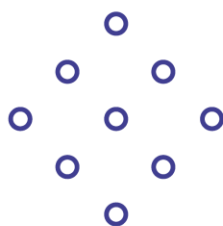


**The Institution of Engineering and Technology Benevolent Fund**

Annual Report and Financial Statements  
for the year ended 30 June 2021



# Foothold

Supporting engineers

Charity No: **208925**

Company Registration No: **00441284**

Registered Office:

**Napier House**  
**24 High Holborn**  
**London**  
**WC1V 6AZ**

## CONTENTS

Section	Page
1. Reference and Administrative Details	2
2. Chair and CEO report	4
3. Trustees report	6
4. Financial Review and Results	23
5. Planned Developments For 2020/21	27
6. Structure, Governance and management	28
7. Independent Auditor's Report	36
8. Statement of Financial Activities	40
9. Balance Sheet	41
10. Statement of cash flows	42
11. Notes forming part of the financial statements	43

## 1. REFERENCE AND ADMINISTRATIVE DETAILS

### THE BOARD OF TRUSTEES

The Charity Trustees during 2020/21, together with any others who served in the year.

Eur Ing Professor A Dowd	BSc PhD CEng FIET	Chair Appointed Oct 2019 Retired Sept 2020
Dr D Byrne	OBE BSc MBA PhD CEng Hon FIET	Vice -Chair Oct 2019- Sept 2020 Chair Appointed Oct 2020
Mr G Price	FCA	Treasurer Appointed April 2020
Mrs J Bryant	FREng CEng FIET FWES	Retired Sept 2020
Dr P Connor	FInstD	
Mrs A Giles	BSc (Hons) CEng FIET	Retired Sept 2020
Mrs V Hodge	BSc MSc CEng FIET	
Mr R North	BSc (Hons) CEng MIET	LRA Chair Retired 30/09/2021
Mr R Spalding	BSc CEng FIET RN	
Mr F Fischer	Eng Tech MIET	Appointed 01/10/2020 Resigned 03/09/2021
Mr T Budd	BComm LLB LLM	Appointed 01/10/2020
Professor K Sugden	BSc MSc PhD MIET	Appointed 01/10/2020

### FOOTHOLD'S PRINCIPAL OFFICERS

Mrs J Petit	Chief Executive Officer and Company Secretary
Mrs D Houslin	Services and Development Manager
Mrs L Quinn	Marketing and Communications Manager
Ms B J Archer	Business Manager
Mrs F Rook	Fundraising Manager

## **FOOTHOLD'S AGENTS AND ADVISORS**

Sayer Vincent LLP  
Invicta House  
108-114 Golden Lane  
London EC1Y 0TL

Rathbone Investment Management Limited  
8 Finsbury Circus  
London  
EC2M 7AZ

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham B3 2ES

Lloyds Bank  
Thavies Inn House,  
6 Holborn Circus  
London  
EC1N 2H



## **2. CHAIR AND CEO REPORT**

Our year started as the UK began to cautiously move out of the first COVID-19 lockdown restrictions and we could see the effect of the government's relief packages on our community as the tide of referrals from Q4 of 2019-20 began to slow. In September 2020 with the requests for emergency support reducing, we reverted to our standard procedures for processing grants within a two-week time frame. However, the staff team still strove to meet a much shorter timeline where extreme hardship was highlighted.

Throughout the following months the staff and volunteer team continued to work remotely, flexing our working patterns to support staff and volunteers dealing with changing government guidance and the pressures of home schooling and caring responsibilities. We developed a Zoom meeting etiquette and continued to provide opportunities for socialising via phone or Zoom, implementing a buddy system for staff, hosting the inevitable quizzes and continuing our monthly coaching support.

We implemented our volunteering strategy and developed new roles designed to provide flexible support to our community members tailored to their individual needs. We are very grateful for the volunteers who came forward during this difficult time and provided a vital link for many community members.

During the year our Board, committee meetings and AGM were all held remotely, and the task and finish group completed their work on our management of risk. A review of the Trustee skills audit led to us advertising externally for a trustee with legal experience to join the Board from October 2020.

With the increased use of electronic communications, the efficacy of our data protection policies was reviewed. As a result the Board recognised the need for additional expertise in the field and we appointed an external data protection officer to support our internal data protection leads. The decision was also made to push back some workstreams until 2021-22 including a review of our Memorandum and Articles of association and disbursement of the Speirs Fund to balance the increased management time required to support staff, volunteers, and our community members during the pandemic.

In April 2021, considering the uncertainties for the world economy and our investments caused by the COVID-19 pandemic alongside our increased expenditure, the Trustees asked the executive team to develop a five-year financial plan to bring about a break-even budget for 2022-23 with the initial steps in place in 2021-22. To support its decision-making Foothold will, during 21-22 review its financial policies and take any additional steps necessary to ensure the financial sustainability of the charity for the future whilst at the same time considering the needs of our community.

Our fundraising strategy, which launched in April 2020, will provide a core part of our income going forward. It focuses on individual giving and legacies which were not as adversely affected by the COVID-19 restrictions as other voluntary income streams and we are delighted to report

a 13% increase in individual donations which contributed positively to this year's financial outcomes. This year also saw a small increase in income in 2020/21 at £1,297,315 (2019/20 £1,236,247) including a 152% increase in legacy income to £180,874 (2019/20 £71,505) which was offset by a 21% reduction in investment income to £567,303 (2019/20 £683,822). The increase in expenditure at £2,917,710 (2019/20 £2,586,748) was mainly attributable to the 17% increase in grants totaling £1,669,713 (2019/20 £1,429,256) provided to individuals, additional service charges for maintenance work at our office base and increased bank and administration charges. The effect of these movements has seen the level of our funds increase by 10% to £26,863,874 (2019/20 £24,381,110) restoring the reserves to above their 2018/19 position of £26,693,042.

Against this background we were delighted to be able to report a 49% increase in the instances of direct support offered across all the domains of wellbeing, together with the provision of almost 24,000 sessions of wellbeing support.

The Board considers these results to be a testament to the hard work and a strong relationship between the volunteers, staff and our partners which in this unprecedented year has enabled us to achieve our purpose of increasing the wellbeing of engineers and their families worldwide.

The Board would also like to acknowledge the contribution made by our donors and wishes to pass on their sincere thanks to everyone who contributes to our purpose to ensure that no engineer or their family needs to face life's challenges without support.

Dr D Byrne

Chair of Trustees

Mrs J Petit

CEO

### **3. THE TRUSTEES REPORT**

The Trustees present their report for the year ended 30 June 2021, containing a review of achievements and performance, a financial review and plans for future periods, consideration of the principal risks they consider the Charity faces and the audited financial statements for the year ended 30 June 2021.

The Institution of Engineering and Technology Benevolent Fund (otherwise known as Foothold) is a registered charity No. 208925 and a company with the registration No. 00441284. It is managed in accordance with its Memorandum and Articles of Association (amended by Special Resolution on 19 May 2010) and under the terms of a new Charity Commission Scheme of 29 January 2010 that established The Speirs Fund (which replaced the Chesters Trust Deed, otherwise known as the Speirs Memorial Trust, subsequently varied by the Charity Commissioners Scheme, dated 15 July 1975).

#### **3.1 PURPOSES, AIMS AND ACTIVITIES**

##### **3.1.1. Purposes and aims**

The objects of the Charity are “to provide financial or other assistance to persons of all ages who are in need who are beneficiaries of the Fund in any manner which the Trustees consider expedient”.

##### **3.1.2 Public benefit**

In setting out the activities for the year, Foothold’s Trustees have complied with the duty set out in Section 17 of the Charities Act 2011 to “have regard” to public benefit guidance published by the Charity Commission. We are a charity set up for the “relief of poverty”. We have interpreted “poverty” to mean not only those who are in desperate financial need but also those who cannot satisfy a basic need without assistance. We use the Charity Commission definition: “people in poverty generally refers to people who lack something in the nature of a necessity, or quasi-necessity, which the majority of the population would regard as necessary for a modest, but adequate standard of living”. Furthermore, not everyone who is in financial hardship is necessarily poor, but it may still be charitable to relieve their financial hardship or to prevent poverty.

The Charity helps individuals and families who fall within the remit of its objects wherever they are in the world and regardless of their background. The Trustees are aware that this represents a sizeable number of individuals worldwide, any of whom can approach Foothold for help at any time. Furthermore, the range of services provided means that it is not just the individual who benefits - by helping someone at a difficult time, his or her close family are also helped and possibly others who have an interest or informal responsibility towards the individual whether they be friends, relatives or close acquaintances from the local community.

All of the charitable help is provided free of charge and community members do not need to have donated to Foothold to be eligible for our services.



The Trustees have reviewed whether any of the help that we provide could possibly cause any detriment or harm and have not identified any example where this might be the case. The only “downside” in terms of public benefit is that the work of Foothold has led to an increase in the uptake of State benefits by its

community members. Clearly this is an added cost to the Public purse; that said, it is only a case of people now claiming benefits to which they were already entitled or have recently become entitled.









### 3.1.3 Our Activities

Our activities cover the eight domains of wellness and we provide a variety of channels to enable community members to find the support they need.

 <p>Coping with feelings</p>	<ul style="list-style-type: none"> <li>• <b>AUK membership</b> with mental health assessment, access to resources and therapy</li> <li>• individual counselling grants</li> <li>• 24/7 access to <b>wellbeing hub</b> with content and courses</li> </ul>
 <p>Physical health and wellbeing</p>	<ul style="list-style-type: none"> <li>• clinically validated advice on achieving a healthy lifestyle through our <b>wellbeing hub</b></li> <li>• <b>Sleepstation</b> portal with access to assessments and therapy to support sleep issues</li> <li>• 10-year membership of <b>National Autistic Society</b> including support for diagnosis, courses and resources</li> </ul>

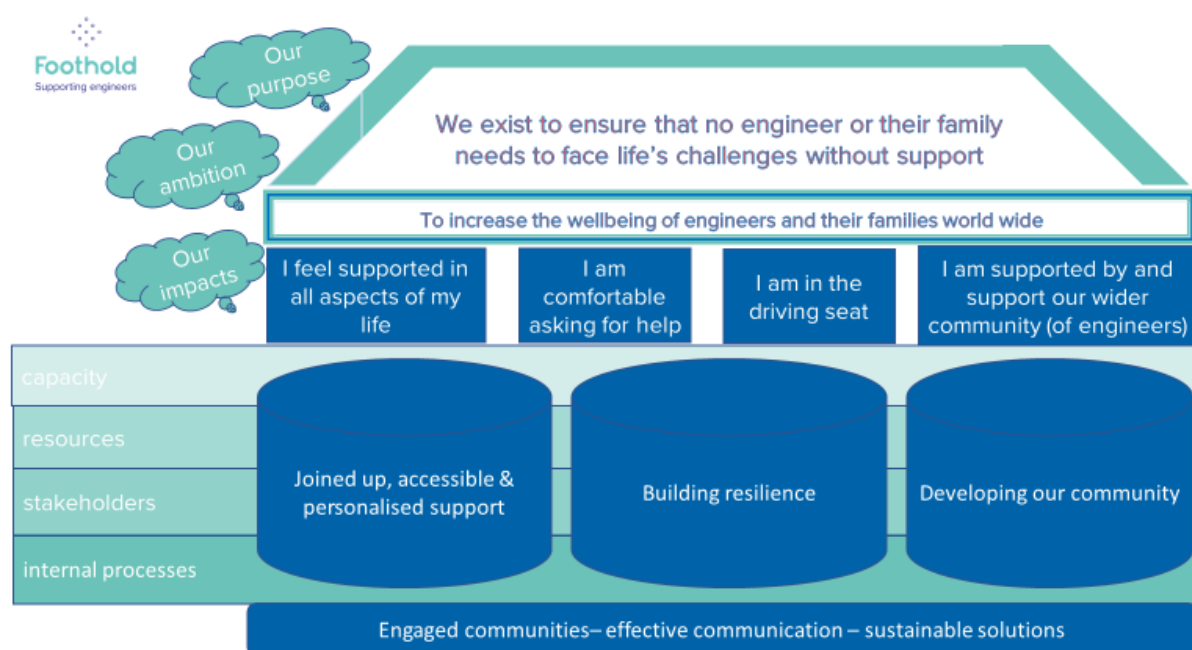


	<ul style="list-style-type: none"> <li>• advice regarding the social care system, lasting power of attorney and other health related legal issues through our <b>Foothold app</b> and the <b>Law express</b> helpline</li> <li>• awards towards respite breaks, costs of travel for treatment or visiting family in hospital or costs of treatment in limited circumstances</li> </ul>
	<ul style="list-style-type: none"> <li>• debt advice through <b>Stepchange</b></li> <li>• support with mortgage and rent arrears through <b>Shelter</b> Helpline Plus</li> <li>• support with managing your money from <b>Second sight</b> through the <b>wellbeing hub</b></li> <li>• information from the <b>Money Advice Service</b> through our Foothold app</li> <li>• financial support for community members on low incomes and savings of less than £16k</li> </ul>
 <p>Relationships</p>	<ul style="list-style-type: none"> <li>• advice, support and self-guided learning through the <b>wellbeing hub</b></li> <li>• webinars through the <b>wellbeing hub</b> and on our <b>YouTube channel</b></li> <li>• telephone or video chats</li> <li>• <b>Move it or Lose it Club</b> membership</li> <li>• awards towards costs of mediation or counselling</li> </ul>
 <p>Keeping the brain active</p>	<ul style="list-style-type: none"> <li>• <b>Move it or Lose it Club</b> membership</li> <li>• awards towards costs of specialised equipment particularly for community members with learning differences</li> <li>• awards to support the continuation of activities for those who are socially isolated or have caring responsibilities.</li> </ul>
 <p>The world around me</p>	<ul style="list-style-type: none"> <li>• awards for home adaptations and equipment to promote independence</li> <li>• bespoke equipment solutions through <b>Remap</b></li> </ul>

 <p>Meaning in life</p>	<ul style="list-style-type: none"> <li>• vlogs on purpose and meaning on the <b>Foothold You Tube channel</b></li> <li>• wellbeing sessions on our <b>wellbeing hub</b></li> </ul>
	<ul style="list-style-type: none"> <li>• career coaching through <b>Renovo</b> and <b>Chiumento</b></li> <li>• planning for retirement webinar from <b>Later Life</b> on our <b>YouTube</b> channel</li> <li>• financial support for those with low household incomes and savings of less than £16k</li> </ul>

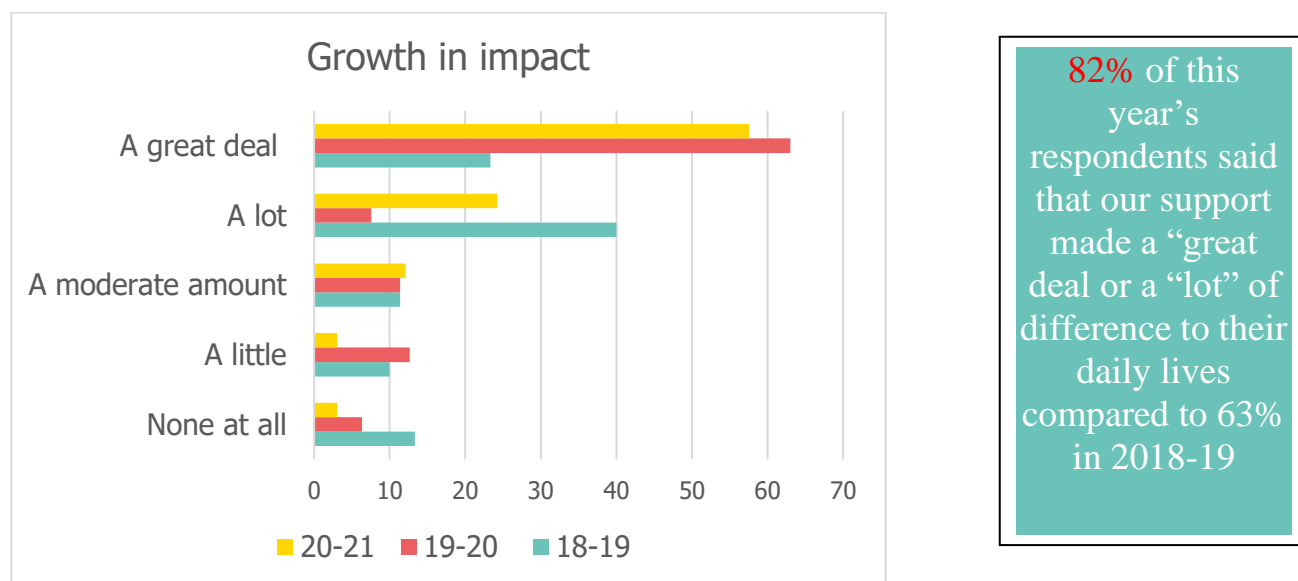
## IMPACT, ACHIEVEMENTS & PERFORMANCE

### 3.1.1 Our Impact



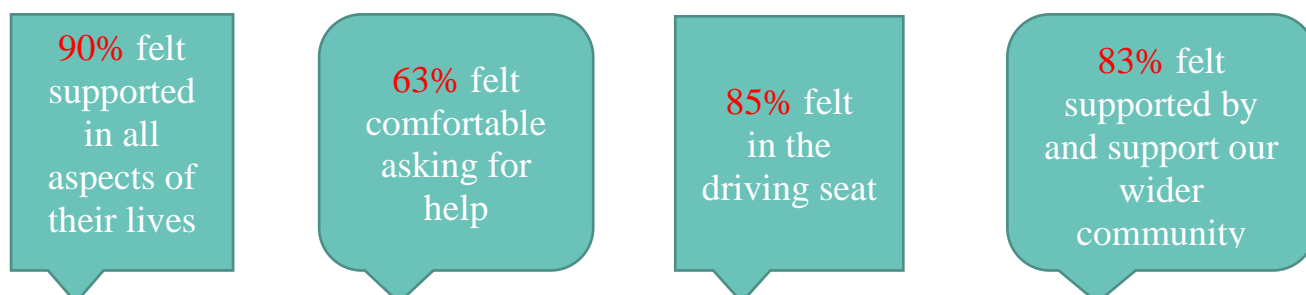
We used several methods to measure the impact of our support on the wellbeing of engineers and families in 2020-21:-an online survey, and email survey and outcomes from partners who provide support and who use clinically validated measures to demonstrate the impact of their work on specific areas of our communities' lives.

The year-on-year comparison of the impact of our support since 2019 is shown below.



**Fig 1** Responses from survey monkey feedback questionnaire

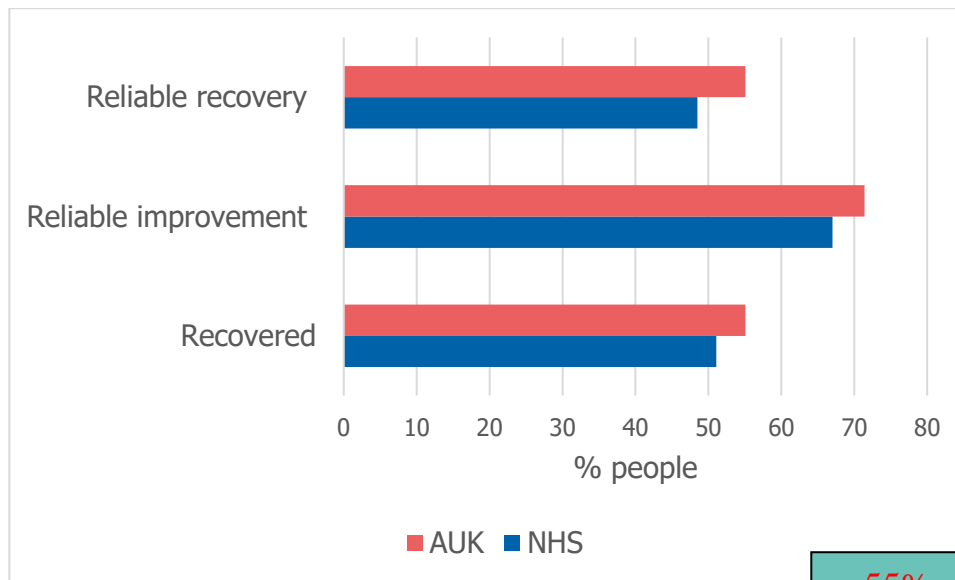
In 2020 -21 we began work with Socialsuite to develop an impact measurement tool based on our four impact statements. Our pilot cohort was selected from community members who had been supported by an emergency COVID grant.



Overall, 81% of the respondents said that our emergency grant had improved their quality of life "a lot" with the remaining 19% saying that it had improved their quality of life "a little" which corresponds with the results from our online survey. As we continue to develop this tool in 2021-22, we will extend our impact measurement across the whole of our direct and partnership support.

Two of our partner organisations use clinically validated tools to measure their impact on the wellbeing of our community with over 50% of the people referred to their services reporting a positive impact on their wellbeing.

Anxiety UK (AUK)



**Fig 2** Impact of AUK therapy 2020-21

**55%** of people had a reliable recovery from their anxiety issues following AUK's intervention (49% with NHS intervention)

## Sleepstation



**Adrian**  
68, IET member



Adrian had been experiencing sleep problems on and off for around five years. His parents both also had experienced sleep problems throughout their lives and he thought that this was a hereditary problem, which he might never be able to recover from.

When we reviewed his sleep it was clear that he was experiencing significant issues and really needed some help to address the problem.

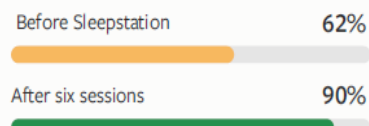
**"I would like more solid sleep** so I am more refreshed and feel like my sleep is under control."

Adrian had consistent trouble falling asleep and worked closely with his sleep coaches to address this issue at the start of the course. After just three sessions his scores for sleep quality had moved into the normal range and he was feeling positive about his ability to control his sleep.

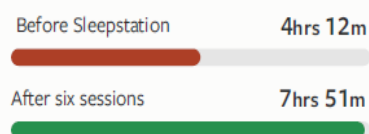
Within five weeks his insomnia symptoms had resolved, with sleep efficiency and sleep duration measures both within the normal range.

"The restricted sleep pattern **has changed my days**. I am waking up less, and for a shorter time during the night. The enforced "no sleep" during the day and the earlier starts have **given me back a lot of daytime**. The reason I enrolled on the programme was to regain control, and this is what I have achieved. For me, **there was an instant change as soon as I started the plan**. Not quite magical, but a big difference. I'm really very pleased with the **outcome, thank you.**"

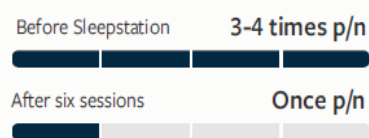
### Sleep efficiency



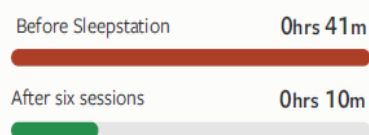
### Total sleep time



### Disruptions to sleep per night















### Time taken to fall asleep



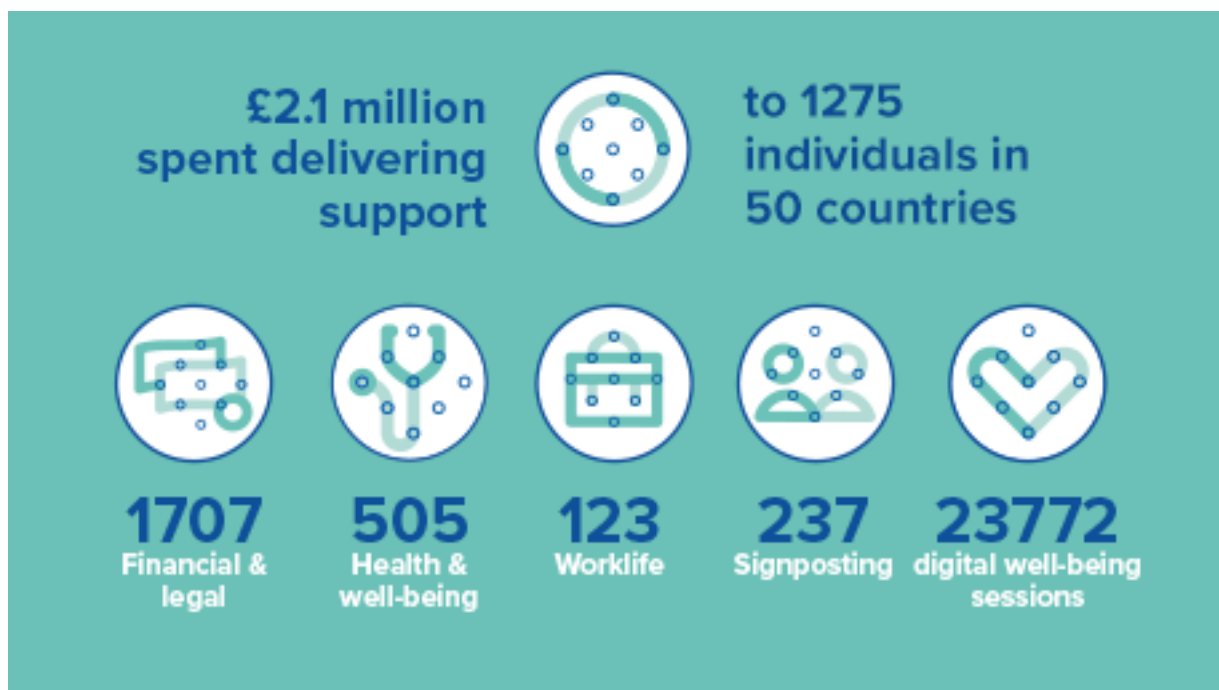
**53%** of people's sleep moved to the normal sleep range after a course of Cognitive Behavioural Therapy insomnia (CBTi) with Sleepstation

### 3.1.2 Our achievements

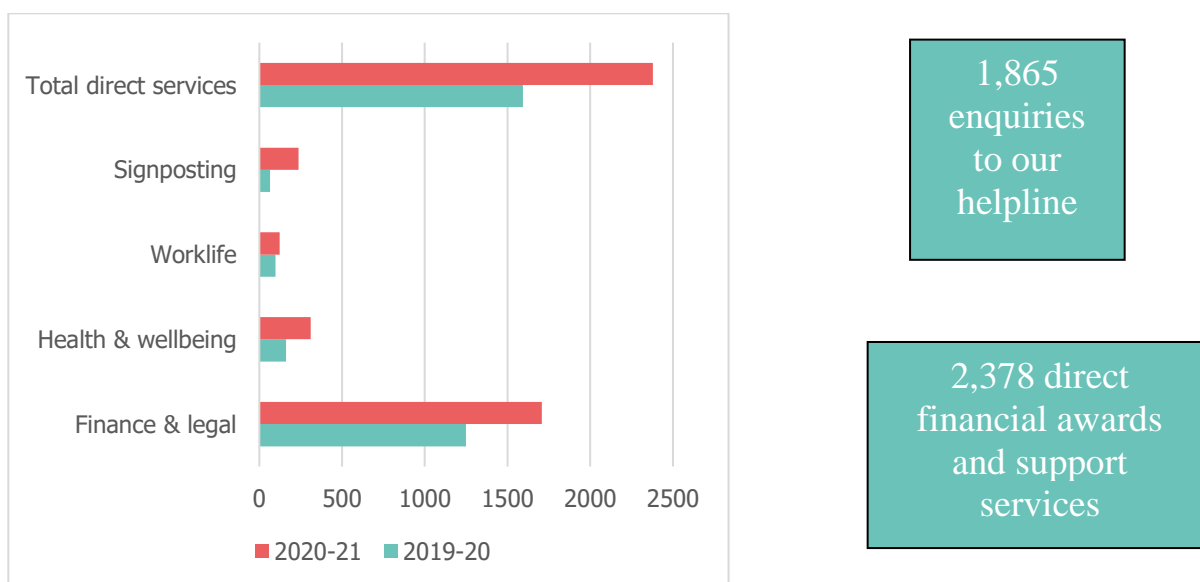
			
<b>Key</b>	Achieved	Ongoing action	Working on it

<b>Providing joined-up, accessible and personalised support</b> <ul style="list-style-type: none"> <li>- implement the individualised grants system in the UK providing an income equal to 75% of the Minimum Income Standard.</li> <li>- develop a system of grants based on individual circumstances for those outside of the UK to replace our fixed grant programme.</li> <li>- initiate a project to consider the feasibility of a grants funding programme for care and disability grants.</li> <li>- expand our legal advice to cover our community outside the UK.</li> </ul>	   
<b>Developing our community</b> <ul style="list-style-type: none"> <li>- pilot an online “Return to work following parental leave” course in partnership with the NCT and Lionheart.</li> <li>- relaunch our pre-retirement course online in partnership with LaterLife.</li> <li>- increase the opportunities for volunteering through contributing to our Friendship team, ambassador and fundraising roles.</li> </ul>	  
<b>Building resilience</b> <ul style="list-style-type: none"> <li>- provide a series of webinars around work life, sleep and emotional wellbeing support.</li> <li>- develop a wellbeing portal featuring life skills tools and peer reviewed content.</li> </ul>	 
<b>Establishing the foundations</b> <ul style="list-style-type: none"> <li>- engaged communities - developing and imbedding our outcomes framework and impact reporting through the Socialsuite platform.</li> <li>- effective communication - Identifying beneficiary, supporter and donor journeys to ensure appropriate and timely communication in line with best practice.</li> <li>- sustainable solutions - Increasing income generation through an active fundraising strategy focussing on individual donors, legacies, and 3<sup>rd</sup> party events.</li> </ul>	  

### 3.1.4 Our performance



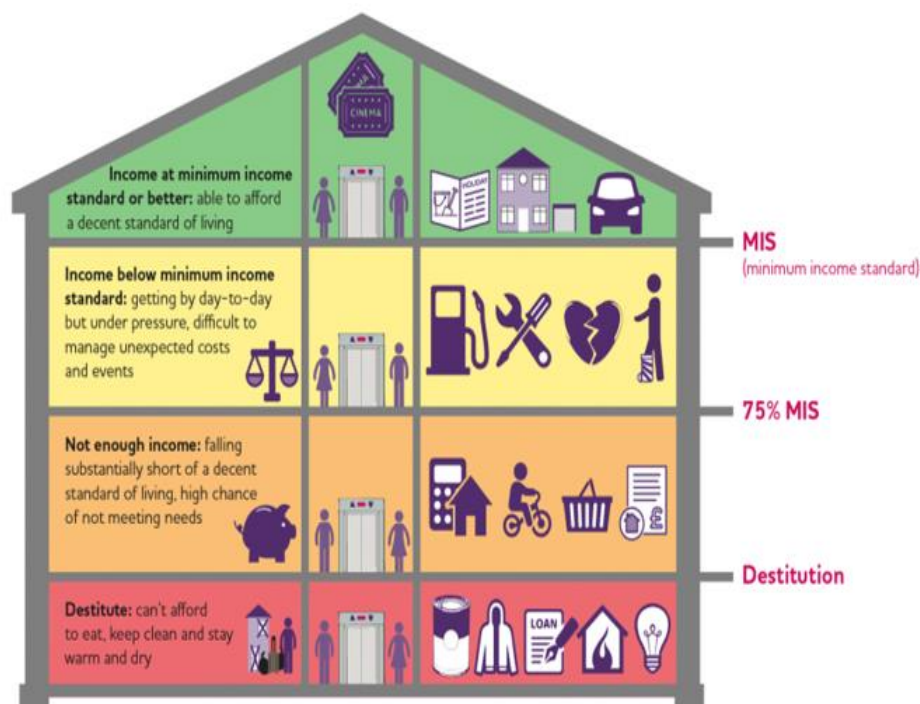
As the effects of the COVID-19 pandemic continued into 2021 we saw a similar pattern of requests for support emerging as we had experienced in 2019 -2020 with a 49% increase in the instances of support provided, mainly through financial and health and wellbeing support.



**Fig 3** Comparison of support categories 2019-20 & 2020-21

### 3.2.3.1 Financial support

The relief of poverty is the foundation on which the work of Foothold is built and although definitions of poverty vary, there is general agreement that poverty encompasses situations when a person's resources are not sufficient to meet their basic needs.



Since 2008 Foothold has aligned its financial support to the work of the Joseph Rowntree Foundation and Loughborough University on Minimum Income Standards.

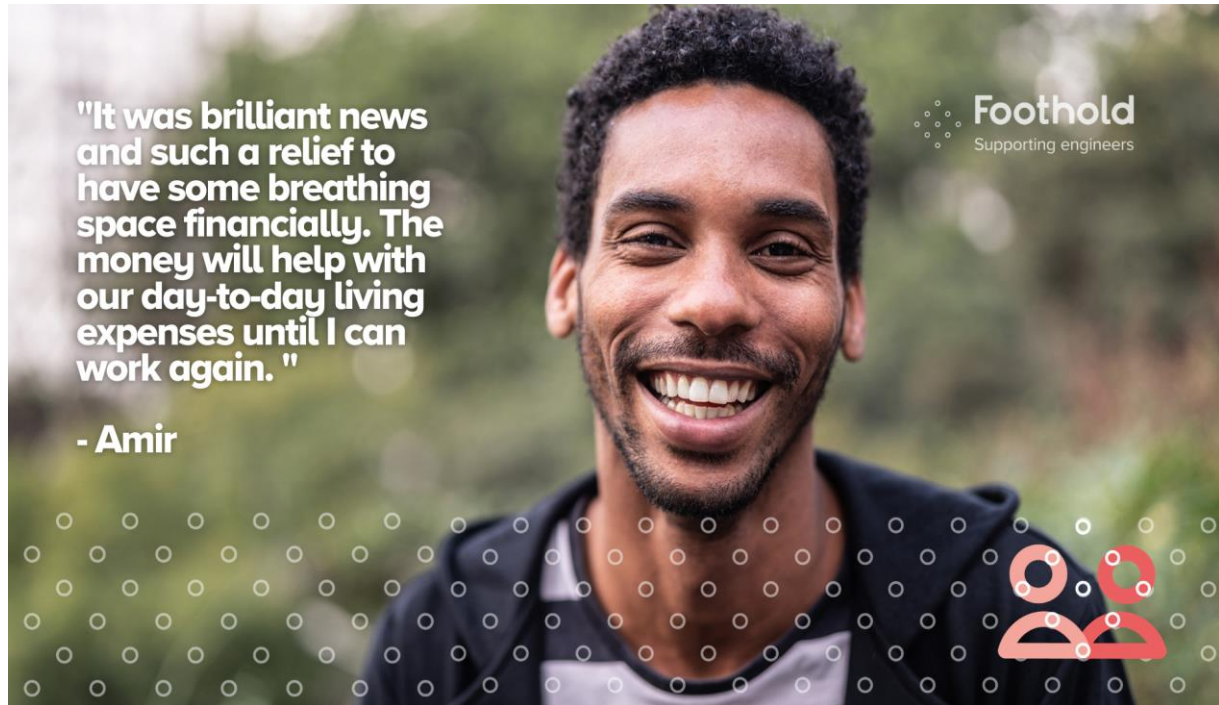
The Minimum Income Standard (MIS) provides a benchmark of income adequacy, rooted in what members of the public think is needed for a minimum socially acceptable standard of living. Individuals whose incomes are below 75% of MIS face a greatly increased likelihood of deprivation compared with those whose incomes are above the MIS threshold. (Stone, J, Padley, M (2021) Households below a Minimum Income Standard: 2008/09–2018/19. York: JRF)

In 2019 we revisited this work and agreed that to help combat poverty in our community we would:

- commit to providing individualised financial awards which would uplift eligible community members income to 75% of the MIS with the potential for one-off support to help manage unexpected costs and events thereby moving our community closer towards achieving a socially acceptable standard of living.



- offer support at times of life events and moments of transition which are known as common triggers for poverty such as getting sick, bereavement, redundancy, or relationship breakdown.



Between April and September 2020, we provided £269k of emergency funding with £75k being spent in Q1 2021

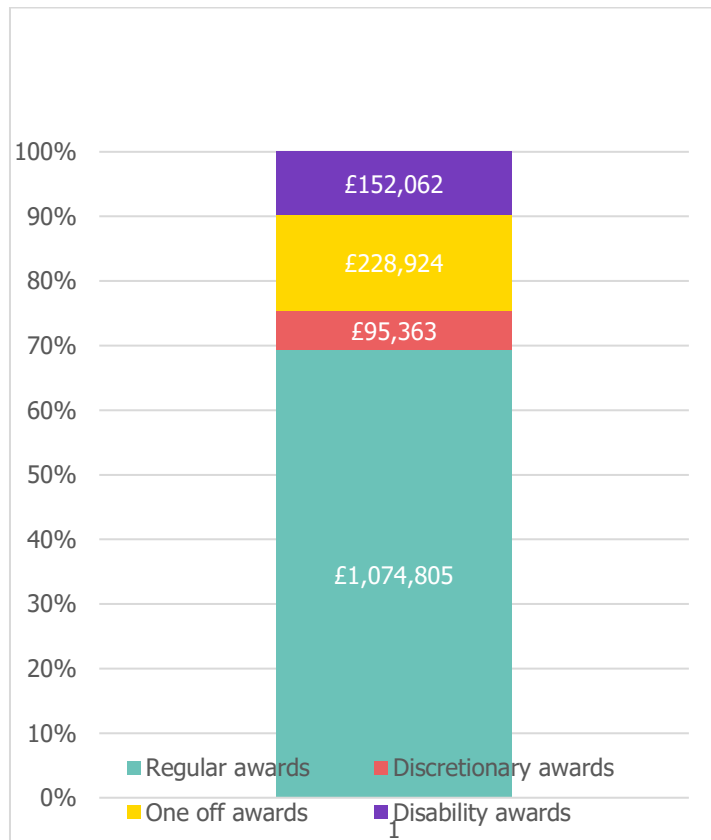
As the financial impact of the COVID-19 restrictions continued to be felt by the community we maintained our fast-track emergency awards process into Q1 of 2020-21.

As the demand for emergency support decreased, we reverted to our standard awards processes in Oct 2020.

In 2020-21 we achieved our goal of providing individualised grants at an additional cost of £300k per annum

In our 20219-20 annual report we said that we were planning a project on the feasibility of a awards funding programme to assist with the distribution of our care and disability awards which are open to the broader engineering community.

Due to the additional workload and staffing pressures caused by the COVID-19 restrictions this project was delayed until 2021-22 when we intend to re energise the project and broaden its scope to also consider the distribution of awards from the Lord Hirst and Wilde Funds.



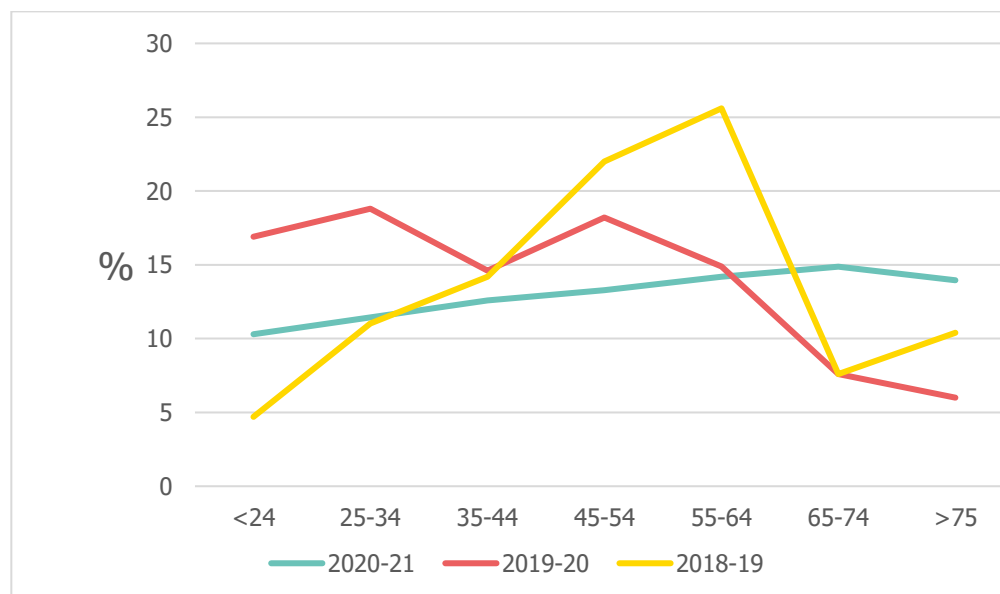
**Fig 4** Financial awards by category 2020-21

Following the fluctuations in the age range of award recipients in previous years, this year's grants were more evenly distributed across the

In 2020-21 we provided a total of £1,555,153 in direct financial awards to 440 community members in 33 countries worldwide, a 17 % increase on the £1,328,622 spent on direct financial awards in 2019-20.

This increase was mainly due to the uplift in regular support in line with our commitment to bring household incomes up to the equivalent of 75% of MIS.

As part of the workstream on developing individualised awards aligned to MIS across the whole of our community, we engaged with other benevolent funds to develop a tool which enables us to calculate our awards in line with local currency and costs of living data.



**Fig 5** Age range of award recipients

## Jon's Story

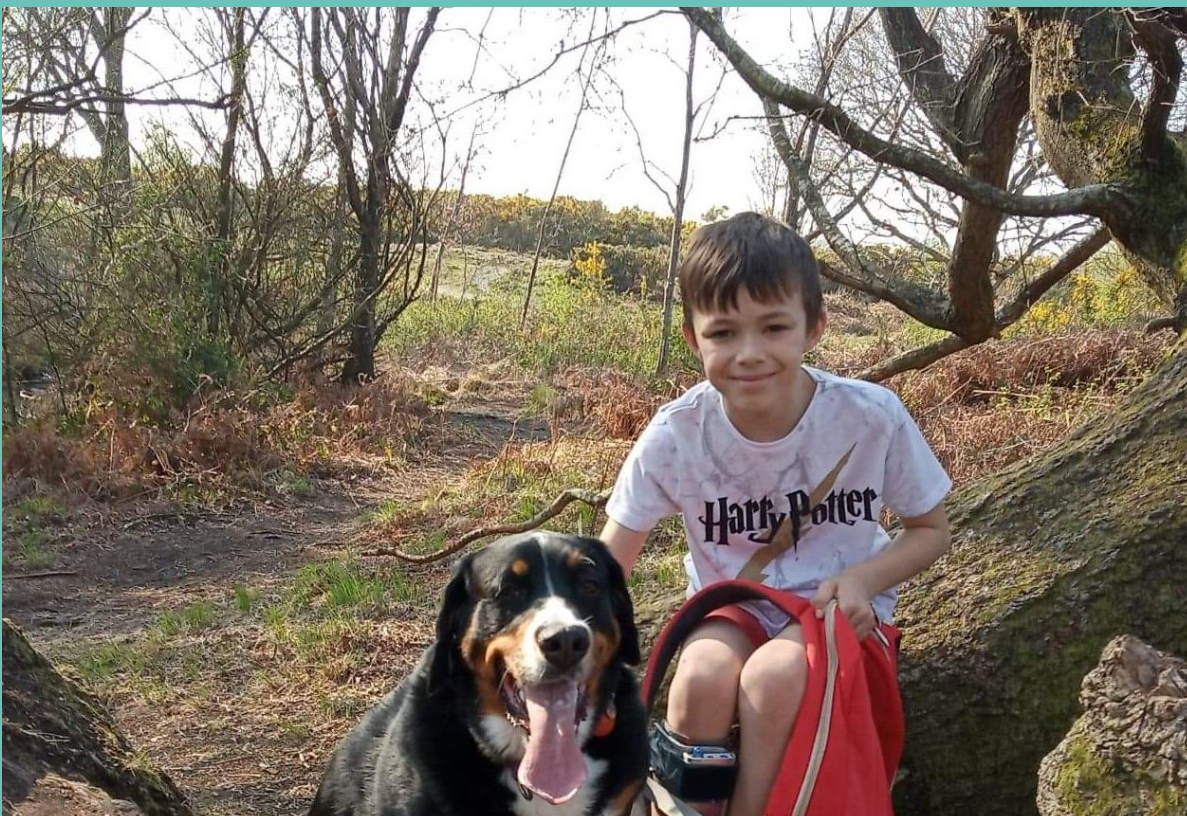
I'm Jon, an engineer in the Royal Navy. My 10-year-old son Ben has hemiplegic cerebral palsy. This affects the right-hand side of his body and without a piece of equipment called a Functional Electrical Simulator (FES) he's unable to walk more than a few hundred metres without exhaustion and pain. The FES is worn on his leg and uses inertial sensors to electrically stimulate his leg muscles in time with his step and keep them moving. Before he had this, he was often reliant on a wheelchair to get to school.

4 years ago, Ben got his first FES device and it transformed his life. It enabled him to enjoy PE at school, play with his mates and take part in archery. He could now walk for miles and we even managed to get him up a Scottish mountain when, before the FES, he struggled to get down the road.

As time went on, the FES began to break regularly. Ben had to miss out on activities, and it began to affect his day-to-day life. Unfortunately, a FES device is not available on the NHS in our area, so we'd need to fund it ourselves to keep Ben mobile.

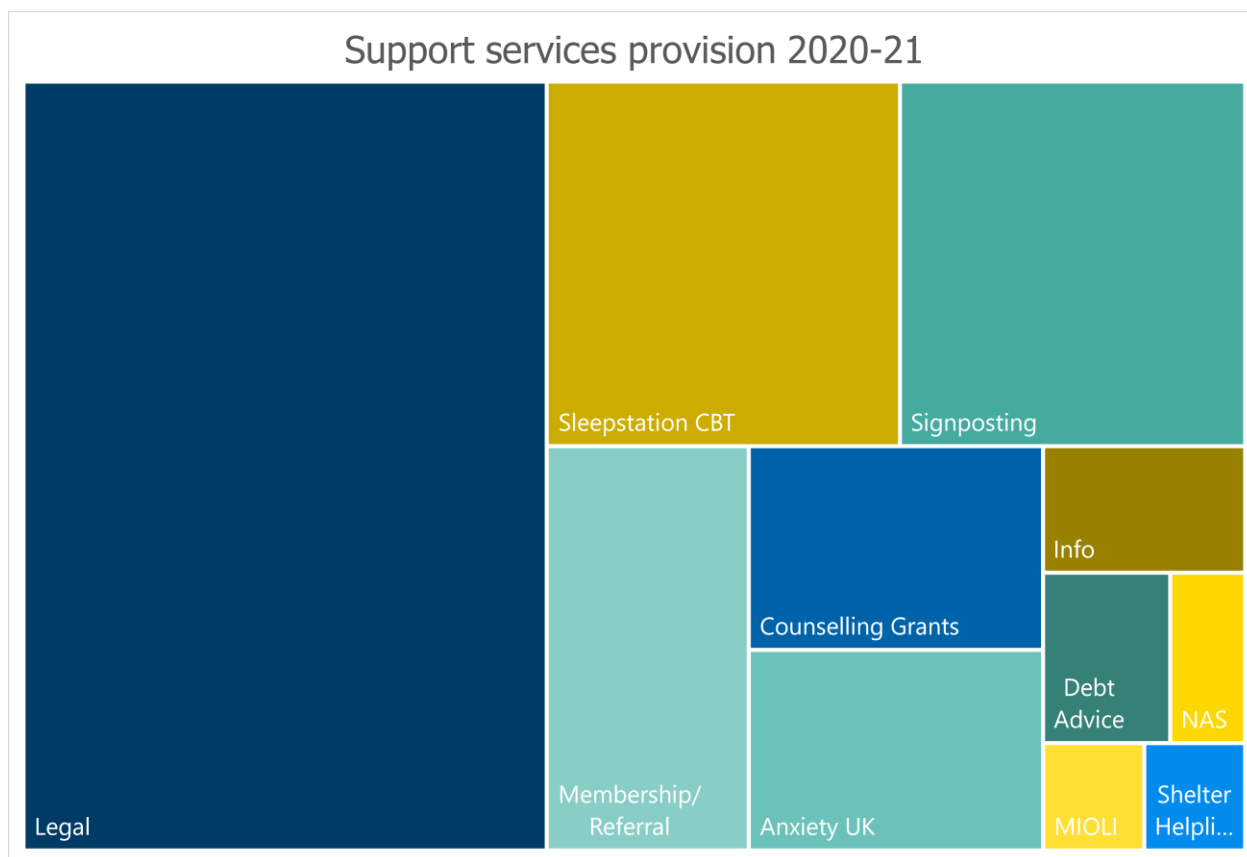
I anticipated the replacement would cost about £1,500 but when I went to look into it, I found the original supplier had ceased trading. The only suitable alternative FES from an alternative manufacturer cost £6,000 for the device, set up and first year's support. I was shocked, and worried about how we would be able to afford this at short notice. I could not allow Ben to return to pain and be reliant on a wheelchair, so we began to look at other options.

I was aware of Foothold as I receive regular email updates through the IET. I got in touch in August and asked if they would be able to fund some of the difference in cost so we could get Ben the new FES. I was so happy and relieved when they said yes and the funds came through quickly, minimising the amount of time Ben had to spend without FES support. It was a huge weight off my mind and he's now back to living his life to the full. Things could have been very different for Ben if Foothold hadn't helped us and we are very grateful for their support.





### 3.2.3.2 Welfare, legal, money and general advice



**Fig 6** levels of support 2020-21

For the second year running financial support exceeded calls to our legal helpline which however remained the second largest support service we provide. Discussions on expanding our legal helpline to cover our community living outside of the UK were postponed in 2020-21 because of the effect of the COVID-19 restrictions on partner organisations capacity.

We reaffirmed our partnership with Stepchange the national debt advice service who launched their “ Expanding referral routes” initiative to make it easier for us to seamlessly refer community members for support with a range of debt related services including IVA’s and debt management programmes.

In response to the issues raised during lockdown around social isolation and loneliness we formed a relationship with the MOVE IT OR LOSE IT Club founded in 2010 to bring people together in their communities to enjoy exercising and socialising and helping them stay fit for life in their own homes through our range of digital resources.

There was a 102% increase in requests for support with IET membership renewals reflecting the pressure on household incomes felt by the community.

### 3.2.3.3 Employment beyond redundancy



#### Poobalan's Story

**“I contacted Foothold and their support has been unbelievable. They have provided me with financial support and also a personal development course. Foothold put me in touch with Chiumento and as a result, I had a few job offers and have now secured another job.”**

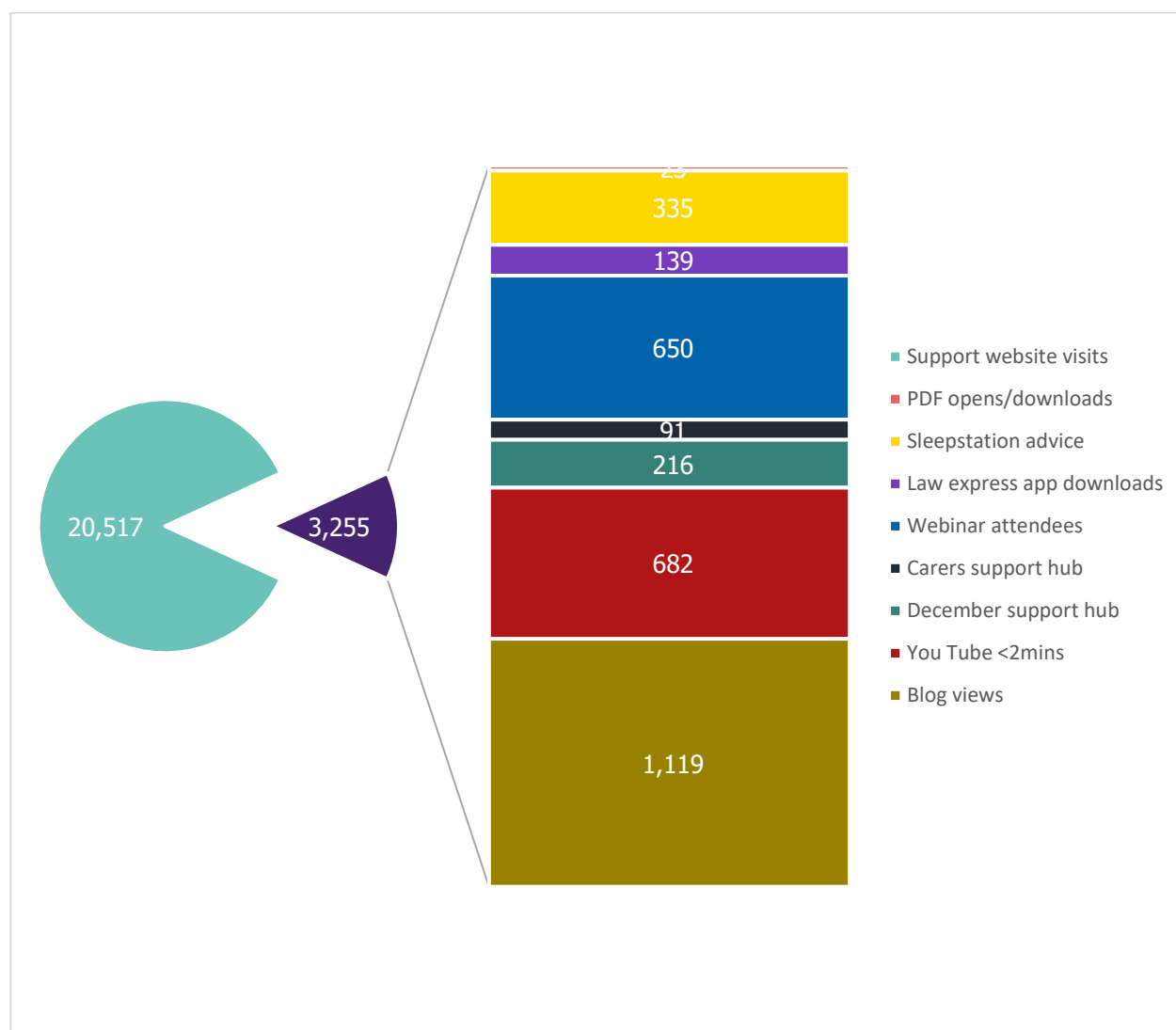


Due to the COVID-19 restrictions all of our partners moved their support either to a virtual platform or phone-based service. We provided 123 individual career coaching courses 25% more than in the previous year and in Q3/4 supported six people through the LaterLife “Retirement planning at home” online course.

### 3.2.3.4 Health and wellbeing support

Our research into the needs of our community in 2019 showed a need for support with both physical and mental health and wellbeing. In response to this need we made a commitment in our 3-year strategy to develop a range of digital support to enhance the direct health and wellbeing support which was already provided.

In 2020-21 we built on the website content developed in 2019 and provided 23,722 sessions of health and wellbeing advice including 13 webinars.



**Fig 7** digital wellbeing support 2020-21

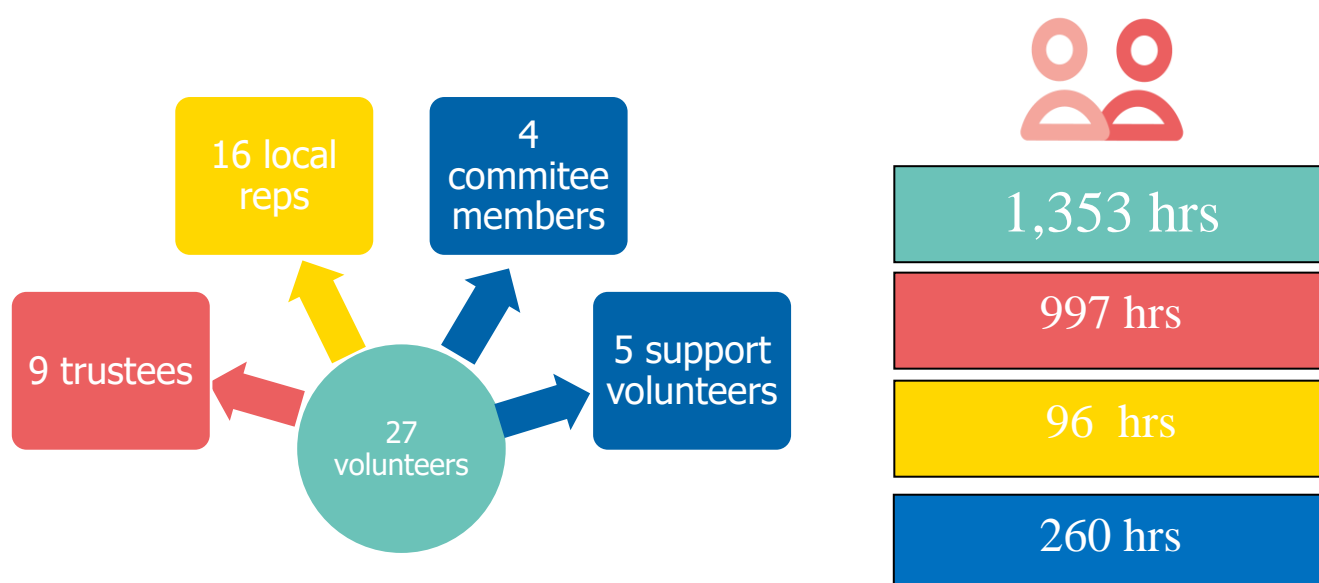
Additionally, in Q1 we began working with Rightsteps to develop a wellbeing portal featuring life skills tools and peer reviewed content. Rightsteps is part of Turning Point, a leading social enterprise who have been delivering mental health, wellbeing and social services for over 55 years.

The wellbeing hub is an online self-service mental health and wellbeing platform that provides our community with 24/7 on demand access to evidence-based support. It helps people to proactively address issues that could be affecting their work and home life, including stress, anxiety and low mood, as well as developing their mental health and wider wellbeing knowledge.

The wellbeing hub was launched in March 2021 and is being supported for three years by a collaboration with Gattaca PLC. In the soft launch period from March to June 2021 there were 194 registrations through the portal.

### 3.2 The Contribution of Volunteers

We are extremely fortunate to have the support of volunteers who add richness and diversity to our organisation and who provided a wide range of skills and expertise during the year.



Local Representatives support Foothold by providing information on our activities to their local networks and business meetings and attend two meetings a year in London or via video conference to hear updates on our work and undertake training sessions

Committee members sit on the Service Development Committee alongside the Trustees, which meets twice a year. They are also involved in case reviews throughout the year to ensure the correct process and procedures have been followed in the consideration and awarding of grants

Support volunteers provide support to members and the staff team. Activities range from a friendly chat once a week, help with form filling, mystery shopping on our website and researching local services and facilities for members who need some help because they can't use or access IT.

## **4. FINANCIAL REVIEW AND RESULTS**

Our income primarily comes from three sources, donations, legacies and investments. During the year we received £548,795 (2019/20 £480,121) in donations mainly from members of the Institution of Engineering and Technology, £180,874 (2019/20 £71,505) in legacies and £567,303 (2019/20 £683,822) in investment income and we spent £2,674,363 (19/ £2,364,391) on our charitable activities (financial assistance, welfare support and advice and career support). The deficit was met by drawing income and capital from our investments. The rise in the value of our investments linked to the recovery of the markets post COVID-19 provided cover for the deficit, with an overall increase in the funds of the Charity of £2,482,762 (2019/20 -£2,311,981)

The financial results of the year are set out in the Statement of Financial Activities on page 40 which has been prepared in accordance with the Financial Reporting Standard 102 Statement of Recommended Practice.

### **4.1 The Funds**

The assets managed by the Charity are divided between two funds, the General Fund and the Speirs Fund (previously known as the Chesters Trust or the Speirs Memorial Fund). The Speirs Fund is further sub-divided into two. The income from the sale of the Speirs House business forms a permanent endowment. The capital in the permanent endowment fund is to be retained for the future use of the charity and will be increased or reduced by any capital gains and losses.

The previous funds held in the Chesters Trust or Speirs Memorial Fund form a restricted income fund. The income from the permanent endowment fund is transferred into the restricted income fund to be spend on the charitable objects of the Speirs Fund

Prior to the sale, Speirs House was run by a wholly owned charitable subsidiary company established by the Board of Trustees. The Speirs Fund has a broader remit than the General Fund as it is open to anyone with an interest in engineering and it is used primarily in the areas of care, disability assistance, promoting and maintaining independence and support for carers of all ages. The General Fund is used to provide financial, legal, welfare and employment support to current and former members of the IET and their dependents.

### **4.2 Investments Policy**

The Trustees' investment powers are governed by Charity and Trustee legislation and regulations and Foothold's memorandum of association, which permits it to invest monies not immediately required for its purposes in securities, property, or other investments as may be thought fit. Our investment managers are signatories to the United Nations-backed Principles for Responsible investment and the Board has decided not to apply any further social, environmental or ethical limitations on the Charity's investment. The investment objectives are to generate a sustainable income stream which at least maintains its real value in future years, and at least to maintain the real capital value of the portfolio over the long term.



When the Trustee Board identified the Charity as a “Retail Investor” they decided to move the portfolio to Rathbone Investment Management Limited and to adopt the Total Return style of investing. However at this time we do not use total return accounting.

#### **4.3 Investment Performance**

The investment target was set as a total return over a 10-year period of an annual average of RPI +4%. Since inception (January 2015) until 30 June 2021 RPI +4% has been +52.3%, but the portfolio has increased on a total return basis by +69.1% compared to the composite index benchmark (which is used for shorter term comparison purposes) of +63.5%. During this year, the portfolio produced a total return of +20.3%, ahead of the composite index benchmark which returned +14.9%, as investment values recovered strongly from the sharp fall observed early in 2020 as a result of the COVID-19 crisis.

#### **4.4 Reserves Policy**

With the increased demands for support in 2020-21 our expenditure exceeded our income by £1,620,395 (2019/20 £1,350,501). Although our donations income exceeded the investment income, our reserves were essential to bridge the gap between expenditure and total income. While Foothold received an increased level of legacies in 20-21, this income stream is subject to variability. Likewise returns from our investment funds are dependent on many factors and can also fluctuate. Having two mainstream sources of income greatly increases the resilience of the charity.

It is imperative that the Charity has reserves that it can fall back on either when there is a deficit due to no legacies being received, a drop in investment return or there is a sudden increase in demand for the Charity’s services. The Trustees annually review the adequacy of Foothold’s reserves, which in this case are defined as that part of the Charity's accumulated surpluses that are available to spend once it has met its commitments and covered its other planned expenditure, often called "free" reserves. It excludes endowed funds that have been invested to provide a secure and predictable income stream; property held for charity use; funds accumulated for a designated purpose within the overall purpose of the Charity; and restricted funds.

The total reserves as at 30 June 2021 were £26,863,872 (2019/20 £24,381,110) of which £3,833,313 (2019/20 £3,244,955) represented restricted funds and £5,084,147 (2019/20 £4,341,446), represented endowment funds. Of the £17,946,412 (2019/20 £16,794,709) unrestricted funds, the following amounts are designated:

- £20,471 which represents fixed assets
- £359,784 which is tied up in repayable grants.
- £14,800,473 which is the value of unrestricted investment funds, less any cash held within investments.

This results in general free reserves excluding the above being £95,037 (2019/20 £449,553) as at 30 June 2021. Investments are designated, as they are vital to the annual income generation. This level of free reserves represents less than 1 months (2019/20 2) of annual expenditure. Although this is below the level of the target set by the Trustees of 6 months expenditure, there are sufficient funds within the investment portfolio to draw down for working capital purposes.

#### **4.5 Pension Liability**

The Charity has a historic pension liability. After new case law (Merchant Navy Ratings Pension Fund Trustees Ltd v Stena Line Ltd 2015) there is no longer felt to be a risk of a Section 75 debt repayment requirement. The triennial pension review as at 31 March 2017 revealed that the previous plan dated 5 March 2015 had been insufficient to clear the deficit by 31 March 2017 due to the pension investments heavy weighting towards gilts. The new plan following the latest review was issued in Dec 2020 and outlines a requirement to make contributions of £1,000 per month until 31 March 2027 to clear the shortfall. See note 1 in the financial statements for further detail.

#### **4.6 Viability of the Charity**

It is the Board's view that Foothold remains financially viable. In light of the increasing need for support expressed by our community during the year the senior management team and Trustees regularly reviewed the costs of providing support against our financial position in order to maintain control of our expenditure. In view of this oversight, our reserves, donation and investment income streams and current cash flow forecast the Trustees believe that there are no material uncertainties about the ability to continue as a going concern.

#### **4.7 Fundraising**

We're very grateful for the continued support of IET members who donate annually via their IET membership subscription, and make additional contributions throughout the year. We rely on donations and legacy gifts from supporters to fund our work. Our achievements would not be possible without them.

2020-21 was year 1 of our new fundraising strategy to grow and diversify our income to meet the increasing needs of the community we support. We're pleased to note that donations were up 13% from £480,121 in 2019/20 to £548,795 in 20/21. This was supported by the introduction of a programme of targeted fundraising appeals which generated £76,000 of new income.

In March 2020 we were pleased to launch our 3-year collaboration with Gattaca plc who generously pledged to fundraise £100,000 over 3 years, to fund our Wellbeing Hub. We're thankful to everyone at Gattaca plc for their support.

Legacy gifts are an important income stream for Foothold. During the year we received generous legacies from 5 supporters totalling £180,874, up from £71,505 in 19/20:

George Costa MSc MIET  
Jean Cox  
John Thomas Duff FIET  
Gary Thomas Norton MIET  
William Parsons MIET

The Charity recognises the requirements of the Charities (Protection and Social Investment) Act 2016 which contains a range of provisions aimed at raising standards in fundraising. These respond to a perceived need among the public for charities fundraising activities to be better regulated following media interest in the death of poppy seller Olive Cooke. We also voluntarily subscribe to the Fundraising Regulator and abide by the fundraising code of conduct. No professional fundraisers or commercial participators have been used this year and no breach of any regulation or code has occurred and no complaints have been received.

Foothold takes the protection of individuals' information seriously. It is committed to ensuring that it complies with principles of good practice within GDPR 2018. We only obtain personal information with the individual's consent and will only use this in a fair and lawful way to further the objects of the Charity. We store personal details securely and will only use them in accordance with our data and privacy policies.

We will only allow information to be used by suppliers working on our behalf and we'll only share it if required to do so by law. We do not share data with third parties.

#### **4.8 Statement of trustees' responsibilities for the annual accounts**

The Trustees (who are also directors of Foothold (The Institution of Engineering and Technology Benevolent Fund) for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 30 June 2021 was 21 (2020:26). The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

## **5. PLANNED DEVELOPMENTS FOR 2020/21**

### **5.1 Providing joined-up, accessible and personalised support**



- initiate a project to consider the feasibility of a grants funding programme for care and disability grants, Lord Hirst and Wilde Fund grants disbursement



- explore expanding our legal advice to cover our community outside the UK



- pilot an online "Return to work following parental leave" course in partnership with the NCT and Lionheart

### **5.2 Developing our community**



- engage with the wider benevolent fund and charitable community, leading discussions on best practice and exploring partnerships that will benefit our community.

### 5.3. Building resilience



- explore the potential of social prescribing in supporting our wider community



- amplifying the voice of other organisations campaigns which positively affect our community through our digital channel

### 5.4 Establishing the foundations



- effective communication - Identifying community member, supporter and donor journeys to ensure appropriate and timely communication in line with best practice.



- sustainable solutions - increasing income generation capacity to support growth of our voluntary income focussing on individual donors, legacies, corporate collaborations and 3<sup>rd</sup> party events.

## 6. STRUCTURE, GOVERNANCE AND MANAGEMENT

### 6.1 Governing document

Foothold (The Institution of Engineering and Technology Benevolent Fund) is a company limited by guarantee, incorporated and registered as a charity on 27 August 1947. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. It is administered by a Board of up to 10 Trustees, who are also the directors of the company for the purposes of company law and under the company's articles. Trustees also serve on Foothold's committees that control various aspects of the Charity's business under delegated authority. All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

### 6.2 Administrative details

Reference and administrative information set out on pages 2 and 3 forms part of this report. The Financial Statements comply with current statutory requirements, the Memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

### 6.3 The Trustee Board

The Articles of association were amended by special resolution of the members of the Fund on 23 March 2006 to help strengthen its links with the Institution of Engineering and Technology (IET), to allow the IET Board of Trustees to appoint two Foothold Trustees with the necessary skills and experience to contribute to the governance of the Charity, and to give the Local Representative Assembly a significant representation on the Board. Whilst the appointment of Trustees was

reviewed by the 2009/10 Working Group reviewing the articles of association, it was felt that the appointment system for Trustees worked well and should not be changed.

The Trustee Board is made up of:

- two Trustees appointed by The IET – of whom at least one must be a current Trustee of The IET
- four Trustees appointed by the Local Representative Assembly
- up to four Trustees appointed by the Board of Trustees

A majority of the Trustees must be members of The IET.

The board, which in 2020-21 comprised initially of nine Trustees and then eight, following the resignation of Francis Fisher in September 2021, meets regularly. Since the Covid-19 restrictions this has been achieved through video conferencing. The Board is supported by four principal committees and the Local Representative Assembly. The Board met on four occasions during this reporting year with an additional meeting as a strategy day.

The Memorandum and Articles of Association allow for a minimum of three and a maximum of ten Trustees. The Trustees have responsibility for the strategic direction of the Charity, delivering its charitable objectives, ensuring that it is a going concern and operating in a professional manner.

The Chief Executive is appointed by the Trustees with delegated authority for operational matters including finance, employment and community member related activity. The Chief Executive is responsible for ensuring that the Charity delivers the services specified and key performance indicators are met.

The senior management team has responsibility for the day-to-day operational management of the Charity, individual supervision of their teams, and ensuring that staff develop their skills and maintain good working practices.

### **6.3.1 Trustee Appointment and Competence**

When a vacancy arises, the Board considers which skills it requires to fulfil its responsibilities for the strategic direction of the Charity and, with reference to the Trustee skills audit, agrees what competencies it requires in any new post. A role description for this appointment is drawn up, together with a recruitment pack and the role is advertised widely. Candidates are asked to submit a CV and covering letter which are then considered by the Remuneration and Nominations committee and where appropriate an interview is offered.

The Local Representative Assembly is entitled to review any Board appointed Trustee and in exceptional circumstances may, if it considers it is in the interests of Foothold, recommend to the

members that their statutory powers to remove a Trustee under the Act should be exercised in respect of that Trustee. The Trustees appointed by The IET are subject to The IET's process of appointment.

A Trustee Skills Register is maintained in accordance with The Institute of Chartered Secretaries and Administrators Guidance and Trustees are asked to complete a skills audit form as part of the annual review process.

### **6.3.2 Trustee Induction and Training**

As part of their induction Trustees receive information from Foothold to brief them on their legal obligations under Charity and Company law. They also receive information on the organisation's objectives and recent financial performance as well as online modules on our Training tracker database covering subjects such as GDPR, staying safe online and safeguarding. Some of these modules are also repeated annually by all of the Trustees and successful completion supports the mitigation for some of the risks identified on the strategic risk register.

Trustees are also encouraged to undertake external training to broaden their knowledge of both their role as Trustees but also of the issues affecting the wider charity sector.

A record is maintained of training undertaken and in 2020-21 Trustees completed fifteen training tracker modules on topics such as equality and diversity, risk assessment and GDPR. Eight Trustees also attended a course on financial reporting led by our auditors Sayer Vincent.

## **6.4 Committees**

### **6.4.1 Service Development Committee**

The Service Development Committee has an overview of the policies and principles governing grant decisions and decides on unusual cases and high value grants. The Service Development Committee also regularly reviews a cross-section of cases to ensure due process has been applied. It works closely with staff to identify trends in requests for assistance particularly where there is a need for new policies (both financial and non-financial) to help meet the ever-evolving needs of IET members and the wider engineering community. Recommendations for new policies are presented to the Board of Trustees for the Board's approval.

### **6.4.2 Audit and Investment Committee**

The Audit and Investment Committee monitors the effectiveness of Foothold's quality controls and risk management. Furthermore, it monitors the performance of investments and the investment management advisors. A key responsibility of the Committee is to make recommendations to the Board on the appointment of Auditors.

During the year a decision was made to change the title of the committee to the Finance, Audit and Risk Committee in recognition of its increased responsibilities in monitoring and overseeing mitigation of the strategic and operational risk registers.

#### 6.4.3 Remuneration and Nominations Committee

The committee serves two purposes. As the Remuneration Committee its purpose is to determine the appropriate remuneration and any changes to terms and conditions of employment of the staff of Foothold. As the Nominations Committee, its purpose is to select new Trustees or a new CEO and to assist the CEO in the selection of new members of the senior management team as well as making decisions on the recruitment, selection and appointment of Trustees and committee members based on the findings of the Trustee skills audit.

#### 6.4.4 Disciplinary Committee

The Disciplinary Committee is appointed by the Board of Trustees as required by the 'Removal of a Volunteer Policy' and disbanded by the Board of Trustees on completion of its work.

#### 6.4.5. Trustee offices and attendance at Board and sub-committees is set out below:

	Board of Trustees	Finance audit risk and investment	Service development	Remuneration and nominations
Dr D Byrne	5/5	6/6*	4/4*	3/3
Dr P B Connor	5/5	6/6		
Mrs V M Hodge	4/5	6/6	4/4	
Mr R North	3/5		1/2	
Mr G Price	5/5	6/6		3/3
Mr T Budd	4/4 1/1 *	5/5		1/1 *
Mr R E H Spalding	5/5	5/6*		3/3
Professor K Sugden	4/4 1/1 *			
Mr F Fisher	4/4		3/4	
Mrs J K Bryant	1/1			
Eur Ing Prof A Dowd	1/1	1/1*	1/1*	
Mrs A D Giles	1/1		1/1	

\* denotes in attendance

#### 6.5 Remuneration Policy

The remuneration of the Senior Management Team, as the Charity's key management personnel, is set by the Board following recommendations made by the Remuneration and Nominations



Committee. The objective is to ensure that the CEO and senior staff are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to Foothold's success. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with other charities to ensure that Foothold remains sensitive to the broader issues such as pay and employment conditions elsewhere. We aim to recruit the most skilled candidates for us to achieve our strategic objectives and have the scope to reward for excellence. The Board of Trustees is in no doubt that the delivery of Foothold's objectives is primarily dependent on our Senior Management Team.

## **6.6 Staff and volunteers with a disability**

The Charity has an equal opportunity policy which includes supporting disabled people employed or volunteering within the Charity and making reasonable adjustments to allow them to do so.

## **6.7 Staff and volunteer information**

The Charity is committed to providing information to staff and volunteers and consulting with them, or their representatives, on a regular basis so that their views can be taken into account when making decisions.

## **6.8 Risk Management**

During the year the Task and Finish group comprising of staff and Trustees completed their workstream to "identify best practice in the identification, assessment and review of the risks faced by Foothold teams and planning for the management of those risks".

The recommendations were

- to separate the current risk register into a Strategic risk register overseen by the Finance, Audit and Risk Committee and the Board of Trustees and an operational risk register managed by the senior management team and reported annually to the Finance Audit and Risk committee
- to amend the classification of risk into four categories governance and impact, reputation, financial and compliance

The recommendations were presented to both the Finance, Audit and Risk Committee and the Board of trustees and were adopted by the Board on 28<sup>th</sup> January 2021.

The Trustees continue to consider risk and a section of the Foothold Risk register at every FARC meeting as well as every Trustee board meeting so that during a 12-month period they will have considered all identified risks.

The Board also considers new risks as they become apparent rather than waiting for the annual review of the appropriate section of the risk register.

The Board of Trustees operates a formal risk management procedure that:

- continuously reviews the strategic risks facing Foothold
- establishes systems and procedures to mitigate identified risk

#### **6.8.1 Strategic risks to the Charity and steps taken to manage and, or mitigate them**

**Turbulent economic environment** leading to potential violent fluctuations in the value of investments and considerable increase in applications for assistance by the charity. This is mitigated by a robust investment policy, regular communications with our investment advisors, annual review of the strategy by the Board to ensure that the economic environment is a key consideration, monitoring of numbers of grants and beneficiaries and financial reporting at each Board meeting.

**Changing government policy** leading to a dramatic impact on the number of applications for support that are received including from overseas beneficiaries. This is mitigated by maintaining awareness of Government policy and welfare benefits that impact the charity and an update on government policy and laws both in the UK and where possible globally at the annual Board strategy day and reviewing the support offered in light of these changes and Foothold's financial constraints.

**Failure to comply with the rules and regulations of Statutory and Regulatory authorities including Data Protection**, leading to complaints, reputational damage, prosecution under the relevant legislation, financial penalties and other regulatory censure. In 2020-21 we engaged an external Data protection officer from Hope & May Ltd who will work with our nominated data protection lead and deputy lead to undertake a full audit of our policies and procedures, updating where necessary and assisting us in maintaining up to date knowledge of the legislation. This new expertise builds on the previous mitigations of quarterly review of compliance by the Board of Trustees and the completion of annual GDPR training for all staff and volunteers in line with our data protection policy and procedures.

**Failure to plan against a cyber-security breach leading to fraud and or compromise of data or operations** leading to damaged reputation, significant loss of funds and inability to conduct charitable activity. This is mitigated by a cyber-security policy underpinned by online training for both staff and volunteers, learning from internal and external incidents and changing systems and processes as required, having insurance cover in place and access to external advisors as necessary.

The Trustees have taken note of the Charity Commission's guidance on working with non-Charities and in 2020-21 a review was undertaken on Foothold's potential collaboration with Gattaca plc and these reviews will continue in 2021-22 as required.

## 6.9 STAKEHOLDERS

Foothold has relationships with many organisations and individuals who could be seen as stakeholders in helping us achieve our objectives and the chart below (Fig 17) gives an indication of those involved:



### **6.9.1 Foothold and The Institution of Engineering and Technology**

Foothold assists past and present members of The Institution of Engineering and Technology (IET) and their dependants who are facing difficulties. The IET is a separate company (No. RC000263) and a separate charity (in England & Wales No. 211014, and in Scotland No. SC038698). While The IET nominates two of Foothold's Trustees, the governance, objectives, administration and funding of Foothold is separate from that of The IET. Individual members of IET support Foothold with direct donations and legacies.

### **6.10 Small companies' exemption statement**

The Trustees annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

### **AUDITOR**

In accordance with the charitable company's articles, a resolution proposing that Sayer Vincent LLP be reappointed as auditor of the charitable company was agreed at the Annual General Meeting on 28 February 2019.

### **ON BEHALF OF THE BOARD OF TRUSTEES**

**Dr D Byrne OBE BSc MBA PhD CEng HonFIET**

**Chairman**

**31 January 2022**

## **INDEPENDENT AUDITOR'S REPORT**

### **OPINION**

We have audited the financial statements of The Institution of Engineering and Technology Benevolent Fund (the 'charitable company') for the year ended 30 June 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 30 June 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

### **BASIS FOR OPINION**

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

### **CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

### **OTHER INFORMATION**

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, has been prepared in accordance with applicable legal requirements.

## **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

## **RESPONSIBILITIES OF TRUSTEES**

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

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

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

## **CAPABILITY OF THE AUDIT IN DETECTING IRREGULARITIES**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and Finance, Audit and Risk Committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 Institution of Engineering and Technology Benevolent Fund

## **USE OF OUR REPORT**

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

Fleur Holden (Senior statutory auditor)  
3 February 2022  
for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL



The Institution of Engineering and Technology Benevolent Fund (trading as Foothold)

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 June 2021

		Unrestricted	Restricted	Speirs Permanent Endowment	2021 Total £	Unrestricted	Restricted	Speirs Permanent Endowment	2020 Total £
	Note	General Fund £	Speirs Fund £	£	£	General Fund £	Speirs Fund £	£	£
<b>Income from:</b>									
Donations		548,795	–	–	<b>548,795</b>	480,121	–	–	480,121
Legacies		180,874	–	–	<b>180,874</b>	71,505	–	–	71,505
Events and sundry income		343	–	–	<b>343</b>	799	–	–	799
Investment income		383,133	78,444	105,726	<b>567,303</b>	482,905	84,141	116,776	683,822
<b>Total income</b>		<b>1,113,145</b>	<b>78,444</b>	<b>105,726</b>	<b>1,297,315</b>	<b>1,035,330</b>	<b>84,141</b>	<b>116,776</b>	<b>1,236,247</b>
<b>Expenditure on:</b>									
Raising funds	3	205,056	16,879	21,413	<b>243,348</b>	185,973	15,441	20,943	222,357
Charitable activities									
Advice and guidance	3	380,318	–	–	<b>380,318</b>	414,745	–	–	414,745
Financial Support	3	2,135,354	158,690	–	<b>2,294,044</b>	1,848,786	100,860	–	1,949,646
<b>Total expenditure</b>		<b>2,720,728</b>	<b>175,569</b>	<b>21,413</b>	<b>2,917,710</b>	<b>2,449,504</b>	<b>116,301</b>	<b>20,943</b>	<b>2,586,748</b>
<b>Net (expenditure) / income before net gains on investments</b>		<b>(1,607,583)</b>	<b>(97,125)</b>	<b>84,313</b>	<b>(1,620,395)</b>	<b>(1,414,174)</b>	<b>(32,160)</b>	<b>95,833</b>	<b>(1,350,501)</b>
Net gains / (losses) on investments		2,759,286	581,766	762,105	<b>4,103,157</b>	(695,807)	(113,393)	(152,280)	(961,480)
<b>Net income /(expenditure) for the year</b>	4	<b>1,151,703</b>	<b>484,641</b>	<b>846,418</b>	<b>2,482,762</b>	<b>(2,109,981)</b>	<b>(145,553)</b>	<b>(56,447)</b>	<b>(2,311,981)</b>
Transfers between funds		–	103,717	(103,717)	–	–	117,931	(117,931)	–
<b>Net movement in funds</b>		<b>1,151,703</b>	<b>588,358</b>	<b>742,701</b>	<b>2,482,762</b>	<b>(2,109,981)</b>	<b>(27,622)</b>	<b>(174,378)</b>	<b>(2,311,981)</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward	15	16,794,709	3,244,955	4,341,446	<b>24,381,110</b>	18,904,690	3,272,577	4,515,824	26,693,091
<b>Total funds carried forward</b>		<b>17,946,412</b>	<b>3,833,313</b>	<b>5,084,147</b>	<b>26,863,872</b>	<b>16,794,709</b>	<b>3,244,955</b>	<b>4,341,446</b>	<b>24,381,110</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Notes 15 to the financial statements.

The Institution of Engineering and Technology Benevolent Fund (trading as Foothold)

Balance sheet

Company no. 00441284

As at 30 June 2021

	Note	£	2021 £	£	2020 £
<b>Fixed assets:</b>					
Tangible assets	9		20,471		30,041
Investments	10		26,506,342		24,236,443
Repayable grants	11		359,784		360,384
			<u>26,886,597</u>		<u>24,626,868</u>
<b>Current assets:</b>					
Debtors	12	256,584		210,804	
Cash at bank and in hand		277,630		285,067	
			<u>534,214</u>	<u>495,871</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	496,939		669,629	
				<u>669,629</u>	
<b>Net current assets/ (liabilities)</b>			<u>37,275</u>		<u>(173,758)</u>
<b>Total assets less current liabilities</b>			<u>26,923,872</u>		<u>24,453,110</u>
Creditors: amounts falling due after one year	14		60,000		72,000
			<u>60,000</u>		<u>72,000</u>
<b>Total net assets</b>			<u>26,863,872</u>		<u>24,381,110</u>
<b>The funds of the charity:</b>					
Restricted income funds	15a		3,833,313		3,244,955
Endowment	15a		5,084,147		4,341,446
Unrestricted income funds:	15a				
Designated funds		15,180,728		15,059,701	
Revaluation reserve		2,670,647		1,285,455	
General funds		95,037		449,553	
			<u>17,946,412</u>	<u>15,059,701</u>	
<b>Total unrestricted funds</b>			<u>17,946,412</u>		<u>16,794,709</u>
<b>Total charity funds</b>			<u>26,863,872</u>		<u>24,381,110</u>

Approved by the trustees on 31 January 2022 and signed on their behalf by

Dr D Byrne OBE BSc MBA PhD CEng HonFIET  
Chairman

The Institution of Engineering and Technology Benevolent Fund (trading as Foothold)

Statement of cash flows

For the year ended 30 June 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities	17				
Net cash used in operating activities			(2,407,998)		(2,125,251)
Cash flows from investing activities:					
Dividends and interest from investments		567,303		683,822	
Purchase of fixed assets		–		(719)	
Proceeds from sale of investments		9,503,391		10,071,178	
Purchase of investments		(8,485,092)		(8,099,607)	
Decrease/(Increase) in cash held for investment by investment managers		814,959		(434,073)	
Net cash provided by investing activities			2,400,561		2,220,601
Change in cash and cash equivalents in the year			(7,437)		95,350
Cash and cash equivalents at the beginning of the year			285,067		189,717
Cash and cash equivalents at the end of the year			277,630		285,067

Notes to the financial statements

For the year ended 30 June 2021

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**1 Accounting policies**

**a) Statutory information**

The Institution of Engineering and Technology Benevolent Fund is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address is Napier House, 24 High Holborn, London, WC1V 6AZ.

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

**c) Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The trustees has considered the impact of covid along with other key risks and consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**f) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

**g) Investment income and dividends**

Investment income is included when receivable.

Notes to the financial statements

For the year ended 30 June 2021

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**1 Accounting policies (continued)**

**h) Fund accounting**

The assets managed by the charitable company are divided between two funds, the General Fund and the Speirs Fund. The Speirs Fund is further sub divided into two funds: Speirs Restricted Fund and Speirs Permanent Endowment Fund.

- The General Fund is an unrestricted fund, which receives funds, which are expendable at the discretion of the trustees in furtherance of the objects of the group.
- The Speirs Fund has a broader remit than the General Fund in terms of who it can assist and it will be used primarily in the area of care, assistance for the disabled and promoting independence where possible and assistance for carers.
- Designated Funds represents the value of unrestricted non current assets (fixed assets, investments and repayable grants) which are not freely available as reserves for the charity.
- The Revaluation Reserve represents the accumulated unrealised gains made on the Charity's unrestricted investment portfolio.

**i) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**j) Grants payable**

Grants paid comprise amounts paid to individuals needing financial assistance.

The full costs of grants are included in the statement of financial activities in the year in which they are approved and communicated to the recipient. If grants that are approved during the year have not been paid, in part or in full, by the end of the year, any unpaid amounts are included, as creditors in the balance sheet.

**k) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Administration and support costs and governance costs have been allocated on the proportion of time spent. These costs have then been reallocated to charitable activities and raising funds on the proportion of direct expenditure under each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**l) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**1 Accounting policies (continued)**

**m) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- |                          |                   |
|--------------------------|-------------------|
| ● Furniture and fittings | 10% straight line |
| ● Leasehold improvements | 10% straight line |

**n) Repayable grants**

These are loans that have been made as part of our charitable activities and are included in the accounts at cost less any impairments and amounts repaid. An annual impairment review is undertaken and any impairment identified is charged to resources expended on charitable activities.

Outstanding grants are accounted for as assets of Foothold, and in some cases may be repaid after more than one year from the balance sheet date.

**o) Listed investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a revaluation reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The Charity does not acquire put options, derivatives or other complex financial instruments.

**p) 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.

**q) 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.

**r) 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.

**s) Financial instruments**

With the exception of the listed investments described above 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.

Notes to the financial statements

For the year ended 30 June 2021

1 Accounting policies (continued)

t) Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the Charity to the fund.

The pension charge in the accounts also relates to employees who are members of the IEE Superannuation and Assurance Scheme, a defined benefit pension scheme. Foothold is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis to meet the full requirements of the Financial Reporting Standard on Pensions, FRS 102. Therefore Foothold's contributions to the scheme are accounted for as if the scheme was a defined contribution scheme.

2 Detailed comparatives for the statement of financial activities

	Unrestricted £	Speirs Fund £	Permanent Endowment £	2020 Total £
<b>Income from:</b>				
Donations	480,121	–	–	480,121
Legacies	71,505	–	–	71,505
Events and sundry income	799	–	–	799
Investment income and interest	482,905	84,141	116,776	683,822
<b>Total income</b>	<b>1,035,330</b>	<b>84,141</b>	<b>116,776</b>	<b>1,236,247</b>
<b>Expenditure on:</b>				
Raising funds	185,973	15,441	20,943	222,357
Charitable activities expenditure				
Advice and guidance	414,745	–	–	414,745
Financial Support	1,848,786	100,860	–	1,949,646
<b>Total expenditure</b>	<b>2,449,504</b>	<b>116,301</b>	<b>20,943</b>	<b>2,586,748</b>
<b>Net (expenditure)/ income before gains / (losses) on investments</b>	<b>(1,414,174)</b>	<b>(32,160)</b>	<b>95,833</b>	<b>(1,350,501)</b>
Net (losses) on investments	(695,807)	(113,393)	(152,280)	(961,480)
<b>Net (expenditure) /income</b>	<b>(2,109,981)</b>	<b>(145,553)</b>	<b>(56,447)</b>	<b>(2,311,981)</b>
Transfers between funds	–	117,931	(117,931)	–
<b>Net movement in funds</b>	<b>(2,109,981)</b>	<b>(27,622)</b>	<b>(174,378)</b>	<b>(2,311,981)</b>
<b>Total funds brought forward</b>	<b>18,904,690</b>	<b>3,272,577</b>	<b>4,515,824</b>	<b>26,693,091</b>
<b>Total funds brought forward (as restated)</b>	<b>18,904,690</b>	<b>3,272,577</b>	<b>4,515,824</b>	<b>26,693,091</b>
<b>Total funds carried forward</b>	<b>16,794,709</b>	<b>3,244,955</b>	<b>4,341,446</b>	<b>24,381,110</b>

The Institution of Engineering and Technology Benevolent Fund (trading as Foothold)

Notes to the financial statements

For the year ended 30 June 2021

3a Analysis of expenditure (current year)

	Charitable activities						2021 Total £	2020 Total £
	Raising funds £	Welfare, employment/ career, legal, money and general advice £	Employment beyond redundancy £	Financial Assistance £	Governance costs £	Support costs £		
Staff costs (Note 5)	88,839	63,581	19,180	89,507	108,355	189,633	559,094	491,941
Staff recruitment and other costs	–	–	–	–	–	13,762	13,762	8,389
Investment management fees	121,563	–	–	–	–	–	121,563	119,511
Grants payable to individuals	–	72,615	92,967	1,504,131	–	–	1,669,713	1,429,256
Marketing & publicity	1,709	–	–	–	–	74,175	75,884	97,836
Rent & services	288	–	–	–	–	274,938	275,226	211,245
Travelling & meeting costs	–	–	–	–	212	–	212	4,297
Legal & professional fees	–	17,958	–	–	11,675	–	29,633	20,367
Accountancy and audit fees	–	–	–	–	9,130	–	9,130	17,430
Depreciation	–	–	–	–	–	9,570	9,570	9,591
Other costs	30,949	–	–	13	–	122,961	153,923	176,885
	243,348	154,154	112,147	1,593,651	129,372	685,039	2,917,710	2,586,748
Support costs	–	54,803	41,102	589,133		(685,039)	–	–
Governance costs	–	10,350	7,762	111,260	(129,372)		–	–
<b>Total expenditure 2021</b>	<b>243,348</b>	<b>219,307</b>	<b>161,011</b>	<b>2,294,044</b>	<b>–</b>	<b>–</b>	<b>2,917,710</b>	<b>2,586,748</b>
Total expenditure 2020	222,357	280,612	134,133	1,949,646	–	–	2,586,748	

All Grants are to individuals.



The Institution of Engineering and Technology Benevolent Fund (trading as Foothold)

Notes to the financial statements

For the year ended 30 June 2021

3b Analysis of expenditure (prior year)

	Charitable activities						
	Raising funds £	Welfare, employment/ career, legal, money and general advice £	Employment beyond redundancy £	Financial Assistance £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 5)	59,914	116,578	14,354	49,965	101,974	149,156	491,941
Staff recruitment and other costs	–	–	–	–	–	8,389	8,389
Investment management fees	119,511	–	–	–	–	–	119,511
Grants payable to individuals	–	51,555	79,062	1,298,639	–	–	1,429,256
Marketing & publicity	2,567	–	–	–	–	95,269	97,836
Rent & services	878	–	–	–	–	210,367	211,245
Travelling & meeting costs	–	–	–	572	3,725	–	4,297
Legal & professional fees	–	17,698	–	–	2,669	–	20,367
Accountancy and audit fees	–	–	–	–	17,430	–	17,430
Depreciation	–	–	–	–	–	9,591	9,591
Other costs	39,487	9,600	–	968	–	126,830	176,885
	222,357	195,431	93,416	1,350,144	125,798	599,602	2,586,748
Support costs	–	70,181	33,547	495,874	–	(599,602)	–
Governance costs	–	15,000	7,170	103,628	(125,798)	–	–
<b>Total expenditure 2020</b>	<b>222,357</b>	<b>280,612</b>	<b>134,133</b>	<b>1,949,646</b>	<b>–</b>	<b>–</b>	<b>2,586,748</b>

Notes to the financial statements

For the year ended 30 June 2021

**4 Net income / (expenditure) for the year**

This is stated after charging:

	2021 £	2020 £
Depreciation	9,570	9,592
Operating lease rentals:		
Property	119,155	128,500
Auditor's remuneration (excluding VAT):		
Audit	8,300	8,100
Under provision for prior year	–	3,500
Other services	2,000	2,750
	<u>2,000</u>	<u>2,750</u>

**5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	484,285	430,778
Social security costs	49,099	42,544
Employer's contribution to defined contribution pension scheme	25,710	18,619
	<u>559,094</u>	<u>491,941</u>

The Senior Management Team's employee remuneration including national insurance and pension totalled £219,731 (2019: £251,151). Foothold now operates a defined contribution pension scheme for all permanent staff.

In 2021 one member of staff (2020: 1) received a salary excluding national insurance between £70,000 and £80,000.

Payments under the previous deficit reduction plan continue to be made until March 2027. Following the 2017 triannual review, an agreement was made and Foothold will continue to make additional contributions to reduce the share of the deficit on past service at the previous rate of £1,000 a month, which has been recognised with staff costs. This was fully recognised in 2018.

**6 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 15 (2020: 12).

**7 Related party transactions**

No members of the Board of Trustees received any remuneration for the services to Foothold for the year. During the year travel and subsistence cost totalling £117 were reimbursed to 1 trustee (2020: £3,516 to 12 trustees), and £95 was incurred by Foothold on behalf of the trustees for meetings and event costs (2020: £1,273). Foothold provides and pays for trustee indemnity cover.

Donations were made by Trustees in the year totalling £260 by 4 trustees there were donations totalling £85 from 6 trustees in the prior year.

**8 Taxation**

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

## Notes to the financial statements

For the year ended 30 June 2021

## 9 Tangible fixed assets

	Leasehold improvements £	Furniture & equipment £	Total £
<b>Cost</b>			
At the start of the year	73,973	22,660	<b>96,633</b>
Additions in year	–	–	–
At the end of the year	<b>73,973</b>	<b>22,660</b>	<b>96,633</b>
<b>Depreciation</b>			
At the start of the year	51,780	14,812	<b>66,592</b>
Charge for the year	7,397	2,173	<b>9,570</b>
At the end of the year	<b>59,177</b>	<b>16,985</b>	<b>76,162</b>
<b>Net book value</b>			
<b>At the end of the year</b>	<b>14,796</b>	<b>5,675</b>	<b>20,471</b>
At the start of the year	<b>22,193</b>	<b>7,848</b>	<b>30,041</b>

All of the above assets are used for charitable purposes.

## 10 Listed investments

	General fund (Unrestricted) £	Speirs Fund (Restricted) £	Speirs Permanent Endowment (Restricted) £	2021 Total £	2020 Total £
Fair value at the start of the year	15,954,731	3,047,120	4,149,787	<b>23,151,638</b>	26,084,689
Purchases	5,535,411	1,332,606	1,617,075	<b>8,485,092</b>	8,099,607
Sales proceeds	(6,778,308)	(1,153,292)	(1,571,791)	<b>(9,503,391)</b>	(10,071,178)
Realised and unrealised gain/(loss)	2,759,286	581,766	762,105	<b>4,103,157</b>	(961,480)
	<b>17,471,120</b>	<b>3,808,200</b>	<b>4,957,176</b>	<b>26,236,496</b>	23,151,638
Cash held by investment broker pending reinvestment	78,150	62,558	129,138	<b>269,846</b>	1,084,805
Fair value at the end of the year	<b>17,549,270</b>	<b>3,870,758</b>	<b>5,086,314</b>	<b>26,506,342</b>	24,236,443

## 10b Listed investments (prior year)

	General fund (Unrestricted) £	Speirs Fund (Restricted) £	Speirs Permanent Endowment (Restricted) £	2020 Total £
Fair value at the start of the year	18,499,330	3,175,084	4,410,275	<b>26,084,689</b>
Purchases	5,487,664	1,134,931	1,477,012	<b>8,099,607</b>
Sales proceeds	(7,336,456)	(1,149,502)	(1,585,220)	<b>(10,071,178)</b>
Realised and unrealised gain/(loss)	(695,807)	(113,393)	(152,280)	<b>(961,480)</b>
	<b>15,954,731</b>	<b>3,047,120</b>	<b>4,149,787</b>	<b>23,151,638</b>
Cash held by investment broker pending reinvestment	665,334	222,767	196,704	<b>1,084,805</b>
Fair value at the end of the year	<b>16,620,065</b>	<b>3,269,887</b>	<b>4,346,491</b>	<b>24,236,443</b>

Notes to the financial statements

For the year ended 30 June 2021

**11 Repayable grants**

	2021 Total £	2020 Total £
Repayable grants at the start of the year	360,384	410,726
Repayments	(600)	(50,342)
Repayable grants at the end of the year	<u>359,784</u>	<u>360,384</u>

**12 Debtors**

	2021 £	2020 £
Trade debtors	12,948	32,948
Other debtors	6,416	4,573
Accrued income & prepayments	237,220	173,283
	<u>256,584</u>	<u>210,804</u>

**13 Creditors: amounts falling due within one year**

	2021 £	2020 £
Trade creditors	151,766	188,967
Other creditors	3,793	6,363
Accruals	106,331	85,718
Defined benefit pension scheme	12,000	12,000
Grants payable	223,049	376,581
	<u>496,939</u>	<u>669,629</u>

**14 Creditors: amounts falling due after one year**

	2021 £	2020 £
Defined benefit pension scheme	60,000	72,000
	<u>60,000</u>	<u>72,000</u>

At 30 June 2021 Foothold had future commitments of £72,000 in respect of the pension scheme (2020: £84,000). £12,000 is within current liabilities. Contributions of £1,000 a month will continue to be made until March 2027.

## Notes to the financial statements

For the year ended 30 June 2021

## 15a Movements in funds (current year)

	At 1 July 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2021 £
<b>Restricted funds</b>	3,244,955	660,210	(175,569)	103,717	<b>3,833,313</b>
<b>Endowment funds</b>	4,341,446	867,831	(21,413)	(103,717)	<b>5,084,147</b>
<b>Designated funds:</b>					
Fixed assets	30,041	–	(9,570)	–	<b>20,471</b>
Repayable grants	360,384	–	–	(600)	<b>359,784</b>
Investments	14,669,276	131,197	–	–	<b>14,800,473</b>
Total designated funds	15,059,701	131,197	(9,570)	(600)	<b>15,180,728</b>
<b>Revaluation reserve</b>	1,285,455	1,385,192	–	–	<b>2,670,647</b>
<b>General funds</b>	449,553	2,356,042	(2,711,158)	600	<b>95,037</b>
<b>Total unrestricted funds</b>	16,794,710	3,872,431	(2,720,728)	–	<b>17,946,412</b>
<b>Total funds</b>	24,381,110	5,400,472	(2,917,710)	–	<b>26,863,872</b>

The narrative to explain the purpose of each fund is given at the foot of the note below.

## 15b Movements in funds (prior year)

	At 1 July 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2020 £
<b>Restricted funds</b>	3,272,577	84,141	(229,694)	117,931	<b>3,244,955</b>
<b>Endowment funds</b>	4,515,824	116,776	(173,223)	(117,931)	<b>4,341,446</b>
<b>Designated funds:</b>					
Fixed assets	38,914	–	(9,592)	719	<b>30,041</b>
Repayable grants	410,726	–	–	(50,342)	<b>360,384</b>
Investments	15,562,398	–	–	(893,122)	<b>14,669,276</b>
Total designated funds	16,012,038	–	(9,592)	(942,745)	<b>15,059,701</b>
<b>Revaluation reserve</b>	2,936,932	–	–	(1,651,477)	<b>1,285,455</b>
<b>General funds</b>	(44,280)	1,035,330	(3,135,719)	2,594,222	<b>449,553</b>
<b>Total unrestricted funds</b>	18,904,690	1,035,330	(3,145,311)	–	<b>16,794,710</b>
<b>Total funds</b>	26,693,091	1,236,247	(3,548,228)	–	<b>24,381,110</b>

**Purposes of restricted funds**

The Speirs Fund has a broader remit than the General Fund in terms of who it can assist and it will be used primarily in the area of care, assistance for the disabled and promoting independence where possible and assistance for carers.

**Purposes of endowment funds**

The Speirs Fund is further sub divided into two funds: Speirs Restricted Fund and Speirs Permanent Endowment Fund.

Transfers may take place from the General Fund to the Speirs Fund but not vice versa in accordance with the Charity Commission scheme. Also between the permanent endowment and restricted funds for the income.

**Designated Funds**

Designated Funds represents the value of unrestricted non current assets (fixed assets, investments and repayable grants) which are not freely available as reserves for the charity.

Notes to the financial statements

For the year ended 30 June 2021

16a Analysis of net assets between funds (current year)

	Restricted £	Endowment funds £	Designated funds £	Revaluation reserve £	General funds £	Total funds £
Tangible fixed assets	–	–	20,471	–	–	20,471
Repayable grants	–	–	359,784	–	–	359,784
Investments	3,870,758	5,086,314	14,800,473	2,670,647	78,150	26,506,342
Net current assets/ (liabilities)	(37,445)	(2,167)	–	–	76,887	37,275
Long term liabilities	–	–	–	–	(60,000)	(60,000)
<b>Net assets at 30 June 2021</b>	<b>3,833,313</b>	<b>5,084,147</b>	<b>15,180,728</b>	<b>2,670,647</b>	<b>95,037</b>	<b>26,863,872</b>

16b Analysis of net assets between funds (prior year)

	Restricted £	Endowment funds £	Designated funds £	Revaluation reserve £	General funds £	Total funds £
Tangible fixed assets	–	–	30,041	–	–	30,041
Repayable grants	–	–	360,384	–	–	360,384
Investments	3,269,887	4,346,491	14,669,276	1,285,455	665,334	24,236,443
Net current (liabilities)/ assets	(24,932)	(5,045)	–	–	(143,781)	(173,758)
Creditors: amounts due after one	–	–	–	–	(72,000)	(72,000)
<b>Net assets at 30 June 2020</b>	<b>3,244,955</b>	<b>4,341,446</b>	<b>15,059,701</b>	<b>1,285,455</b>	<b>449,553</b>	<b>24,381,110</b>

17 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2021 £	2020 £
<b>Net income/ (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>2,482,762</b>	<b>(2,311,981)</b>
Depreciation charges	9,570	9,592
Losses /(Gains) on investments	(4,103,157)	961,480
Dividends and interest from investments	(567,303)	(683,822)
Decrease in repayable grants	600	50,342
(Increase) in debtors	(45,780)	(98,753)
(Decrease) in creditors	(184,690)	(52,109)
<b>Net cash (used in) operating activities</b>	<b>(2,407,998)</b>	<b>(2,125,251)</b>

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2021 £	2020 £
Less than one year	128,500	128,500
One to two years	101,729	128,500
Two to five years	–	107,083
	<b>230,229</b>	<b>364,083</b>

19 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.