

# Report and Financial Statements

For the year ended 31 December 2019

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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. 112659*

## 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

## Executive Summary

### In 2019 the ICE Benevolent Fund:

- Supported 269 (2018:189) individuals, 192 (2018:103) of these were new in 2019
- Contacted 294 (2018:275) individuals who were bereaved following the death of a member
- Provided charitable accommodation to 16 (2018:17) beneficiaries
- Provided a Back to Work (B2W) service to 43 (2018:21) individuals
- Ran 22 (2018:15) wellbeing workshops with 209 (2018:196) attendees and 19 (2018:12) webinars with 2,440 (2018:2,183) registered delegates
- Referred 85 (2018:37) members to our IFA or our specialist partners for support

### Financial Position for the Period

#### Assets as at 31 December 2019

|   |                    |
|---|--------------------|
| • Investments and tangible fixed assets | £21,431,393        |
| • Net Current Assets                    | £ 292,463          |
| <b>Total</b>                            | <b>£21,723,856</b> |

#### Income

|   |                   |
|---|-------------------|
| • Investment Income   | £ 463,519         |
| • Donations via ICE subscriptions<br>miscellaneous donations & legacies | £ 359,768         |
| • Rental and Workshop income  | £ 425,248         |
| <b>Total</b>  | <b>£1,248,535</b> |

#### Expenditure

|  |                    |
|--|--------------------|
| • Provision of financial assistance to individuals | £ 998,638          |
| • Advice, Welfare & Counselling                    | £ 330,849          |
| • Provision of accommodation to beneficiaries      | £ 130,535          |
| • Cost of rental properties                        | £ 106,069          |
| • Cost of fundraising                              | £ 216              |
| • Investment Management costs                      | £ 65,451           |
| <b>Total</b>                                       | <b>£ 1,631,758</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 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 2019. 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 2019 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 2019, ICE Benevolent Fund had 167 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 5 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. Volunteers report back to Trustees 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.

# Trustees' report for the year ended 31 December 2019



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 individuals, 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. Trustees are also asked to review the ICE's Bribery policy and sign to say they have understood their obligations. New Trustees are invited to attend an induction session and an annual full day training session on the operation of ICE Benevolent Fund in conjunction with visitors.

## ICE President as Patron:

|                  |  |
|------------------|--|
| A Wyllie CBE*    | (term of appointment complete 31 October 2019) |
| P Sheffield CBE* | (appointed 1 November 2019)                    |

## Chairman:

T Frost\*\*

## Council Nominees:

|             |                            |
|-------------|----------------------------|
| S Dellow *  | (appointed 1 January 2019) |
| S Larkin*   | (appointed 1 January 2018) |
| G Jurkonyte | (appointed 1 January 2019) |

## Elected Members:

|             |                            |
|-------------|----------------------------|
| T Frost **  |                            |
| C Gray      |                            |
| K Laing     |                            |
| C Hillary   |                            |
| J Calverley |                            |
| H Lee       |                            |
| M Chater    | (appointed 1 January 2019) |
| M Knights   | (appointed 1 January 2019) |
| R Millard   | (appointed 1 January 2019) |

\* Member of the Council of the Institution of Civil Engineers (ICE) during 2019

\*\* Elected ICE Ben Fund Trustee but also Member of the Council of the ICE during 2019

## 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 ICE.

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 replacement of 9 boilers at the ICE Benevolent Fund's charitable estate at a total cost of £33,412.50 + VAT. This cost will be depreciated over the next 10 years.
- The replacement of soffits and fascia's at the ICE Benevolent Fund's charitable estate at a total cost of £9,565 + VAT, depreciated over the next 15 years.
- A new kitchen for one of the properties (No 27) at the Ben Fund's charitable estate at a total cost of £6,735.02, depreciated over 10 years
- A new photocopier for the office at a total cost of £5,494.80, depreciated over 5 years; it proved cheaper in the long run to purchase the copier rather than lease one.

The Ben Fund's Auditors have confirmed that they concur with this treatment and the capitalisation period.

## 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

## **Benevolence and marketing outcomes**

The marketing strategy designed to drive visitors to the newly developed website with the aim of increasing numbers applying for assistance, coupled with the focus on social media, showed real positive results in the year. Benevolence cases increased to 269 (2018:189). This increase is testament to the success of marketing initiatives to promote services and encourage new applications and also demonstrates the success of the new website in

encouraging visitors to apply for help either through use of the new on line application form or through e mail or phone contact with the office. Across all services, there has been a marked increase in take-up which the Trustees feel is directly attributable to the effectiveness of marketing initiatives headed up by the Ben Fund's Marketing Manager and the speed and accuracy by the Head of Casework and her team in processing applications.

The back to work scheme supported 43 (2018:21) individuals as they sought assistance with their return to work and 27 (2018:16) individuals benefited from individual sessions with the ICE Benevolent Fund's Independent Financial Adviser (IFA). Another 58 individuals were assisted by our specialist partners with counselling, advice and support. The ICE Benevolent Fund gave charitable assistance to 8 (2018:4) students who applied for funding through the disabled/disadvantaged student scheme.

The personal development/wellbeing workshops rolled out in the year attracted 209 (2018:196) delegates booked onto 22 (2018:15) workshops. Workshops were delivered across wide ranging topics with the new workshop designed to support "effective communication" being well received.

The half hour lunchtime wellbeing webinars continued in 2019. Nineteen webinars (2018:12) were run in the year with 2,440 members registering to join these events; again, feedback was excellent.

The Trustees focused this year on trying to attract more ICE members and their families to consider a move to the charity's estate of houses and flats in Sussex. The properties, situated within commuting distance to London, offer a positive opportunity for re-location for any ICE member looking for job opportunities in the UK capital. This initiative had some success with 2 new Tenants being ICE members. It remains a focus for Trustees going forward into 2020.

The PR campaign being launched by the Association of Charitable Organisations (ACO) to raise the profile of occupational charities did not take place in 2019. The launch date had been scheduled for October 2019 and ACO Trustees felt that the initiative would be lost in the press coverage over BREXIT and the general election. A new date was agreed for 22 January 2020.

Staff and volunteers for the ICE Benevolent Fund continued with efforts to raise awareness amongst the ICE membership of the ICE Benevolent Fund, using social media channels, Facebook, LinkedIn and particularly Twitter, to raise awareness.

## **Governance outcomes**

New staff (Finance Manager and Casework and Marketing Executive) spent 2019 settling into their new roles and another new appointment took place at the very end of 2019 as the Administrator retired and a new full time Administrator was appointed. Trustees were pleased to see operational changes for two key staff members – the Caseworker was promoted and appointed Head of Casework and Services in a leadership role and the Marketing Executive was promoted to management level.

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 training opportunity presented to Trustees and visitors on listening skills and "how to be a good listener" – a key skill when dealing with vulnerable beneficiaries.

Trustees reviewed the Charity Governance Code in the year and progressed adoption as proportionate for a Charity of our size and complexity. Trustees also reviewed the Risk Policy (making several key changes in the year), the Investment Policy and Reserves Policies and new volunteer Visitors and Trustees were asked to review and adopt the ICE's Bribery Policy.

Trustees asked the CEO to review the ICE Benevolent Fund's Safeguarding policy. This was completed in the year. Staff and Trustees continued to ensure that compliance with current Data Protection legislation was met.

In 2019, Trustees undertook to replace the kitchen at one property on the charitable estate. There was a requirement to replace 9 gas boilers on the Estate, the cost of which has been capitalised.

Trustees agreed to revalue the estate of charitable properties and the full market valuation was £10.6m

Remedial work was required on the soffits and fascia boards of the commercially let apartments built in 2014. The total cost of this to the Ben Fund was £11,478 which will be depreciated over 15 years.

## Objectives for 2020

### Benevolence and marketing

- 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. The Trustees feel sure that the ICE Benevolent Fund will see an increase in the number of ICE members needing financial support through the year as a result of COVID-19. At the time of writing this report (April 2020), no significant increase in financial assistance applications had been noted but Trustees are aware that the financial fall-out from the virus may not be felt until later in the year.
- 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 nineteen workshops in 2020, situated in new venues across the UK so that more members are able to access the support.
- Develop the webinar programme further with almost a completely new programme of topics, in the knowledge that members wishing to access past topics can download recordings from our website. In April 2020, the ICE Benevolent Fund introduced an additional three new webinars, each to be rolled out from April – June to support ICE members with their wellbeing following the COVID-19 pandemic. The content will centre around anxiety and depression as well as the difficulties of home working and social isolation.
- To work with our charity partner Anxiety UK to offer our members the opportunity to join therapy-based support groups to help with the anxiety and stress felt by our members because of COVID-19.
- Work with the ICE Benevolent Fund Patron to promote our work through the ICE regional network and explore the opportunities for additional donations through regional events.
- Secure reliable data and more information on website usage and user journeys; it may be that we will liaise with the ICE on this to better understand how they analyse ICE website traffic. The aim is for Trustees and staff to see how ICE Benevolent Fund's website is being used, what pages are in most/least demand, how many click throughs do we get to the online resources, are there any trends appearing as to when members leave the site etc.
- The Association of Charitable Organisations (ACO) which is the umbrella body for all occupational Benevolent Funds will run a PR campaign in 2020 to raise the profile of

occupational charities and the availability of charitable support. The ICE Benevolent Fund is taking a leading role for this campaign and is hopeful that its work will lead to increased awareness of occupational charities.

- 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

- The ICE intends to replace its membership database; work commencing in 2020, due for completion 2022. ICE Benevolent Fund uses the current database to check applicant eligibility and member donations. There is an opportunity for any new ICE database to additionally store ICE Benevolent Fund beneficiary records in a secure area. Building this functionality and working with external project managers will be a significant piece of work for Ben Fund staff in 2020, as will ensuring that any new database offers enhanced functionality for donation collection and information storage.
- The Ben Fund has a small staff team of six; three of whom are part time. Over the last two years, there has been significant staff turnover as two staff who have been in post for long periods have retired, they have been replaced and an additional new post has been created. Change of this nature in a small team carries a risk that service delivery will be affected by loss of knowledge, staff will feel unsettled and beneficiaries will be affected. An objective for the CEO and Trustees in 2020 will be to ensure that new staff are supported in their roles, that the team works well and that the benevolence service is not affected. Trustees are aware that there may be a requirement for further staff if benevolence demand continues to grow.
- 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.
- Regrettably, the annual visitor and trustee training day organised as part of the 2020 AGM has had to be cancelled because of the restrictions placed on UK travel due to COVID-19. However, the AGM will still be held online and ICE Benevolent Fund members will be able to attend.
- The ICE has adopted a new cloud-based filing system which staff at the ICE Benevolent Fund are also using. The implementation of this system has been challenging for staff and training and support will be required in 2020.
- Nine new boilers were required at the charitable estate in Sussex in 2019. There may be a requirement for further new boilers in 2020, and for remedial work to be undertaken on the lighting system at the estate.
- The fourteen apartments built on the estate in 2014 will require electrical testing and inspection in 2020. The building is still fairly "new" so the Trustees are not expecting significant remedial work. The test and inspection will cost c: £3,000.

## Financial Review

The ICE collects subscription income from Oct – Jan and approximately 27,552 ICE members (2018: 28,720) donated to the ICE Benevolent Fund in 2019 when they paid their ICE subscription. 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. The drop in donors in the year was not affected by COVID-19 and donations with ICE subscriptions in 2020 are also unlikely to be affected because the subscriptions were collected before the virus became an international incident.

In total the value of donations made with ICE subs (and irregular donations) reduced. The ICE Benevolent Fund collected £334,400 (2018: £394,197). This is largely due to a significant donation (c: £45k) from the Halcrow Foundation in 2018.

The charity had a poor year for legacies. Legacies received in the year accounted for £25,368.

The excess of expenditure over income for the year ended 31 December 2019 was £383,223. This outcome is a direct result of an increase in the number of applications for assistance and the absence of any large legacies 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 2019, the return was 9.4%. The value of investments grew from £12,615,681 at the beginning of the year to £13,814,492 at the year end. Total investment gains in the value of the fund, realised and unrealised, were £1,262,841.

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.

## Brexit

The impact of Brexit was minimal with a No-Deal Brexit avoided and markets having factored-in the likely fall-out from an orderly Brexit prior to 2019. This was evidenced by the steady increase in the value of investments throughout the year despite the uncertainty which existed for most of that time. The make-up of the investment portfolio did change however with a move away from UK and European stocks in to Japanese and US equivalents. Trustees are aware that the UK is due to leave the EU in Jan 2021. The nature of the deal is not yet defined and it could be delayed because of COVID-19. However, if it goes ahead, Trustees believe that we are running a balanced portfolio with a mix of overseas and UK investments and are in a good position to face any future uncertainty.

## Reserves policy

It is the policy of the ICE Benevolent Fund to spend all donations 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 free reserves. The designated fund is reviewed each year by the Investments Panel of the ICE Benevolent Fund and approved by the Committee of Management. Other income, including voluntary donations, rental income and investment income is not designated because the Trustees believe that keeping the bulk of our income

unrestricted means that the Benevolent Fund can be agile in responding to benevolence need and has sufficient free reserves to cover management and administration costs.

Trustees seek to maintain a level of reserves which will produce an income sufficient to provide circa 25 - 30% of the present level of benevolence and day to day running costs of the Ben Fund. In 2019, 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 £17,723,856 (2018: £14,581,707) at the year end.

## **Risk Management**

In 2018, Trustees updated the Risk register to move to a 5x5 risk matrix and grouped risks under new headings to facilitate easy identification of the most serious risks. In 2019, Trustees undertook more significant work on the Register, creating an Archive Register and a Current Register and amending as appropriate. The new Registers were reviewed at both the April and July 2019 meeting's and approved at the July meeting.

Trustees identified two major continuing risks facing the operation of the ICE Benevolent Fund. The first was the loss of key staff (starting with the retirement of the Finance Director at the end of 2018) and the Administrator in 2019 and the appointment of new staff as replacements. This was mitigated against by a three-month handover between Finance Director and newly appointed Finance Manager and the new Administrator starting work the week following the retirement of old. All key procedures were documented into a handbook so that the new Administrator was able to start straightaway and follow the guidance as outlined in the handbook.

Another significant risk identified was due to the increase of applications for support, there may be a need for more staff to process applications. This may prove to be even more significant in 2020 as we begin to see the fall out of COVID-19. A lack of available office space to accommodate more staff at the current premises was agreed to be a risk. Trustees agreed that planning permission may be needed to enlarge the office (which is situated in a Conservation area). In the interim, trustees approved changes to the current layout of the office to allow for one more staff member if needed and will monitor through 2020.

At this point in time it is not possible to fully consider the impacts arising from COVID-19, however the trustees have considered the possible risks and have put in place measures to maintain income and reduce future expenditure if required. The position will be kept under constant review and the trustees will as required take necessary steps to ensure the fund continues as a going concern.

The trustees have considered the economic impact Brexit may have on the fund in setting strategic plans, and have taken steps to address risk with appropriate budgetary restraint and other measures. Forecasting models show that although Brexit may slow the trustee's progress towards achieving its objectives, the going concern of the fund is not believed to be under threat

## **Grant Making and Fundraising**

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 2019 the ICE Benevolent Fund provided financial assistance and advice to 227 (2018: 159) beneficiaries in the UK and 42 (2018: 30) overseas, total 269.

The ICE Benevolent Fund does not undertake any formally organised fundraising activities or events. In 2019, no requests affecting the organisation were made to the industry regulator – the Fundraising Preference Service.

## **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.

## **Post balance sheet events**

At the end of 2019, the world witnessed the outbreak of the Coronavirus pandemic, later termed COVID-19. This did not impact the ICE Benevolent Fund in 2019. However, by February 2020, the effect of the pandemic was beginning to be felt. The value of the Benevolent Fund's portfolio dropped from £13,798,151 at the end of Dec 2019 to £11,818,202 at the end of March 2020.

The Benevolent Fund has put in place new wellbeing services to support ICE members struggling with the pandemic. In April 2020, the Chairman of the Benevolent Fund agreed contingency funding of £10,000 to support these new wellbeing services. We expect that, as the situation worsens through the spring and early summer, we will see an increased demand on our financial assistance services as ICE members are furloughed or are made redundant. However, eligibility criteria will stay in place so that the Benevolent Fund remains focused on those most in need.

Trustees feel that the Benevolent Fund may also suffer a loss of rental income as Tenants may be unable to meet the rent demand. Advice from the Charity Commission suggests that Charities must work with Tenants to organise suitable programmes of rent arrears re-paid over several months. Trustees are monitoring this.

## 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 2 June 2019. 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

A handwritten signature in blue ink, appearing to read "C Hillary", with a stylized flourish at the end.

C Hillary

Chairman      22 April 2020

# 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 2019 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 2019 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.

## Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the charities financial statements, which is not modified, we draw your attention to the trustees' view on the impact of COVID-19 as disclosed on pages 8-12, the consideration given in the going concern basis of preparation on page 21 and non-adjusting post balance sheet events on page 32.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, the impact of which became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the charity's operations, beneficiaries and the wider economy.

## 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.

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



## 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.

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



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 12 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.

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



## 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.

  
Vincent Marke (Apr 28, 2020)

**Vincent Marke (Senior Statutory Auditor)  
for and on behalf of Mazars LLP**

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 28 April 2020



# Statement of Financial Activities

For the year ended 31 December 2019

|  |                  | <b>Total<br/>Unrestricted<br/>funds</b> | <b>Total<br/>Unrestricted<br/>funds</b> |
|--|------------------|---|---|
|  | <b>Notes</b>     | <b>2019</b>                             | <b>2018</b>                             |
| <b>INCOME</b>  |                  | <b>£</b>                                | <b>£</b>                                |
| <b>Donations and legacies</b>                              | <b>3</b>         | 359,768                                 | 720,782                                 |
| <b>Income from investments</b>                             |                  |   |   |
| Rental income  | <b>4</b>         | 308,237                                 | 304,938                                 |
| Investment income  |                  | 463,519                                 | 462,072                                 |
| <b>Income from Charitable Activities</b>                   |                  |   |   |
| Rent – Beneficiaries                                       | <b>5</b>         | 105,681                                 | 116,801                                 |
| Event/Workshop Income                                      |                  | 11,330                                  | 10,875                                  |
| <b>Total income</b>  |                  | <b>1,248,535</b>                        | <b>1,615,468</b>                        |
| <b>EXPENDITURE</b>   |                  |   |   |
| <b>Fundraising costs</b>                                   |                  |   |   |
| Costs of rental properties                                 | <b>4</b>         | 106,069                                 | 102,107                                 |
| Cost of fundraising  |                  | 216                                     | 234                                     |
| Investment management costs                                |                  | 65,451                                  | 63,483                                  |
|  |                  | <b>171,736</b>                          | <b>165,824</b>                          |
| <b>Expenditure on Charitable Activities</b>                |                  |   |   |
| Provision of financial assistance to individuals           | <b>6</b>         | 998,638                                 | 681,610                                 |
| Provision of accommodation to beneficiaries                | <b>5 &amp; 6</b> | 130,535                                 | 122,549                                 |
| Welfare advice and counselling                             | <b>6</b>         | 330,849                                 | 255,173                                 |
|  |                  | <b>1,460,022</b>                        | <b>1,059,332</b>                        |
| <b>Total expenditure</b>                                   |                  | <b>1,631,758</b>                        | <b>1,225,156</b>                        |
| <b>Net (expenditure)/income excluding investment gains</b> |                  | <b>(383,223)</b>                        | <b>390,312</b>                          |
| <b>Investment movements</b>                                |                  |   |   |
| Net investment gains / (losses)                            | <b>14</b>        | 1,262,841                               | (722,516)                               |
| Revaluation gain on investment property                    | <b>15</b>        | 2,262,531                               | 926,631                                 |
| <b>Net income</b>  |                  | <b>3,142,149</b>                        | <b>594,427</b>                          |
| Funds brought forward at 1 January                         |                  | 18,581,707                              | 17,987,280                              |
| <b>Total funds carried forward at 31 December</b>          | <b>19</b>        | <b>21,723,856</b>                       | <b>18,581,707</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 31 December 2019

|   | Notes | 2019                     | 2018                     |
|---|-------|--------------------------|--------------------------|
|   |       | £                        | £                        |
| <b>Fixed assets</b>                                   |       |                          |                          |
| Intangible fixed assets                               | 12    | 15,615                   | 31,230                   |
| Tangible fixed assets                                 | 13    | 644,291                  | 620,763                  |
| Investments   | 14    | 13,814,482               | 12,615,675               |
| Investment properties                                 | 15    | 6,890,000                | 4,627,469                |
| Concessionary loans                                   | 16    | 67,005                   | 67,005                   |
|   |       | <u>21,431,393</u>        | <u>17,962,142</u>        |
| <b>Current assets</b>                                 |       |                          |                          |
| Debtors   | 17    | 43,849                   | 175,107                  |
| Cash at bank and in hand                              |       | 596,328                  | 687,247                  |
|   |       | <u>640,177</u>           | <u>862,354</u>           |
| <b>Creditors: amounts falling due within one year</b> | 18    | <u>(347,714)</u>         | <u>(242,789)</u>         |
| <b>Net current assets</b>                             |       | <u>292,463</u>           | <u>619,565</u>           |
| <b>Total assets less current liabilities</b>          |       | <u><u>21,723,856</u></u> | <u><u>18,581,707</u></u> |
| <b>The Funds of the Charity:</b>                      |       |                          |                          |
| <b>Designated Funds</b>                               | 19    | 4,000,000                | 4,000,000                |
| <b>Unrestricted income funds</b>                      |       | 17,723,856               | 14,581,707               |
| <b>Total Charity Funds</b>                            | 19    | <u><u>21,723,856</u></u> | <u><u>18,581,707</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 22 April 2020 and signed on their behalf by:

C Hillary  
Chairman 22 APRIL 2020



# Statement of Cash Flows

For the year ended 31 December 2019

|   | 2019<br>£        | 2019<br>£        | 2018<br>£      | 2018<br>£        |
|---|------------------|------------------|----------------|------------------|
| <b>Cash flows from operating activities</b>           |                  |                  |                |                  |
| <b>Net income</b>                                     | <b>3,142,149</b> |                  | <b>594,427</b> |                  |
| Adjustments for:                                      |                  |                  |                |                  |
| Depreciation  | 40,275           |                  | 33,153         |                  |
| Amortisation  | 15,615           |                  | 18,015         |                  |
| (Gain)/loss on investments                            | (1,262,841)      |                  | 722,516        |                  |
| (Gain) on revaluation of investment properties        | (2,262,531)      |                  | (926,631)      |                  |
| Interest income                                       | (463,519)        |                  | (462,072)      |                  |
| Trade and other debtors                               | 131,258          |                  | (109,518)      |                  |
| Trade and other creditors                             | 104,925          |                  | (26,570)       |                  |
|   | <hr/>            |                  | <hr/>          |                  |
| <b>Cash flows (used in) operating activities</b>      |                  | <b>(554,669)</b> |                | <b>(156,680)</b> |
| Purchase of intangible fixed assets                   | -                |                  | (46,845)       |                  |
| Purchase of tangible fixed assets                     | (63,803)         |                  | (12,653)       |                  |
| Purchase of investments                               | (3,828,158)      |                  | (1,552,131)    |                  |
| Proceeds on disposal of investments                   | 3,892,192        |                  | 1,616,555      |                  |
| Interest received                                     | 463,519          |                  | 462,072        |                  |
|   | <hr/>            |                  | <hr/>          |                  |
| <b>Cash flows generated from investing activities</b> |                  | <b>463,750</b>   |                | <b>466,998</b>   |
|   |                  | <hr/>            |                | <hr/>            |
| <b>Net (decrease)/increase in cash</b>                |                  | <b>(90,919)</b>  |                | <b>310,318</b>   |

## Analysis of changes in net cash

|                                  | At 1<br>January<br>2019<br>£ | Cash flows<br>£ | At 31<br>December<br>2019<br>£ |
|----------------------------------|------------------------------|-----------------|--------------------------------|
| Cash at bank                     | 687,247                      | (90,919)        | 596,328                        |
| Cash within investment portfolio | 384,575                      | 521,225         | 905,800                        |
|                                  | <hr/>                        | <hr/>           | <hr/>                          |
| Total cash at 31 December 2018   | 1,071,822                    | 430,306         | 1,502,128                      |

# Notes to the Financial Statements

For the year ended 31 December 2019



## 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 R 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. Trustees are keeping a watching brief on reserves following the COVID-19 pandemic. During quarter 1 of 2020, the portfolio value fell by c: 13% but Trustees are now beginning to see it stabilise. The Trustees are confident that if the position remains as current the Ben Fund can continue to fund its commitments with confidence. Trustees are continually monitoring the situation with the Ben Fund's Investment Manager.

If the portfolio value continues to fall at a rate 13% per quarter for the next 6 months and income falls by 50% as a result of companies cancelling dividends, then the portfolio would be worth £9m and the ICE Benevolent Fund would have received just £100k in investment income. Donations and rental income don't cover current levels of spending on benevolence, indeed last year we withdrew £450k of investment income to bridge this gap. So, with this kind of drop in investment income after 6 (more) months Trustees would have to consider limiting expenditure on benevolence or liquidating capital by selling investments and thereby further reducing the value of the portfolio. Trustees hope that neither of these measures will need to be taken.

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. An external valuation was obtained in August 2019 and then reviewed by the trustees at 31 December 2019. 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.

# Notes to the Financial Statements

For the year ended 31 December 2019



## Tangible Fixed Assets (continued)

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. An external valuation was obtained in August 2019 and then reviewed by the trustees at 31 December 2019.

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.

# Notes to the Financial Statements

For the year ended 31 December 2019



## ***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 accrual's 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 based on average occupancy by these three elements.

Other overheads have been allocated based on 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.

# Notes to the Financial Statements

For the year ended 31 December 2019



## 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 Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The key estimate and assumption made in these accounts are considered to be

- (a) Depreciation, which is provided at rates calculated to write off the cost, less the estimated residual value, of each fixed asset over its estimated useful life. This is of particular relevance to freehold properties which have not been depreciated as the residual value is deemed to be in excess of cost.
- (b) Allocation of the Mill Hill Close flats between investment properties and fixed assets (currently a 50:50 split) assumes that the individual flats are interchangeable and that the percentage of tenants who are beneficiaries stays within the range of 45% and 55%.
- (c) The assumptions made in the revaluation of the investment properties at Mill Hill Close). The principal assumptions are the estimated rental potential in the Haywards Heath area, the level of demand for similar properties and the degree of discounting applied to reflect the lack of vehicular access to some of the flats.

# Notes to the Financial Statements

For the year ended 31 December 2019



## 3 Donations and Legacies

|           | <b>2019</b>    | <b>2018</b>    |
|-----------|----------------|----------------|
|           | <b>£</b>       | <b>£</b>       |
| Donations | 334,400        | 394,197        |
| Legacies  | 25,368         | 326,585        |
|           | <hr/>          | <hr/>          |
|           | <b>359,768</b> | <b>720,782</b> |
|           | <hr/> <hr/>    | <hr/> <hr/>    |

The geographical analysis of donations is as follows:

|                   | <b>2019</b>    | <b>2018</b>    |
|-------------------|----------------|----------------|
|                   | <b>£</b>       | <b>£</b>       |
| United Kingdom    | 210,743        | 349,932        |
| Rest of the World | 149,025        | 44,265         |
|                   | <hr/>          | <hr/>          |
|                   | <b>359,768</b> | <b>384,197</b> |
|                   | <hr/> <hr/>    | <hr/> <hr/>    |

## 4 Rental Properties (non-beneficiary tenants)

|   | <b>2019</b>    | <b>2018</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Rental income from non-beneficiary tenants                  | 308,237        | 304,938        |
| Cost of raising funds – rental properties (direct costs)    | (8,110)        | (10,565)       |
| Cost of raising funds – rental properties (allocated costs) | (97,959)       | (91,542)       |
|   | <hr/>          | <hr/>          |
| Net rental income   | <b>202,168</b> | <b>202,831</b> |
|   | <hr/> <hr/>    | <hr/> <hr/>    |

## 5 Rental properties – beneficiary tenants

|                                 | <b>2019</b>     | <b>2018</b>    |
|---------------------------------|-----------------|----------------|
|                                 | <b>£</b>        | <b>£</b>       |
| Rent from beneficiaries         | 105,681         | 116,801        |
| Cost of providing accommodation | (130,535)       | (122,549)      |
|                                 | <hr/>           | <hr/>          |
| Net (expenditure)               | <b>(24,854)</b> | <b>(5,748)</b> |
|                                 | <hr/> <hr/>     | <hr/> <hr/>    |

# Notes to the Financial Statements

For the year ended 31 December 2019



## 6 Charitable Activities

|  | Direct costs     | Allocated costs<br>(see note 8) | Total 2019       | Total 2018       |
|--|------------------|---------------------------------|------------------|------------------|
|  | £                | £                               | £                | £                |
| <b>Costs after allocation</b>                              |                  |                                 |                  |                  |
| Provision of financial assistance to individuals           | 847,078          | 151,560                         | 998,638          | 681,610          |
| Provision of accommodation to beneficiaries                | -                | 130,535                         | 130,535          | 122,549          |
| Advice and counselling                                     | 155,082          | 175,767                         | 330,849          | 255,173          |
|  | <u>1,002,160</u> | <u>457,862</u>                  | <u>1,460,022</u> | <u>1,059,332</u> |
| Provision of financial assistance to individuals includes: |                  |                                 | <b>2019</b>      | <b>2018</b>      |
|  |                  |                                 | £                | £                |
| Grants to beneficiaries                                    |                  |                                 | <u>842,571</u>   | <u>534,209</u>   |

All grants were made to private individuals. The Benevolent Fund assisted 269 beneficiaries (2018: 189) during the year.

## 7 Governance

|  | 2018          | 2017          |
|--|---------------|---------------|
|  | £             | £             |
| Allocated overhead costs include the following governance costs: |               |               |
| Auditor Remuneration   | 8,200         | 7,650         |
| Fees paid to auditors for other services                         | 4,073         | 3,180         |
| Legal and professional fees                                      | 5,188         | 2,700         |
| Trustee expenses   | 5,620         | 5,817         |
|  | <u>23,081</u> | <u>19,347</u> |

# Notes to the Financial Statements

For the year ended 31 December 2019



## 8 Overheads for Allocation

|                            | Property costs | Charity Staff costs | Management costs | Total 2019     | Total 2018     |
|----------------------------|----------------|---------------------|------------------|----------------|----------------|
|                            | £              | £                   | £                | £              | £              |
| Financial assistance       | -              | 86,849              | 64,711           | 151,560        | 144,253        |
| Provision of accommodation | 72,767         | 33,103              | 24,665           | 130,535        | 122,549        |
| Advice and counselling     | -              | 100,720             | 75,047           | 175,767        | 167,294        |
|                            | <u>72,767</u>  | <u>220,672</u>      | <u>164,423</u>   | <u>457,862</u> | <u>434,096</u> |
| Rental properties          | 72,767         | 14,436              | 10,756           | 97,959         | 91,542         |
|                            | <u>145,534</u> | <u>235,108</u>      | <u>175,179</u>   | <u>555,821</u> | <u>525,638</u> |

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

Governance costs total £23,081 (2018: £19,347).

## 9 Net Income

This is stated after charging:

|                       | 2019          | 2018          |
|-----------------------|---------------|---------------|
|                       | £             | £             |
| Depreciation          | 40,275        | 33,153        |
| Amortisation          | 15,615        | 18,015        |
| Auditors remuneration | 8,200         | 7,650         |
|                       | <u>64,090</u> | <u>58,818</u> |

## 10 Staff Costs

The payroll costs for the year were as follows:

|  | 2019           | 2018           |
|--|----------------|----------------|
|  | £              | £              |
| Wages and salaries                         | 180,374        | 169,923        |
| Healthcare and Income Protection Insurance | 1,220          | 3,954          |
| Social security costs                      | 15,079         | 14,053         |
| Other pension costs                        | 35,392         | 29,941         |
| Recruitment and Training                   | 3,043          | 1,566          |
|  | <u>235,108</u> | <u>219,437</u> |

During 2019 the Benevolent Fund contributed £400 (2018: £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: 5.0 (2018: 4.0). The total staff numbers were 6 (2018: 5)

# Notes to the Financial Statements

For the year ended 31 December 2019



|                       | 2019       | 2018       |
|-----------------------|------------|------------|
| Cost of raising funds | 0.5        | 0.5        |
| Charitable activities | 4.2        | 3.2        |
| Governance            | 0.3        | 0.3        |
| Total                 | <u>5.0</u> | <u>4.0</u> |

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

Key management personnel includes the Chief Executive, the Head of Casework, the Marketing Manager and Finance Manager. The total employee benefits of the key management personnel of the charity were £140,539 (2018: £129,658).

## 11 Trustee Remuneration

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

|   | 2019<br>£    | 2019<br>Number | 2018<br>£    | 2018<br>Number |
|---|--------------|----------------|--------------|----------------|
| Meeting expenses reimbursed to Trustees | <u>5,620</u> | <u>8</u>       | <u>5,255</u> | <u>11</u>      |

Donations of £305 (2018: £400) were received from 10 (2018: 11) trustees during the year.

## 12 Intangible Fixed Assets

|                       | Total<br>2019<br>£ |
|-----------------------|--------------------|
| <b>Cost</b>           |                    |
| At 1 January 2019     | 58,845             |
| Additions             | -                  |
| Disposals             | -                  |
| At 31 December 2019   | <u>58,845</u>      |
| <b>Amortisation</b>   |                    |
| At 1 January 2019     | 27,615             |
| Provided during year  | 15,615             |
| Released on disposal  | -                  |
| At 31 December 2019   | <u>43,230</u>      |
| <b>Net book value</b> |                    |
| At 31 December 2019   | <u>15,615</u>      |
| At 31 December 2018   | <u>31,230</u>      |

# Notes to the Financial Statements

For the year ended 31 December 2019



## 13 Tangible Fixed Assets

|                       | Freehold<br>property<br>£ | Freehold<br>improvement<br>£ | Office<br>equipment<br>£ | Total<br>2019<br>£ |
|-----------------------|---------------------------|------------------------------|--------------------------|--------------------|
| <b>Cost</b>           |                           |                              |                          |                    |
| At 1 January 2019     | 381,984                   | 369,144                      | 6,655                    | 757,783            |
| Additions             | -                         | 58,308                       | 5,495                    | 63,803             |
|                       | <hr/>                     | <hr/>                        | <hr/>                    | <hr/>              |
| At 31 December 2019   | 381,984                   | 427,452                      | 12,150                   | 821,586            |
|                       | <hr/>                     | <hr/>                        | <hr/>                    | <hr/>              |
| <b>Depreciation</b>   |                           |                              |                          |                    |
| At 1 January 2019     | -                         | 130,365                      | 6,655                    | 137,020            |
| Provided during year  | -                         | 39,176                       | 1,099                    | 40,275             |
|                       | <hr/>                     | <hr/>                        | <hr/>                    | <hr/>              |
| At 31 December 2019   | -                         | 169,541                      | 7,754                    | 177,295            |
|                       | <hr/>                     | <hr/>                        | <hr/>                    | <hr/>              |
| <b>Net book value</b> |                           |                              |                          |                    |
| At 31 December 2019   | <u>381,984</u>            | <u>257,911</u>               | <u>4,396</u>             | <u>644,291</u>     |
| At 31 December 2018   | <u>381,984</u>            | <u>238,779</u>               | -                        | <u>620,763</u>     |

Freehold property is based on a valuation undertaken by Martin Lacey Buckley, Chartered Surveyors in August 2019. The Trustees sought appropriate advice during the period ended 31 December 2019 and this was reviewed at 31 December 2019. Following the full market valuation in Aug'19 they are advised that the current value of the estate is £10.6 million.

## 14 Fixed Asset Investments

|                                    | 2019<br>£        | 2018<br>£        |
|------------------------------------|------------------|------------------|
| Market value as at 1 January       | 12,615,675       | 13,402,615       |
| Acquisitions at cost               | 3,828,158        | 1,552,131        |
| Sales proceeds                     | (4,413,417)      | (1,303,412)      |
| Net movement in cash balances      | 521,225          | (313,143)        |
| Net investment gains/(losses)      | 1,262,841        | (722,516)        |
|                                    | <hr/>            | <hr/>            |
| Listed investments at market value | 13,814,482       | 12,615,675       |
| Historical cost at 31 December     | 11,188,983       | 10,304,905       |
|                                    | <hr/>            | <hr/>            |
| Unrealised investment gains        | <u>2,625,499</u> | <u>2,310,770</u> |

# Notes to the Financial Statements

For the year ended 31 December 2019



An analysis of the market value of the charity's investments at 31 December 2019 is as follows:

|                                     | <b>2019</b>       | <b>2018</b>       |
|-------------------------------------|-------------------|-------------------|
|                                     | <b>£</b>          | <b>£</b>          |
| UK bonds and preference shares      | 1,335,000         | 1,252,963         |
| UK equities                         | 3,585,527         | 3,417,786         |
| Overseas bonds & preference shares  | 888,978           | 1,059,449         |
| Overseas equities                   | 4,833,698         | 4,521,904         |
| Alternative investments             | 2,265,479         | 1,978,998         |
| Cash on deposit awaiting investment | 905,800           | 384,575           |
|                                     | <u>13,814,482</u> | <u>12,615,675</u> |

The following investments accounted for more than 5% of the market value as at 31 December 2019.

|                                       |            |       |
|---------------------------------------|------------|-------|
| Mayfair Capital Investment Management | £944,310   | 6.84% |
| Vanguard investments                  | £1,102,115 | 9.85% |

## 15 Investment Property

|                   | <b>Total</b>     |
|-------------------|------------------|
|                   | <b>2019</b>      |
|                   | <b>£</b>         |
| At 1 January 2019 | 4,627,469        |
| Revaluation       | 2,262,531        |
|                   | <u>6,890,000</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 were being held at fair value in the financial statements but were revalued during 2019 by Martin Lacey Buckley, Chartered Surveyors (registered with RICS). The valuation is based on rental potential combined with a review of the properties compared to recent sales prices in the local area. The trustees subsequently reviewed the valuation at 31 December 2019 to confirm that this remained appropriate. There are no restrictions over the use or sale of the properties.

## 16 Concessionary loans

|  | <b>2019</b>   | <b>2018</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.

# Notes to the Financial Statements

For the year ended 31 December 2019



## 17 Debtors: Amounts Falling Due Within One Year

|               | 2019<br>£     | 2018<br>£      |
|---------------|---------------|----------------|
| Other debtors | 41,153        | 171,925        |
| Prepayments   | 2,696         | 3,182          |
|               | <u>43,849</u> | <u>175,107</u> |

Other debtors include £11,922 (2018: £21,207) due from the Institution of Civil Engineers

## 18 Creditors: Amounts Falling Due Within One Year

|                        | 2019<br>£      | 2018<br>£      |
|------------------------|----------------|----------------|
| Trade creditors        | 13,394         | 5,065          |
| Accruals               | 45,821         | 36,088         |
| Welfare grant accruals | 288,499        | 201,636        |
|                        | <u>347,714</u> | <u>242,789</u> |

## 19 Funds

|  | Unrestricted<br>funds<br>£ | Designated<br>funds<br>£ | Total<br>£        |
|--|----------------------------|--------------------------|-------------------|
| Balance brought forward at 1 January 2019  | 14,581,707                 | 4,000,000                | 18,581,707        |
| Income                                     | 1,248,535                  | -                        | 1,248,535         |
| Expenditure                                | (1,631,758)                | -                        | (1,631,758)       |
| Gains on investments                       | 1,262,841                  | -                        | 1,262,841         |
| Revaluation gains on investment properties | 2,262,531                  | -                        | 2,262,531         |
|  | <u>17,723,856</u>          | <u>4,000,000</u>         | <u>21,723,856</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 building of the new office (no 5 Mill Hill Close) and 6-8 Mill Hill Close, 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 Board.

# Notes to the Financial Statements

For the year ended 31 December 2019



## 20 Capital Commitments

Grants approved by the Trustees for the benevolence year ending 30 June 2020 total £842,571 (30 June 2019: £476,873). The amount paid prior to 31 December 2019 was £554,072 (2018: £275,237) leaving an accrued balance of £288,499 (2018: £201,626).

## 21 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 2019 the amount due was £300.

Contributions to the ICE Group Personal Pension Plan in 2019 totalled £30,292. (2018: £29,940). Pension costs for the period also include £4,800 (2018: £4,800) of administration charges.

## 22 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 ICE Benevolent Fund and provision by the Institution of financial, HR, database and IT services.

During 2019 the donations and subscriptions collected by the Institution of Civil Engineers on behalf of The ICE Benevolent Fund totalled £270,366 (2018: £288,760) and the management fee paid to the Institution of Civil Engineers was £35,166 (2018: £28,541).

Debtors include an amount of £11,922 (2018: £21,207) due from the Institution of Civil Engineers at the year end.

## 23 Post balance sheet events

At the end of 2019, the world witnessed the outbreak of the Coronavirus pandemic, later termed COVID-19. This did not impact the ICE Benevolent Fund in 2019. However, by February 2020, the effect of the pandemic was beginning to be felt. The value of the Benevolent Fund's portfolio dropped from £13,798,151 at the end of Dec 2019 to £11,818,202 at the end of March 2020.

The Benevolent Fund has put in place new wellbeing services to support ICE members struggling with the pandemic. In April 2020, the Chairman of the Benevolent Fund agreed contingency funding of £10,000 to support these new wellbeing services. We expect that, as the situation worsens through the spring and early summer, we will see an increased demand on our financial assistance services as ICE members are furloughed or are made redundant. However, eligibility criteria will stay in place so that the Benevolent Fund remains focused on those most in need.

Trustees feel that the Benevolent Fund may also suffer a loss of rental income as Tenants may be unable to meet the rent demand. Advice from the Charity Commission suggests that Charities must work with Tenants to organise suitable programmes of rent arrears re-paid over several months. Trustees are monitoring this.