

(A company limited by guarantee not having a share capital)

Company Registration No 3087463

(England & Wales)

Charity Registration No 1049171

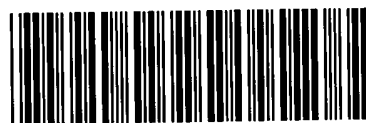
(England & Wales)

Regulated by the Financial Conduct Authority FRN 718626

# **Report and Financial Statements**

for the year ended 31 December 2016

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## THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND

### TRUSTEE-DIRECTORS 2016

J M Allen BSc(Hons) CEng FStructE MICE	Chairman
S M Craddy CEng FStructE MConsE (until 21 July 2016)	
I G Hill BEng(Hons) CEng FStructE MICE	
F J McGlade BSc CEng FStructE MICE	
J D Parsons BSc(Hons) CEng FStructE MICE	Vice-Chairman
Dr J M Roberts FREng BEng(Hons) PhD CEng FStructE FICE	
M F Ryland BSc(Hons) CEng FStructE MICE	
G E Watts CEng FStructE FICE	
N Westwood BSc(Eng) CEng MStructE FConsE (from 22 July 2016)	
N C Wheeler BSc(Hons) CEng MStructE MICE	

### ADVISORY COUNCIL 2016

Vacancy	Bedfordshire & Adjoining Counties Regional Group
P R Desmonde BSc(Eng) CEng FStructE	Devon & Cornwall Regional Group
B Hipwell BEng(Hons) CEng MStructE FConsE	East Anglian Regional Group
J M Allen BSc(Hons) CEng FStructE MICE	East Midlands Regional Group
I G Hill BEng(Hons) CEng FStructE MICE	Lancashire & Cheshire Regional Group
A K Strong CEng FStructE MICE MCI Arb FIHT MCMI	Midland Counties Regional Group
C Higgins IEng AMStructE	Northern Counties Regional Group
F J McGlade BSc CEng FStructE MICE	Northern Ireland Regional Group
M F Ryland BSc(Hons) CEng FStructE MICE	North Thames Regional Group
Vacancy	Republic of Ireland Regional Group
A Massie BSc(Eng) CEng MStructE ACI Arb	Scottish Regional Group
G E Watts CEng FStructE FICE	South-Eastern Counties Regional Group
M G Lakey CEng MStructE	Southern Regional Group
N Westwood BSc(Eng) CEng MStructE FConsE	Surrey Regional Group
B W J Boys FStructE	Thames Valley Regional Group
J D Parsons BSc(Hons) CEng FStructE MICE	Wales Regional Group
S B Holmes CEng MStructE	Western Counties Regional Group
N C Wheeler BSc(Hons) CEng MStructE MICE	Yorkshire Regional Group

### SECRETARY

Dr S M Doran BSc(Eng) AKC PhD CEng MICE ACIS

### BENEFITS CONSULTANT

C Pedroza, 53 Ryde Road, Brighton BN2 3EG

### AUDITORS

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

### BANKERS

National Westminster Bank plc, PO Box 3043, 141 Ebury Street, London SW1W 9QP

### INVESTMENT MANAGERS

W H Ireland Ltd, 24 Martin Lane, London EC4R 0DR

### SOLICITORS

Withers LLP, 16 Old Bailey, London EC4M 7EG

# THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND

## DIRECTORS' AND TRUSTEES' REPORT 31 DECEMBER 2016

### 1 INTRODUCTION

The Trustee-Directors present their report and the financial statements of the Institution of Structural Engineers Benevolent Fund for the year ended 31 December 2016. The accounts which are attached to this report comply with current statutory requirements, the requirements of the Benevolent Fund's memorandum and articles of association, and with the requirements of '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).

### 2 REFERENCE AND ADMINISTRATIVE INFORMATION

The Institution of Structural Engineers Benevolent Fund is constituted as a company limited by guarantee incorporated in England & Wales under registered number 3087463 and is governed by its memorandum and articles of association.

The Benevolent Fund is registered with the Charity Commission for England & Wales, under registered number 1049171.

During 2016 the Benevolent Fund became regulated by the Financial Conduct Authority under FRN 718626.

The registered office of the Benevolent Fund is 47-58 Bastwick Street, London EC1V 3PS.

*The names of the Trustee-Directors who served during the period are set out on page 1; all except S M Craddy remained in office at the date of the approval of this report. No material contracts subsisted during the period in which any Trustee-Director had an interest.*

The names of the Secretary and of the principal professional advisers to the Benevolent Fund are set out on page 1.

### 3 ORGANISATIONAL STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Constitution

The Benevolent Fund was established in 1936 as an unincorporated association and in 1941 it obtained registration as a friendly society. With the agreement of its members, as well as the relevant statutory authorities, on 2 August 1995 it was incorporated as a company limited by guarantee and on 13 September 1995 it was reregistered as a charity. The Benevolent Fund's governing document is its memorandum and articles of association, under which the Trustee-Directors have made rules for the management of the Benevolent Fund.

#### Trustee-Directors

The Benevolent Fund's articles of association provide that there shall be at least three Trustee-Directors; on the formation of the Benevolent Fund as a company there were ten but the first annual general meeting in 1996 reduced that number to nine. Trustee-Directors are appointed, for three-year terms, at general meetings of the Benevolent Fund, although the Trustee-Directors themselves may also make appointments but only up to the next annual general meeting. Subject to the Benevolent Fund's memorandum and articles of association, all decisions are taken by the Trustee-Directors (although the Chairman, with one other Trustee-Director, has limited delegated power to approve emergency grants). On appointment, each Trustee-Director receives an information pack, which, in addition to details about the Benevolent Fund, contains information relating to the roles of trustee and company director; this pack is updated as required.

#### Advisory Council

The articles of association allow the Trustee-Directors to invite representatives of branches of the Institution of Structural Engineers to attend meetings and to act as an Advisory Council to the Trustee-Directors: this Council has been established, comprising delegates from each of the 18 UK/Republic of Ireland regional groups. The names of the Advisory Council members are given on page 1. As well as visiting applicants and beneficiaries and attending meetings of the Trustee-Directors, the Advisory Council members also contact widows/widowers of members and other potential beneficiaries, undertake local publicity on behalf of the Benevolent Fund and encourage contributions. Neither the Advisory Council members, nor the Trustee-Directors or anyone else acting on behalf of the Benevolent Fund (other than the principal advisers), receives any payment apart from out-of-pocket expenses.

## THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND

### DIRECTORS' AND TRUSTEES' REPORT (continued) 31 DECEMBER 2016

#### Sub-committees

The articles of association authorise the Trustee-Directors to appoint sub-committees. The only sub-committee appointed in 2016 was the Investments Sub-Committee, comprising Mr J M Allen, Mr J D Parsons and Mr I G Hill.

#### Relationships with other organisations

The Benevolent Fund is deemed a connected charity to the Institution of Structural Engineers as its objects are to make grants and afford assistance to necessitous persons who are members of the Institution, and to former members and dependants of members, and as it benefits from administrative services provided by the Institution. The affairs of the Benevolent Fund are conducted from the Institution's offices and the secretariat is provided by the Institution. During the year the Benevolent Fund received £14,315 of donated services from the Institution of Structural Engineers.

Wherever possible, the Benevolent Fund co-operates with other charities in relation to applicants and beneficiaries. The list of grants on page 15 shows joint beneficiaries of the Institution Structural Engineers and the Institution of Civil Engineers Benevolent Funds. The Benevolent Fund is a member of the Association of Charitable Organisations.

#### Risk

The Trustee-Directors oversee an ongoing assessment of the major risks to which the Benevolent Fund is exposed, in particular those relating to its operations and finances, and are satisfied that systems are in place to manage the Benevolent Fund's exposure to those risks. The most significant risk is the unexpected loss of the Secretary; however, a procedural manual has been prepared, and the Institution would appoint a replacement as soon as possible. Another significant risk is the long-term fall in the value of the Benevolent Fund's investments, but these are kept under constant review by the Investment Managers and are monitored by the Investments Sub – Committee regularly.

## 4 OBJECTS, ACTIVITIES AND ACHIEVEMENTS

#### Objects

The Benevolent Fund's objects are to make grants and afford assistance to necessitous persons who are:

- (a) Fellows, Members or Associates of the Institution of Structural Engineers;
- (b) Former Fellows, Members or Associates;
- (c) Dependants or former dependants of any of the persons referred to above whether the same are alive or deceased;
- (d) Companions, Associate-Members, Graduates and Students of the Institution, or the dependants or former dependants of a person who dies whilst a Companion, Associate-Member, Graduate or Student.

The fulfilment of these objects is clearly of public benefit.

#### Vision

The vision of the Benevolent Fund is to enable the Institution of Structural Engineers to care for its members, and their dependants, in time of need.

#### Public Benefit

The Trustee-Directors are satisfied that the aims of the Fund are carried out wholly in pursuit of its charitable aims. Members and non-Institution members benefit from receiving financial assistance in times of need.

The Trustee-Directors have regard to guidance on public benefit published by the Charity Commission, when exercising their powers and duties and where such guidance is relevant. The Trustees have considered the Charity Commission's general guidance on public benefit and have taken it into account when reviewing the Funds' aims and objectives and in planning its future activities.

## **THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND**

### **DIRECTORS' AND TRUSTEES' REPORT (continued) 31 DECEMBER 2016**

#### **Activities and achievements**

The Benevolent Fund's principal activity during the year was the administration of funds held for charitable purposes.

There is no geographical restriction relating to beneficiaries, and the Benevolent Fund assists members and their dependants both within and beyond the United Kingdom.

The Trustee-Director's objective for 2016 was to assist between 15 and 30 Institution members and their dependents. During the year the Benevolent Fund helped 19 individuals and distributed £80,432 in grants which enabled them to meet day to day living expenses or specific items of expenditure. A summary of grants paid is given on page 15. Whenever possible, a representative of the Benevolent Fund visits an applicant to establish a personal link with the Benevolent Fund and to make an independent appraisal of the circumstances to guide the Trustee-Directors in their assessment of need: the Trustee-Directors are grateful to those who undertake this important and sensitive role.

Many members of the Institution, and some firms, support the Benevolent Fund by regular contributions. Some considerably remember the Benevolent Fund in their will. Regional Groups of the Institution also support the Benevolent Fund through fund-raising at events.

The following were members of the Benevolent Fund in 2016:

- individuals who were Life Members of the Benevolent Fund prior to its incorporation (for life, subject to their remaining in membership of the Institution) and
- individuals who made any financial contribution to the Benevolent Fund in the year.

In all, there were 4897 members of the Benevolent Fund. The Trustee-Directors are most grateful for the generous support of the Benevolent Fund by all concerned.

The Trustee-Directors have formulated a strategic plan, and also policies and procedures for the administration of the Benevolent Fund and its assets and for grant-making. These are kept under review.

## **5 FINANCIAL REVIEW**

### **Trustees' responsibilities**

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. In accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

## THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND

### DIRECTORS' AND TRUSTEES' REPORT (continued) 31 DECEMBER 2016

This Trustee-Directors report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

#### Auditors

All of the Trustee-Directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The Trustee-Directors are not aware of any relevant audit information of which the charity's auditors are unaware.

#### Review of the year

The Benevolent Fund's income in the period comprised donations and legacies (£32,242) and investment income (£62,390), a total of £94,632. The overall income is 8% higher than last year. Grants made, including support costs, were £130,854. With other expenditure of £1,811 the operational deficit was £38,033. The value of the Benevolent Fund at the year-end was £2,630,451. This mainly comprised investments held to generate income for the payment of grants.

The Benevolent Fund needs reserves to provide a buffer between fluctuations of income and expenditure, and must generate a significant additional income stream through the investment of those reserves. The Benevolent Fund acquired the bulk of its reserves, on its formation as a company limited by guarantee on 2 August 1995, from the unincorporated association of the same name originally established in 1936. £378,216 of the total funds of £553,770 which were then passed over had been donated as capital.

As the majority of the Benevolent Fund's investments are in listed securities, their market value (which is the figure used in the balance sheet) varies according to stock market conditions. At 31 December 2016 the market value of the investments was £533,643 above their historical cost.

Income from donations (including gift aid donations) and bequests varies from year to year and, furthermore, donations are subject to reduction during periods of economic difficulty, when demands on the Benevolent Fund tend to increase.

So far as expenditure is concerned, the bulk represents grants to beneficiaries. The total varies year by year, and in 2016 it was 17% higher than the previous year. Some beneficiaries are helped for many years, whereas others require short-term (but often more) assistance. Greater longevity impacts on the Benevolent Fund, as do beneficiaries' increasing expectations. The Benevolent Fund is available to help Institution members, of whom there are some 25,000 (and their dependants) throughout the world, and seeks to do so wherever need is demonstrated.

#### Investment policy and performance

Under the articles of association, the Trustee-Directors have adopted rules governing the investment of funds. The Trustee-Directors have approved a detailed investment policy, in accordance with which the main objective of the portfolio is long-term growth in income and capital; the Benevolent Fund accepts medium risk in this aim. The value of the Benevolent Fund's portfolio has reflected the increase during 2016 in the various market indices. Activity in the portfolio is monitored by the Investments Sub-Committee, which receives detailed reports from the investment managers (W H Ireland Ltd), who are represented at its twice-yearly meetings.

#### Reserves policy

The Institution of Structural Engineers Benevolent Fund is a 'closed' charity in that it does not seek funding from outside the membership of the Institution of Structural Engineers. Approximately 34% of the Fund's income comes from donations made with Institution subscriptions, one-off donations and bequests. Legacy income, in particular, is very uncertain. The levels of dividends, interest received and inflation tend to fluctuate. In order to safeguard the provision of grants to current and future beneficiaries the Trustees have agreed a target for reserves of £2.25m to £2.7m with the position relative to the target reviewed at each Trustee meeting. As at 31 December 2016 the Fund held reserves of £2.6m and the Trustees therefore consider that the required level of reserves was met. The Fund had free reserves of £74k at 31 December 2016, the remainder of its reserves being investments made for the purposes of generating income to pay grants to beneficiaries.

## THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND

### DIRECTORS' AND TRUSTEES' REPORT (continued) 31 DECEMBER 2016

#### Grant-making policies

Under policies adopted by the Trustee-Directors, each case is considered on its merits (that is, there is no scale grant); grants are not made to assist in the professional development of Institution members; and grants are not, normally, made to Student members of the Institution, or to dependants or former dependants of Institution members who are either their children aged 21 or over or legally separated or divorced from the member, or for the purpose of funding private health care, or totalling more than £13,000 to any individual beneficiary (£20,000 for a couple, £7,000 for each child) in any year. Furthermore, payments are not made that would reduce a beneficiary's entitlement to public funding (each application is reviewed by the Benefits Consultant). If the Benevolent Fund settles debts, it will not normally pay any subsequent debts. Where applicable, the Benevolent Fund pays in respect of a beneficiary a sum to the Institution in respect of their annual subscription and Engineering Council UK fee.

#### Fund raising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although the Benevolent Fund does not undertake widespread fundraising from the general public, the legislation defines fund raising as 'soliciting or otherwise procuring money or other property for charitable purposes.' Such amounts are presented in our accounts as 'Donations and legacies'.

In relation to the above the Trustees confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the Secretary and members of the Advisory Council, who are accountable to the Trustees.

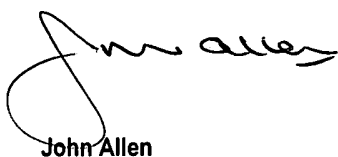
The Benevolent Fund is not bound by any undertaking to be bound to any regulatory scheme and the Trustees do not consider it necessary to comply with any voluntary code of practice.

No complaints have been received in relation to fundraising activities.

## 6 PLANS FOR FUTURE PERIODS

While keeping the Benevolent Fund's policies, procedures and activities under review, and ensuring that it operates effectively and efficiently, the Trustee-Directors currently have no plans for major change. Their short and long term objective continues to be to assist between 15 and 30 Institution members and their dependants each year. The Trustee-Directors will continue to promote the Benevolent Fund to potential beneficiaries, including outside the United Kingdom where some 32% of Institution members are located.

Approved by the Chairman  
on behalf of the Board.



John Allen  
Trustee-Director

Date: 28 March 2017

**THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND**

We have audited the financial statements of The Institution of Structural Engineers Benevolent Fund for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet 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).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members 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 4) the trustees' (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

***Scope of the audit of the financial statements***

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

***Opinion on financial statements***

In our opinion the financial statements:

- give a true and fair view of the charity's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

***Opinion on other matters prescribed by the Companies Act 2006***

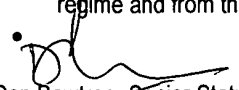
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

***Matters on which we are required to report by exception***

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements and the trustees' report in accordance with the small companies' regime and from the requirement to prepare a strategic report.

  
Don Bawtree, Senior Statutory Auditor  
for and on behalf of BDO LLP, Statutory Auditor  
Gatwick

United Kingdom

Date:

3 April 2017

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



THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME & EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2016

		Total Unrestricted Funds	
		2016	2015
	Notes	£	£
<b>Income</b>			
Donations and legacies	3	32,242	43,513
Investment income	4	62,390	44,003
<b>Total income</b>		<b><u>94,632</u></b>	<b><u>87,516</u></b>
<b>Expenditure</b>			
<b>Costs of raising funds</b>			
Fundraising and publicity		1,811	2,188
<b>Expenditure on Charitable activities</b>			
Grants	14	130,854	108,161
<b>Total expenditure</b>		<b><u>132,665</u></b>	<b><u>110,349</u></b>
Net expenditure before gains and losses on investments		(38,033)	(20,833)
Realised gains / (losses) on investments		10,076	(21,894)
Unrealised gains on investments		104,233	129,674
Net movement in funds for the year		<u>76,276</u>	<u>86,947</u>
Total funds brought forward		<u>2,554,175</u>	<u>2,467,228</u>
Total funds carried forward		<u><u>2,630,451</u></u>	<u><u>2,554,175</u></u>

All amounts relate to continuing activities.

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

Summary income and expenditure account for Institution of Structural engineers Benevolent Fund year ending 31 December 2016.

	Note	All Income Funds 2016	All Income Funds 2015
<b>Income</b>			
Investment income	9	62,390	44,003
Gains / (losses) on investments	9	10,076	(21,894)
Donation and legacies		<u>32,242</u>	<u>43,513</u>
		<b><u>104,708</u></b>	<b><u>65,622</u></b>
<b>Gross income in the reporting period</b>			
<b>Net income for the financial year</b>		<b><u>104,708</u></b>	<b><u>65,622</u></b>

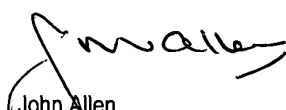
THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND

**BALANCE SHEET**  
**31 DECEMBER 2016**  
 Company number 3087463

		2016	2015
	Notes	£	£
<b>FIXED ASSETS</b>			
Investments	9	2,556,173	2,463,214
<b>CURRENT ASSETS</b>			
Debtors	10	116,588	98,115
Cash at bank and in hand		5,234	20,692
		<u>121,822</u>	<u>118,807</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	(47,544)	(27,846)
<b>NET CURRENT ASSETS</b>		<u>74,278</u>	<u>90,961</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS</b>		<u>2,630,451</u>	<u>2,554,175</u>
<b>INCOME FUND</b>			
Unrestricted funds:			
General fund			
Realised surpluses and gains:		1,655,027	1,922,374
Unrealised gains on			
Fixed asset investments:		975,424	631,801
		<u>2,630,451</u>	<u>2,554,175</u>

The trustees have prepared accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

On behalf of the board:

  
 John Allen  
 Trustee - Director

These financial statements were approved by the Board on 28 March 2017 and authorised for issue.

The notes on pages 11 to 15 form part of these financial statements.

THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND

CASH FLOW STATEMENT AND RELATED NOTES  
31 DECEMBER 2016

	Note	2016	2015
<b>Cash flows from operating activities</b>			
Net movement in funds for the financial year		76,276	86,947
Adjustments for:			
Share of profit for the year of equity accounted investments		-	-
Net fair value (gains) recognised in statement of financial activities	9	(61,078)	(107,780)
Net interest (receivable)	4	-	-
Dividend income from fixed and current asset investments	4	(62,390)	(44,003)
(Decrease)/increase in trade and other debtors		(18,473)	4,739
Increase/(decrease) in trade creditors		19,698	10,240
<b>Net cash used from operating activities</b>		<b>(45,967)</b>	<b>(49,857)</b>
<b>Cash flows from investing activities</b>			
Interest received	4	-	-
Dividends received on fixed and current asset investments	4	62,390	44,003
Purchase of current asset investments	9	(727,463)	(527,895)
Sale of current asset investments	9	695,592	548,069
<b>Net cash from investing activities</b>		<b>30,519</b>	<b>64,177</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(15,448)</b>	<b>14,330</b>
Cash and cash equivalents at beginning of year		20,692	6,362
<b>Cash and cash equivalents at end of year</b>		<b>5,234</b>	<b>20,692</b>

# THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND

## NOTES ON THE FINANCIAL STATEMENTS

31 DECEMBER 2016

### 1. ACCOUNTING POLICIES

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.

The Institution of Structural Engineers Benevolent Fund 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).

#### (a) Income

##### **Donations, gifts, and legacies**

Donations, gifts, and legacies are included in the financial statements when; the Benevolent Fund has entitlement to the funds, there is a probability that the Benevolent Fund will receive economic benefit, and the monetary value can be measured.

##### **Investment income**

Investment income, including any tax recoverable thereon, is included in the financial statements in the year in which it is receivable.

#### (b) Expenditure

Expenditure is incorporated in the financial statements as incurred, and includes irrecoverable Value Added Tax.

Grants are incorporated when notified to beneficiaries. Any commitments payable at a later date are included in the balance sheet as creditors. Payments comprise grants awarded to members and their families. Any grants which are subsequently repaid are treated as donations.

##### **Support costs**

These costs represent the general administration in supporting the operational activities for which the charity is responsible.

##### **Governance costs**

These costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management functions inherent in the charitable activities. This includes external audit costs and legal fees.

#### (c) Investments

Investments are shown at market value. Unrealised gains and losses are incorporated within the fund balance and are identified as unrealised.

Market value is based on bid-market prices for listed investments.

#### (d) Loans to beneficiaries

Loans to beneficiaries are recognised and measured at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any impairments.

The Benevolent Fund does not charge interest on its loans to beneficiaries.

# THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND

## NOTES ON THE FINANCIAL STATEMENTS 31 DECEMBER 2016

### 2. NET INCOMING RESOURCES AND NET MOVEMENT IN FUNDS

The net incoming resources and net movement in funds are wholly attributable to the company's activity of the administration of funds held for charitable purposes and arise mainly within the United Kingdom.

### 3. INCOME FROM DONATIONS AND LEGACIES

Donations in the year were received from:

	2016 £	2015 £
Regional Groups	2,996	2,586
Legacies	-	5,000
Tax recovery	-	3,267
Individual donations	29,246	32,660
<b>Total</b>	<b>32,242</b>	<b>43,513</b>

### 4. INVESTMENT INCOME

Investment income for the year is derived from:

	2016 £	2015 £
Listed investments including government securities	62,390	44,003
Cash deposit	-	-
	<b>62,390</b>	<b>44,003</b>

### 5. SUPPORT AND GOVERNANCE COSTS

	Basis of allocation	Fundraising & Publicity £	Grants £	Total £
Management & administration	Expenditure ratios	402	29,010	29,412
Governance	Expenditure ratios	11	786	797
<b>Total</b>		<b>413</b>	<b>29,796</b>	<b>30,209</b>

All grants issued are to individuals with links to the Institution of Structural Engineers, and who require financial assistance.

### 6. NET INCOME FOR THE YEAR

Net income is stated after charging:

	2016 £	2015 £
Auditors' remuneration	500	1,170

# THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND

## NOTES ON THE FINANCIAL STATEMENTS

31 DECEMBER 2016

### 7. DIRECTORS AND TRUSTEES

No director received any remuneration during the year (2015 – none).

During the year 4 directors were reimbursed travelling expenses incurred whilst engaged on the business of the charity amounting to £1,099 (2015 – 6 directors were reimbursed £1,358).

The Benevolent Fund does not employ any staff, and there is no Senior Management remuneration.

### 8. RELATED PARTY TRANSACTIONS

There were no related party transactions during 2016.

### 9. INVESTMENTS

	2016 £	2015 £
Carrying value at the beginning of year	2,463,214	2,375,618
Add: additions to investments at cost	727,463	527,897
Less: disposals at carrying value	(695,592)	(487,228)
Add: net gain on revaluation	104,233	129,674
Cash Movement	(43,145)	(82,745)
<b>Carrying value at the end of the year</b>	<b>2,556,173</b>	<b>2,463,214</b>

	2016 £	2015 £
Investments, all of which are in the UK, are made up of:		
Listed investments	2,556,173	2,420,068
Cash deposits	-	43,146
	<b>2,556,173</b>	<b>2,463,214</b>

The historical cost of fixed asset investments is:

<b>2,022,530</b>	<b>1,831,411</b>
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The listed investments and cash deposits were managed on behalf of the company by WH Ireland, on a discretionary basis and include direct investment in listed investments and indirect investment through unit and investment trusts.

Cash deposits within the portfolio are held on overnight deposit.

Investments within the portfolio which amount to more than 5% of the total values are:

Listed investments:	2016 £	2015 £
46,720 Aviva GBP 0.25	227,246	47,575
32,400 BAE ORD GBP 0.025	191,646	256,794
7,275 Carnival PLC ORD USD 1.66	300,094	316,046
13,829 Easyjet ORD GBP 0.27285714	138,981	240,625
78,900 Intl Cons Airline	347,870	481,685
400,000 Lloyds Banking Group	250,040	-
30,300 Aberdeen New Thai Inv Trust GBP0.25	148,016	100,320
29,253 JPMorg Indian IT ORD GBP0.25	173,470	380,028
23,175 TUI AG ORD REG SHS NPV (DI) ST GBX12.25389	269,525	186,797
	<b>2,046,888</b>	<b>2,009,870</b>

# THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND

## NOTES ON THE FINANCIAL STATEMENTS 31 DECEMBER 2016

Other listed investments individually under 5%	509,285	410,198
Cash deposits	-	43,146
	<b>2,556,173</b>	<b>2,463,214</b>

### 9. INVESTMENTS (continued)

#### Investment Management Fees:

	2016 £	2015 £
Amounts paid to manage investments	21,351	22,183
	<u>21,351</u>	<u>22,183</u>

### 10. DEBTORS

	2016 £	2015 £
<b>Amounts due within 1 year:</b>		
Other debtors	24,918	27,359
	<u>24,918</u>	<u>27,359</u>
<b>Amounts due after 1 year:</b>		
Secured loans to beneficiaries	91,670	70,756
	<u>116,588</u>	<u>98,115</u>

The secured loans to beneficiaries were advanced on the security of a fixed charge over freehold property. The loans are repayable when vacant possession of the properties is available. The Benevolent Fund does not charge interest on these loans.

### 11. CREDITORS

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Accruals	500	1,170
Grant creditors	47,044	26,676
	<u>47,544</u>	<u>27,846</u>

### 12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The company had no capital commitments or contingent liabilities at 31 December 2016 (2015 – none).

# THE INSTITUTION OF STRUCTURAL ENGINEERS BENEVOLENT FUND

## NOTES ON THE FINANCIAL STATEMENTS

31 DECEMBER 2016

### 13. Grants 2016

Grants committed to during 2015 and paid during 2016		(26,676)	First assisted
158	Member, aged 88	1,617	1990
226	Widow of Fellow, aged 88*	3,450	1998
277	Past Member, aged 78*	2,281	2007
294	Fellow, aged 88, married*	2,180	2010
308	Graduate, aged 61, married*	1,975	2010
310	Widow of Fellow, aged 75	4,350	2010
312	Member, aged 79, married	3,236	2010
316	Widow of Member, aged 87	1,000	2010
326	Member, aged 70, widowed	5,619	2012
330	Widow of Member, aged 79	2,425	2012
337	Former Associate-Member, aged 62, married, unemployed	9,625	2014
345	Daughter of deceased Associate-Member, aged 18	8,400	2015
346	Graduate, aged 35, married	5,500	2016
347	Fellow, aged 75, married	9,204	2016
349	Graduate, aged 48, unemployed	1,300	2016
352	Associate Member, aged 57	5,448	2016
353	Member, aged 62, married	6,344	2016
355	Fellow, aged 82, married	4,503	2016
356	Member, aged 84*	<u>1,975</u>	2016
Total grants paid during 2016		80,432	
Grants committed to during 2016 and due to be paid during 2017		47,044	
Allocated support costs		<u>30,054</u>	
		130,854	

\*Joint beneficiary of the Institution of Structural Engineers and the Institution of Civil Engineers Benevolent Funds