



# **GUILD OF BENEVOLENCE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**Charity No. 208727**

**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

---

**CONTENTS:**

	Page
<b>INFORMATION ABOUT THE CHARITY</b>	3
ADDRESS	3
LEGAL STRUCTURE	3
ORGANISATION	3 - 4
<b>REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEP 2019</b>	4
GOVERNANCE, STRUCTURE AND MANAGEMENT	4 - 5
AIMS, OBJECTIVES AND ACTIVITIES	6 - 7
ACHIEVEMENTS AND PERFORMANCE	7 - 8
FINANCIAL REVIEW	8 - 9
PLANS FOR THE FUTURE	10
INDEPENDENT EXAMINER	10
SIGNATORIES	10
<b>INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE GUILD OF BENEVOLENCE OF THE IMarEST</b>	11
<b>STATEMENT OF FINANCIAL ACTIVITIES</b>	12
<b>BALANCE SHEET</b>	13
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	14 - 19

**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

---

**INFORMATION ABOUT THE CHARITY AS AT 30 SEPTEMBER 2019**

**Address**

1. 1 Birdcage Walk, London SW1H 9JJ.  
Telephone: +44 (0)20 7382 2644. Fax: +44 (0)20 7382 2670.  
Email: [guild@imarest.org](mailto:guild@imarest.org)

**Legal Structure**

2. The Guild of Benevolence of The Institute of Marine Engineering, Science and Technology is a charity registered under number 208727 and was created by a Declaration of Trust. The governing instrument is the current set of the Rules of the Guild of Benevolence.

**Organisation**

3. The governing body of the Guild of Benevolence is the Committee of Management, which is elected by the members of the charity. Members of the Committee are the trustees of the charity. The Committee of Management meets a minimum of four times per year. The Committee forms a sub-Committee or working parties from within its own membership to carry out specific managerial and organisational tasks. There are currently five sub-Committees.
4. The Committee of Management

The Guild Committee who served during the year and the dates of their election to or retirement from the Committee of Management were as follows:

	<b>Appointed</b>	<b>Retired</b>	
A D Muncer RD CEng CMarEng FIMarEST	11 March 2010	14 March 2019	Past Trustee of the IMarEST
Eur Ing G J McKenzie CEng CMarEng FIMarEST	11 March 2010	14 March 2019	Past Trustee of IMarEST
Mr D P Loosley (Honorary Secretary)	07 November 2011		Chief Executive of IMarEST
Prof M J C Crabbe CMarSci FIMarEST	27 March 2014		Council member of IMarEST
Cdr W K Ridley CEng CMarEng FIMarEST	21 March 2013 (Honorary Treasurer from 14 March 2019)		
Eur Ing B McDermid CEng CMarEng FIMarEST FIMechE MRINA	21 March 2013	14 March 2019	Past member of Council of IMarEST
Eur Ing T Aston CEng CMarEng FIMarEST	27 March 2014		Past member of Council of IMarEST
Dr D W Williams CB JP CEng CMarEng FIMarEST FRAes	13 March 2015		Past President of IMarEST

**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

---

Eur Ing C G Loughran RD MNM VR CEng CMarEng FIMarEST	18 March 2016	14 March 2019	Past member of Council of IMarEST
M Murphy CMarEng FIMarEST	15 March 2018		Hon Treasurer and Trustee of IMarEST & Past President of IMarEST
W N Paterson IEng IMarEng MIMarEST	15 March 2018		Council Member of IMarEST
Eur Ing P S Rickaby CEng CMarEng HonFIMarEST FCMI	15 March 2018 (Chairman from 14 March 2019)		Past President of IMarEST
Mr R S Clench CEng CMarEng FIMarEST	14 March 2019		Past Trustee of IMarEST
Mr R Keuning CEng CMarEng FIMarEST	14 March 2019		
Mr K D McLean IEng IMarEng MIMarEST	14 March 2019		
Eur Ing E D Wilson CEng MIMarEST	14 <sup>th</sup> March 2019		Past member of Council of IMarEST Past Trustee of IMarEST

The following were co-opted to the Committee during the year, these members offer their time to help with meeting potential and existing beneficiaries, assisting with branch events and bringing financial expertise to the committee; Messrs B McDermid CEng CMarEng; J P Blacklock CEng CMarEng FIMarEST and N S Darby FCA.

#### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2019**

The Trustees submit their Report and Financial Statement for the year ended 30 September 2019.

#### **The Governing Document**

5. The Charity, which was registered as a Charity on 26 June 1969 is governed by a set of Rules, which were originally written in May 1958. Since then, the Rules have been updated and the most recent set are contained in a booklet called "The 2013 Rules", which were approved by the members of the Guild in general meeting on 27 March 2014. Copies of the Rules are available from the Hon. Secretary at the address on page 3.

#### **The Organisational Structure**

6. The Charity is managed by the full Committee of Management, which comprises all the trustees. The committee normally meets every quarter. The Relief sub-committee of four trustees has delegated powers to grant relief in cases of emergency between committee meetings. Other sub-committees that report to the full Committee of Management are the Finance, Fund Raising, Communications, and the Governance and Audit sub-committees. A full-time member of staff employed by the Charity attends and assists the full Committee of Management and its sub committees. Some assistance is also rendered by officers of the IMarEST for which the Charity pays a fee.

**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

---

**Risk Assessment**

7. The Trustees monitor the risks that face the Charity. These mainly relate to the Charity's finances and are reported upon in the section called Reserves Policy and Risk Management, which appears later.

**Recruitment, Appointment and Training of Trustees**

8. Trustees for the Charity are drawn from the membership of the Guild of Benevolence usually by word of mouth, but also from the publicity that the Charity receives via IMarEST publications. The Secretary and Honorary Treasurer of the IMarEST are ex-officio Trustees of the Guild. Trustees are elected by the members of the Guild in general meeting for a period of three years after which they are eligible for re-election for a further period of three years. Retiring trustees are then obliged to stand down for one year. However, the Honorary Treasurer retires annually, but is eligible for re-election.
9. To be effective in office, Trustees of the Guild need a good understanding of the role and responsibilities of a charity trustee and must be aware of the legal rules on eligibility that govern such an office. All new trustees have their duties and legal, financial and managerial responsibilities and liabilities explained to them. They are informed about the Guild, its vision and values, its aims, programmes, sources of income, and the context in which it operates. They are also provided with a copy of the Guild's governing document. All this is adequately covered in the 'Reference Handbook for Trustees,' a copy of which is held by each trustee.
10. The Handbook is designed to provide trustees with sufficient information to enable them to take an active part in the work of the Guild and to contribute to discussions at meetings of the Committee of Management. However, it is important for trustees to keep abreast of developments within the charities sector, and in particular, changes to legislation. Trustees are, therefore, required to attend relevant training conferences and seminars, particularly those conducted by the Merchant Navy Welfare Board. This is supplemented by in-house training should the need arise.

**Voluntary services received from the trustees**

11. None of the Trustees received any remuneration during the period although some may have borne a measurable and quantifiable cost because of the time they donated to the Charity. Expenses only are paid to the trustees when they are claimed and, during the year under review in this report, expenses amounting to £6,635 were reimbursed (2018: £5,947).
12. The costs shown in the Financial Statements do not include the value of the voluntary services provided by Trustees and Guild representatives in the day to day work of the Guild. A value for this service is not included as the people who provide it do so at no cost to the Guild. However, if the Charity had to employ additional staff to carry out this work, the cost would be very significant.
13. Trustees also give their time to visit Branches and beneficiaries of the Guild wherever they can to assist in the generation of funds for the Guild or offer help and guidance to claimants, respectively.

**Relationship with the IMarEST ("the Institute") and other charities**

14. The Guild of Benevolence has a close working relationship with the Institute, which is an independent Charity. The Guild has certain charged services provided to it by the Institute. The charges made by the Institute during the year under review are included as part of Support Costs and Administration Costs in Note 4 to the Financial Statements on page 16. Whilst two Trustees are members of the Guild's Committee of Management by virtue of the offices they hold with IMarEST, the Institute has no overall control of the Guild. In pursuance of its Objects, the Guild of Benevolence has working relationships with other charities, in particular the Merchant Navy Welfare Board (MNWB) and their constituted charities and through them to the Soldiers, Sailors and Airmen Families Association (SSAFA), and the Seafarers' Advice and Information Line (SAIL).



**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

---

**Aims, Objectives and Activities**

**15. Objects Clause**

The Guild of Benevolence exists to provide benevolent services and grant relief to necessitous and deserving persons who are specified under its Rules, namely:

- Marine engineers who possess, or have possessed, Certificates of Competency or Certificates of Service issued by the relevant UK Government Department or Agency (as listed in Rules' Appendices) or their equivalent.
- Past and present members of the Institute and past and present Members of the Guild;
- Past and present employees of the Institute or of the Guild.
- The wives, husbands, widows, widowers, children and/or dependants of any of the persons referred to in the preceding paragraphs of this rule.

In accordance with Rules, the Committee of Management is given sole discretion as to who are proper subjects for relief.

16. The charitable purpose of the Guild of Benevolence aims to assist generally in the relief of hardship for eligible applicants by making either regular grants to supplement very low incomes or by making one-off grants to assist in the purchase of items essential for the recipient's wellbeing, essential home repairs, and cost of respite care and with debt relief. The Guild of Benevolence also provides guidance over the phone, and where necessary arranging individual visits to claimants offering them help and guidance to solutions related to their individual problems.
17. The Guild of Benevolence is a constituent charity of the Merchant Navy Welfare Board (MNWB) and frequently marine engineers and their dependents, who are in need of help, are referred to the Guild from other maritime charities associated with the MNWB. Potential beneficiaries are also referred to the Guild by the Royal British Legion; The Soldiers, Sailors, Airmen and Families Association – Forces Help (SSAFA Forces Help); The Officers' Association; Occupational Benevolent Funds Association and local social services departments. Recommendations are also received from IMarEST members who, in the course of their professional or social lives, become aware of hardship cases. The Guild also advertises its services via the IMarEST and directly through the medium of maritime journals and charity directories.

**Statement of Public Benefit**

18. The Guild operates for the public benefit under two charitable purposes as defined in the Charities Act 2011 namely: 'The Prevention and Relief of Poverty' and 'The Relief of those in need by reason of youth, age, ill-health financial hardship or other disadvantage' by granting assistance to necessitous serving and retired Marine Engineer and Electrical Officers, past and present members and employees of the Institute of Marine Engineering, Science and Technology, the Guild of Benevolence and their dependents by making regular grants to supplement very low income; lump sum grants to assist with the purchase of costly items essential for the recipient's wellbeing and also assist with the costs of essential home repairs, respite care, essential and reasonable funeral expenses in excess of any state contribution and debt relief in accordance with its governing document 'The 2013 Rules'. The charity was originally set up by the Institute of Marine Engineers and the Daily Chronicle Newspaper for the widows and orphans of the Engineering Staff of the Titanic, all of whom perished when the ship sank on 15<sup>th</sup> April 1912. The objectives and performance the Charity undertakes are as valid now as they were when it was first established and are clearly set out in this report. Trustees confirm that they have complied with the requirements of Part 2 Section 17(5) of the Charities Act 2011 having due regard to the public benefit guidance published by the Charity Commission.

**Fund Raising Policy**

19. Fundraising is coordinated by the fundraising sub-committee and managed by the Guild's Committee of Management without recourse to professional fundraisers or third party commercial entities. Individuals can become members of the Guild of Benevolence and pay a monthly or annual donation.

**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

---

Donations are also received from IMarEST members, IMarEST branch functions throughout the world, companies associated with the marine industry and individuals' response to the Guild's advertisements in selected marine publications. The Guild also sustains a regular income through a diversified investment portfolio and is occasionally the beneficiary of a legacy in remembrance of a loved one. Fundraising is presented in the accounts under Income and Endowments. The Trustees are aware of the UK Fundraising Regulator's Guidance, are confident in their ability to comply and have received no complaints.

#### **Investment policy**

20. In accordance with the Rules, the Trustees of the Guild of Benevolence delegate the control of the Guild's investment portfolio to Sarasin and Partners LLP, who act on a discretionary basis within guidelines agreed with the Honorary Treasurer and the other trustees in furtherance of the objectives of the Guild. In essence, the investment managers are expected to achieve the best return on the portfolio, subject to acceptable risk. As the Charity awards grants, both regular and one off, to beneficiaries, there is a constant need for external income to minimize the amount of investment income drawn from investments to ensure adequate grant funds are available into the future whilst maintaining a healthy investment capital into the future.

#### **Investment Environment – Performance and Outlook**

21. Overall, global investment markets ended the financial year on a positive note with both equities and long dated bonds posting further gains. In the nine months from January to September 2019, the World Index grew by 20% and our portfolio benefitted accordingly. However, central banks lowered interest rates in response to slowing global growth, with the US-China trade war the primary concern. Additional sources of volatility for markets was the uncertainty of Brexit and the Trump impeachment enquiry. As a result, investor sentiment remained cautious. Notwithstanding, we remain invested in the equity markets despite valuations being above their long term average.
22. In this financial year, Sarasin & Partners has continued to be the Guild's investment managers. The principal investment vehicle for our funds is a Charity Authorised Investment Fund, which is administered by Sarasin's and has the benefits of being overseen by the Charity Commission. It also has the tax benefits of being a registered charity and the ability to have an independent advisory committee representing unitholders. Additionally, the CAIF structure includes improved regulatory oversight from the FCA and an exemption from VAT on fund management fees.
23. In the period under report, the CAIF has continued to meet the long-term objectives of the charity, providing growth with an acceptable level of volatility. Total investment funds at the end of the year was £3,169,592 as compared to £3,038,605 in 2017/18, an increase of 4.3%.
24. Over the year, our investment managers have expressed a cautious outlook on markets and against this backdrop chosen to broadly maintain the risk profile for the forthcoming year, 2019/20. This cautious position has resulted in a switch from corporate to government bonds and an equity selection of companies able to deliver profit growth in excess of the dull growth foreseen in the near future. The result is a balanced portfolio constructed using the Sarasin global thematic stock selection to drive returns.
25. The Trustees are content with the absolute returns for the year and in the rolling year to 30<sup>th</sup> September the portfolio achieved an investment performance of 7.8% and outperformed against a benchmark of 6.8%.

#### **Financial Review**

#### **Statement of Trustees' responsibilities in relation to the Financial Statements**

26. The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the trustees to

**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

---

prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to: select suitable accounting policies and then apply them consistently; observe the methods and principles in 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); make judgements and estimates that are reasonable and prudent; state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and prepare the accounts 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Guild's Rules. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Reserves policy and risk management**

27. There are two fundamental objectives which the Guild's reserves should aim to achieve:-
- a) Firstly, there is the ongoing aim to continue to pay regular grants for the foreseeable future.
  - b) Secondly, there is the need for funds to support the current work of the Guild in assisting new applicants and ensure that this work will continue in the long term. To this end every effort is being made to minimise non-essential administration costs. At 30th September 2019 the free reserves available for this work stood at £3,176,348, an increase of £120,860 when compared to the £3,055,488 as at the end of the previous financial year. For many years the Guild's expenditure has significantly exceeded income. This is only acceptable when, over a reasonable period, the investment portfolio achieves a balancing capital growth to be realised to provide additional income.
28. The Guild's income consisted of investment portfolio income of 84% and 16% from donations. It is anticipated that future income proportions will be similar to previous years, inevitably for the following reasons:-
- a) Income from members may decline as the proportion of members from outside of the UK increases and the additional benefit from Gift Aid is not available.
  - b) Shrinking of the UK Marine Industry has reduced support for the social events which generate donations to the Guild.
  - c) The Guild does not raise funds from the general public. Seafarer's UK raises funds from the public on behalf of all nautical charities, but the Guild no longer receives any grant from that source.
29. The Trustees expect that demand for the Guild's help will continue to grow as an increasing number of professional people will need financial help as a result of pressures on Government funded support services and the weakening of future pension provision. The Guild's regular grant of £25 per week remains one of the highest paid by any nautical charity. The Trustees will, therefore, keep grant levels under review to maintain a sustainable balance between the needs of new applicants and the provision for future payments to existing beneficiaries.

#### **Achievements and Grants paid**

30. The Trustees continue to take full advantage of the scheme set up by the Merchant Navy Welfare Board (MNWB) under which a trained caseworker from the Soldiers, Sailors and Airmen Families Association (SSAFA Forces Help) will, on request, carry out a home visit on behalf of the Guild. This may be either to help with the assessment of a new applicant, or to review the current circumstances of a regular beneficiary. This is an effective way of ensuring that all regular beneficiaries receive a home visit every three years from either a Guild representative, or a SSAFA caseworker. These home visits have identified several instances where the Guild has been able to provide much needed additional support.



**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

---

31. By the end of the financial year a total of 76 cases were considered. These included 24 new enquiries and the remainder consisted of existing beneficiaries who were either receiving a regular grant, or who had previously received a one-off grant together with our annual assessment of regular beneficiaries. The Guild has some beneficiaries who receive a regular grant of up to £25 per week. It is of note that 8% of those beneficiaries are overseas citizens.
32. There were 13 applications for grants that were declined as either the applicant did not meet the eligibility criteria laid down in the Guild's rules or Trustees did not consider them to be essential. However, declined applications were usually forwarded to other charities in case they were able to offer assistance. It should be noted that the Guild Secretary also responds to a wide range of general enquiries and requests for advice. In addition, a review of regular beneficiaries is also carried out annually, with one third being assessed every four months to spread the workload.
33. The total value of grants actually paid during the year was £56,171 while the corresponding figure for 2017/18 was £67,919. The number of beneficiaries receiving a regular grant fell from 36 at the end 2018/19 to 26 at the end of the current financial year. All regular beneficiaries received a Christmas bonus of £100 to brighten the festive season. The cost of this benefit totalling £3,300 was funded from the existing funds of the Guild.
34. During the year, the Charity received no legacies compared to the single legacy of £2,500 in the previous year. Donations also fell, with £19,149 received from members and branches compared to £27,069 the previous year.
35. The Trustees are still satisfied that the underlying financial strength of the Guild remains sufficient to maintain both the levels of regular support they currently award and the additional relief payments made in cases of severe hardship. Nevertheless, they realise that some restraint on the value of total grants paid each year is necessary to avoid an unsustainable drain on resources and take great care to ensure that the limited resources are properly disbursed by providing a sensible balance between the needs of current and future beneficiaries.
36. In addition, the Trustees greatly appreciate the efforts made by members of the Guild and Institute to raise funds on behalf of the Guild at their social functions and other events held throughout the year.

**Review of the activities and investment performance**

37. The Statement of Financial Activities (SOFA) on page 12 shows how the Charity obtains its funds and how those funds are used. An analysis of the incoming and outgoing resources of the Guild is disclosed in the Notes to the Financial Statements on Page 16. The SOFA shows that during the year there was a net increase in the Charity's funds of £120,860 as compared to a £89,306 increase in the previous year.
38. During the year, the Total Support and Administration Costs increased from £71,895 in 2017/18 to £75,450 excluding the rebate of investment manager fees. Details of all costs incurred during the year appear in Accounting Note 4. The Trustees are very conscious of the significant proportion of these costs in relation to the total funds available for charitable purposes and are making every effort to address this issue. Whilst the principal aim of the charity is to disburse funds to those in need, much good work is also done to advise and assist clients in difficulty. Therefore, it is worthy of note that the results of work done by the Guild should not be measured purely in terms of the financial assistance provided.
39. The costs shown in the financial statements do not include the value of the voluntary services provided by Trustees and Guild representatives in the day to day work of the Guild. A value for this service is not included as the people who provide it do so at no cost to the Guild. However, if the Charity had to employ additional staff to carry out this work then support costs would increase significantly.

**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

---

40. During the year the Guild's incoming resources were derived from the following main sources:-
- Donations and gifts received from Members of the Guild, plus members and branches of the Institute.
  - The interest and dividends generated by the Guild's investment portfolio.
  - Donations raised from the Institute's Annual Dinner.
41. All of the items listed above gave a total of Incoming Resources for the year of £122,037 as compared to £123,478 for the previous year. As at 30th September 2019 the market value of the listed investments was £3,169,592 whereas at the end of September 2018 the portfolio was valued at £3,038,605. The total income and realised and unrealised gains on the investment portfolio for the year appear on the Statement of Financial Activities on page 12.
42. The Trustees wish to express their gratitude to all those who contributed to the Guild especially Members of the Guild and members of the Institute throughout the world. The committees of several branches of the Institute also supported the Guild with donations from funds raised at their social events. Companies and members of the public also made donations to further the work of the Guild

**Plans for the Future**

43. The Trustees are fully aware that an aging population, changes in Welfare Benefits and the continued uncertainty in the world's economies may generate increased demand on the Guild's support at a time when the underlying financial strength of the Guild is weakened. With this in mind, they continue to closely monitor this situation and seek ways of increasing the Guild's funding and raising its profile. They consider it their primary duty to deliver true public benefit in the long term and therefore need to achieve a proper balance between the needs of current beneficiaries and the needs of future beneficiaries.
44. The Trustees continue to encourage the recruitment of new trustees to ensure that the Charity remains relevant to the present and future needs of beneficiaries. In this respect, they believe they have been successful with a number of new trustees recruited again in the year under review.
45. The Trustees will, as far as possible, also continue to seek out those who would be entitled to receive benefits from the Charity but fail to apply either because of ignorance about the existence of the Guild or their reluctance to seek help from charitable institutions.

**Independent Examiner**

46. During the financial year under report Edward Finch of Buzzacott LLP was appointed as independent examiner.
47. This report has been signed on behalf of the trustees by,



Simon Rickaby  
Chairman and Trustee



Cdr W K Ridley  
Honorary Treasurer and Trustee

Dated: 12.3.20

**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

---

**Independent examiner's report to the trustees of the Guild of Benevolence of the Institute of Marine Engineering, Science and Technology**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 30 September 2019.

**Responsibilities and basis of report**

As the trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with my examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- The accounts do not accord with those records; or

the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

- I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Edward Finch  
Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

17 March 2020

**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

**STATEMENT OF FINANCIAL ACTIVITIES**  
**for the year ending 30 September 2019**

		<b>Total Funds</b>	<b>Total Funds</b>
		<b>30 September 2019</b>	<b>(restated)</b>
		<b>Unrestricted</b>	<b>30 September 2018</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>INCOME AND ENDOWMENTS</b>			
Donations	<b>2</b>	19,149	27,069
Investment Income	<b>3</b>	102,888	96,409
<b>TOTAL INCOME</b>		<b>122,037</b>	<b>123,478</b>
<b>EXPENDITURE</b>			
Raising Funds	<b>4</b>	(2,195)	(5,608)
Charitable activities			
Grants paid to beneficiaries	<b>4</b>	56,171	67,919
Cost of providing the charitable activities	<b>4</b>	77,644	77,503
<b>TOTAL EXPENDITURE</b>		<b>131,620</b>	<b>139,814</b>
<b>Net income available for charitable purposes</b>		<b>(9,583)</b>	<b>(16,336)</b>
Movement in liability for regular grants	<b>10</b>	6,848	13,952
Net Gain/(Loss) on Investments		123,595	91,690
<b>Net income / expenditure</b>		<b>120,860</b>	<b>89,306</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Fund balances at 1 October 2018</b>		<b>3,055,488</b>	<b>2,966,182</b>
<b>FUND BALANCES at 30 September 2019</b>		<b>3,176,348</b>	<b>3,055,488</b>

All incoming resources and resources expended derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The restatement in 2018 relates to the Liability for Regular Grants adjusted against the opening Fund Balances (see note 11).

The note of pages 14 to 19 form part of these financial statements.



**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

**BALANCE SHEET**  
for the year ending 30 September 2019

	Note	Total Funds 2018 / 2019 Unrestricted £	Prior Year Funds (restated) 2017 / 2018 Unrestricted £
<b>Fixed assets</b>			
Tangible assets	5	-	-
Investments	6	3,169,592	3,038,605
<b>Total fixed assets</b>		<b>3,169,592</b>	<b>3,038,605</b>
<b>Current assets</b>			
Debtors	7	4,032	4,057
Cash at bank		47,865	62,904
<b>Total current assets</b>		<b>51,897</b>	<b>66,961</b>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	8	13,249	11,338
<b>Net current assets</b>		<b>38,648</b>	<b>55,623</b>
<b>Total assets less current liabilities</b>		<b>3,208,240</b>	<b>3,094,228</b>
<b>Provision for liabilities and charges</b>			
Grants payable	10	31,892	38,740
<b>Net assets</b>		<b>3,176,348</b>	<b>3,055,488</b>
<b>The funds of the charity</b>			
<b>Unrestricted income funds</b>			
General funds		3,176,348	3,055,488
<b>Total charity funds</b>		<b>3,176,348</b>	<b>3,055,488</b>

The restatement in 2018 relates to the Liability for Regular Grants adjusted against the opening Fund Balances (see note 11).

The financial statements were approved by the undersigned on behalf of the committee on the dates shown. The notes on pages 14 to 19 form part of these financial statements.

  
Simon Rickaby Chairman and Trustee

  
Cdr W K Ridley Honorary Treasurer and Trustee

12.3.20

**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

---

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Statement of Accounting Policies**

#### **i. Basis of Accounts Preparation**

The Financial Statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015) issued in Sept 2015, applicable Financial Reporting Standards in the United Kingdom (FRS 102) and the Charities Act 2011. The Trustees have taken advantage of the disclosure exemption within update bulletin 1 not to produce a cash flow statement. The statements have been prepared under the historic cost convention, with the exception that investments are included at market value.

The Charity constitutes a public benefit entity as defined by FRS 102. The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern

#### **ii. Incoming resources**

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

Income from donations and grants is deferred in the following cases:

- when donors specify that donations and grants given to the Charity 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 charity becomes entitled to use such income; the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

For legacies, entitlement is taken as the earlier of the date at which the estate is finalised, or when proceeds are received.

Income from investments is accounted for when received.

#### **iii. Resources expended**

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust.

#### **iv. Accounting Estimates and judgements – Grant Provision**

In preparing the accounts, the Trustees are required to make estimates and judgements for any uncertainties that could impact the amounts reported. In doing so the Trustees have made assumptions as to the amount of provision that needs to be made for grant payments to beneficiaries. This provision is based on the actual quarterly grants paid in September, annualised for the year ahead. All cases are reviewed annually.

#### **v. Irrecoverable VAT**

The Guild is not registered for VAT and all VAT incurred on expenditure is charged against the category of resources expended for which it was incurred.

**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**vi. Allocation of overhead and support costs**

Overheads and other costs that are not directly attributable to functional activity categories are apportioned over the relevant categories based on management estimates of the amount attributable to that activity in the year. The allocation of overhead and support costs is analysed in Note 4.

**vii. Governance costs**

Governance costs comprise the costs of running the charity, including strategic planning for its future development, also external audit, and any legal advice for the Committee. All the costs of complying with constitutional and statutory requirements, such as the costs of the Trustees' meetings, and of preparing statutory accounts and satisfying public accountability, are also included.

**viii. Tangible Assets**

**a) Investment properties**

The investment in Housing Association loan stock is stated at cost. The cost in these financial statements is £nil.

**b) Other tangible fixed assets**

Tangible fixed assets, which comprise furniture and fittings and computer equipment in the office and are valued at £250 or greater when purchased, are depreciated on a straight-line basis over their estimated useful lives as follows:

- Furniture & fittings 15% per annum
- Computers 33% per annum

**ix. Investments**

Investments in stocks and shares are stated at bid-market price at the balance sheet date. Realised and unrealised gains on investments during the year are taken to the fund in which the investments are held.

**x. Realised gains and losses**

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year-end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

**xi. Debtors, cash and creditors**

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.

Cash at bank and in hand – Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions – Creditors and provisions are recognised where there is 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.



**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

			<b>2018 / 2019</b>	<b>2017 / 2018</b>
			<b>Total</b>	<b>Total</b>
			<b>£</b>	<b>£</b>
<b>2 Donation income</b>				
Donations			19,149	24,569
Legacies			-	2,500
Total Donation income			<u>19,149</u>	<u>27,069</u>
<b>3 Investment income</b>				
Listed investments			102,888	96,409
Total investment income			<u>102,888</u>	<u>96,409</u>
<b>4 Resources expended</b>	<b>Investment Management</b>	<b>Grantmaking</b>	<b>2018 / 2019</b>	<b>2017 / 2018</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
			<b>£</b>	<b>£</b>
<b>Grants paid to beneficiaries</b>				
Cash payments to beneficiaries in the period		56,171	56,171	67,919
<b>Support costs</b>				
Establishment costs (occupancy of offices)	907	17,234	18,141	18,841
Direct staff costs	-	44,782	44,782	43,354
Other Staff costs	-	4,341	4,341	2,961
<b>Support costs</b>	<b>907</b>	<b>66,357</b>	<b>67,264</b>	<b>65,156</b>
<b>Administration costs</b>				
Trustees costs & meeting expenses	-	6,974	6,974	6,234
Postages & telephones	-	257	257	264
Printing & stationery	-	230	230	0
Subscriptions/Advertisements	-	1,346	1,346	3,163
Sundry expenses	(1)	(2)	(3)	1,795
Investment Managers' fees	(3,722)	-	(3,722)	(7,457)
Independent Examiners fee	522	2,088	2,610	2,010
Bank charges	99	395	494	730
<b>Administration costs</b>	<b>(3,102)</b>	<b>11,288</b>	<b>8,186</b>	<b>6,739</b>
<b>Total Support &amp; Administration Costs</b>	<b>(2,195)</b>	<b>77,645</b>	<b>75,450</b>	<b>71,895</b>
<b>Total Resources Expended</b>	<b>(2,195)</b>	<b>133,816</b>	<b>131,621</b>	<b>139,814</b>

All grants are made either direct to individuals, or via charitable agencies, to those who are deemed by the trustees to be necessitous and deserving persons in accordance with the objectives of the charity.

The majority of the governance costs have been allocated to grantmaking as this is where they spend the most of their time.

Support and administration costs are allocated to the relevant activity based on management estimates of the amounts attributable.

The charity does not have any lease commitments as it uses office space in The Institute of Marine Engineers, Science and Technology

During the period under review the Guild of Benevolence was managed on a day to day basis by the Chairman of the Guild, the Honorary Treasurer and other trustees. None of these trustees received any remuneration during the period and they were not required to bear a measurable and quantifiable cost because of the time they donated to the charity. However, legitimate expenses are paid to the trustees when they are claimed and in the period under review 11 Trustees claimed expenses as follows. In the previous year the number of claimants was 12.



**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

---

**NOTES TO THE FINANCIAL STATEMENTS** (continued)

Travelling expenses

**2019**

£6,635

**2018**

£5,947

Clerical assistance to complement the voluntary and unpaid work done by the Trustees is provided by a full time Administrative Officer. In addition, the Institute provides financial and other administrative support services.

**Volunteer contributions**

During the year the charity received small donations from five of its trustees.

**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

**NOTES TO THE FINANCIAL STATEMENTS** (continued)

**5 Tangible fixed assets**

	<u>Fixtures and Fittings</u>	<u>Computers</u>	<b>2018 / 2019 Total</b>
<u>Cost</u>	£	£	£
As at 1 October 2018	1,708	3,292	5,000
Elimination	(1,708)	(3,292)	(5,000)
	-	-	-
<u>Depreciation</u>			
As at 1 October 2018	1,708	3,292	5,000
Elimination	(1,708)	(3,292)	(5,000)
	-	-	-
<b>Net book value @ 30 September 2019</b>	-	-	-
Net book value @ 30 September 2018	-	-	-

**6 Investments**

	Investment property £	Listed investments £	Cash held within the investment portfolio £	<b>2018 / 2019 Total</b> £
As at 1 October 2018	875	3,032,146	5,584	3,038,605
Additions to investments at costs			(3,681)	(3,681)
Disposals at costs	-			0
Net Gain/(Loss) on revaluation	-	134,668	-	134,668
<b>As at 30 September 2019</b>	<b>875</b>	<b>3,166,814</b>	<b>1,903</b>	<b>3,169,592</b>

The following investments are considered material in the context of the investment portfolio at 30 September 2019

Name of holding	Market value	Percentage
Sarasin Endowments Fund Class A INC	3,166,814	99.94%
Sarasin Liquid Assets	1,903	0.06%

The Guild Investment continued to received rebates for it's management fees, total of £3,722 for the period ending 30 September 2019, (2018: Management fees rebate (£7,457)).

**The Guild of Benevolence of the  
Institute of Marine Engineering, Science and Technology**  
Annual Report and Financial Statements for the year ended 30 Sept 2019

**NOTES TO THE FINANCIAL STATEMENTS** (continued)

	2018 / 2019 Total £	2017 / 2018 Total £
<b>7 Debtors and prepayments</b>		
Accrued income - Donations from IMarEST members	(0)	2,878
Debtors	2,853	-
Income tax recoverable - Gift Aid	1,179	1,179
	<u><b>4,032</b></u>	<u><b>4,057</b></u>

All debtors are due within one year.

**8 Creditors due within one year**

	£	£
Creditors	10,749	-
Accruals	2,500	11,338
	<u><b>13,249</b></u>	<u><b>11,338</b></u>

**9 Related Party**

The Institute of Marine Engineers, Science and Technology have charged the Guild of Benevolence during the year £17,115 (2018: £5,211) as the Guild operates from IMarEST London office at 1 Birdcage Walk and receives administrative support from the Institute.

**10 Liability for Future Regular Grants**

All regular grants are reviewed individually every 12 months and any new or continuation of existing grants is based on the annual review and made at the sole discretion of the Trustees. Although there is no legal requirement to continue any grant, the Trustees recognise that to accommodate any expectation in the minds of the beneficiaries and to accommodate a notice of termination of a regular grant, have therefore determined the potential liability for regular recipients to be £31,892 (2018: £38,740).

**11 Prior period restatement**

Given that no constructive or legal obligation was present in the previous financial statements, the financial statements have been restated as a result of a review of the Guilds obligations in relation to regular grant payments. Having conducted their review, the trustees have concluded that the Guild has no legal or constructive obligation to make continued grant payments to regular beneficiaries as these grants are reviewed every 12 months and are made at the sole discretion of the trustees. Given no constructive or legal obligation was present in previous accounting periods, the grant liability has been amended. The restatement of this liability has had the following impact on the funds and results for the comparative period.

	Total Funds as restated 2018 £	Total Funds as restated 2017 £
Total funds as previously stated	2,525,990	2,189,271
Add back: reduction in provision for grant liability	529,498	776,911
<b>Total funds as restated</b>	<u><b>3,055,488</b></u>	<u><b>2,966,182</b></u>

The adjustments shown above had the following impact on the surplus for the year ended 30 September 2018.

	2018 £
Total income as previously stated	336,719
Less: net reduction in provision for grant liability	(247,413)
<b>Net income as restated</b>	<u><b>89,306</b></u>