

# Report and Financial Statements

For the year ended 31 December 2018

---



Registered Office  
5 Mill Hill Close  
Haywards Heath  
West Sussex  
RH16 1NY

*Limited Company Registered in England No. 6708655  
Charity Registered in England and Wales No. 1126595*



## **Contents**

|   |           |
|---|-----------|
| <b>Charity Information .....</b>  | <b>3</b>  |
| <b>Trustees' report for the year ended 31 December 2018.....</b>                    | <b>4</b>  |
| <b>Independent Auditor's Report to the members of the ICE Benevolent Fund .....</b> | <b>16</b> |
| <b>Statement of Financial Activities .....</b>                                      | <b>20</b> |
| <b>Balance Sheet .....</b>  | <b>21</b> |
| <b>Statement of Cash Flows.....</b>   | <b>22</b> |
| <b>Notes to the Financial Statements .....</b>                                      | <b>23</b> |



## 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



# Trustees' report for the year ended 31 December 2018

## Executive Summary

### In 2018 the ICE Benevolent Fund:

- Supported 189 individuals, 103 of these were new in 2018
- Contacted 275 individuals who were bereaved following the death of a member
- Provided charitable accommodation to 17 beneficiaries
- Provided financial assistance totalling £871,288
- Provided a Back to Work (B2W) service to 21 individuals
- Ran a helpline, which gave 181 items of advice on issues such as redundancy, employment law, stress, debt, ill health
- Ran 15 wellbeing workshops with 196 attendees and 12 webinars with 2,183 registered delegates
- Provided a wellbeing portal accessed by 2505 individuals
- Referred 37 members to our IFA or our specialist partners for support and counselling

## Financial Position for the Period

### Assets as at 31 December 2018

|   |                    |
|---|--------------------|
| • Investments and tangible fixed assets | £17,962,142        |
| • Net Current Assets                    | £ 619,365          |
| <b>Total</b>                            | <b>£18,581,707</b> |

### Income

|   |                   |
|---|-------------------|
| • Investment Income   | £ 462,072         |
| • Donations via ICE subscriptions<br>miscellaneous donations & legacies | £ 720,782         |
| • Rental and Workshop income  | £ 432,614         |
| <b>Total</b>  | <b>£1,615,468</b> |

### Expenditure (including overheads)

|   |                    |
|---|--------------------|
| • Grants  | £ 681,610          |
| • B2W, Helpline, Workshops and Casework         | £ 255,173          |
| • Estate costs                                  | £ 224,656          |
| • Administration & Investment<br>Management fee | £ 63,717           |
| <b>Total</b>                                    | <b>£ 1,225,156</b> |



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](http://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 2018. The financial statements have been prepared under the accounting policies set out on pages 24-26 of the financial statements and comply with the current statutory requirements, applicable law and the Statement of Recommended Practice 2015 "Accounting and Reporting by Charities (FRS 102)" 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 2018 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 2018, ICE Benevolent Fund had 175 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 6 staff which equates to 4.7 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 80 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.

### **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
- 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 a Privacy Statement which outlines how the ICE Benevolent Fund uses their data, complete and sign a Register of Interests form so that potential conflicts can be identified in roles and sign the Charity Commission's suitability Declaration form for newly appointed Trustees. New Trustees are invited to attend an induction session when their term of office starts and an annual full day training session on the operation of ICE Benevolent Fund in conjunction with visitors.



**ICE President as Patron:**

Lord R Mair CBE\* (term of appointment complete  
31 October 2018)  
A Wyllie CBE\* (appointed 1 November 2018)

**Chairman:**

T Frost\*\*

**Council Nominees:**

D Porter \* (appointed 1 January 2015)  
Y Murphy \* (appointed 1 January 2016)  
S Larkin\* (appointed 1 January 2018)

**Elected Members:**

W R Kemp MBE  
E J Hiscocks  
I Gee  
T Frost \*\*  
C Gray  
K Laing  
C Hillary (appointed 1 January 2018)  
J Calverley (appointed 1 January 2018)  
H Lee (appointed 1 January 2018)

\* Member of the Council of the Institution of Civil Engineers (ICE) during 2018

\*\* Elected ICE Ben Fund Trustee but also Member of the Council of the ICE during 2018

**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.

**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” (B2W) 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 FRS 102, the Charity's Trustees are required to record the financial effect of significant events in the year. These are:

- The development of a new website for the ICE Benevolent Fund at a total cost of £34,000 +VAT. This cost will be depreciated over the next three years; the ICE Benevolent Fund's Auditors have confirmed that they concur with this treatment.
- Fifteen personal development workshops in the year. The net cost to the Ben Fund of workshop provision was £22k.



## Objectives for 2018

### 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 help 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 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
- Increase the number of, and develop the programme further for, the number of half hour webinars to be delivered, building on the significant success of this 2017 initiative
- Continue with the development and user testing for a new website for the ICE Benevolent Fund to be launched Q4 2018
- Continue with the partnership programmes with larger, specialist charities to broaden the support available to ICE members and their families
- Launch a new workshop to support those ICE members thinking of establishing their own business
- Host a small drinks reception for supporters of the Benevolent Fund to further inform them about our work
- 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

- Continue with Trustee and Visitor training to include the AGM as part of the training day and an invitation to 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
- Implement new Data Protection policies and procedures to meet the requirements of the new General Data Protection Requirements (GDPR) to be implemented May 2018
- Appoint a new full-time member of staff for the ICE Benevolent Fund to support with event administration, benevolence and marketing



- Look to consider how maintenance expenditure at the Benevolent Fund's charitable estate (Mill Hill Close) can be further reduced.

### **Benevolence and marketing outcomes**

The Trustees note that the number of instances of benevolence in the year decreased to 189 (2017:205). There are many factors that could influence fluctuations in beneficiary numbers. This year, marketing communications resource was redirected to the website redevelopment project, thereby reducing email communication outputs. Other contributing factors include eligibility of applicants and decisions taken by Trustees – not everyone who applies receives support, but staff (particularly) and Trustees remain committed to dedicating time to fully process applications even if the applicant is ultimately unsuccessful.

The ICE Benevolent Fund gave charitable assistance to 4 (2017:5) students who applied for funding through the disabled/disadvantaged student scheme. Many more applications were received, but only 4 applicants met the full eligibility criteria.

The number of ICE members and family members who sought help from the independent advice line remained steady at 181 in 2018 (2017: 181). The number who accessed the new on-line wellbeing support was 2505 (2017:5924). The back to work scheme supported 21 (2017:35) individuals as they sought assistance with their return to work and 16 (2017:13) 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 successful with 196 delegates booked onto 15 workshops organised throughout the year so targets were met. Workshops were delivered across wide ranging topics. Feedback from each event was excellent.

A real success story for the Benevolent Fund in the year were the half hour lunchtime wellbeing webinars. Twelve webinars were run in the year with 2,183 members registering to join these events.

The new website for the ICE Benevolent Fund was launched in the year. This was a really major project for the staff team. Increased functionality from the new site means that ICE members can now check their eligibility for a service through an on-line questionnaire, apply directly for support on-line and there is a separate "Trustee area" where Trustees can view governing documents and meeting papers. The site was formally launched Q4, 2018 and the number of users through Oct – Dec increased considerably, with a big "spike" in November 2018 showing 2,035 users in one month (more than double the usual monthly traffic). Pageviews on site increased by 56% on the previous year to 44,254. This is the highest ever, demonstrating an increased level of engagement with the new format and content. The on-line functionality has also been embraced with 795 returns on the financial assistance eligibility questionnaire, confirming eligible status.

The ICE Benevolent Fund continued its relationship with two national charities – Anxiety UK and the National Autistic Society - to allow the ICE Benevolent Fund to offer tailored support to ICE members and their families facing challenges in these areas.

The new "Start your own Business" workshop was launched in the year. Two workshops were held in the year and had maximum attendance. The Ben Fund is committed to further developing the content and programme for 2019.



Trustees and staff hosted a small drinks reception for visitors and supporters of the Charity. The aim of the event was to thank generous supporters and further inform about the work of the Charity.

This coincided with the 200<sup>th</sup> anniversary year of the ICE and attendees at the reception were pleased to receive a presentation from ICE Director General and Secretary, Nick Baveystock, about the ICE's plans to celebrate the landmark year. Attendees were also able to visit the ICE 200 exhibition held at the ICE headquarters at 1 Great George Street, London.

Marketing and promotion of the ICE Benevolent Fund took a back step in the year as developing the website was a key priority for the Ben Fund's small staff team. However, staff still attended ICE events to present and promote the charity to ICE members. Staff also dispatched targeted e mails to groups of members on aspects of the ICE Benevolent Fund's services and met targets in this area.

The ICE Benevolent Fund used social media channels, Facebook, LinkedIn and particularly Twitter, to raise awareness. This was stepped up post new website launch to direct ICE members to the new website.

### **Governance outcomes**

The AGM and visitor training day was well received in the year with visitors once again pleased to be able to hear from the ICE President about his plans for his presidential year. Of particular importance this year was the opportunity for Trustees and visitors to hear at first hand from beneficiaries of the ICE Benevolent Fund who spoke about how the charity has supported them through challenging times. This was very well received, and visitors commented on how "moving" the beneficiary stories were.

Trustees reviewed the Risk Policy, 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.

A significant piece of work for Trustees and staff in the year was ensuring that the ICE Benevolent Fund had sufficient policies, procedures and staff training in place to meet the requirements of the new General Data Protection Regulations (GDPR) which came into force on 25 May 2018. This was achieved ahead of schedule and Trustees are confident that the personal data captured by the ICE Benevolent Fund is recorded and kept in line with the new GDPR requirements.

The Ben Fund appointed a new full time Casework and Marketing Administrator mid-way through the year to manage the administration of the wellbeing workshops and webinars and also to support the caseworker and marketing executive. The Ben Fund's Finance Director also announced her intention to retire at the end of the year and a new Finance Manager was appointed in October 2018 to allow for handover and replacement.

The costs to run the ICE Benevolent Fund's charitable estate (Mill Hill Close) were £224,656 which is a £2k increase on 2017. Trustees had hoped to reduce costs in the year, but a new kitchen and bathroom was required in the largest property on the estate which meant that Trustees were unable to make the savings hoped for.



## Objectives for 2019

### Benevolence and marketing

- Develop a strategic marketing plan for 2019 encompassing all types of communication to drive ICE members and their families to the Ben Fund's new website to encourage take up of the complete range of Ben Fund services.
- As part of the above, develop a new social media strategy to ensure that Ben Fund messages are being accessed through all communication channels.
- Assist as many eligible ICE members and their families as possible through ICE Benevolent Fund's variety of services. The aim is to increase the number of people supported each year in a variety of different ways, depending on their need.
- Continue with the roll out of the current programme of personal development workshops across the UK to support ICE members and their families. We plan to run seven more workshops in 2019 compared to 2018.
- React directly to member feedback by introducing a new workshop to support our members with their communication styles.
- Increase the number of, and develop the programme further for, the number of half hour webinars to be delivered, building on the significant success of this 2018 initiative. We plan to run 19 webinars in 2019 (2018:12).
- Focus particularly on increasing the number of individuals supported through our charitable housing. Approximately 50% of the current stock designed for beneficial rent is occupied by those in need. The Trustees want to increase this percentage in the year to encourage more ICE members to consider the charitable properties in Haywards Heath as a positive opportunity for re-location, particularly when the estate is positioned so near London with its greater employment opportunities for younger members.
- The Association of Charitable Organisations (ACO) which is the umbrella body for all occupational Benevolent Funds is running a large PR campaign in 2019 to raise the profile of occupational charities and the availability of charitable support. The ICE Benevolent Fund is taking a leading role on the steering group for this campaign and is hopeful that its work will lead to increased awareness of the work of our Benevolent Fund and the various services we offer.
- We will 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

- With the retirement at the very end of 2018 of the ICE Benevolent Fund's Finance Director, there will be some focus in 2019 on new staffing undertaking probationary periods and settling into roles. There will also be some operational changes to current staff's roles and responsibilities. This should have no impact on service delivery but it is important to record that Trustees have noted that staff change presents a significant risk to a charity with such a small Executive team and Trustees serving as volunteers.
- Continue with Trustee and Visitor training to include the AGM as part of the training day and an invitation to the ICE President to address visitors
- Adoption of the Charity Governance Code proportionately for a charity of our size and complexity
- Continue with the annual review of the ICE Benevolent Fund's Risk, Investment and Financial Reserves Policy, adoption of the ICE's Bribery policy and adoption of the Charity Governance Code proportionate to a charity of our size and small executive staff team
- Undertake a review of the ICE Benevolent Fund's safeguarding policy and advice and guidance to volunteer visitors
- Vigilant implementation of the procedures to ensure that staff and trustees fully comply with the new requirements of the General Data Protection Requirements (GDPR)
- There may be a requirement for new kitchens and bathrooms at one or two of the properties at the Ben Fund's charitable estate. The cost of these will be capitalised and depreciated in the usual way
- Trustees are committed to revaluing the complete estate at Mill Hill Close in 2019 to ensure accurate reporting in the annual Report and Accounts
- There will be a requirement in the year to undertake some remedial work on the soffits and fascia boards of the commercial let apartments built at the Ben Fund's charitable estate in 2014. Trustees are currently negotiating with the contractors who built the development to agree a fair share of the costs

## Financial Review

Approximately 28,720 ICE members (2017:29,800) donated to the ICE Benevolent Fund in 2018. The Trustees were disappointed to note this small drop in contributors in the year. However, 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. The Trustees are aware of the need to engage with new and younger members to encourage them to support their Benevolent Fund.

In total the value of donations made with ICE subs (**and** irregular donations) increased. The ICE Benevolent Fund collected £394,197 (2017: £363,364).

The charity had an excellent year for legacy donations. Legacies actually received in the year accounted for £326,585.

The excess of income over expenditure for the year ended 31 December 2018 was £390,312. This outcome is a direct result of the generous legacies received in the period.



## **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 2018, the return was 9.3%. The value of investments fell from £13,402,615 at the beginning of the year to £12,615,675 at the year end. Total investment losses in the value of the fund, realised and unrealised, were £722,516.

In addition, the value of the investment properties was reviewed during 2018 and this led to the recognition of unrealised gains of £926,631.

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. In 2018, Trustees were operating well within those parameters.

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.

Unrestricted funds were £14,581,707(2017: £13,987,280) at the year end.

## **Risk Management**

Trustees spent some time in the year updating the Risk register to move to a 5x5 risk matrix which would make it easier to assess how risks were being mitigated. Risks were also grouped under new headings to facilitate easy identification of the most serious risks. The new register was approved by the Trustees at their April 2018 meeting.

Through the exercise of updating the register, Trustees identified that the most major risk facing the charity in the year was the loss of key staff as the Finance Director was due to retire at the end of the year. This was mitigated against early in the year by recruitment for a replacement starting in the spring with a view to their being a significant handover between current staff and new. The Finance Director also spent time documenting all key procedures so that these could be followed by the new staff member.

Another significant risk identified was losses on the stock market and reduction in investment income. This was accepted to be particularly relevant with uncertainty surrounding Brexit. Trustees agreed that steps that could be taken to mitigate against this would be to adopt a low risk investment policy and advise our Investment Manager to adopt a more defensive position, review the charity's operational budget to see where savings could be made and also (as a last resort) seek to reduce parameters of help.



## **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 2018 the ICE Benevolent Fund provided financial assistance and advice to 159 (2017: 170) beneficiaries in the UK and 30 (2017: 35) overseas, total 189.

## **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 income and expenditure 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 29 June 2018. They offer themselves for reappointment as auditors for the coming year.

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

T J Frost  
Chairman

17 April 2019



# Independent Auditor's Report to the members of the ICE Benevolent Fund

## Opinion

We have audited the financial statements of the ICE Benevolent Fund (formerly known as The Benevolent Fund of the Institution of Civil Engineers) (the 'charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 FRS 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 charity's affairs as at 31 December 2018 and of 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.

## 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.

## The impact of uncertainties due to Britain exiting the European Union on our audit

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Charity's activities and the wider economy.

We considered the impact of Brexit on the Charity as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Charity's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Charity and this is particularly the case in relation to Brexit.



## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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 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 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 Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' 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 and proper 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

## **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 15 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 charity'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 charity 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.

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 the audit report**

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.



**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:



# Statement of Financial Activities

For the year ended 31 December 2018

|  |                  | <b>Total<br/>Unrestricted<br/>funds</b> | <b>Total<br/>Unrestricted<br/>funds</b> |
|--|------------------|---|---|
|  | <b>Notes</b>     | <b>2018</b>                             | <b>2017</b>                             |
| <b>INCOME</b>  |                  | <b>£</b>                                | <b>£</b>                                |
| <b>Donations and legacies</b>                              | <b>2</b>         | 720,782                                 | 412,553                                 |
| <b>Income from investments</b>                             |                  |   |   |
| Rental income  | <b>3</b>         | 304,938                                 | 294,287                                 |
| Investment income  |                  | 462,072                                 | 415,303                                 |
| <b>Income from Charitable Activities</b>                   |                  |   |   |
| Rent – Beneficiaries                                       | <b>4</b>         | 116,801                                 | 118,837                                 |
| Event/Workshop Income                                      |                  | 10,875                                  | 13,293                                  |
| <b>Total income</b>  |                  | <b>1,615,468</b>                        | <b>1,254,273</b>                        |
| <b>EXPENDITURE</b>   |                  |   |   |
| <b>Fundraising costs</b>                                   |                  |   |   |
| Costs of rental properties                                 | <b>3</b>         | 102,107                                 | 104,209                                 |
| Cost of fundraising  |                  | 234                                     | 198                                     |
| Investment management costs                                |                  | 63,483                                  | 62,578                                  |
|  |                  | <b>165,824</b>                          | <b>166,985</b>                          |
| <b>Expenditure on Charitable Activities</b>                |                  |   |   |
| Provision of financial assistance to individuals           | <b>5</b>         | 681,610                                 | 871,288                                 |
| Provision of accommodation to beneficiaries                | <b>4 &amp; 5</b> | 122,549                                 | 118,535                                 |
| Welfare advice and counselling                             | <b>5</b>         | 255,173                                 | 259,435                                 |
|  |                  | <b>1,059,332</b>                        | <b>1,249,258</b>                        |
| <b>Total expenditure</b>                                   |                  | <b>1,225,156</b>                        | <b>1,416,243</b>                        |
| <b>Net income/(expenditure) excluding investment gains</b> |                  | <b>390,312</b>                          | <b>(161,970)</b>                        |
| <b>Investment movements</b>                                |                  |   |   |
| Net investment (losses)/gains                              | <b>13</b>        | (722,516)                               | 1,107,258                               |
| Revaluation gain on investment property                    | <b>14</b>        | 926,631                                 | -                                       |
| <b>Net income</b>  |                  | <b>594,427</b>                          | <b>945,288</b>                          |
| Funds brought forward at 1 January                         |                  | 17,987,280                              | 17,041,992                              |
| <b>Total funds carried forward at 31 December</b>          | <b>18</b>        | <b>18,581,707</b>                       | <b>17,987,280</b>                       |

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.



# Balance Sheet

For the year ended 21 December 2018

|   | Notes | 2018                     | 2017                     |
|---|-------|--------------------------|--------------------------|
|   |       | £                        | £                        |
| <b>Fixed assets</b>                                   |       |                          |                          |
| Intangible fixed assets                               | 11    | 31,230                   | 2,400                    |
| Tangible fixed assets                                 | 12    | 620,763                  | 641,263                  |
| Investments   | 13    | 12,615,675               | 13,402,615               |
| Investment properties                                 | 14    | 4,627,469                | 3,700,838                |
| Concessionary loans                                   | 15    | 67,005                   | 67,005                   |
|   |       | <u>17,962,142</u>        | <u>17,814,121</u>        |
| <b>Current assets</b>                                 |       |                          |                          |
| Debtors   | 16    | 175,107                  | 65,589                   |
| Cash at bank and in hand                              |       | 687,247                  | 376,929                  |
|   |       | <u>862,334</u>           | <u>442,518</u>           |
| <b>Creditors: amounts falling due within one year</b> | 17    | <u>(242,789)</u>         | <u>(269,359)</u>         |
| <b>Net current assets</b>                             |       | <u>619,565</u>           | <u>173,159</u>           |
| <b>Total assets less current liabilities</b>          |       | <u><b>18,581,707</b></u> | <u><b>17,987,280</b></u> |
| <b>The Funds of the Charity:</b>                      |       |                          |                          |
| <b>Designated Funds</b>                               | 18    | 4,000,000                | 4,000,000                |
| <b>Unrestricted income funds</b>                      |       | 14,581,707               | 13,987,280               |
| <b>Total Charity Funds</b>                            | 18    | <u><b>18,581,707</b></u> | <u><b>17,987,280</b></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 17 April 2019 and signed on their behalf by:

.....  
T J Frost  
Chairman



# Statement of Cash Flows

For the year ended 31 December 2018

|   | Notes | 2018<br>£      | 2018<br>£                              | 2017<br>£               | 2017<br>£                                |
|---|-------|----------------|--|-------------------------|--|
| <b>Cash flows from operating activities</b>           |       |                |  |                         |  |
| <b>Net income</b>                                     |       | <b>594,427</b> |  | <b>945,288</b>          |  |
| Adjustments for:                                      |       |                |  |                         |  |
| Depreciation  |       | 33,153         |  | 32,402                  |  |
| Amortisation  |       | 18,015         |  | 6,264                   |  |
| Loss/(gain) on investments                            |       | 722,516        |  | (1,107,258)             |  |
| (Gain) on revaluation of investment properties        |       | (926,631)      |  | -                       |  |
| Interest income                                       |       | (462,072)      |  | (415,303)               |  |
| Trade and other debtors                               |       | (109,518)      |  | 48,532                  |  |
| Trade and other creditors                             |       | (26,570)       |  | 38,801                  |  |
|   |       |                | <b>(156,680)</b>                       |                         | <b>(451,274)</b>                         |
| <b>Cash flows (used in) operating activities</b>      |       |                |  |                         |  |
| Purchase of intangible fixed assets                   |       | (46,845)       |  | -                       |  |
| Purchase of tangible fixed assets                     |       | (12,653)       |  | -                       |  |
| Purchase of investments                               |       | (1,552,131)    |  | (1,625,558)             |  |
| Proceeds on disposal of investments                   |       | 1,616,555      |  | 1,471,531               |  |
| Interest received                                     |       | 462,072        |  | 415,303                 |  |
|   |       |                | <b>466,998</b>                         |                         | <b>261,276</b>                           |
| <b>Cash flows generated from investing activities</b> |       |                |  |                         |  |
| <b>Net increase/(decrease) in cash</b>                |       |                | <b>310,318</b>                         |                         | <b>(189,998)</b>                         |
|   |       |                |  |                         |  |
|   |       |                | <b>At 1<br/>January<br/>2018<br/>£</b> | <b>Cash flows<br/>£</b> | <b>At 31<br/>December<br/>2018<br/>£</b> |
| Cash at bank  |       | 376,929        | 376,929                                | 310,318                 | 687,247                                  |
| Cash within investment portfolio                      |       | 697,718        | 697,718                                | (313,143)               | 384,575                                  |
|   |       |                | <b>1,074,647</b>                       | <b>(2,825)</b>          | <b>1,071,822</b>                         |
| <b>Total cash at 31 December 2018</b>                 |       |                |  |                         |  |



# Notes to the Financial Statements

For the year ended 31 December 2018

## 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.

#### 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 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

|           | <b>2018</b>    | <b>2017</b>    |
|-----------|----------------|----------------|
|           | <b>£</b>       | <b>£</b>       |
| Donations | 394,197        | 363,364        |
| Legacies  | 326,585        | 49,189         |
|           | <hr/>          | <hr/>          |
|           | <b>720,782</b> | <b>412,553</b> |
|           | <hr/> <hr/>    | <hr/> <hr/>    |

The geographical analysis of donations is as follows:

|                   | <b>2018</b>    | <b>2017</b>    |
|-------------------|----------------|----------------|
|                   | <b>£</b>       | <b>£</b>       |
| United Kingdom    | 349,932        | 305,226        |
| Rest of the World | 44,265         | 58,138         |
|                   | <hr/>          | <hr/>          |
|                   | <b>384,197</b> | <b>363,364</b> |
|                   | <hr/> <hr/>    | <hr/> <hr/>    |

## 3 Rental Properties (non beneficiary tenants)

|   | <b>2018</b>    | <b>2017</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Rental income from non-beneficiary tenants                  | 304,938        | 294,287        |
| Cost of raising funds – rental properties (direct costs)    | (10,565)       | (11,541)       |
| Cost of raising funds – rental properties (allocated costs) | (91,542)       | (92,668)       |
|   | <hr/>          | <hr/>          |
| Net rental income   | <b>202,831</b> | <b>190,078</b> |
|   | <hr/> <hr/>    | <hr/> <hr/>    |

## 4 Rental properties – beneficiary tenants

|                                 | <b>2018</b>    | <b>2017</b> |
|---------------------------------|----------------|-------------|
|                                 | <b>£</b>       | <b>£</b>    |
| Rent from beneficiaries         | 116,801        | 118,837     |
| Cost of providing accommodation | (122,549)      | (118,535)   |
|                                 | <hr/>          | <hr/>       |
| Net (expenditure)/income        | <b>(5,748)</b> | <b>302</b>  |
|                                 | <hr/> <hr/>    | <hr/> <hr/> |



## 5 Charitable Activities

|  | Direct costs   | Allocated costs<br>(see note 7) | Total 2018       | Total 2017       |
|--|----------------|---------------------------------|------------------|------------------|
|  | £              | £                               | £                | £                |
| <b>Costs after allocation</b>                              |                |                                 |                  |                  |
| Provision of financial assistance to individuals           | 537,357        | 144,253                         | 681,610          | 871,288          |
| Provision of accommodation to beneficiaries                | -              | 122,549                         | 122,549          | 118,535          |
| Advice and counselling                                     | 87,879         | 167,294                         | 255,173          | 259,435          |
|  | <u>625,236</u> | <u>434,096</u>                  | <u>1,059,332</u> | <u>1,249,258</u> |
| Provision of financial assistance to individuals includes: |                |                                 | <b>2018</b>      | <b>2017</b>      |
|  |                |                                 | £                | £                |
| Grants to beneficiaries                                    |                |                                 | <u>534,209</u>   | <u>747,440</u>   |

All grants were made to private individuals. The Benevolent Fund assisted 189 beneficiaries (2017: 205) during the year.

## 6 Governance

|  | 2018          | 2017          |
|--|---------------|---------------|
|  | £             | £             |
| Allocated overhead costs include the following governance costs: |               |               |
| Auditor Remuneration   | 7,650         | 7,450         |
| Fees paid to auditors for other services                         | 3,180         | 1,380         |
| Legal and professional fees                                      | 2,700         | 2,488         |
| Trustee expenses   | 5,817         | 5,255         |
|  | <u>19,347</u> | <u>16,573</u> |



## 7 Overheads for Allocation

|                            | Property costs | Charity Staff costs | Management costs | Total 2018     | Total 2017     |
|----------------------------|----------------|---------------------|------------------|----------------|----------------|
|                            | £              | £                   | £                | £              | £              |
| Financial assistance       | -              | 81,060              | 63,193           | 144,253        | 123,848        |
| Provision of accommodation | 67,565         | 30,897              | 24,087           | 122,549        | 118,535        |
| Advice and counselling     | -              | 94,007              | 73,287           | 167,294        | 143,638        |
|                            | <u>67,565</u>  | <u>205,964</u>      | <u>160,567</u>   | <u>434,096</u> | <u>386,021</u> |
| Rental properties          | 67,565         | 13,473              | 10,505           | 91,542         | 92,668         |
|                            | <u>135,130</u> | <u>219,437</u>      | <u>171,071</u>   | <u>525,638</u> | <u>478,689</u> |

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

Governance costs total £19,347 (2017: £16,573).

## 8 Net Income

This is stated after charging:

|                       | 2018          | 2017          |
|-----------------------|---------------|---------------|
|                       | £             | £             |
| Depreciation          | 33,153        | 32,402        |
| Amortisation          | 18,015        | 6,264         |
| Auditors remuneration | 7,650         | 7,450         |
|                       | <u>58,818</u> | <u>46,116</u> |

## 9 Staff Costs

The payroll costs for the year were as follows:

|  | 2018           | 2017           |
|--|----------------|----------------|
|  | £              | £              |
| Wages and salaries                         | 169,923        | 151,981        |
| Healthcare and Income Protection Insurance | 3,954          | 4,124          |
| Social security costs                      | 14,053         | 12,701         |
| Other pension costs                        | 29,941         | 32,930         |
| Recruitment and Training                   | 1,566          | 933            |
|  | <u>219,437</u> | <u>202,669</u> |

During 2018 the Benevolent Fund contributed £300 (2017: £300) towards the accumulated deficit on the Defined Benefit Pension Scheme.

The average number of employees (full time equivalents) of the Benevolent Fund during the year was: 4.0 (2017: 4.0). The total staff numbers were 5 (2017: 5)



|                       | <b>2018</b> | <b>2017</b> |
|-----------------------|-------------|-------------|
| Cost of raising funds | 0.5         | 0.5         |
| Charitable activities | 3.2         | 3.2         |
| Governance            | 0.3         | 0.3         |
|                       | <hr/>       | <hr/>       |
| Total                 | 4.0         | 4.0         |
|                       | <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 £129,658 (2017: £130,054).

## 10 Trustee Remuneration

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

|   | <b>2018</b> | <b>2018</b>   | <b>2017</b> | <b>2017</b>   |
|---|-------------|---------------|-------------|---------------|
|   | <b>£</b>    | <b>Number</b> | <b>£</b>    | <b>Number</b> |
| Meeting expenses reimbursed to Trustees | 5,817       | 11            | 5,255       | 12            |
|   | <hr/> <hr/> | <hr/> <hr/>   | <hr/> <hr/> | <hr/> <hr/>   |

Donations of £400 (2017: £440) were received from 11 (2017: 12) trustees during the year.

## 11 Intangible Fixed Assets

|                       | <b>Total</b> |
|-----------------------|--------------|
|                       | <b>2018</b>  |
|                       | <b>£</b>     |
| <b>Cost</b>           |              |
| At 1 January 2018     | 27,456       |
| Additions             | 46,845       |
| Disposals             | (15,456)     |
|                       | <hr/>        |
| At 31 December 2018   | 58,845       |
|                       | <hr/>        |
| <b>Amortisation</b>   |              |
| At 1 January 2018     | 25,056       |
| Provided during year  | 18,015       |
| Released on disposal  | (15,456)     |
|                       | <hr/>        |
| At 31 December 2018   | 27,615       |
|                       | <hr/>        |
| <b>Net book value</b> |              |
| At 31 December 2018   | 31,230       |
|                       | <hr/> <hr/>  |
| At 31 December 2017   | 2,400        |
|                       | <hr/> <hr/>  |



## 12 Tangible Fixed Assets

|                       | Freehold<br>property<br>£ | Freehold<br>improvement<br>£ | Office<br>equipment<br>£ | Total<br>2018<br>£ |
|-----------------------|---------------------------|------------------------------|--------------------------|--------------------|
| <b>Cost</b>           |                           |                              |                          |                    |
| At 1 January 2018     | 381,984                   | 356,491                      | 6,655                    | 745,130            |
| Additions             | -                         | 12,653                       | -                        | 12,653             |
|                       | <hr/>                     | <hr/>                        | <hr/>                    | <hr/>              |
| At 31 December 2018   | 381,984                   | 369,144                      | 6,655                    | 757,783            |
|                       | <hr/>                     | <hr/>                        | <hr/>                    | <hr/>              |
| <b>Depreciation</b>   |                           |                              |                          |                    |
| At 1 January 2018     | -                         | 97,212                       | 6,655                    | 103,867            |
| Provided during year  | -                         | 33,153                       | -                        | 33,153             |
|                       | <hr/>                     | <hr/>                        | <hr/>                    | <hr/>              |
| At 31 December 2018   | -                         | 130,365                      | 6655                     | 137,020            |
|                       | <hr/>                     | <hr/>                        | <hr/>                    | <hr/>              |
| <b>Net book value</b> |                           |                              |                          |                    |
| At 31 December 2018   | 381,984                   | 238,779                      | -                        | 620,763            |
|                       | <hr/> <hr/>               | <hr/> <hr/>                  | <hr/> <hr/>              | <hr/> <hr/>        |
| At 31 December 2017   | 381,984                   | 259,279                      | -                        | 641,263            |
|                       | <hr/> <hr/>               | <hr/> <hr/>                  | <hr/> <hr/>              | <hr/> <hr/>        |

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 2018 on this matter for insurance purposes and they are advised that the current value for insurance purposes is £11.5 million.

## 13 Fixed Asset Investments

|                                    | 2018<br>£   | 2017<br>£   |
|------------------------------------|-------------|-------------|
| Market value as at 1 January       | 13,402,615  | 11,985,710  |
| Acquisitions at cost               | 1,552,131   | 1,625,758   |
| Sales proceeds                     | (1,303,412) | (1,471,531) |
| Net movement in cash balances      | (313,143)   | 155,420     |
| Net investment (losses)/gains      | (722,516)   | 1,107,258   |
|                                    | <hr/>       | <hr/>       |
| Listed investments at market value | 12,615,675  | 13,402,615  |
| Historical cost at 31 December     | 10,304,905  | 10,162,848  |
|                                    | <hr/>       | <hr/>       |
| Unrealised investment gains        | 2,310,770   | 3,239,767   |
|                                    | <hr/> <hr/> | <hr/> <hr/> |



An analysis of the market value of the charity's investments at 31 December 2018 is as follows:

|                                     | <b>2018</b>       | <b>2017</b>       |
|-------------------------------------|-------------------|-------------------|
|                                     | <b>£</b>          | <b>£</b>          |
| UK bonds and preference shares      | 1,252,963         | 931,134           |
| UK equities                         | 3,417,786         | 3,799,078         |
| Overseas bonds & preference shares  | 1,059,449         | 1,299,023         |
| Overseas equities                   | 4,521,904         | 4,725,492         |
| Alternative investments             | 1,978,998         | 1,950,170         |
| Cash on deposit awaiting investment | 384,575           | 697,718           |
|                                     | <u>12,615,675</u> | <u>13,402,615</u> |

The following investments accounted for more than 5% of the market value as at 31 December 2018.

|                                       |          |       |
|---------------------------------------|----------|-------|
| Mayfair Capital Investment Management | £653,990 | 5.18% |
|---------------------------------------|----------|-------|

#### 14 Investment Property

|                     | <b>Total<br/>2018<br/>£</b> |
|---------------------|-----------------------------|
| At 1 January 2018   | 3,700,838                   |
| Revaluation         | 926,631                     |
|                     | <u>4,627,469</u>            |
| At 31 December 2018 | <u>4,627,469</u>            |

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.

#### 15 Concessionary loans

|  | <b>2018</b>   | <b>2017</b>   |
|--|---------------|---------------|
|  | <b>£</b>      | <b>£</b>      |
| Balance as at 1 January and at 31 December | <u>67,005</u> | <u>67,005</u> |

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



## 16 Debtors: Amounts Falling Due Within One Year

|               | 2017<br>£      | 2017<br>£     |
|---------------|----------------|---------------|
| Other debtors | 171,925        | 60,858        |
| Prepayments   | 3,182          | 4,731         |
|               | <u>175,107</u> | <u>65,589</u> |

Other debtors include £21,207 (2017: £44,815) due from the Institution of Civil Engineers

## 17 Creditors: Amounts Falling Due Within One Year

|                        | 2018<br>£      | 2017<br>£      |
|------------------------|----------------|----------------|
| Trade creditors        | 5,065          | 7,569          |
| Accruals               | 36,088         | 39,192         |
| Welfare grant accruals | 201,636        | 222,598        |
|                        | <u>242,789</u> | <u>269,359</u> |

## 18 Funds

|  | Unrestricted<br>funds<br>£ | Designated<br>funds<br>£ | Total<br>£        |
|--|----------------------------|--------------------------|-------------------|
| Balance brought forward at 1 January 2018  | 13,987,280                 | 4,000,000                | 17,987,280        |
| Income                                     | 1,615,468                  | -                        | 1,615,468         |
| Expenditure                                | (1,225,156)                | -                        | (1,225,156)       |
| Losses on investments                      | (722,516)                  | -                        | (722,516)         |
| Revaluation gains on investment properties | 926,631                    | -                        | 926,631           |
|  | <u>14,581,707</u>          | <u>4,000,000</u>         | <u>18,581,707</u> |

### 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 2014 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 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.



## **19 Capital Commitments**

Grants approved by the Trustees for the benevolence year ending 30 June 2019 total £476,873 (30 June 2018: £430,200). The amount paid prior to 31 December 2018 was £275,237 (2017: £207,602) leaving an accrued balance of £201,626 (2017: £222,598).

## **20 Pensions**

The Benevolent Fund has an ongoing liability of 0.06 of the annual deficit funding per annum for the one ICE Benevolent Fund staff member remaining in the ICE Staff Retirement Benefits and Life Assurance Defined Benefit Scheme from the date of ICE Benevolent Fund Incorporation to ICE Scheme closure on 30 November 2010. In 2018 the amount due was £300.

Contributions to the ICE Group Personal Pension Plan in 2018 totalled £29,940. (2017: £32,930). Pension costs for the period also include £4,800 (2017: £4,800) of administration charges.

## **21 Related Party Transactions**

The ICE Benevolent 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 2018 the donations and subscriptions collected by the Institution of Civil Engineers on behalf of The Benevolent Fund totalled £288,760 (2017: £299,945) and the management fee paid to the Institution of Civil Engineers was £28,541 (2017: £30,329).

Debtors include an amount of £21,207 (2017: £44,815) due from the Institution of Civil Engineers at the year end.