

GUILD OF BENEVOLENCE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Charity No. 208727

**The Guild of Benevolence of the
Institute of Marine Engineering, Science and Technology**
Annual Report and Financial Statements for the year ended 30 Sept 2018

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INFORMATION ABOUT THE CHARITY AS AT 30 SEPTEMBER 2018

Address

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

Legal Structure

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

Organisation

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

The trustees who served during the year and the dates of their election, death or retirement were as follows:

	Appointed	Retired	
A D Muncer RD CEng CMarEng FIMarEST	(Chairman) 11 March 2010		Past Trustee of the IMarEST
Eur Ing G J McKenzie CEng CMarEng FIMarEST	(Honorary Treasurer) 11 March 2010		Past Trustee of IMarEST
Mr D P Loosley	(Honorary Secretary) 07 November 2011		Chief Executive of IMarEST
F B Mungo CEng CMarEng FIMarEST	13 March 2008	15 March 2018	Hon Treasurer and Trustee of IMarEST & Past President of IMarEST
Prof M J C Crabbe CMarSci FIMarEST	27 March 2014		Council member of IMarEST
Cdr W K Ridley CEng CMarEng FIMarEST	21 March 2013		
Eur Ing B McDearmid CEng CMarEng FIMarEST FIMechE MRINA	21 March 2013		Past member of Council of IMarEST
Eur Ing T Aston CEng CMarEng FIM	27 March 2014		Past member of Council of IMarEST
D D Ward CEng CMarEng FIMarEST	13 March 2015	15 March 2018	

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Dr D W Williams CB JP CEng CMarEng FIMarEST FRAes	13 March 2015	Past President of IMarEST
Eur Ing C G Loughran RD MNM VR MSc CEng CMarEng FIMarEST	18 March 2016	Past member of Council of IMarEST
W Findlay CEng CMarEng FIMarEST	16 March 2017 15 March 2018	Past member of Council of IMarEST
P M Low CEng CMarEng FIMarEST	Co-Opted 13 March 2015 15 March 2018	Past Hon Treasurer of IMarEST, Past member of Council of IMarEST
M Murphy CMarEng FIMarEST	15 March 2018	Hon Treasurer and Trustee of IMarEST & Past President of IMarEST
W N Paterson IEng IMarEng MIMarEST	15 March 2018	Council Member of IMarEST
Eur Ing P S Rickaby CEng CMarEng HonFIMarEST FCMI	15 March 2018	Past President of IMarEST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2018

The Trustees submit their Report and Financial Statement for the year ended 30 September 2018.

The Governing Document

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

The Organisational Structure

- The Charity is managed by the full Committee of Management, which comprises all the trustees. The committee normally meets every quarter. The Relief sub-committee of five trustees has delegated powers to grant relief in cases of emergency between committee meetings. A full-time member of staff employed by the Charity assists both committees. Some assistance is also rendered by officers of the IMarEST for which the Charity pays a fee.

Risk Assessment

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

Recruitment, Appointment and Training of Trustees

- Trustees for the Charity are drawn from the membership of the Guild of Benevolence usually by word of mouth, but also from the publicity that the Charity receives via IMarEST publications. The Secretary and Honorary Treasurer of the IMarEST are ex-officio Trustees of the Guild. Trustees are elected by the members of the Guild in general meeting for a period of three years after which they are eligible for re-election for a further period of three years. Retiring trustees are then obliged to stand down for one year. However, the Honorary Treasurer retires annually, but is eligible for re-election.

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9. To be effective in office, Trustees of the Guild need a good understanding of the role and responsibilities of a charity trustee and must be aware of the legal rules on eligibility that govern such an office. All new trustees have their duties and legal, financial and managerial responsibilities and liabilities explained to them. They are informed about the Guild, its vision and values, its aims, programmes, sources of income, and the context in which it operates. They are also provided with a copy of the Guild's governing document. All this is adequately covered in the 'Reference Handbook for Trustees,' a copy of which is held by each trustee.
10. The Handbook is designed to provide trustees with sufficient information to enable them to take an active part in the work of the Guild and to contribute to discussions at meetings of the Committee of Management. However, it is important for trustees to keep abreast of developments within the charities sector, and in particular, changes to legislation. Trustees are, therefore, required to attend relevant training conferences and seminars, particularly those conducted by the Merchant Navy Welfare Board. This is supplemented by in-house training should the need arise.

Voluntary services received from the trustees

11. None of the Trustees received any remuneration during the period although some may have borne a measurable and quantifiable cost because of the time they donated to the Charity. Expenses only are paid to the trustees when they are claimed and, during the year under review in this report, expenses amounting to £5,947 were reimbursed (2017: £5,613).
12. The costs shown in the Financial Statements do not include the value of the voluntary services provided by Trustees and Guild representatives in the day to day work of the Guild. A value for this service is not included as the people who provide it do so at no cost to the Guild. However, if the Charity had to employ additional staff to carry out this work, the cost would be very significant.

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

13. The Guild of Benevolence has a close working relationship with the Institute, which is an independent Charity. The Guild has certain charged services provided to it by the Institute. The charges made by the Institute during the year under review are included as part of Support Costs and Administration Costs in Note 3 to the Financial Statements on page 17. Whilst two Trustees are members of the Guild's Committee of Management by virtue of the offices they hold with IMarEST, the Institute has no overall control of the Guild. In pursuance of its Objects, the Guild of Benevolence has working relationships with other charities, in particular the Merchant Navy Welfare Board (MNWB) and their constituted charities and through them to the Soldiers, Sailors and Airmen Families Association (SSAFA), and the Seafarers' Advice and Information Line (SAIL).

Aims, Objectives and Activities

14. Objects Clause

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

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

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

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

Statement of Public Benefit

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

Fund Raising Policy

18. Fundraising is managed by the Guild without recourse to professional fundraisers or third party commercial entities. Individuals can become members of the Guild of Benevolence and pay a monthly or annual donation. Donations are also received from IMarEST members, IMarEST branch functions throughout the world, companies associated with the marine industry and individuals' response to the Guild's advertisements in selected marine publications. The Guild also sustains a regular income through a diversified investment portfolio and is occasionally the beneficiary of a legacy in remembrance of a loved one. Fundraising is presented in the accounts under Income and Endowments. The Trustees are aware of the UK Fundraising Regulator's Guidance, are confident in their ability to comply and have received no complaints

Investment policy

19. In accordance with the Rules, the Trustees of the Guild of Benevolence delegate the control of the Guild's investment portfolio to Sarasin and Partners LLP, who act on a discretionary basis within guidelines agreed with the Honorary Treasurer and the other trustees in furtherance of the objectives of the Guild. In essence, the investment managers are expected to achieve the best return on the portfolio, subject to acceptable risk. As the Charity awards regular grants to beneficiaries, there is an immediate need for incoming resources together with a potential need for liquid funds stretching many years ahead.

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Achievements and Performance

Grants paid

20. The Trustees continue to take full advantage of the scheme set up by the Merchant Navy Welfare Board (MNWB) under which a trained caseworker from the Soldiers, Sailors and Airmen Families Association (SSAFA Forces Help) will, on request, carry out a home visit on behalf of the Guild. This may be either to help with the assessment of a new applicant, or to review the current circumstances of a regular beneficiary. This is an effective way of ensuring that all regular beneficiaries receive a home visit every three years from either a Guild representative, or a SSAFA caseworker. These home visits have identified several instances where the Guild has been able to provide much needed additional support.
21. By the end of the financial year, in total, 110 cases were considered. These included 43 new enquiries and the remainder consisted of existing beneficiaries who were either receiving a regular grant, or who had previously received a one-off grant together with our annual assessment of regular beneficiaries. The Guild has some beneficiaries who receive a regular grant of up to £25 per week. 16% of those beneficiaries are overseas citizens. This resulted in the Guild disbursing, for the year, some £67,919 in regular grants and one off payments.
22. Nine applications for grants were declined as either the applicant did not meet the eligibility criteria laid down in the Guild's rules or, based on the evidence provided to the Trustees, the claim was not considered to be necessitous. However, details of declined applications were usually forwarded to other charities, which the Trustees believed would be able to offer assistance. The Trustees also responded to many general enquiries which are not recorded. The thorough review of the annual assessments of regular beneficiaries commenced in 2012 was completed at the end of the 2012/2013 financial year. Since then these are now being carried out on an annual basis with approximately one third being assessed every four months in order to spread the workload.
23. The total value of grants actually paid during the year was £67,919 while the corresponding figure for 2017 was £75,044. The long term contingency provision for payment of regular grants to beneficiaries fell by £261,365 due to the number of beneficiaries receiving a regular grants falling from 44 at the end 2017 to 36 at the end of the current financial year.

All regular beneficiaries received a Christmas bonus of £100 to brighten the festive season. The cost of this benefit totalling £3,900 was funded from the existing funds of the Guild.
24. Net income available for charitable purposes for the year was £245,029 compared to £74,505 the previous year, due to fall in liability for regular grants. During the year, the Charity received 1 legacy of £2,500 compared to 4 totalling £17,500 in the previous year. Donations received increased during the year to £24,569 from members and branches compared to the previous year £20,164.
25. The Trustees are still satisfied that the underlying financial strength of the Guild remains sufficient to maintain both the levels of regular support, which they currently award and the additional relief payments made in cases of severe hardship. Nevertheless, they realise that some form of cap on the value of total grants paid each year is necessary to avoid an unsustainable drain on resources. Therefore in order that this may be achieved the Trustees have carried out a careful review of grant allocations to ensure that the limited resources are properly disbursed by providing a sensible balance between the needs of current and future beneficiaries.
26. In addition the Trustees are very appreciative of the worthwhile efforts that are continuing to be made to raise additional funds. We are extremely grateful to all those members of the Guild and Institute throughout the world who are contributing. Several branches of the Institute have also supported the Guild with donations from funds raised at their social functions and specific events held throughout the year to support the Appeal. Companies and members of the public have also made donations to further the work of the Guild, all of which are very much appreciated.

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Investment Environment – Performance and Outlook

27. During the financial year the charity continued to use the services of Sarasin & Partners LLP as its investment managers. In 2015 the Trustees selected the Sarasin Alpha Common Investment Fund for Endowments as its investment vehicle. In this reporting year, however, the investment managers have converted this Common Investment Fund into a Charity Authorised Investment Fund. The CAIF structure aims to replicate as far as possible the main benefits of the traditional CIF as administered by the Charity Commission, including the tax benefits of being a registered charity and the ability to have an independent advisory committee to represent unitholders. Additional benefits of the CAIF structure include improved regulatory oversight from the FCA and an exemption from VAT on fund management fees.

The Common Investment Fund as selected by the Trustees in 2015 and as converted to a Charity Authorised Investment Fund by Sarasin & Partners in 2018 continues to meet the long-term objectives of the charity, providing growth with an acceptable level of volatility.

As would be expected during a period in which both US and UK raised interest rates, the returns from government bonds were negative, with gilts falling -1.7% over the 3 months to 30th September. The UK corporate bond market was slightly more resilient returning -0.3%.

In Europe, political dynamics in Italy continued to affect its government bond market. The budget announcement that detailed a rise in government spending led to a continued rise in yields and consequently a fall in the price of Italian bonds. At 30th September, the 10-year government bond was trading at 3.4%. Markets are concerned about Italy's ability to control its debt levels and this worry was echoed by the European Commission.

Global equity markets were again driven higher (+5.7%) by strong returns from the US. The S&P 500 was up 9.0% in Sterling terms over the 3 months ending 30th September, reflecting strong momentum from corporate America, which continues to enjoy President Trump's generous tax cuts and fiscal stimulus. The weakest region in terms of equity market performance has been the UK, with the FTSE All Share index falling by -0.8% over the same period – largely driven by the utility and tobacco sectors.

Over the last few quarters, our investment managers have expressed a more cautious outlook on markets, driven by the view that slowly tightening monetary conditions and extended valuations of nearly all asset classes increases vulnerability. This cautious position has resulted in a slightly more underweight equity position than would normally be the case. However, during the summer, additions have been made to equity allocations, with the year-end position at 68% versus the benchmark of 70%.

The effectiveness of the US Presidency in pumping up the US economy and corporate earnings has been surprising, and our investment managers have reviewed upwards how long and fast they expect the US economy to grow and the drag on other markets to grow with it. The resultant growth in corporate earnings is starting to influence valuations with UK and European price earnings ratios returning to the more normal level of 15x. The US market continues to be the outlier with the 12-month forward PE ratio at about 20x.

Sarasin & Partners have been gradually lifting equity allocations in multi-asset portfolios given the reasonably robust economic backdrop but are cognisant of the heightened political risk of trade wars and, of course Brexit. Our investment managers are constructing balanced portfolios and are using global thematic stock selection to drive returns.

The Trustees are content with the absolute returns for the year and it is pleasing to have closed the gap relative to the agreed strategic benchmark. In the rolling year to 30th September the portfolio achieved an investment performance of 6.8% against a benchmark of 7.3%, whilst during the last nine months the portfolio has outperformed the benchmark, 3.4% v 3.1%.

Income continues to flow as expected, with sterling's weakness continuing as a positive attribute.

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Financial Review

Statement of Trustees' responsibilities in relation to the Financial Statements

28. The Trustees are required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Guild of Benevolence and the financial activities of the Charity for the period. In preparing the Financial Statements, the Trustees are required to select suitable accounting policies and then apply them consistently, observe the methods and principles in the Charity SORP 2015, make judgements and estimates that are reasonable and prudent, and prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Guild will continue to exist. The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Guild. The Trustees are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Reserves policy and risk management

29. There are two fundamental objectives which the Guild's reserves should aim to achieve:-
- a) Firstly, there is the ongoing commitment to pay the regular grants to existing beneficiaries for the foreseeable future. This is covered by the "Provision for liabilities and charges" shown on the Balance Sheet at 30 September 2018 as £568,238, a decrease of £261,365.
 - b) Secondly, there is the need for funds to support the current work of the Guild in assisting new applicants and ensure that this work will continue in the long term. At 30 September 2018 the free reserves available for this work stood at £2,525,990, an increase of £336,719 compared to the £2,189,271 as at the end of the previous financial year. For many years the Guild's expenditure has significantly exceeded income. This is only acceptable when, over a reasonable period, the investment portfolio achieves a balancing capital growth to be realised to provide additional income.
30. The Guild's income consisted of investment portfolio income of 78%, legacy income 2% and 20% from donations. It is anticipated that future income proportions will be similar to previous years, inevitably for the following reasons:-
- a) Income from members may decline as the proportion of members from outside of the UK increases and the additional benefit from Gift Aid is not available.
 - b) Shrinking of the UK Marine Industry has reduced support for the social events which generate donations to the Guild.
 - c) The Guild does not raise funds from the general public. Seafarer's UK raises funds from the public on behalf of all nautical charities, but the Guild no longer receives any grant from that source.
31. The Trustees expect that demand for the Guild's help will continue to grow as an increasing number of professional people will need financial help as a result of the severe economic downturn and the weakening of future pension provision. The Guild's regular grant of £25 per week remains one of the highest paid by any nautical charity. The Trustees will, therefore, keep grant levels under review to maintain a sustainable balance between the needs of new applicants and the provision for future payments to existing beneficiaries.

Review of the activities and investment performance

32. The Statement of Financial Activities (SOFA) on page 13 shows how the Charity obtains its funds and how those funds are used. An analysis of the incoming and outgoing resources of the Guild is disclosed in the Notes to the Financial Statements on Page 17. The SOFA shows that during the year there was a net increase in the total funds of the Charity of £336,719 compared to a £241,643 increase in the previous year to 30 September 2017.

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33. During the year Total Support and Administration Costs amounted to £71,895. Details of all costs incurred during the year appear in Accounting Note 3.
34. The costs shown in the financial statements do not include the value of the voluntary services provided by trustees and Guild representatives in the day to day work of the Guild. A value for this service is not included as the people who provide it do so at no cost to the Guild. However, if the Charity had to employ additional staff to carry out this work the cost would be very significant.
35. During the year the Guild's incoming resources were derived from the following main sources:-
- Donations and gifts received from Members of the Guild, plus members and branches of the Institute.
 - The interest and dividends generated by the Guild's investment portfolio.
 - Donations raised from the Institute's Annual Dinner.
36. All of the items listed above gave a total of Incoming Resources for the year of £123,478 as compared to £130,519 for the year ended September 2017.
37. At 30 September 2018 the market value of the listed investments was £3,038,605 whereas at the end of September in 2017 the portfolio was valued at £2,939,451. The total income and realised and unrealised gains on the investment portfolio for the year appear on the Statement of Financial Activities on page 13.
38. The Trustees wish to express their gratitude to all those who contributed to the Guild especially Members of the Guild and members of the Institute throughout the world. The committees of several branches of the Institute also supported the Guild with donations from funds raised at their social events. Companies and members of the public also made donations to further the work of the Guild.

Plans for the Future

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

Independent Examiner


42. Mr Don Bawtree, Partner BDO LLP, has expressed his willingness to continue in office as the independent examiner to the Charity.

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43. This report has been signed on behalf of the trustees by,



A D Muncer
Chairman and Trustee



G J McKenzie
Honorary Treasurer and Trustee

Dated: 14/03/2019

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**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE GUILD OF BENEVOLENCE OF THE
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I report to the trustees on my examination of the accounts of the Guild of Benevolence of the Institute of Marine Engineering, Science and Technology for the year ended 30 September 2018, which are set out on pages 13 to 20.

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 31 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity's trustees as a body, for my work, for this report, or for the statement I have made.

Responsibilities and basis for report

As the charity trustees of the Guild of Benevolence of the Institute of Marine Engineering, Science and Technology, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the ACT")

I report in respect of my examination of the Guild of Benevolence of the Institute of Marine Engineering, Science and Technology's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Guild of Benevolence of the Institute of Marine Engineering, Science and Technology as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Signed:



Don Bawtree
For and on behalf of BDO LLP
Gatwick

Date: 14 Mar 2019

BDO LLP is a limited liability partnership registered in England and Wales with registered number OC305127)

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**STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ending 30th September 2018**

		Total Funds 30th September 2018 Unrestricted	Total Funds 30 September 2017 Unrestricted
	Notes	£	£
INCOME AND ENDOWMENTS			
Donations	1	27,069	37,664
Investment Income	2	96,409	92,855
TOTAL INCOME		123,478	130,519
EXPENDITURE			
Raising Funds	3	(5,608)	80
Charitable activities			
Grants paid to beneficiaries	3	67,919	75,044
Cost of providing the charitable activities	3	77,503	87,119
Movement in liability for regular grants		(261,365)	(106,229)
TOTAL EXPENDITURE		(121,551)	56,014
Net income available for charitable purposes		245,029	74,505
Net Gain/(Loss) on Investments		91,690	167,138
Net income / expenditure		336,719	241,643
RECONCILIATION OF FUNDS			
Fund balances at 1 October 2017		2,189,271	1,947,628
FUND BALANCES at 30 September 2018		2,525,990	2,189,271

All incoming resources and resources expended derive from continuing activities.

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

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**BALANCE SHEET
for the Year Ending 30th September 2018**

	<u>Total Funds</u> <u>2017 / 2018</u> <u>Unrestricted</u> <u>£</u>	<u>Prior Year Funds</u> <u>2016 / 2017</u> <u>Unrestricted</u> <u>£</u>
Fixed assets		
Tangible assets	-	-
Investments	3,038,605	2,939,451
Total fixed assets	<u>3,038,605</u>	<u>2,939,451</u>
Current assets		
Debtors	4,057	14,337
Cash at bank	62,904	73,800
Total current assets	<u>66,961</u>	<u>88,137</u>
Liabilities		
Creditors: Amounts falling due within one year	11,338	8,714
Net current assets	<u>55,623</u>	<u>79,423</u>
Total assets less current liabilities	<u>3,094,228</u>	<u>3,018,874</u>
Provision for liabilities and charges		
Grants payable	<u>(568,238)</u>	<u>(829,603)</u>
Net assets	<u><u>2,525,990</u></u>	<u><u>2,189,271</u></u>
The funds of the charity		
Unrestricted income funds		
General funds	<u>2,525,990</u>	<u>2,189,271</u>
Total charity funds	<u><u>2,525,990</u></u>	<u><u>2,189,271</u></u>

The financial statements were approved by the undersigned on behalf of the committee on the dates shown.
The notes on pages 15 to 20 form part of these financial statements.


AD Muncer Chairman and Trustee


GJ McKenzie Honorary Treasurer and Trustee

Date: 14/03/2019

**The Guild of Benevolence of the
Institute of Marine Engineering, Science and Technology**
Annual Report and Financial Statements for the year ended 30 Sept 2018

Statement of Accounting Policies

i. Basis of Accounts Preparation

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

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

ii. Incoming resources

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

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

- when donors specify that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until those periods;
- when donors impose conditions, which have to be fulfilled before the charity becomes entitled to use such income; the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

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

Income from investments is accounted for when received.

iii. Resources expended

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

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

iv. Accounting Estimates and judgements – Grant Provision

In preparing the accounts, the Trustees are required to make estimates and judgements for any uncertainties that could impact the amounts reported. In doing so the Trustees have made assumptions as to the amount of provision that needs to be made for grant payments to beneficiaries. This provision is based on potential payments that could be made assuming average life span of the male and female beneficiaries. All cases are reviewed annually.

v. Irrecoverable VAT

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

vi. Allocation of overhead and support costs

Overheads and other costs that are not directly attributable to functional activity categories are apportioned over the relevant categories based on management estimates of the amount attributable to that activity in the year. The allocation of overhead and support costs is analysed in Note 3.

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vii. Governance costs

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

viii. Tangible Assets

a) Investment properties

The investment in Housing Association loan stock is stated at cost.

b) Other tangible fixed assets

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

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

viii. Investments

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

ix. Realised gains and losses

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

x. Debtors, cash and creditors

Debtors – Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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

Creditors and provisions – Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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for the Year Ending 30th September 2018

NOTES TO THE FINANCIAL STATEMENTS (continued)

			2017 / 2018	2016 / 2017
			Total Funds	Total Funds
1 Donation income			£	£
Donations			24,569	20,164
Legacies			2,500	17,500
Total Donation income			<u>27,069</u>	<u>37,664</u>
2 Investment income				
Listed investments			96,409	92,855
Total investment income			<u>96,409</u>	<u>92,855</u>
3 Resources expended	Investment Management	Grantmaking	2017 / 2018	2016 / 2017
	£	£	Total	Total
			£	£
Grants paid to beneficiaries				
Cash payments to beneficiaries in the period		67,919	67,919	75,044
Support costs	942	64,214	65,156	78,272
Administration costs				
Trustees costs & meeting expenses	-	6,234	6,234	5,848
Postages & telephones	-	264	264	169
Printing & stationery	-	-	0	203
Subscriptions/Advertisements	-	3,163	3,163	2,050
Sundry expenses	359	1,436	1,795	1,072
Investment Managers' fees	(7,457)	-	(7,457)	(3,063)
Independent Examiners fee	402	1,608	2,010	2,005
Legal and professional fees	-	-	-	-
Bank charges	146	584	730	643
	<u>(6,550)</u>	<u>13,289</u>	<u>6,739</u>	<u>8,927</u>
Total Support & Administration Costs	(5,608)	77,503	71,895	87,199
Total Resources Expended	(5,608)	145,422	139,814	162,243

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

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

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

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

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4 Trustees and Employees

Payments to trustees

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

	2018	2017
	£	£
Travelling expenses	<u>5,947</u>	<u>5,613</u>

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

Volunteer contributions

During the year the charity received small donations from 5 of its trustees.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Tangible fixed assets

	<u>Fixtures and Fittings</u>	<u>Computers</u>	<u>Totals</u> 2017 / 2018
<u>Cost</u>	£	£	£
As at 1 October 2017	1,708	3,292	5,000
Additions	-	-	-
Disposals	-	-	-
	<u>1,708</u>	<u>3,292</u>	<u>5,000</u>
<u>Depreciation</u>			
As at 1 October 2017	1,708	3,292	5,000
Charge for the Year	-	-	-
Disposals	-	-	-
	<u>1,708</u>	<u>3,292</u>	<u>5,000</u>
Net book value @ 30 September 2018	<u>-</u>	<u>-</u>	<u>-</u>
Net book value @ 30 September 2017	<u>-</u>	<u>-</u>	<u>-</u>

6 Investments

	Investment property	Listed investments	Cash held within the investment portfolio	Totals 2017/18
	£	£	£	£
As at 1 October 2017	875	2,933,503	5,073	2,939,451
Additions to investments at costs	-	-	511	511
Disposals at costs	-	-	-	-
Net Gain/(Loss) on revaluation	-	98,643	-	98,643
As at 30 September 2018	<u>875</u>	<u>3,032,146</u>	<u>5,584</u>	<u>3,038,605</u>

The following investments are considered material in the context of the investment portfolio at 30 September 2018

Name of holding	Market value	Percentage
Sarasin Endowments Fund Class A INC	3,032,146	99.82%
Sarasin Liquid Assets	5,584	0.18%

The Guild Investment continued to received rebates for its' management fees, total of £7,457 for YE Sep 2018, (2017) Management fees rebate (£3,063).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

	Year ended 30th September 2018	Year ended 30-Sep-17
	£	£
7 Debtors and prepayments		
Accrued income - Donations from IMarEST members	2,878	12,000
Travel Loan	-	-
Income tax recoverable - Gift Aid	<u>1,179</u>	<u>2,337</u>
	<u>4,057</u>	<u>14,337</u>
All debtors are due within one year.		
8 Creditors due within one year		
	£	£
Creditors	-	6,714
Accruals	<u>11,338</u>	<u>2,000</u>
	<u>11,338</u>	<u>8,714</u>

9 Related Party

During the year the Institute of Marine Engineering, Science and Technology has charged the Guild of Benevolence £18,841 (2017: £24,276) for accommodation and administrative support.

10 Liability for regular grants

In preparing these financial statements, the Guild has fully adopted the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005). In 2005, the Trustees reviewed the constructive obligation to make regular payments to beneficiaries and consider that these payments represent a liability in accordance with paragraph 155 of the SORP 2015. The Trustees recognise that there is a reasonable expectation in the minds of the beneficiaries that payment will continue and, accordingly, have introduced the liability.