1,833,137	739,585	-	2,572,722
At 5 April 2015	2,732,833	722,705	99,236	3,554,774

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2016

9 Fixed asset investments (continued)

Charity

	Investment properties £	Shares in subsidiary companies £	Listed securities £	Antiques and jewellery £	Total £
Cost or revaluation					
At 6 April 2015	9,770,757	289,343	759,778	99,236	10,919,114
Additions	-	-	471,150	-	471,150
Transfers/disposals	(9,770,757)	-	(454,270)	(99,236)	(10,324,260)
Revaluation	-	-	1,367	-	1,367
Value at 5 April 2016	-	289,343	778,025	-	1,067,370
Historical cost: At 5 April 2016	-	289,343	739,585	-	1,768,513
At 5 April 2015	2,219,486	289,343	722,705	99,236	4,053,476

No formal valuation of the investment properties has been performed in the year. The valuation is based on a Trustees' valuation. The trustees are of the opinion that the properties are valued appropriately and they have agreed to arrange a formal valuation after the year-end.

Holdings of more than 20%

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

Company	Country of registration or incorporation	Shares Held	Class	%
Subsidiary undertakings				
Messenger Estates (Holdings) Limited	England and Wales	Ordinary		100
Messenger Estates Limited	England and Wales	Ordinary		100

The principal activity of these undertakings for 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. The audited accounts for Messenger Estates (Holdings) Limited relate to the year ended 31 May 2016.	

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2016

10 Debtors	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	-	37,509	-	-
Other debtors	177,762	74,999	12,773	35,197
Concessionary loan	-	93,220	9,994,394	93,220
	177,762	205,728	10,007,167	128,417

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

11 Creditors: amounts falling due within one year	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	44,071	49,530	-	28,290
Other creditors	251,275	171,769	250,000	165,992
Amounts owed to subsidiaries	-	47,544	-	143,712
Accruals	74,609	137,888	50,782	99,718
	369,955	406,731	300,782	437,712

12 Creditors: amounts falling due in greater than one year	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Grant commitments > 1 year	450,000	250,000	450,000	250,000
	450,000	250,000	450,000	250,000

13 Unrestricted funds

Charity

	Balance at 5 April 2015 As restated £	Income £	Expenditure £	Gains/losses £	Balance at 5 April 2016 £
General funds	11,799,563	507,500	(823,899)	(59,799)	11,423,365

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2016

Unrestricted funds	Balance at 5 April 2014 £	Income £	Expenditure £	Gains/losses £	Balance at 5 April 2015 £
13 (continued)					
General funds	11,915,897	842,056	(969,645)	11,255	11,799,563
Group					
	Balance at 5 April 2015 As restated £	Income £	Expenditure £	Gains/losses £	Balance at 5 April 2016 £
General funds	17,941,702	788,476	(1,270,792)	1,513,745	18,973,131
	Balance at 5 April 2014 £	Income £	Expenditure £	Gains/losses £	Balance at 5 April 2015 £
General funds	18,120,480	1,102,842	(1,292,675)	11,255	17,941,702

14 Related party transactions

Included in debtors is a balance for the sum of £9,994,394 (2015: £95,861) due from Messenger Estates Limited. The loan is interest free and no fixed terms of repayment are attached to the loan. Post year-end, all the remaining properties held in Betty Messenger Charitable Foundation were transferred to Betty Messenger Estates Limited at market value.

Investments 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:

	2016 £	2015 £
Income		
Income from investments	280,976	271,841
Expenditure		
Raising funds	(446,894)	(334,285)
Net gains/ (losses) on investments	1,573,544	-
Net income/(expenditure) including movement in funds	1,407,626	(62,444)
Reconciliation of funds		
Total funds brought forward	6,390,481	6,462,926
Total funds carried forward	7,798,107	6,390,482

THE BETTY MESSENGER CHARITABLE FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2016

14 Related party transactions (continued)

Balance sheet of Messenger Estates		
	2016	2015
	£	£
<u>Fixed Assets</u>		
Investment properties	16,037,627	5,886,566
Tangible assets	15,001	13,784
	16,052,628	5,880,350
<u>Current assets</u>		
Debtors	164,988	173,173
Cash at bank and in hand	1,685,060	442,840
	1,850,048	616,013
<u>Liabilities</u>		
Creditors: amounts falling due within one year	69,175	64,881
	1,780,873	551,132
Net current assets		
	17,833,501	6,431,482
Total assets less current liabilities		
Creditors: amounts falling due in greater than one year	9,994,394	-
	7,839,107	6,431,482
Total net assets		
<u>Unrestricted funds</u>		
Ordinary share capital	41,000	41,000
General funds	6,498,107	6,390,482
Revaluation reserve	1,300,000	-
	7,839,107	6,431,482
Total funds		

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2016

14 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:

	2016 £	2015 £
Income	507,500	842,058
Expenditure	(823,899)	(989,645)
Net expenditure before investment gains/(losses)	(316,399)	(127,589)
Gains/(losses) on investment assets	(59,799)	11,255
Net movement in funds	(376,198)	(116,334)
Total funds brought forward	11,799,563	11,915,897
Total funds carried forward	11,423,365	11,799,563
Represented by:		
Unrestricted funds	11,423,365	11,799,563
	11,423,365	11,799,563

15 Commitments

There are no financial commitments other than those shown in the accounts and accompanying notes.

16 Subsequent Events

Post year-end, all the remaining properties held in Betty Messenger Charitable Foundation were transferred to Betty Messenger Estates Limited at market value.

17 Operating Lease

At the year end, Betty Messenger Charitable Foundation had total future minimum lease receipts under operating leases as follows:

	2016 £	2015 £
Within one year	490,620	470,920
Total	490,620	470,920

THE BETTY MESSENGER CHARITABLE FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2016

18 Net cash (outflow)/inflow from operating activities	2016 £	2015 £
Net movement in funds	1,031,429	(178,778)
(Gains)/losses on investments	(1,513,745)	(11,255)
Dividends and interest from investments	(17,040)	(9,477)
Depreciation and impairment of tangible fixed assets	162,261	11,282
Decrease/(increase) in debtors	27,986	(74,028)
Increase/(decrease) in creditors	163,225	506,711
	(145,904)	244,455

19 Prior year adjustment

The negative goodwill being carried in the accounts was written off as a prior period adjustment - it had been carried in the balance sheet rather than being treated as a donation, which was the nature of the transaction.

The impact of the prior year adjustment is shown below:

Previously stated reserves at 6 April 2014	17,823,371
Prior year adjustment	297,109
Restated reserves brought forward	18,120,480
Previously stated reserves at 6 April 2015	17,707,752
Prior year adjustment	233,950
Restated reserves brought forward	17,941,702
Previously stated intangible fixed assets at 6 April 2015	(233,950)
Prior year adjustment	233,950
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