

Charity Registration No. 1149282

**THE BETTY MESSENGER CHARITABLE FOUNDATION
TRUSTEES' REPORT AND CONSOLIDATED
ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2018**



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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 2018

The Trustees present their annual report and financial statements of the Foundation for the year ended 5th April 2018. 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.

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 Governance Officer, deal with the day-to-day management of the Foundation, including administration of grants, and the processing of applications.

Following closure of the office at the end of 2017 it is not anticipated that any further staff will be recruited. 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.

During the year, the Trustees introduced a new 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.

THE BETTY MESSENGER CHARITABLE FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2018

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 policy and when reviewing the Foundation's aims and objectives, they have due regard to the guidelines laid down by the Charity Commission.

Public Benefit

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 policy 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 this end:

- Make grants to UK based charities for activities and projects.
- Is in discussions with the local community to provide a lasting legacy to Stokenchurch Village, Buckinghamshire. The Sawmill Trust, a new trust controlled by local trustees is being created for the purpose of administering the donation.
- Seeks to work with other charities to tackle certain issues, such as the RSA's Pinball Kids educational research project.

Grant Making Policy

The Trustees have established their grant making policy to achieve their objects. The main objects of the Foundation are to fund medical research, especially in the areas of medical research as well as funding under privileged children, and individuals who "fall through the gaps" of other support. The Trustees also consider and support the Arts and Education for the less privileged.

The Trustees monitor the grants to ensure that they meet the aims and objectives of the Foundation, by insisting upon periodic updates from recipients and assessing the outcomes.

The Trustees play a very active role in the Foundation and review their policy and criteria regularly. Although they have a central policy, flexibility is retained to allow for reaction to changes in the community. 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 also 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 are reviewing their strategy to consider whether all the objectives could be achieved in line with the full depletion of capital and income. The trustees hold Away Day events 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.

THE BETTY MESSENGER CHARITABLE FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2018

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

The Trustees meet on a monthly basis. On top of on going grant commitments, the Trustees authorised 2 further grants in the year on top of 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 complex research projects and to front line services.

All successful applicants are requested to provide a report on the use of the funding provided and how it has benefitted the target groups. We do not require a standard reporting format, but 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 will reserve the right to withhold future funding.

Income from donations and legacies during the year amounted to £nil and rental income from the Group's investment properties amounted to £309,834.

Fund raising expenditure included £22,220 of refurbishment and repair costs for the properties.

By reviewing the periodic reports of the recipients, the Trustees are able to assess the added value 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 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 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.

To manage the risks, with the assistance of our Grants and Governance Officer, we maintain a Risk Register. This year a risk was identified around potential conflict of interest and an appropriate policy was put in place to mitigate that risk. We have also have 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.

THE BETTY MESSENGER CHARITABLE FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2018

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.

During the year the Group relied on rental income from its investment property and investment income, raising £309,834.

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 £2,880,024 on current and deposit accounts. The Group recorded a surplus of £1,453,143 for the year.

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.

RESERVES POLICY

The Trustees have given consideration as 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 £22,121,600 (2017: £20,668,457).

The Foundation has an unrestricted capital and income fund of £18,735,501, which includes known liabilities for future approved grants. The figure for 2017 was £11,845,584.

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 2018

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.

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 9/11/2018 and signed on behalf by:


Steven Jaffe FCA

 . A. Ghose

 M. Hall

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 2018 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".

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, 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 on the financial statements.

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 2018, 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.

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

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
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Sobell Rhodes LLP, Statutory Auditor

Ground Floor
Unit 501 Centennial Park
Centennial Avenue
Elstree, Borehamwood
Hertfordshire
WD6 3FG

Date: *16/11/2018*
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THE BETTY MESSENGER CHARITABLE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2018

	Notes	2018 Unrestricted Funds £	2018 Total Funds £	2017 Total Funds £
Income from:				
Donations and legacies	3	-	-	(30,743)
Investments	3	309,834	309,834	587,427
Total	3	<u>309,834</u>	<u>309,834</u>	<u>556,684</u>
Expenditure on:				
Raising funds	4	331,118	331,118	437,739
Charitable activities - grant making	4	45,150	45,150	139,379
Total		<u>376,268</u>	<u>376,268</u>	<u>577,118</u>
Net gains/(losses) on investments		1,519,579	1,519,579	1,715,760
Net income / (expenditure)		<u>1,453,143</u>	<u>1,453,143</u>	<u>1,695,326</u>
Net movement in funds		<u>1,453,143</u>	<u>1,453,143</u>	<u>1,695,326</u>
Reconciliation of funds:				
Total funds brought forward		20,668,457	20,668,457	18,973,131
Total funds carried forward		<u>22,121,600</u>	<u>22,121,600</u>	<u>20,668,457</u>

All amounts relate to continuing activities of the group.

The notes on pages 11 to 24 form part of these financial statements.

THE BETTY MESSENGER CHARITABLE FOUNDATION

BALANCE SHEETS AS AT 5 APRIL 2018

	Notes	Group		Charity	
		2018	2017	2018	2017
		£	£	£	£
Fixed assets					
Tangible assets	7	2,919	4,379	-	-
Investments	8	18,966,020	18,730,474	17,358,118	10,518,771
Total fixed assets		<u>18,968,939</u>	<u>18,734,853</u>	<u>17,358,118</u>	<u>10,518,771</u>
Current assets					
Debtors	9	496,639	60,886	963,216	1,084,591
Cash at bank and in hand		2,880,024	2,482,974	623,168	801,222
Total current assets		<u>3,376,663</u>	<u>2,543,860</u>	<u>1,586,385</u>	<u>1,885,813</u>
Creditors					
Amounts falling due within one year	10	(224,000)	(310,256)	(209,000)	(259,000)
Net current assets		<u>3,152,663</u>	<u>2,233,604</u>	<u>1,377,385</u>	<u>1,626,813</u>
Total assets less current liabilities	13	<u>22,121,602</u>	<u>20,968,457</u>	<u>18,735,503</u>	<u>12,145,584</u>
Creditors: amounts falling due in greater than one year		(2)	(300,000)	(2)	(300,000)
Total net assets		<u>22,121,600</u>	<u>20,668,457</u>	<u>18,735,501</u>	<u>11,845,584</u>
Income funds					
Unrestricted income funds	12	21,967,809	19,060,426	18,735,501	11,845,584
Revaluation reserve		153,791	1,608,031	-	-
Total funds	12	<u>22,121,600</u>	<u>20,668,457</u>	<u>18,735,501</u>	<u>11,845,584</u>

The financial statements were approved by the trustees on 9/11/2018 and signed on their behalf by:





The notes on page 11 to 24 form part of these financial statements.

THE BETTY MESSENGER CHARITABLE FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 5 APRIL 2018

		<u>2018</u>	<u>2017</u>
	Notes	£	£
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities	17	(643,827)	(134,634)
Cash flows from investing activities:			
Dividends and interest from investments		229,352	31,999
Proceeds on disposal of fixed asset investments		8,256,000	8,949,066
Purchase of investments		(7,444,475)	(9,148,128)
Net cash provided by / (used in) investing activities		<u>1,040,877</u>	<u>(167,063)</u>
Net movement in cash and cash equivalents in the reporting period		397,050	(301,697)
Cash and cash equivalents at the beginning of the reporting period		<u>2,482,974</u>	<u>2,784,671</u>
Cash and cash equivalents at the end of the reporting period		<u>2,880,024</u>	<u>2,482,974</u>
Analysis of cash and cash equivalents		<u>2018</u>	<u>2017</u>
		£	£
Cash in hand		<u>2,880,024</u>	<u>2,482,974</u>
Total cash and cash equivalents		<u>2,880,024</u>	<u>2,482,974</u>

The notes on pages 11 to 24 form part of these financial statements.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2018

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.

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 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 8.

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 2018

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 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:

Fixtures and 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.

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.

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.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2018

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) Pension scheme

The group 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.

p) 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 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 BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2018

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 2018

2) Donations and legacies	2018	2017
	£	£
Legacies	-	(30,743)
	-	(30,743)

3) Investment income	2018	2017
	£	£
Rental income	80,482	555,428
Income from listed investments	172,240	31,276
Interest receivable	57,112	723
	<u>309,834</u>	<u>587,427</u>

Rental income is derived from investment properties held by the Foundation and its subsidiary.

4) Expenditure

	Direct costs	Support costs	2018
	£	£	£
Raising funds - Investment property	222,066	109,052	331,118
Charitable activities - Grant making (note 5)	45,150	-	45,150
	<u>267,216</u>	<u>109,052</u>	<u>376,268</u>

	Direct costs	Support costs	2017
	£	£	£
Raising funds - Investment property	344,923	92,816	437,739
Charitable activities - Grant making (note 5)	139,379	-	139,379
	<u>484,302</u>	<u>92,816</u>	<u>577,118</u>

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'.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2018

4) Expenditure (continued)

	2018 £	2017 £
Support costs		
Staff costs (Note 6)	99,194	61,071
Depreciation	1,457	10,622
IT and Office	-	2,277
Governance costs	8,400	18,846
	<u>109,052</u>	<u>92,816</u>
Governance costs	2018	2017
	£	£
Audit fees	8,400	18,846
	<u>8,400</u>	<u>18,846</u>

5) Grants Payable

	2018 £	2017 £
Tommy's	1,900	600
Advocacy in Barnet	-	50,000
North London Hospice	-	50,000
Parochial Church	-	5,000
The Honeypot Children's Charity	-	22,029
Migdal Emunah	-	1,000
Stokenchurch Parish Council	20,000	-
The British Friends of the Israeli War Disabled Trust	20,000	-
Other	3,250	10,750
	<u>45,150</u>	<u>139,379</u>

All grants are payable to institutions.

The grant creditor (as disclosed in note 11) reduced by £349,998 for the cash payments made against this creditor.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2018

6) Analysis of staff costs and key management personnel

	2018 £	2017 £
Wages and salaries	97,217	57,734
Social Security costs	220	1,905
Pension costs	1,758	1,432
	<u>99,194</u>	<u>61,071</u>

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

Included within wages and salaries are ex-gratia payments to the two former employees amounting to £54,228.

The charity trustees were not paid or received any other benefits from employment with the Charity or its subsidiary in the year (2017: £nil). Trustee expenses of £1,374 (2017: £3,344) were reimbursed during the year. These expenses typically relate to motor expenses and all trustees received them.

The average monthly head count was 2 (2016 :2) and analysis of the staff employees in the year were:

	2018	2017
Administrative	2	2

There were no employees whose annual remuneration was £60,000 or more in either year.

The pension liability at the year end was £Nil (2017 : £Nil)

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2018

7) Tangible Fixed Assets

Group

	Fixtures, fittings and equipment £
Cost or valuation	
At 6 April 2017	741,003
Additions	-
Disposals	(21,119)
At 5 April 2018	719,884
Depreciation	
At 6 April 2017	736,626
Depreciation charge	1,457
Eliminated on disposal	(21,118)
At 5 April 2018	716,965
Net book value at 5 April 2018	2,919
Net book value at 5 April 2017	4,379

8) Fixed asset investments

Group

	Investment Properties £	Listed securities £	Total £
Cost or valuation			
At 6 April 2017	8,501,046	10,229,428	18,730,474
Additions	-	6,700,000	6,700,000
Transfers/Disposals	(6,603,801)	-	(6,603,801)
Changes in fair value	-	139,347	139,347
Value At 5 April 2018	1,897,245	17,068,775	18,966,020
Historical cost			
At 5 April 2018	1,743,464	17,011,867	18,755,331
At 5 April 2017	6,893,025	9,887,713	16,780,738

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2018

8) Fixed asset investments (continued)

Charity	Shares in subsidiary companies £	Listed securities £	Total £
Cost or valuation			
At 6 April 2017	289,343	10,229,428	10,518,771
Additions	-	6,700,000	6,700,000
Transfers/Disposals	-	-	-
Changes in fair value	-	139,347	139,347
Value At 5 April 2018	289,343	16,929,428	17,358,118
Historical cost			
At 5 April 2018	289,343	17,011,867	17,301,210
At 5 April 2017	289,343	10,229,428	10,518,771

No formal valuation of the investment properties has been performed in the year. The valuation is based on a Trustees' valuation. The last formal valuation took place in November 2016 by Thompson Wilson.

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	County of registration or incorporation	Shares held	
Subsidiary undertakings		Class	%
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.

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2018

9) Debtors

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	496,639	-	-	-
Other debtors	-	60,886	-	14,003
Concessionary loan	-	-	963,216	1,070,588
	496,639	60,886	963,216	1,084,591

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.

10) Creditors : amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	-	23,165	-	-
Other creditors	200,000	250,000	200,000	250,000
Amounts owed to subsidiaries	-	-	-	-
Taxation and social security	-	1,332	-	-
Accruals	24,000	35,759	9,000	9,000
	224,000	310,256	209,000	259,000

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

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Grant commitments > 1 year	2	300,000	2	300,000
	2	300,000	2	300,000

12) Unrestricted funds

Charity

	Balance at 5 April 2017	Income	Expenditure	Gains/Losses	Balance at 5 April 2018
	£	£	£	£	£
General funds	11,845,586	7,004,285	(57,462)	(56,908)	18,735,501

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2018

12) Unrestricted funds (continued)

	Balance at 5 April 2016	Income	Expenditure	Gains/Losses	Balance at 5 April 2017
	£	£	£	£	£
General funds	11,423,365	77,077	(148,535)	493,679	11,845,586

Group

Unrestricted funds	Balance at 5 April 2017	Income	Expenditure	Gains/ (Losses)	Transfers	Balance at 5 April 2018
	£	£	£	£		£
General funds	19,060,426	7,084,834	(7,151,269)	2,973,819	-	21,967,809
Revaluation reserve	1,608,031	-	-	(1,454,240)	-	153,791
Total Funds	20,668,457	7,084,834	(7,151,269)	1,519,579	-	22,121,600

Unrestricted funds	Balance at 5 April 2016	Income	Expenditure	Gains/ (Losses)	Transfers	Balance at 5 April 2017
	£	£	£	£	£	£
General funds	17,673,131	556,684	(577,118)	2,407,729	(1,000,000)	19,060,426
Revaluation reserve	1,300,000	-	-	(691,969)	1,000,000	1,608,031
Total Funds	18,973,131	556,684	(577,118)	1,715,760	-	20,668,457

13) Related party transactions

Charity

Included in debtors balance is a balance for the sum of £963,216 (2017 : £1,070,588) due from Messenger Estates Limited. The loan is interest free and no fixed terms of repayment are attached to the loan.

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

The Betty Messenger Charitable Foundation received a donation from Messenger Estates Limited of £6,775,000 during the year ended 5 April 2018 (2017: £100,000) .

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2018

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:

	2018 £	2017 £
<u>Income</u>		
Income from investments	80,549	556,150
<u>Expenditure</u>		
Raising funds	(318,807)	(400,971)
Charitable activities	(6,775,000)	(104,154)
Net gains/(losses) on investments	1,576,487	1,222,082
Net income / (expenditure) including movement in funds	(5,436,772)	1,273,107
<u>Reconciliation of funds</u>		
Total funds brought forward	9,071,214	7,798,107
Total funds carried forward	3,634,442	9,071,214

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2018

Balance sheet of Messenger Estates		
	2018 £	2017 £
<u>Fixed Assets</u>		
Investment Properties	1,897,245	8,501,046
Tangible assets	2,920	4,379
	<hr/> 1,900,165	<hr/> 8,505,425
<u>Current Assets</u>		
Debtors	496,639	46,882
Cash at bank and in hand	2,256,856	1,681,752
	<hr/> 2,753,495	<hr/> 1,728,634
<u>Liabilities</u>		
Creditors : amounts falling due within one year	<hr/> 978,216	<hr/> 1,121,845
Net current assets	<hr/> 1,775,278	<hr/> 606,789
Total assets less current liabilities	<hr/> 3,675,443	<hr/> 9,112,214
Creditors: amounts falling due in greater than one year		
Total net assets	<hr/> 3,675,443	<hr/> 9,112,214
<u>Unrestricted funds</u>		
Ordinary share capital	41,000	41,000
General funds	3,480,651	7,463,183
Revaluation reserve	153,791	1,608,031
Total funds	<hr/> 3,675,443	<hr/> 9,112,214

THE BETTY MESSENGER CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2018

13) Related party transactions (continued)

Financial performance of the

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:

	2018 £	2017 £
<u>Income</u>	7,004,285	77,077
<u>Expenditure</u>	(57,462)	(148,535)
Net expenditure before investment gains / (losses)	6,946,823	(71,458)
Gains/ (losses) on investment assets	(56,908)	493,679
Net movement in funds	6,889,915	422,221
Total funds brought forward	11,845,586	11,423,365
Total funds carried forward	18,735,501	11,845,586
<u>Represented by:</u>		
Unrestricted funds	18,735,501	11,845,586

14) Commitments

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

15) Subsequent Events

Post year-end further properties were sold with a view to sell the remainder over the financial year.

16) Operating Lease

There are no operating lease commitments.

17) Net cash (outflow)/ inflow from operating activities

	2018 £	2017 £
Net movement in funds	1,453,143	1,695,326
(Gains)/losses on investments	(1,519,579)	(1,715,760)
Dividends and interest from investments	(229,352)	(31,999)
Depreciation and impairment of tangible fixed assets	1,457	10,622
Decrease/(increase) in debtors	(435,753)	116,876
Increase/(decrease) in creditors	86,256	(209,699)
	(643,827)	(134,634)