



Report & Financial Statements

For the year ended 31 December 2016

The Benevolent Fund
of the Institution of Civil Engineers

Registered Office:

5 Mill Hill Close
Haywards Heath
West Sussex RH16 1NY

Limited Company Registered in England No. 6708655

Charity Registered in England & Wales No. 1126595

The ICE Benevolent Fund

Contents

	Page
Charity Information	1
Trustees' Report	2
Independent Auditors' Report	12
Statement of Financial Activities	14
Balance Sheet	15
Statement of Cash Flows	16
Notes to the Financial Statements	17

The Benevolent Fund of the Institution of Civil Engineers

Charity Information

Charity Registration Number: 1126595

Company Registration Number: 6708655

Chief Executive
and Principal Office: K L Barnett
5 Mill Hill Close
Haywards Heath
West Sussex
RH16 1NY

Bankers: National Westminster Bank plc
Charing Cross
London
WC2H 0PD

Auditors: Mazars LLP
Times House
Throwley Way
Sutton
Surrey
SM1 4JQ

Investment Managers: Rathbone Investment Management Limited
8 Finsbury Circus
London
EC2M 7AZ

Solicitors: Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

The Benevolent Fund of the Institution of Civil Engineers Trustees' Report

Executive Summary

In 2016 the ICE Benevolent Fund:

- Provided 200 instances of financial help and advice to eligible individuals (of these, 108 were new this year). This figure does not include those supported by the helpline, on-line portal or the workshop programme
- Provided 225 instances of reaching out to help those who have been bereaved
- Provided charitable accommodation to 18 beneficiaries
- Provided financial assistance totalling £696,226
- Provided a Back to Work service to 25 individuals
- Ran a helpline, which gave 155 items of advice on issues such as redundancy, employment law, stress, debt, ill health
- Ran 24 personal development/wellbeing workshops throughout the UK for ICE members
- Provided a wellbeing portal to ICE members and their families accessed by 2487 members or family members
- Provided face to face counselling to 21 individuals
- Provided support from an Independent Financial Adviser to 22 individuals

Financial Position for the Period

Assets as at 31 December 2016

• Investments and tangible fixed assets	£16,435,882
• Net Current Assets	£606,110
<i>Total</i>	£17,041,992

Income

• Investment Income	£ 366,068
• Donations via ICE subscriptions miscellaneous donations & legacies	£ 602,992
• Rental and Workshop income	£ 432,678
<i>Total</i>	£ 1,401,738

Expenditure (including overheads)

• Grants	£ 696,226
• Outplacement, Helpline, Workshops and Casework	£ 254,656
• Estate costs	£ 210,410
• Administration & Investment Management fee	£ 54,567
<i>Total</i>	£ 1,215,859

The Benevolent Fund of the Institution of Civil Engineers

Trustees' Report (continued)

The ICE Benevolent Fund was established on 20 December 1864 and was registered as a Charity in 1962. On 1 January 2009, the Benevolent Fund incorporated to a charitable company limited by guarantee. The incorporated charity's governing documents are the Articles of Association of the Benevolent Fund of the Institution of Civil Engineers ("ICE Benevolent Fund"). These Articles were amended and approved at an AGM on Monday 13 July 2015 and are available for inspection from the ICE Benevolent Fund registered address or at website www.icebenfund.com.

The Committee of Management, who are the Trustees ('Trustees') and the Directors of the Charitable Company, present their report together with the financial statements of ICE Benevolent Fund for the year ended 31 December 2016. The financial statements have been prepared under the accounting policies set out on pages 16-18 of the financial statements and comply with the current statutory requirements, applicable law and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005.

Structure, Governance and Management

ICE Benevolent Fund Members

The ICE Benevolent Fund operates a register of members, all of whom have applied for membership and been accepted by the Trustees. ICE Benevolent Fund members must make a minimum annual contribution to the Fund, which for 2016 was £10. Membership allows the individual to attend and vote at the Fund's AGM and, if they are ICE members, apply for election to Trusteeship. At the end of 2016, ICE Benevolent Fund had 169 members.

ICE Benevolent Fund Friends

Individuals who donate to the ICE Benevolent Fund but do not apply for membership are classified as "Friends" of the ICE Benevolent Fund. These individuals can attend, but not place a vote at, the AGM. They are not entitled to apply for Trusteeship.

Key Management Personnel

The ICE Benevolent Fund employs 5 staff which equates to 4.4 full time equivalents. The Trustees of the charity set the pay and remuneration of the staff annually in December of each year. When setting remuneration, Trustees seek advice from the ICE HR department which includes salary trend information provided by the Office for National Statistics and the Chartered Institute of Personnel and Development (CIPD). When setting salaries for ICE Benevolent Fund staff Trustees benchmark against remuneration packages awarded to ICE members of staff and also to staff employed by other occupational Benevolent Funds operating in the property and construction sector.

Volunteers

The ICE Benevolent Fund has circa 60 volunteers who work throughout the UK and beyond visiting beneficiaries and new applicants and witnessing at first hand the problems encountered by individuals we help. Volunteers report back to Trustees on their findings and make recommendations for help, if appropriate. Volunteers overall spent 249 working days visiting ICE members.

Trustees

The Board of Trustees, which meets quarterly, governs the affairs of the Charity. There are sub-committees covering finance and estate maintenance.

The Board of Trustees can consist of up to fifteen members and comprises:

- Three members of the Council of ICE to be appointed by ICE Council. These individuals do not need to be ICE Benevolent Fund Members
- Nine ICE Benevolent Fund Members who are elected by other Members of ICE Benevolent Fund. These individuals need to be ICE members

The Benevolent Fund of the Institution of Civil Engineers Trustees' Report (continued)

- Up to three additional members, who can be co-opted to serve up to three years in office. These individuals do not need to be either ICE members or ICE Benevolent Fund Members
- The ICE President, for the year that s/he is in office, is invited to become the Patron of ICE Benevolent Fund. The Patron is entitled to attend, but not vote at, all Trustee meetings.

The Charity actively seeks to encourage new individuals to become involved. Nominations to serve on the ICE Benevolent Fund's Trustee Board are invited annually from all ICE Benevolent Fund Members. Voting papers are circulated and the elected candidates are announced at the AGM. Each ICE Benevolent Fund Member is able to vote for up to three individuals.

When appointed, Trustees are sent copies of the Charity's governing documents and past copies of board papers. They are also asked to review and sign a copy of ICE Benevolent Fund's Data Protection policy, the ICE's Bribery Policy and the Charity Commission's suitability Declaration form for newly appointed Trustees. The ICE Benevolent Fund's Register of Member interests is reviewed and signed annually by each Trustee. New Trustees are also invited to attend an annual full day training session on the operation of ICE Benevolent Fund in conjunction with visitors.

ICE President as Patron:

Sir J Armit CBE* (term of appointment complete 31 October 2016)
Prof T Broyd* (appointed 1 November 2016)

Chairman:

D M Orr CBE

Council Nominees:

D Porter * (appointed 1 January 2015)
Y Murphy * (appointed 1 January 2016)
M W E Chater* (appointed 1 January 2015)

Elected Members:

T T Barton
C Hillary
A D Scrimgeour
J C Sturgess
B E Waters MBE
W R Kemp MBE (appointed 1 January 2016)
E J Hiscocks (appointed 1 January 2016)
I Gee (appointed 1 January 2016)

* Member of the Council of the Institution of Civil Engineers during 2016

Company Secretary:

K L Barnett

All Trustees gave their time voluntarily and received no benefits from the Charity. Any reclaimed expenses are set out in note 9 to the accounts.

The Benevolent Fund of the Institution of Civil Engineers

Trustees' Report (continued)

Objectives and Activities

The object of ICE Benevolent Fund, as set out in our Articles of Association, is to “prevent and relieve need by providing assistance and advice” to members and former members of The Institution of Civil Engineers and to the dependants of such members.

ICE Benevolent Fund's aims fully reflect the purposes for which the charity was set up. The aim that underpins all our work is to help as many eligible individuals as possible. Assistance is provided in many ways and varies according to specific requirements. The main types of help include:

- Advice, information, specialist counselling and support, both face to face and on-line
- Financial assistance and advice for ICE members struggling to make ends meet
- Accommodation for individuals on low incomes seeking affordable homes
- “Back to Work” support following redundancy or a period of unemployment, support with pre-retirement planning, lifetime financial planning and personal development/wellbeing

This report looks at what we achieved and the outcomes of our work in the previous 12 months and sets out our targets for the following year. Preparing this report helps Trustees ensure that ICE Benevolent Fund's aims, objectives and activities remain focused on our stated purposes.

How Our Activities Deliver Public Benefit

The Charity's Trustees have complied with the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charities Commission.

Our objects and funding allow us to provide services not only to members, but also former members, of the Institution of Civil Engineers as well as to the dependant families of these groups. This represents a sizeable number of individuals worldwide, any of whom can come forward for help at any time. Further, the range and depth of service we provide means that it is not just the individual who benefits. The impact of ICE Benevolent Fund's work goes far beyond those people we assist directly. By helping an individual at a difficult time, we also help his or her family and close friends, and our proactive support also means the individual is less likely to rely on the state, whether in terms of welfare or healthcare. In these ways we greatly extend the range of our support beyond simply the members of the Institution.

Individuals do not need to have contributed to ICE Benevolent Fund to benefit from its services.

ICE Benevolent Fund always endeavours to provide the most appropriate help in every circumstance. We continue to provide financial help where required, but the emphasis is also on providing preventative help and practical support. For ICE members of working age, ICE Benevolent Fund wants benevolent assistance to be viewed as short term until the individual is able to support himself or herself and their family.

Equal access to our service is an important area of focus for the ICE Benevolent Fund. ICE members living in poverty and need are sought out and actively encouraged to apply for help. All new applicants are means-tested and anyone coming below our thresholds is awarded some form of financial help. By applying this measure, we ensure that people living in need form the focus of our activity.

The Trustees have reviewed whether any of the help we provide could possibly cause any detriment or harm and cannot think of any example where this might be the case.

Financial effect of significant events

Under the new FRS 102, the Charity's Trustees are required to record the financial effect of significant events in the year. These are:

- Installing walk-in showers (rather than shower over bath) at selected properties at the Charity's estate (Mill Hill Close, Haywards Heath) to ensure safe bathing for elderly beneficiaries. The cost to the ICE

The Benevolent Fund of the Institution of Civil Engineers Trustees' Report (continued)

Benevolent Fund to carry out this work will be £34,217. In total, seven properties will have new showers. This project was paid for in 2016. The work will commence in spring/summer 2017.

- The ICE Benevolent Fund ran in 2016, 24 personal development workshops in the year. The Trustees have designed these workshops to be heavily subsidised by the ICE Benevolent Fund for ICE members as part of the benefits of ICE membership. The cost for ICE members to attend a full day workshop is £55. Non-members pay £150. The net cost to the Ben Fund of workshop provision was £20k.

Objectives for 2016

Benevolence and marketing

- Provide the most appropriate form of assistance to as many eligible beneficiary applicants as possible
- Promote the disabled / disadvantaged student scheme so that ICE accredited students continue to apply for ICE Benevolent Fund within the guidelines of the scheme
- Assist as many ICE members and their families as required through ICE Benevolent Fund's independent helpline, on-line resource portal, back to work programme and through the money management/debt advice service
- Continue with the roll out of the programme of personal development workshops across the UK to support ICE members and their families
- Develop and deliver new workshops in the year as appropriate and as evidenced by delegate feedback. This should include UK roll out of the Personal Effectiveness workshop following successful pilot sessions early 2016. The target is to achieve at least 65% take up of the workshops and 80% satisfaction level from feedback
- Continue to raise awareness amongst the ICE membership of:
 - the ICE Benevolent Fund
 - the services on offer
 - the impact on beneficiaries

The Trustees aim to do this through a mix of traditional and digital marketing channels to achieve the biggest impact using print, website, e-mail marketing, advertising, merchandising, postal campaigns, social media, presentations and face to face presence.

The aim is to increase awareness of the ICE Benevolent Fund amongst ICE members.

Governance objectives

- Continue with efforts to reduce overall costs at the ICE Benevolent Fund's charitable estate (Mill Hill Close) and maximise the income available from commercial rents
- Continue with Trustee and Visitor training with a new initiative to include the AGM as part of the training day
- Continue with the annual review of the ICE Benevolent Fund's Risk, Investment and Financial Reserves Policy and adoption of the ICE's Bribery policy
- Implement a new method for assessing beneficiaries need using the scale of living expenses based on MIS (Minimum Income Standard) figures produced by the Centre for Research in Social Policy at Loughborough University
- Produce the Annual Report and Accounts to comply with the new FRS 102 reporting standard

The Benevolent Fund of the Institution of Civil Engineers Trustees' Report (continued)

Benevolence and marketing outcomes

The Trustees note that the number of instances of benevolence in the year increased to 200 (2015:169).

The ICE Benevolent Fund gave charitable assistance to 2 (2015:7) students who applied for funding through the disabled/disadvantaged student scheme. Many more applications were received, but only 2 applicants met the full eligibility criteria.

The number of ICE members and family members who sought help from the independent advice line increased to 155 in 2016 (2015:94). The number who accessed the new on-line wellbeing support was 2487 (2015:551). The back to work scheme achieved success, with 25 (2015:27) members availing themselves of the service to assist their return to work and 22 (2015:9) individuals benefited from individual sessions with the ICE Benevolent Fund's Independent Financial Adviser (IFA).

The personal development workshops rolled out in the year were highly successful with 301 delegates booked onto 24 workshops organised throughout the year. Workshops were delivered across wide ranging topics: pre-retirement support, financial planning and personal resilience and the new topic – "personal effectiveness". Take up rate was 78% which comfortably exceeded the target of 65%. The satisfaction level target was 80%. This was comfortably exceeded.

Marketing and promotion of the ICE Benevolent Fund was a key objective for 2016. Staff regularly attended ICE events to present and promote the charity to ICE members. Printed and digital adverts appeared in NCE and in ICE regional newsletters. Targeted emails to groups of members on aspects of the ICE Benevolent Fund's services proved most effective, with workshop delegate numbers being achieved almost exclusively as a result of a member receiving an email advertising the event.

The ICE Benevolent Fund also used social media channels, Facebook, LinkedIn and particularly Twitter, to raise awareness and direct ICE members to our website.

Governance outcomes

The costs to run the ICE Benevolent Fund's charitable estate (Mill Hill Close) were £210,410. This is a 12% drop on the previous year and demonstrates Trustees' commitment in the year to reviewing maintenance and expenditure on the housing stock. Rents increased to £417,848 which is an increase from 2015, demonstrating Trustees' robust approach to maximising rental yield.

The newly developed programme for the 2016 Visitor and Trustee training, including the AGM and a presentation from the ICE President, Sir John Armitt, was well received in the year, with 83% of attendees requesting a similar format for 2017. Visitors were pleased to be able to cast their votes for 2017 serving Trustees at the AGM and hear Sir John talk about his ambassadorial role for the ICE and his work with the government to raise the profile of Infrastructure. Comments on the day included:

"Combining the AGM with the VTD was an excellent idea and it made the AGM feel more important as there was greater attendance."

"Very well organised and content excellent"

"An informative and enjoyable day"

Trustees reviewed the Investment Policy and Reserves Policies in the year and new volunteer Visitors and Trustees were asked to review and adopt the ICE's Bribery Policy. The Trustees did not review the ICE Benevolent Fund Risk register in the year due to time constraints. This will be an urgent item for the first meeting of the Trustees in January 2017.

The ICE Benevolent Fund implemented a new method for assessing beneficiaries in the year, using the new Minimum Income Standard produced by Loughborough University. The new standard is updated each year and provides a realistic benchmark when Trustees review cases for financial support. Trustees had been using the Department of Work and Pensions (DWP) figures in assessing applications, but these figures had become increasingly out of date and were no longer being widely used within the occupational benevolence

The Benevolent Fund of the Institution of Civil Engineers Trustees' Report (continued)

sector.

The new accounting standard – FRS 102 – came into force in the year. The Trustees worked with the ICE Benevolent Fund's staff and Auditors to ensure that the Accounts for the year met the required standard.

Objectives for 2017

Benevolence and marketing

- Provide the most appropriate form of assistance to as many eligible beneficiary applicants as possible. 2016 saw a really significant increase in applications for support as more ICE members become aware of the variety of services available to them. Trustees would like to see this trend continue in 2017
- Promote the disabled / disadvantaged Student Scheme so that ICE accredited students continue to apply for ICE Benevolent Fund help within the guidelines of the Scheme. Trustees are keen to make a direct approach to Students through UCAS to remind them of scheme's existence
- Assist as many ICE members and their families as required through ICE Benevolent Fund's independent helpline, on-line resource portal, back to work programme and through the money management/debt advice service
- Continue with the roll out of the current programme of personal development workshops across the UK to support ICE members and their families and look to share workshop provision with other Benevolent Funds in our sector as appropriate, to save on cost and administration. The target is to achieve at least 65% take up of the workshops and 80% satisfaction level from feedback
- In conjunction with the RICS Benevolent Fund, develop and deliver new half hour "lunch and learn" webinars on selected financial planning topics
- Develop and deliver a new "time management" workshop
- Develop a new website for the ICE Benevolent Fund to be launched in 2018
- Consider the feasibility of establishing links and programmes with larger, specialist charities to broaden the support available to ICE members and their families
- Consider the feasibility of working with ICE to develop a new workshop to support those ICE members thinking of establishing their own business
- Continue to raise awareness amongst the ICE membership of:
 - the services on offer
 - the impact on beneficiaries

The Trustees aim to do this through a mix of traditional and digital marketing channels to achieve the biggest impact using film, print, website, e-mail marketing, advertising, merchandising, postal campaigns, social media, presentations and face to face presence.

Governance

- Refurbish selected bathrooms at the ICE Benevolent Fund's charitable estate (Mill Hill Close) to ensure the safety of bathing for beneficiary occupants
- Continue with Trustee and Visitor training to include the AGM as part of the training day and an invitation from the ICE President to address visitors
- Continue with the annual review of the ICE Benevolent Fund's Risk, Investment and Financial Reserves Policy and adoption of the ICE's Bribery policy
- Conduct a thorough review of the ICE Benevolent Fund's Investment Managers with appointment to be made in the year

The Benevolent Fund of the Institution of Civil Engineers Trustees' Report (continued)

Financial Review

Approximately 30,400 ICE members (2015: 31,400) donated to the ICE Benevolent Fund in 2016. The Trustees were disappointed to note this small drop in contributors in the year. It is worth considering that this might be due to ICE members who do donate retiring, not renewing their ICE subscriptions or making any voluntary donations.

In total the value of donations made with ICE subs (**and** irregular donations) increased. The ICE Benevolent Fund collected £372,717(2015: £361,952). This overall rise in income is encouraging, suggests that marketing campaigns are successful, and reflects the fact that those who do contribute are feeling motivated to give more. The Trustees want to reinforce the message that donating is really important and are committed to demonstrating the impact of donations to motivate and inspire non-donors to give.

The charity had a very positive year for legacy donations. Legacies actually received in the year accounted for £230,275.

The excess of income over expenditure for the year ended 31 December 2016 was £185,879 marking a good year for the ICE Benevolent Fund.

Investment Policy

ICE Benevolent Fund's current Investment Policy states that Investment Managers shall endeavour to achieve an absolute net return of at least CPI +4.5% per annum over the longer term, together with a risk tolerance of 75% of world equity volatility annualised on a rolling three year basis. Implicit in this objective is the desire at least to maintain the long term value of the portfolio in real terms.

During 2016, the return was 12.6%. The value of investments rose from £10,844,498 at the beginning of the year to £11,985,710 at the year end. Total investment gains in the value of the fund, realised and unrealised, were £1,008,410

The Investment Policy Statement is reviewed annually at a meeting of the Investments Panel of the ICE Benevolent Fund and its professional advisors. The Statement is approved by the Trustees.

Reserves Policy

It is the policy of the ICE Benevolent Fund to spend all donations and other monies received on benevolence in the year it is received. To protect the charity's future and to ensure it remains active in perpetuity, the Trustees have established a designated fund of £4m. This represents approximately one third of the ICE Benevolent Fund's total capital. The designated fund is reviewed each year by the Investments Panel of the ICE Benevolent Fund and approved by the Committee of Management.

Trustees seek to maintain a level of reserves which will produce an income sufficient to provide circa 25 - 30% benevolence needs of the present level of benevolence and day to day running costs of the Ben Fund.

The Reserves Policy and the level of reserves required is reviewed annually by the Investments Panel of the ICE Benevolent Fund and approved by the Committee of Management.

Free reserves were £12,591,830 (2015; £11,422,361 re-stated) at the year end.

Risk Management

Trustees were aware that the Risk Survey for the ICE Benevolent Fund was not reviewed in 2016. It was therefore taken as an urgent item for the Trustee meeting in January 2017. An updated document was produced and approved by the Trustee Board.

The principal risks and uncertainties facing the ICE Benevolent Fund, and the Trustees' plan for managing those risks in 2016, were:

- 1 Significant reduction in all sources of income leading the Charity to have insufficient income to support its charitable activities and eventually become insolvent.

The Benevolent Fund of the Institution of Civil Engineers Trustees' Report (continued)

The Trustees mitigate against this by spreading the risk with three different sources of income – member donations, rental income and investment income. In addition, the Trustees review the reserves policy and the general financial position of the charity annually to track income levels.

- 2 ICE loses members and fails to attract new members leading the Charity to receive fewer applications for assistance and eventually become irrelevant.

The Trustees mitigate against this by working with the ICE to promote the benefits of ICE membership and make the ICE Benevolent Fund offer a key membership attraction and retention tool.

- 3 Loss of key staff through illness, resignation, retirement, death etc leading to loss of corporate knowledge and poor service quality to beneficiaries.

The Trustees mitigate against this by ensuring that all new administration systems are documented so that new staff are up to speed quickly. Where possible, handover periods are utilised and succession planning is put in place. The Trustees operate an annual performance development review for all staff.

Grant Making

The Benevolent Fund invites applications for grants from ICE members, former members and their dependants. All applications are treated sympathetically and are means tested. All grants are approved by the Trustees and are reviewed annually. The ICE Benevolent Fund operates worldwide.

In 2016 the ICE Benevolent Fund provided financial assistance and advice to 164 (2015: 148) beneficiaries in the UK and 36 (2015: 21) overseas, total 200.

Trustees' Responsibilities for the Financial Statements

Law applicable to charities in England and Wales requires the Trustees (who are also the Directors for the purposes of company law) to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity as at the balance sheet date and of its incoming resources and application of resources for the financial period.

In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to Disclosure of Information to Auditors

The Trustees have taken all the necessary steps to make ourselves, as Trustees, aware of any relevant audit information and to establish that the auditors are aware of that information. As far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware.

Mazars LLP were appointed auditors at the Annual General Meeting held on 18 May 2016. They offer themselves for reappointment as auditors for the coming year.

The Benevolent Fund of the Institution of Civil Engineers Trustees' Report (continued)

This report has been prepared in accordance with the special provisions of section 414 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD OF TRUSTEES

J C Sturgess
Chairman

10 April 2017

Independent Auditor's Report to the Members of

The Benevolent Fund of the Institution of Civil Engineers

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on pages 10 and 11 the Trustees (who are also the Directors of the charity 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016 and of the charity's 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 the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of

The Benevolent Fund of the Institution of Civil Engineers

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 to you 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 in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Report.

Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Times House, Throwley Way, Sutton, Surrey, SM1 4JQ

Date:

The Benevolent Fund of The Institution of Civil Engineers
Statement of Financial Activities
For the year ended 31 December 2016

		Total unrestricted funds	Total unrestricted funds
	Notes	2016 £	2015 £
INCOME			
Donations and legacies	2	602,992	831,097
Income from investments			
Rental income	3	298,625	297,151
Investment income		366,068	312,417
Income from Charitable Activities			
Rent – Beneficiaries	4	119,223	112,937
Event/Workshop Income		14,830	15,075
Total income		1,401,738	1,568,677
EXPENDITURE			
Fundraising costs			
Costs of rental properties	3	98,017	133,341
Investment management costs		54,567	52,875
		152,584	186,216
Expenditure on Charitable Activities			
Provision of financial assistance to individuals	5	696,226	594,814
Provision of accommodation to beneficiaries	4 & 5	112,393	106,374
Welfare advice and counselling	5	254,656	233,695
		1,063,275	934,883
Total expenditure		1,215,859	1,121,099
Net income excluding investment gains		185,879	447,578
Investment gains			
Net investment gains	12	1,008,410	211,776
Revaluation(loss) on investment property		-	(19,167)
Net income		1,194,289	640,187
Funds brought forward at 1 January		15,847,703	15,207,516
Total funds carried forward	17	17,041,992	15,847,703

All income and expenditure is derived from continuing activities and there are no recognised gains or losses other than those included above. The accompanying accounting policies and notes form an integral part of these financial statements.

The Benevolent Fund of the Institution of Civil Engineers

Balance Sheet at 31 December 2016

	Notes	2016	2015
		£	£
Fixed assets			
Intangible fixed assets	10	8,664	16,216
Tangible fixed assets	11	673,665	708,288
Investments	12	11,985,710	10,844,498
Investment properties	13	3,700,838	3,700,838
Concessionary loans	14	67,005	67,005
		<u>16,435,882</u>	<u>15,366,845</u>
Current assets			
Debtors	15	114,121	181,295
Cash at bank and in hand		722,547	561,417
		<u>836,668</u>	<u>742,712</u>
Creditors: amounts falling due within one year	16	<u>(230,558)</u>	<u>(231,854)</u>
Net current assets		<u>606,110</u>	<u>510,858</u>
Total assets less current liabilities		<u><u>17,041,992</u></u>	<u><u>15,847,703</u></u>
The Funds of the Charity:			
Designated Funds	17	4,000,000	4,000,000
Unrestricted income funds		13,041,992	11,847,373
Total Charity Funds	17	<u><u>17,041,992</u></u>	<u><u>15,847,703</u></u>

The accompanying accounting policies and notes form an integral part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the Trustees on 10 April 2017 and signed on their behalf by:

.....
J C Sturgess
Chairman

The Benevolent Fund of the Institution of Civil Engineers

Statement of Cash Flows at 31 December 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities					
Net income		1,194,289		640,187	
Adjustments for:					
Depreciation		34,623		34,624	
Amortisation		7,552		7,552	
(Gain) on investments		(1,008,410)		(192,609)	
Interest income		(366,068)		(312,417)	
Trade and other debtors		67,174		(86,556)	
Trade and other creditors		(1,302)		(101,236)	
Concessionary loans		-		15,068	
			(72,142)		4,613
Cash flows (used in)/generated from operating activities					
Purchase of property plant and equipment		-		(181,525)	
Purchase of investment properties		-		(175,633)	
Purchase of investments		(1,173,837)		(2,472,283)	
Proceeds on disposal of investments		1,570,212		2,905,908	
Interest received		366,068		312,417	
			762,443		388,884
Cash flows generated from investing activities					
			690,301		393,497
Net increase/(decrease) in cash					
			690,301		393,497
			At 1 January 2016 £	Cash flows £	At 31 December 2016 £
Cash at bank		561,417		161,130	722,547
Cash within investment portfolio		12,927		529,171	542,098
Total cash at 31 December 2016		574,344		690,301	1,264,645

The Benevolent Fund of the Institution of Civil Engineers

Notes to the Financial Statements

For the year ended 31 December 2016

1 Principal 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)) and the Companies Act 2006.

The ICE 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).

The trustees consider that it is appropriate for these financial statements to be prepared on the going concern basis given the result for the year and the level of reserves held.

The principal accounting policies of the ICE Benevolent Fund are set out below:

1.1 Fixed Asset Investments

Fixed asset investments are included at market value at the balance sheet date. Any gain / (loss) on revaluation is credited / (charged) to the Statement of Financial Activities (SOFA).

1.2 Intangible Fixed Assets

Website and software costs have been capitalised at historic cost and amortised on a straight line basis over 3 years and 5 years respectively

1.3 Tangible Fixed Assets

Freehold property is capitalised at historical cost. Capital items having a cost less than £5,000 are written off in the period in which the expenditure is incurred. Residential properties for occupation by beneficiaries were transferred from the unincorporated ICE Benevolent Fund during 2009 at historic cost and then the fair value was reviewed following the transfer. The estimate of fair value was based on the "existing use" value which was based on the present value of the future cash-flows which would be generated from the properties. The properties are fully maintained with a view to ensuring that total residual values are not less than the carrying value. No depreciation is charged on the freehold buildings because the Trustees consider that the economic life of the properties and their residual values, excluding inflation, is such that the depreciation charge and accumulated depreciation are not significant. The value of the property is regularly reviewed in order to identify any permanent diminution in value which if applicable, would be charged to the SOFA.

Improvements to freehold properties are depreciated over their useful economic lives at the following rates:

Freehold improvements:	2% straight line
Office equipment:	33% straight line
Double glazing:	10% straight line

1.4 Investment properties

Properties held for the purpose of generating income are considered to be investment properties; these are held at fair value. The value of the properties are regularly reviewed in order to identify any permanent impairment.

Where properties are partially held to generate income and partially functional assets they are split between tangible fixed assets and investment properties based on the relative area used for each function.

1.5 Charitable loans

Loans made in pursuit of the ICE Benevolent Fund's charitable purposes are held within fixed assets and are stated at original cost and subsequently adjusted for any subsequent repayment or impairment.

The Benevolent Fund of the Institution of Civil Engineers

Notes to the Financial Statements

For the year ended 31 December 2016

1 Principal Accounting Policies (continued)

1.6 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.

1.7 Creditors and provisions

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.

1.8 Financial instruments

The charity only has 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

1.9 Fund Accounting

Unrestricted Funds: These are funds which can be issued in accordance with the charitable objects and at the discretion of the Trustees.

Designated Funds: These are funds which will be retained in order to ensure that the ICE Benevolent Fund exists in perpetuity.

1.10 Income

Voluntary Income

In preparing these accounts no value has been attributed to the work performed by volunteers although their work is considered vital to the activities of the Charity.

Donations

Income from donations is included in income when these are receivable, except as follows:

When donors specify that donations given to the ICE Benevolent Fund must be used in future accounting periods, the income is deferred until those periods. When donors impose conditions which have to be fulfilled before the ICE Benevolent Fund becomes entitled to use such income, the income is deferred and not included in income until the pre-conditions for use have been met.

Legacies

Legacies are included when the ICE Benevolent Fund is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Investment Income and Interest Receivable

Investment income and interest is included when receivable by the ICE Benevolent Fund.

Rent Receivable – Beneficiaries and Non Beneficiaries

Rental income is included in the period in which the ICE Benevolent Fund is entitled to receipt.

1.11 Expenditure

Expenditure is included in the SOFA on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is grouped together under headings that aggregate all costs related to the category.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The Benevolent Fund of the Institution of Civil Engineers
Notes to the Financial Statements
For the year ended 31 December 2016

1 Principal Accounting Policies (continued)

1.11 Expenditure (continued)

The premises are used for provision of accommodation for beneficiaries and office space for ICE Benevolent Fund staff. In accordance with the ICE Benevolent Fund's rules of operation, any properties not required for these purposes are let to non-beneficiary tenants on assured shorthold tenancies of not less than six months' duration. These tenancies, charged at commercial rates, generate additional income for the ICE Benevolent Fund. Costs are apportioned on the basis of average occupancy by these three elements.

Other overheads have been allocated on the basis of staff time spent on the respective activities.

1.12 Charitable Activities

Costs of charitable activities comprise all costs identified as wholly or mainly attributable to achieving the charitable objects of the ICE Benevolent Fund. These costs include direct costs, wholly or mainly attributable support costs and an apportionment of overhead.

1.13 Pension Costs

The cost of providing pension and related benefits is charged on an annual basis to the Statement of Financial Activities.

1.14 Taxation

The ICE Benevolent Fund is a registered Charity and as such is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes.

2 Donations and Legacies

	2016	2015
	£	£
Donations	372,717	361,952
Legacies	230,275	469,145
	<u>602,992</u>	<u>831,097</u>

The geographical analysis of donations is as follows:

	2016	2015
	£	£
United Kingdom	311,076	314,334
Rest of the World	61,641	47,618
	<u>372,717</u>	<u>361,952</u>

The Benevolent Fund of the Institution of Civil Engineers
Notes to the Financial Statements
For the year ended 31 December 2016

3 Rental properties – non beneficiary tenants

	2016	2015
	£	£
Rental income from non-beneficiary tenants	298,625	297,151
Cost of raising funds – rental properties (direct costs)	(9,108)	(8,990)
Cost of generating funds – rental properties (allocated costs)	(88,909)	(124,351)
	<u> </u>	<u> </u>
Net rental income	<u><u>200,608</u></u>	<u><u>163,810</u></u>

4 Rental properties – beneficiary tenants

	2016	2015
	£	£
Rent from beneficiaries	119,223	112,937
Cost of providing accommodation	(112,393)	(106,374)
	<u> </u>	<u> </u>
Net income	<u><u>6,830</u></u>	<u><u>6,563</u></u>

5 Charitable Activities

	Direct costs	Allocated costs	Total 2016	Total 2015
	£	(see note 6)	£	£
	£	£	£	£
Costs after allocation				
Provision of financial assistance to individuals	578,884	117,342	696,226	594,814
Provision of accommodation to beneficiaries	-	112,393	112,393	106,374
Advice and counselling	118,572	136,084	254,656	233,695
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u><u>697,456</u></u>	<u><u>365,819</u></u>	<u><u>1,063,275</u></u>	<u><u>934,883</u></u>

Provision of financial assistance to individuals includes:

	2016	2015
	£	£
Grants to beneficiaries	<u><u>578,884</u></u>	<u><u>460,469</u></u>

All grants were made to private individuals. The Benevolent Fund assisted 200 beneficiaries (2015:169) during the year.

The Benevolent Fund of the Institution of Civil Engineers
Notes to the Financial Statements
For the year ended 31 December 2016

6 Overheads for Allocation

	Property costs	Charity Staff costs	Management costs	Total 2016	Total 2015
	£	£	£	£	£
Financial assistance	-	80,637	36,705	117,342	134,345
Provision of accommodation	67,681	30,727	13,985	112,393	106,374
Advice and counselling	-	93,517	42,567	136,084	155,802
	<u>67,681</u>	<u>204,881</u>	<u>93,257</u>	<u>365,819</u>	<u>396,521</u>
Rental properties	69,391	13,413	6,105	88,909	124,351
	<u>137,072</u>	<u>218,294</u>	<u>99,361</u>	<u>454,728</u>	<u>520,872</u>

The methods used to apportion overheads are described in note 1.11.

Governance costs total £7,500 (2015; £7,500)

7 Net Income

This is stated after charging:

	2016 £	2015 £
Depreciation	34,623	34,624
Amortisation	7,552	7,552
Auditors remuneration	7,500	7,500
	<u>49,675</u>	<u>49,676</u>

8 Staff Costs

The payroll costs for the year were as follows:

	2016 £	2015 £
Wages and salaries	157,348	147,311
Healthcare and Income Protection Insurance	3,433	2,546
Social security costs	13,327	13,166
Special pension contribution	0	600
Other pension costs	43,676	42,690
Recruitment and Training	510	327
Total	<u>218,294</u>	<u>206,640</u>

During 2016 the Fund contributed £300 (2015: £300) towards the accumulated deficit on the Defined Benefit Pension Scheme.

The Benevolent Fund of the Institution of Civil Engineers
Notes to the Financial Statements
For the year ended 31 December 2016

8 Staff Costs (continued)

The average number of employees (full time equivalents) of the Fund during the year was:4.4. The total staff numbers were 5 (2015: 5)

	2016	2015
Cost of raising funds	0.7	0.7
Charitable activities	3.4	3.4
Governance	0.3	0.3
	<hr/>	<hr/>
Total	4.4	4.4
	<hr/> <hr/>	<hr/> <hr/>

No member of staff received emoluments in excess of £60,000 per annum in either year.

Key management personnel includes the Chief Executive, Assistant Chief Executive and Caseworker. The total employee benefits of the key management personnel of the charity were £152,900 (2015: £139,900).

9 Trustee Remuneration

None of the Trustees receive any remuneration for their services as Trustees of the Charity.

	2016	2016	2015	2015
	£	Number	£	Number
Meeting expenses reimbursed to Trustees	7,481	12	6,110	11
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In addition expenses of £90 (2015: £660) were paid by the charity on behalf of trustees. Donations of £435 (2015: £630) were received from 13 (2015: 13) trustees during the year.

The Benevolent Fund of the Institution of Civil Engineers
Notes to the Financial Statements
For the year ended 31 December 2016

10 Intangible Fixed Assets

	Total 2016 £
Cost	
At 1 January 2016 and at 31 December 2016	27,456
Amortisation	
At 1 January 2016	11,240
Provided during year	7,552
At 31 December 2016	18,792
Net book value	
At 31 December 2016	8,664
At 31 December 2015	16,216

11 Tangible Fixed Assets

	Freehold property £	Freehold improvement £	Office equipment £	Total 2016 £
Cost				
At 1 January 2016 and at 31 December 2016	381,984	356,491	6,655	745,130
Depreciation				
At 1 January 2016	-	32,405	4,437	36,842
Provided during year	-	32,315	2,218	34,633
At 31 December 2016	-	64,820	6,655	71,475
Net book value				
At 31 December 2016	381,984	291,671	-	673,655
At 31 December 2015	381,984	324,086	2,218	708,288

Freehold property is shown at historic cost. In the event of a sale of property the market price is likely to vary considerably depending on the potential use. The Trustees sought appropriate advice during the period ended 31 December 2013 on this matter for insurance purposes and they are advised that the current value for insurance purposes is £7.02 million.

The Benevolent Fund of the Institution of Civil Engineers
Notes to the Financial Statements
For the year ended 31 December 2016

12 Fixed Asset Investments

	2016	2015
	£	£
Market value as at 1 January	10,844,498	11,053,420
Acquisitions at cost	1,173,837	2,472,283
Sales proceeds	(1,569,654)	(2,903,296)
Net movement in cash balances	528,619	10,315
Net investment gains	1,008,410	211,776
	<hr/>	<hr/>
Listed investments at market value	11,985,710	10,844,498
Historical cost at 31 December	9,715,989	9,478,984
	<hr/>	<hr/>
Unrealised investment gains	2,269,721	1,365,514
	<hr/> <hr/>	<hr/> <hr/>

An analysis of the market value of the charity's investments at 31 December 2016 is as follows:

	2016	2015
	£	£
UK bonds and preference shares	540,538	156,322
UK equities	3,474,853	3,162,760
Overseas bonds & preference shares	1,357,299	1,239,894
Overseas equities	4,346,426	4,665,174
Alternative investments	1,724,496	1,607,421
Cash on deposit awaiting investment	542,098	12,927
	<hr/>	<hr/>
	11,985,710	10,844,498
	<hr/> <hr/>	<hr/> <hr/>

There were no investments accounting for more than 5% of the market value of the portfolio as at 31 December 2016 or 2015.

13 Investment Property

	Total 2016 £
At 1 January 2016 and at 31 December 2016	3,700,838
	<hr/> <hr/>

The investment property comprises the 50% of the Mill Hill Close property which is occupied by tenants who are not beneficiaries and also the flats in the new building which are let to external tenants. Both elements are held at fair value in the financial statements.

The Benevolent Fund of the Institution of Civil Engineers
Notes to the Financial Statements
For the year ended 31 December 2016

14 Concessionary loans

	2016	2015
	£	£
Balance brought forward at 1 January	67,005	82,073
Written off in year	-	(15,068)
	<u>67,005</u>	<u>67,005</u>
Balance carried forward at 31 December	<u><u>67,005</u></u>	<u><u>67,005</u></u>

In addition to its grant making activities the Fund historically made concessionary loans to beneficiaries. These loans are secured against the beneficiaries' property.

15 Debtors: Amounts Falling Due Within One Year

	2016	2015
	£	£
Other debtors	111,293	178,821
Prepayments	2,829	2,474
	<u>114,121</u>	<u>181,295</u>
	<u><u>114,121</u></u>	<u><u>181,295</u></u>

Other debtors include £48,678 (2015: £16,220) due from the Institution of Civil Engineers

16 Creditors: Amounts Falling Due Within One Year

	2016	2015
	£	£
Trade creditors	14,112	13,629
Accruals	23,874	22,006
Welfare grant accruals	192,572	196,219
	<u>230,558</u>	<u>231,854</u>
	<u><u>230,558</u></u>	<u><u>231,854</u></u>

Trade Creditors include nil (2015: nil) due to the Institution of Civil Engineers.

The Benevolent Fund of the Institution of Civil Engineers
Notes to the Financial Statements
For the year ended 31 December 2016

17 Funds

	Unrestricted funds	Designated funds	Total
	£	£	£
Balance brought forward at 1 January 2016	11,847,703	4,000,000	15,847,703
Income	1,401,738	-	1,401,738
Expenditure	(1,215,859)	-	(1,215,859)
Gains on investment	1,008,410	-	1,008,410
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	13,041,992	4,000,000	17,041,992
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Unrestricted Funds

These funds represent the element of the free reserves of the Charity which have not been designated for any specific purpose.

Designated Funds

Following the merging of the A and B Funds at the end of 2012 Trustees agreed that part of the Benevolent Fund's capital should be placed in a designated fund to ensure that the Benevolent Fund exists in perpetuity. At the time of the merger the Capital A Fund stood at £6.5m. It was decided that £2.5m of this amount should fund the new build project, and the remaining £4m would form the designated fund. The value of the designated fund will be reviewed annually by the Investment Advisory Panel, and every five years by the full Trustee Board.

18 Capital Commitments

Grants approved by the Trustees for the benevolence year ending 30 June 2017 total £428,723. The amount paid prior to 31st December 2016 was £236,151.

19 Pensions

The Benevolent Fund has an ongoing liability of 0.06 of the annual deficit funding per annum for the one ICEBF staff member remaining in the ICE Staff Retirement Benefits and Life Assurance Defined Benefit Scheme from the date of ICEBF Incorporation to ICE Scheme closure on 30 November 2010. In 2015 the amount due was £300, however £600 was collected. This amount covers payment due for 2015 and 2016 so no further payment has been made in 2016.

Contributions to the ICE Group Personal Pension Plan in 2016 totalled £43,676. (2015: £42,690). Pension costs for the period also include £4,800 (2015: £4,800) of administration charges.

20 Related Party Transactions

The Ben Fund enters into transactions with its connected charity, the Institution of Civil Engineers. The nature of the transactions includes the collection of donations from the Institution's members on behalf of the Ben Fund and provision by the Institution of financial, HR, database and IT services.

During 2016 the donations and subscriptions collected by the Institution of Civil Engineers on behalf of the Ben Fund totalled £304,920 (2015: £303,401) and the management fee paid to the Institution of Civil Engineers was £30,434 (2015: £26,357).

Creditors include an amount of nil (2015: £nil) due to the Institution of Civil Engineers at the year end. Debtors include an amount of £48,678 (2015: £16,220) due from the Institution of Civil Engineers at the year end.