

# Report and Financial Statements

for the year ended 31 December 2020

---

**Benevolent Fund**

---

**TRUSTEE-DIRECTORS 2020**

J M Allen BSc(Hons) CEng FStructE MICE Chairman  
 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 FEng BEng(Hons) PhD CEng FStructE FICE  
 M F Ryland BSc(Hons) CEng FStructE MICE  
 N Westwood BSc(Eng) CEng MStructE FConsE  
 N C Wheeler BSc(Hons) CEng MStructE MICE

**ADVISORY COUNCIL 2020**

N Ball BSc CEng MStructE MICE	Bedfordshire & Adjoining Counties Regional Group
<i>Vacancy</i>	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 MCIArb FIHT MCMI	Midland Counties Regional Group
C Higgins CEng MStructE	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
Mr J G Dunny BEng Tech IEng, AMStructE, MIEI	Republic of Ireland Group
A Massie BSc(Eng) CEng MStructE ACIArb	Scottish Regional Group
Mr J W Bunce DIC, CEng, FStructE, FRINA	South Eastern Regional Group
N J Groves BSc(Hons) MSc CEng MStructE MCMI	Southern Regional Group
N Westwood BSc(Eng) CEng MStructE FConsE	Surrey Regional Group
L M P Chong BSc(Hons) MSc CEng Peng FStructE MICE MCIHT	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

---

## **Benevolent Fund**

---

### **SECRETARY**

Dr K MacDonald Bsc(Hons) PhD CSci CChem MRSC

### **BENEFITS CONSULTANT**

C Pedroza, 53 Ryde Road, Brighton BN2 3EG

### **AUDITORS**

Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

### **BANKERS**

National Westminster Bank plc, Victoria (A) Branch, PO Box 1357, 169 Victoria Street, London SW1E 5NA

### **INVESTMENT MANAGERS**

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

### **SOLICITORS**

Withers LLP, 16 Old Bailey, London EC4M 7EG

---

## **Benevolent Fund**

---

### **DIRECTORS AND TRUSTEES' REPORT**

**31 DECEMBER 2020**

#### **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 2020. The accounts which are attached to this report comply with current statutory requirements, the requirements of the Benevolent Fund's 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 – Second Edition)'.

#### **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 articles of association.

The Benevolent Fund is registered with the Charity Commission for England & Wales, under registered number 1049171 and is 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 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 2.

#### **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 articles of association (which were amended by special resolution on 19 July 2018), 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. Trustee-Directors are appointed, for three-year terms, at general meetings of the Benevolent Fund, although the Trustee-Directors themselves may also make appointments for one year. Subject to the Benevolent Fund's 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.

---

## **Benevolent Fund**

---

### **DIRECTORS AND TRUSTEES' REPORT (CONTINUED)**

#### **Advisory Council**

The articles of association provide for there to be an Advisory Council of representatives of regional groups of the Institution of Structural Engineers: this Council has been established, comprising delegates from 18 of the 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.

#### **Sub-committees**

The articles of association authorise the Trustee-Directors to appoint sub-committees. The only sub-committee appointed in 2020 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 provide benefit to members of the Institution, and to former members and dependants of members, who are in need (See Section 4) 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.

Wherever possible, the Benevolent Fund co-operates with other charities in relation to applicants and beneficiaries. The list of grants on page 22 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 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. Further information pertaining to the impact of the Covid-19 pandemic on the Fund's income/investments, expenditure and cash flow may be found under Section 5 Financial Review. Another risk is the unexpected loss of the Secretary, a comprehensive procedural manual is regularly updated for use by the Secretary and any alternative support cover should the Secretary not be able, for any reason, to meet the responsibilities of the role.

---

## **Benevolent Fund**

---

### **DIRECTORS AND TRUSTEES' REPORT (CONTINUED)**

#### **4 OBJECTS, ACTIVITIES AND ACHIEVEMENTS**

##### **Objects**

The Benevolent Fund's objects are the prevention or relief of poverty or financial hardship of, and the relief of sickness and the preservation of health among, current or former members of the Institution and their dependents or former dependents, including, but not limited to, the provision of financial assistance, support, education and practical advice.

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, former 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.

##### **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 2020 was to assist between 15 and 30 Institution members, former members and their dependents. During the year the Benevolent Fund helped 21 individuals and distributed £115,161 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 22. Whenever possible, a representative of the Benevolent Fund visits or makes contact with 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 considerately remember the Benevolent Fund in their will. Regional Groups of the Institution also support the Benevolent Fund through fund-raising at events. The Trustee-Directors are most grateful for the generous support of the Benevolent Fund by all concerned.

---

## **Benevolent Fund**

---

### **DIRECTORS AND TRUSTEES' REPORT (CONTINUED)**

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**

### **Trustee-Directors' responsibilities**

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

Company law requires the Trustee-Directors 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 Trustee-Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee-Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 Trustee-Directors 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.

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 Trustee-Directors. The Trustees-Directors' 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.

---

## **Benevolent Fund**

---

### **DIRECTORS AND TRUSTEES' REPORT (CONTINUED)**

#### **Review of the year**

The Benevolent Fund's income in the period comprised donations and legacies of £39,001 (2019: £46,299) and investment income of £34,932 (2019: £123,280), a total of £73,933 (2019: £169,579). The overall income was 56% lower than in 2019. Grants made, including support costs, totalled £140,886 (2019: £119,552) and cost of raising funds with support costs were £24,007 (2019: £24,400), realising an operational deficit of £90,960 (2019: an operating surplus of £25,627). The value of the Benevolent Fund at the year-end was £1,654,462 (2019: £2,766,190). This mainly comprised investments held to generate income for the payment of grants.

Due to the uncertainty caused by the Covid-19 pandemic, the Trustee-Directors have reviewed the resilience of the Benevolent Fund to continue to fulfil its charitable objects and to meet its targets over the next 12 months. Four key measures have been assessed to determine the Fund's ability to continue as a "going concern" namely, the value of investments, income, expenditure, and cash flow. Based on a reforecast of the likely activity in each of these areas the Trustee-Directors are satisfied that the Fund continues to meet the 'going concern' definition. As the investment portfolio is made up of approximately 33% of shares in the banking and financial sectors it should be easier to convert these to cash. A more detailed assessment of the situation is given below with its likely impact.

#### **Investment policy and performance**

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 2020 the market value of the investments stood at £1,643,781, made up of listed investments of £1,629,127 and cash deposits of £14,654. £716,588 below their historical cost of £2,360,369. Because of the ongoing uncertainty caused by the Covid-19 pandemic the Trustee-Directors requested a current valuation of the investment portfolio. On 17<sup>th</sup> March 2021 the value of the portfolio stood at £2,001,390. This represents a gain of 31% from its lowest value of £1,167,556 in 2020. The Trustee-Directors have received confirmation from the portfolio fund manager that the Fund's Investment Policy and current investments remain appropriate. The expert advice is that there is no reason why the worst-hit sectors will not recover post Covid-19, although it remains unclear how long this may take. The Trustee-Directors remain confident that the Fund's Investment Policy remains appropriate to fulfil its objective of long-term growth.

The investments chosen by the investment managers include 33% in the banking and financial services sectors, with the remainder split between travel/leisure and other sectors. Due to Covid-19 the share values of the investments across all sectors have decreased significantly. However, based on the most recent valuation of £2,001,390 in March 2021 there is still enough liquidity within the portfolio to fund additional demands on resources should they be required in the next 12 months. At the end of December 2020 there was £14,654 in cash within the portfolio.

#### **Income**

Income is derived from two principal sources, firstly investments and secondly donations and legacies. Investment income in 2020 was £34,932 representing a decrease of 72% over 2019 levels. Donations and legacies in 2020 were £39,001, 16% lower than the 2019 figure of £46,299.

The Trustee-Directors have reviewed investment income for 2021 and have been assured that the dividend income from the investments will be significantly higher than in 2020. The current estimate is £61,000.

---

## **Benevolent Fund**

---

### **DIRECTORS AND TRUSTEES' REPORT (CONTINUED)**

Donation income is unlikely to be significantly affected by Covid-19 and much of the donations for 2021 (£35,304) have already been received as at 28.02.2021. Furthermore, donations to the Fund tend to be resilient in times of recession – as evidenced in 2009 and 2010 when the average donation over the two years remained at £36,424.

#### **Expenditure**

The major part of expenditure represents grants to beneficiaries. The total varies each year, and in 2020 grant expenditure was £140,886, 18% higher than 2019, with costs of raising funds amounting to £24,007, which included investment costs of £16,544.

No commitment to payments is made beyond a 12-month period and other than the grant, support and governance costs stated above the Fund has no overheads or financial commitments. However, the Trustee-Directors have assumed that applications to the Fund will remain unchanged through the remainder of 2021 and into 2022 and have reforecast expenditure to be £168,000.

#### **Cash Flow**

Cash, cash equivalents and cash held with investment managers at the end of 2020 was £43,048 (see note 13). Combined with the reforecast of income to May 2022 of £96,000 and reforecast expenditure of £168,000 there will be a need to release assets in the investment portfolio to the value of circa £72,000. The current value of the Fund's investment portfolio stands at £1,921,298 and as such the Fund is very well placed to continue its operations against a background of reduced income.

### **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. 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 does not seek funding from outside the membership of the Institution of Structural Engineers. Approximately 53% of the Fund's income came 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 between £2.25m to £2.7m with the position relative to the target reviewed at each Trustee meeting. As at 31 December 2020 the Fund held reserves of £1.65m, considerably below target. The fund had free reserves of £25k at 31 December 2020, the remainder of its reserves being investments made for the purposes of generating income to pay grants to beneficiaries. Due to the impact of Covid-19 on the value of shares, the amount of free reserves has weakened. However, the recent valuation and increase in investment performance of the investments suggest that the minimum reserves level of £2.25m is achievable by the end of 2021. Based on the recent analysis of the fund's future financial position, there will be sufficient cash resources available to meet its financial obligations as they fall due.

### **DIRECTORS AND TRUSTEES' REPORT (CONTINUED)**

---

## **Benevolent Fund**

---

### **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 £14,000 to any individual beneficiary (£21,000 for a couple, £6,000 for first dependent, £3,000 for second dependent) 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 Trustee-Directors 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 Trustee-Directors.

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

No complaints have been received in relation to fundraising activities.

### **Charity Governance Code**

The Trustee-Directors have considered the Charity Governance Code for smaller charities and have in general adopted its principles.

The Trustee-Directors of the Fund and the members of its Advisory Council are drawn from the membership of the Institution of Structural Engineers. Currently the diversity of this group is not as wide, or as representative of the Institution's membership, as the Trustee-Directors wish, and they intend to take steps to increase its diversity when opportunities are available.

Some Trustee-Directors have served for longer than ten years but having reviewed this it is felt to be appropriate; this will be kept under review.

## **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 long-term change. Clearly the Covid-19 pandemic has led to changes in income and a possible increase in applications in 2021, which may in turn lead to an increase in the number of grants awarded to

## **DIRECTORS AND TRUSTEES' REPORT (CONTINUED)**

---

## **Benevolent Fund**

---

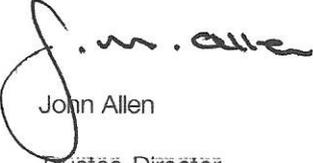
support members, former members, and their families in financial need. Forecast changes are outlined in Section 5 – Review of the year. The Trustee-Directors will continue to promote the Benevolent Fund to potential beneficiaries, including outside the United Kingdom where some 35% of Institution members are located.

### **7 APPROVAL**

These financial statements have been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the Chairman

on behalf of the Board.

  
John Allen  
Trustee-Director

2nd June 2021  
Date: ~~xxxx 2021~~

---

## **Benevolent Fund**

---

### **Independent auditor's report to the members of The Institution of Structural Engineers Benevolent Fund**

#### **Opinion**

We have audited the financial statements of The Institution of Structural Engineers Benevolent Fund for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Directors' and Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

---

## **Benevolent Fund**

---

is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions 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 Directors' and Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Directors' and Trustees' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' and Trustees' Report (which incorporates the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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 in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement as set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

---

## **Benevolent Fund**

---

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income and grant recognition. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular donation and legacy recognition and the recognition of grant expenditure.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Thomas Wilson (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor  
10 Queen Street Place  
London  
EC4R 1AG

Date: 02 June 2021

## Benevolent Fund

### STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

		Total Unrestricted	
		Funds	
		2020	2019
		£	£
	Notes		
<b>Income from:</b>			
Donations and legacies	3	39,001	46,299
Investment income	4	<u>34,932</u>	<u>123,280</u>
<b>Total income</b>		<u><b>73,933</b></u>	<u><b>169,579</b></u>
<b>Expenditure on:</b>			
<b>Costs of raising funds</b>			
Fundraising and publicity		24,007	24,400
<b>Expenditure on Charitable activities</b>			
Grants	12	140,886	119,552
<b>Total expenditure</b>		<u><b>164,893</b></u>	<u><b>143,952</b></u>
Net (expenditure) / income before gains and losses on investments		(90,960)	25,627
(Losses) / gains on investments		<u>(1,020,767)</u>	<u>199,056</u>
Net movement in funds for the year	9	(1,111,727)	224,683
Total funds brought forward		<u><b>2,766,190</b></u>	<u><b>2,541,507</b></u>
Total funds carried forward		<u><b>1,654,463</b></u>	<u><b>2,766,190</b></u>

All amounts relate to continuing activities.

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

**Benevolent Fund**

**BALANCE SHEET**  
**31 December 2020**  
**Company number 3087463**

		2020	2019
	Notes	£	£
<b>FIXED ASSETS</b>			
Investments	9	<u>1,629,127</u>	<u>2,462,936</u>
<b>CURRENT ASSETS</b>			
Debtors due within one year	10	28,408	203,794
Debtors due greater than one year	10	87,670	99,670
Cash at bank and in hand		28,395	48,902
		<u>144,473</u>	<u>352,366</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	(119,138)	(49,112)
<b>NET CURRENT ASSETS</b>		<u>25,335</u>	<u>303,254</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS</b>		<u><u>1,654,462</u></u>	<u><u>2,766,190</u></u>
<b>INCOME FUND</b>			
<b>Unrestricted funds:</b>			
General fund surpluses and gains		1,654,462	2,766,190
		<u><u>1,654,462</u></u>	<u><u>2,766,190</u></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

*End June*

These financial statements were approved by the Board of Trustees on ~~2020~~ 2021 and authorised for issue.

The notes on pages 17 to 23 form part of these financial statements.

---

**Benevolent Fund**

---

**STATEMENT OF CASH FLOWS AND RELATED NOTES  
31 DECEMBER 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
<b>Net movement in funds for the financial year</b>		(1,111,727)	224,683
Adjustments for:			
Net fair value losses / (gains) recognised in statement of financial activities		1,011,665	(199,056)
Dividend income from fixed and current asset investments	4	(34,932)	(123,280)
Decrease / (increase) in trade and other debtors		187,386	(162,486)
Increase / (decrease) in trade creditors		70,026	(2,307)
<b>Net cash used from operating activities</b>		<u><b>122,418</b></u>	<u><b>(262,446)</b></u>
<b>Cash flows from investing activities</b>			
Dividends received on fixed and current asset investments	4	34,932	123,280
Purchase of current asset investments	9	(378,270)	(257,941)
Sale of current asset investments		200,413	434,685
<b>Net cash used from investing activities</b>		<u><b>(142,925)</b></u>	<u><b>300,024)</b></u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		(20,507)	37,578
Cash and cash equivalents at beginning of year		48,902	11,324
<b>Cash and cash equivalents at end of year</b>		<u><u><b>28,395</b></u></u>	<u><u><b>48,902</b></u></u>

---

## **Benevolent Fund**

---

### **NOTES ON THE FINANCIAL STATEMENTS 31 DECEMBER 2020**

#### **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) - (Charities SORP (FRS 102 - Second Edition)), 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).

Due to the Covid-19 pandemic the Fund has reviewed its income and expenditure and the impact on cash flow to May 2022. The current value and mix of investments within the investment portfolio was also reviewed and although there has been a significant drop in the value of the portfolio, the Trustee-Directors are satisfied that based on the work done that the preparation of the accounts on a going concern basis is appropriate. This conclusion has been largely formed based on the high level of liquid funds available compared to the annual spend.

#### **(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 prices for listed investments.

## Benevolent Fund

### NOTES ON THE FINANCIAL STATEMENTS 31 DECEMBER 2020(CONTINUED)

#### 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.

#### 2. NET INCOME AND NET MOVEMENT IN FUNDS

The net income 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:

	2020 £	2019 £
Regional Groups	957	2,684
Legacies	-	2,500
Tax recovery	1,916	2,298
Individual donations	36,128	38,817
<b>Total</b>	<b>39,001</b>	<b>46,299</b>

#### 4. INVESTMENT INCOME

Investment income for the year is derived from:

	2020 £	2019 £
Listed investments including government securities	34,932	123,280
Cash deposit	-	-
	<b>34,932</b>	<b>123,280</b>

#### 5. SUPPORT AND GOVERNANCE COSTS

	Basis of allocation	Fundraising & Publicity £	Grants £	Total £
Management & administration	Expenditure ratios	3,820	22,419	26,239
Governance	Expenditure ratios	200	1,176	1,376
<b>Total</b>		<b>4,020</b>	<b>23,595</b>	<b>27,615</b>

---

## Benevolent Fund

---

### NOTES ON THE FINANCIAL STATEMENTS 31 DECEMBER 2020 (CONTINUED)

#### COMPARATIVE FIGURES FOR 2019

	Basis of allocation	Fundraising & Publicity £	Grants £	Total £
Management & administration	Expenditure ratios	1,950	9,556	11,506
Governance	Expenditure ratios	136	669	805
<b>Total</b>		<b>2,086</b>	<b>10,225</b>	<b>12,311</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:

	2020 £	2019 £
Auditors' remuneration	1,200	690

#### 7. DIRECTORS AND TRUSTEES

No director received any remuneration during the year (2019 – none).

During the year 9 directors were reimbursed travelling expenses incurred whilst engaged on the business of the charity amounting to £176 (2019 – 9 directors were reimbursed £2,126).

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

#### 8. RELATED PARTY TRANSACTIONS

During the year the Fund had the following transactions with the Institution of Structural Engineers.

	2020 £	2019 £
<b>Income</b>		
Charitable donations	35,875	39,002
<b>Expenditure</b>		
Management charge	14,400	6,000

## Benevolent Fund

### NOTES ON THE FINANCIAL STATEMENTS 31 DECEMBER 2020 (CONTINUED)

#### 9. INVESTMENTS

	2020 £	2019 £
Carrying value at the beginning of year	2,639,092	2,464,457
Add: additions to investments at cost	378,270	257,941
Less: disposals at carrying value	(239,080)	(213,044)
Less: net loss / gain on revaluation	(972,999)	(22,584)
Cash movement	(161,502)	152,322
<b>Carrying value at the end of the year</b>	<b><u>1,643,781</u></b>	<b><u>2,639,092</u></b>

	2020 £	2019 £
Investments, all of which are in the UK, are made up of:		
Listed investments	1,629,127	2,462,936
Cash investments (see note 10)	14,654	176,156
<b>Carrying value at the end of the year</b>	<b><u>1,643,781</u></b>	<b><u>2,639,092</u></b>
<b>The historical cost of fixed asset investment is:</b>	<b><u>2,360,369</u></b>	<b><u>2,371,430</u></b>

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

	2020 £	2019 £
23,620 Aviva GBP 0.25	-	199,385
67,000 Barclays PLC	98,276	-
91,000 BT Group GBP0.025	120,347	175,120
6,650 Carnival PLC ORD USD 1.66	90,905	209,530
17,000 EasyJet ORD GBP 0.27285714	141,100	259,259
170,000 International Consolidated Airlines Group	271,660	431,250
450,000 Lloyds Banking Group	163,980	268,750
24,100 TUI AG ORD REG SHS NPV (DI) ST GBX12.25389	-	172,161
8,850 Prudential PLC	119,210	152,145
105,733 Rolls-Royce Holdings PLC	117,628	-
105,850 NatWest Group PLC	177,457	266,373
	<b><u>1,300,563</u></b>	<b><u>2,133,973</u></b>

## Benevolent Fund

### NOTES ON THE FINANCIAL STATEMENTS

31 DECEMBER 2020 (CONTINUED)

Other listed investments individually under 5%	328,564	328,963
Cash investments	14,654	176,156
	<b>1,643,781</b>	<b>2,639,092</b>

#### Investment Management Fees:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Amounts paid to manage investments	16,544	22,313
	<b>16,544</b>	<b>22,313</b>

Investment management fees appear in the Statement of Financial Activities under Other Costs

#### 10. DEBTORS

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts due within 1 year:</b>		
Unsecured loans to beneficiaries	4,000	2,000
Cash investments	14,654	176,156
Other debtors	9,754	25,638
<b>Amounts due after 1 year:</b>		
Secured loans to beneficiaries	81,670	91,670
Unsecured loans to beneficiaries	6,000	8,000
	<b>116,078</b>	<b>303,464</b>

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. The unsecured loan is repayable over 5 years with the first and second instalments paid on 1<sup>st</sup> February 2021.

#### 11. CREDITORS

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within 1 year:</b>		
Other creditors	5,769	742
Management charge due to Institution of Structural Engineers	14,400	6,000
Grant creditors – secured	98,969	42,370
	<b>119,138</b>	<b>49,112</b>

## Benevolent Fund

### NOTES ON THE FINANCIAL STATEMENTS 31 DECEMBER 2020 (CONTINUED)

#### 12. GRANTS 2020

	£	
Grants committed to during 2019 and paid during 2020	(42,370)	First assisted
226 Widow of Fellow, aged 91*	250	1998
308 Graduate, aged 71*	1,550	2010
310 Widow of Fellow, aged 78	6,350	2010
312 Member, aged 82, married	3,825	2010
337 Former Associate-Member, aged 67, married	4,792	2014
342 Widow of Fellow, aged 82*	3,020	2014
355 Fellow, aged 85, widowed	4,600	2016
358 Fellow, aged 91, married	5,200	2017
362 Fellow, aged 95, married*	2,300	2017
367 Technician, aged 63, married	10,325	2018
369 Fellow, aged 81, married	14,700	2018
370 Fellow, aged 74, married	12,300	2018
372 Member, aged 32, married*	4,462	2018
377 Graduate, aged 65, married*	3,500	2019
379 Former member, aged 78, married	8,950	2020
381 Member, aged 35, married	3,900	2020
382 Member, aged 52, married	10,850	2020
383 Member, aged 63, married*	1,945	2020
385 Graduate, aged 39, married with 2 children*	3,342	2020
388 Former member, aged 76, married	3,200	2020
389 Graduate, aged 39, married with 2 children*	5,800	2020
Total grants paid during 2020	<u>115,161</u>	
Grants committed to during 2020 and due to be paid during 2021	44,500	
Allocated support costs	23,595	
	<u><u>140,886</u></u>	

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

---

**Benevolent Fund**

---

**NOTES ON THE FINANCIAL STATEMENTS  
31 DECEMBER 2020 (CONTINUED)**

**13. Analysis of changes in net debt**

	At the 1 <sup>st</sup> January 2020	Cash flows	Other non- cash changes	At 31 <sup>st</sup> December 2020
	£	£	£	£
Cash	48,902	(20,507)	-	28,395
Cash investments	176,156	(161,503)	-	14,653
	<hr/> 225,058	<hr/> (182,010)	<hr/> -	<hr/> 43,048
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<hr/> <b>225,058</b>	<hr/> <b>(182,010)</b>	<hr/> <b>-</b>	<hr/> <b>43,048</b>
	<hr/>	<hr/>	<hr/>	<hr/>