



GUILD OF BENEVOLENCE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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 September 2022

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INFORMATION ABOUT THE CHARITY AS AT 30 SEPTEMBER 2022

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

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

| | Appointed | Retired | |
|---|--|----------------|---|
| Mr G Lewis | 29 June 2020 | | Chief Executive of IMarEST |
| Cdr W K Ridley CEng CMarEng FIMarEST | 21 March 2013 (Honorary Treasurer from 14 March 2019) | | |
| M Murphy CMarEng FIMarEST | 15 March 2018 | | Hon Treasurer and Trustee of IMarEST, Past President of IMarEST |
| W N Paterson IEng IMarEng MIMarEST | 11 March 2018 | | Past Council Member of IMarEST |
| Eur Ing P S Rickaby CEng CMarEng HonFIMarEST FCMI | 11 March 2018 (Chairman from 14 March 2019) | | Past President of IMarEST, Past Trustee of IMarEST |
| Mr R S Clench CEng CMarEng FIMarEST | 14 March 2019 | 24 March 2022 | Past Trustee of IMarEST |
| Mr R Keuning CEng CMarEng FIMarEST | 14 March 2019 | | |
| Mr K D McLean IEng IMarEng MIMarEST | 14 March 2019 | 24 March 2022 | |

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| | | |
|--|---------------|---|
| Eur Ing E D Wilson CEng MIMarEST | 14 March 2019 | Council Member of IMarEST, Past Trustee of IMarEST |
| Eur Ing B McDearmid CEng CMarEng FIMarEST FIMechE MRINA | 19 March 2020 | Past Council Member of IMarEST |
| Mr N Darby BA FCA | 19 March 2020 | |
| Mr P J Blacklock CEng CMarEng FIMarEST | 11 March 2021 | Council Member of IMarEST |
| Prof M J C Crabbe CMarSci FIMarEST | 24 March 2022 | Past Council Member of IMarEST |
| Dr S Hussain CEng CMarEng FIMarEST | 24 March 2022 | Council Member of IMarEST, Trustee Of IMarEST |

The following were co-opted to the Committee during the year, these members offer their time to help with meeting potential and existing beneficiaries, assisting with branch events and bringing financial expertise to the committee; Messrs O M A Akabat CEng CMarEng MIMarEST, A Campbell OBE JP MNM.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Trustees submit their Report and Financial Statement for the year ended 30 September 2022.

The Governing Document

5. The Charity, which was registered as a Charity on 26 June 1969 is governed by a set of Rules, which were originally written in May 1958. Since then, the Rules have been updated and the most recent set are contained in a booklet called "The 2020 Rules", which were approved by the members of the Guild in general meeting on 11 March 2021. Copies of the Rules are available from the Hon. Secretary at the address on page 3.

The Organisational Structure

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

Risk Assessment

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

Recruitment, Appointment and Training of Trustees

8. Trustees for the Charity are drawn from the membership of the Guild of Benevolence usually by word of mouth, but also from the publicity that the Charity receives via IMarEST publications. The

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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. The Honorary Treasurer is elected to an initial term of three years, after which he is eligible for re-election to a second term of three years. Following this, he can be re-elected on an annual basis to a maximum of twelve years' total service as Honorary Treasurer.

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 Board of Trustees. 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 £655 were reimbursed (2021: NIL).
12. The costs shown in the Financial Statements do not include the value of the voluntary services provided by Trustees and Guild representatives in the day to day work of the Guild. A value for this service is not included as the people who provide it do so at no cost to the Guild. However, if the Charity had to employ additional staff to carry out this work, the cost would be very significant.
13. Trustees also give their time to visit Branches and beneficiaries of the Guild wherever they can to assist in the generation of funds for the Guild or offer help and guidance to claimants, respectively.

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

14. The Guild of Benevolence has a close working relationship with the Institute, which is an independent Charity. The Guild has certain charged services provided to it by the Institute. The charges made by the Institute during the year under review are included as part of Support Costs and Administration Costs in Note 4 to the Financial Statements on page 16. Whilst two of the 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).

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Aims, Objectives and Activities

15. Objects Clause

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

- past and present Members of the Institute and past and present Members of the Guild;
- marine engineers who possess or have possessed STCW Convention equivalent Class 1 or Class 2 Certificates of Competency issued by an IMO-recognised national maritime authority or Certificate of Competency issuing agency;
- any individual professionally engaged, now or in the past, in the marine sector as an engineer, scientist or technologist at a level eligible for IMarEST membership as a Fellow, Member or Associate.
- the wives, husbands, widows, widowers, partners, children and/or dependants of any of the persons referred to in the preceding

In accordance with the Rules, the Board is given sole discretion to decide who are proper subjects for relief and its decision shall be final and binding whether such subjects are covered or not by the descriptions in the Rules and its subrules.

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

Statement of Public Benefit

18. The Guild operates for the public benefit under two charitable purposes as defined in the Charities Act 2011, namely: 'The Prevention and Relief of Poverty' and 'The Relief of those in need by reason of youth, age, ill-health, financial hardship or other disadvantage' by granting assistance to necessitous serving and retired Marine Engineers 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 2020 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.

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Fund Raising Policy

19. Fundraising is coordinated by the fundraising sub-committee and managed by the Guild's Committee of Management without recourse to professional fundraisers or third-party commercial entities. Individuals can become members of the Guild of Benevolence and pay a monthly or annual donation. 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, and are confident in their ability to comply and have received no complaints.

Investment Policy

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

Investment Environment – Performance and Outlook

21. The market backdrop has continued to be challenging over the last year as the world emerged from the effects of the COVID lockdown. The situation, however, was worsened by the Russian invasion of Ukraine, which resulted in sanctions being imposed on Russia by the US, the European nations and many other Allied nations. As a result, world energy prices increased sharply, grain exports from Ukraine collapsed and worldwide inflation began to soar. Economic growth, which had been robust until then, stalled whilst the markets took stock of the situation and adjusted accordingly. Profits have continued to exceed expectations in several areas of the world economy, but there are increasing concerns that the high inflation we are witnessing will become entrenched, resulting in higher bond yields and lead to weaker equity markets. In the latter part of the year, high inflation has triggered market volatility and issues with the global supply chain have only exacerbated the inflationary pressures and led to extreme market movements within the equity markets.
22. In this financial year, Sarasin & Partners has continued to be the Guild's investment managers. The principal investment vehicle for our funds is a Charity Authorised Investment Fund, which is administered by Sarasin's and has the benefits of being overseen by the Charity Commission. It also has the tax benefits of being a registered charity and the ability to have an independent advisory committee representing unitholders. Additionally, the CAIF structure includes improved regulatory oversight from the FCA and an exemption from VAT on fund management fees.
23. In the period under report, the volatility experienced in the equity markets has significantly affected both the income and net value of the Guild's portfolio. However, despite the reduction in income, the CAIF has continued to provide sufficient funds to enable the Guild to maintain its level of grant making. Before the war in Ukraine, the value of the investment portfolio had begun to recover from the losses of the previous year. However, market values tumbled sharply and the value of our investment funds at the end of financial period were £3,100,440 as compared to £3,465,494 in 2020/21, a decrease of 11.0%.
24. During the year, our investment managers have maintained a low exposure to bonds and been cautiously overweight in equities. Whilst the weaker relative results in generated income have been uncomfortable in the short term, Sarasin's remain confident in the balanced portfolio constructed using their global thematic stock selection that was so successful in previous years. This year, income figures have decreased by approximately 11%, as predicted. However, the majority of current

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pressures are expected to decline, and future returns improve as political pressures and economic growth normalises over the next couple of years.

25. Bearing in mind the global economic situation, the Trustees are concerned with the fall of income and decline in value of the investment portfolio. However, they continue to have confidence in our investment managers and their response to the economic situation during these difficult times. In conclusion, it should be noted that the Guild's portfolio achieved an investment performance of 11.2% against a benchmark of 16.8% in the year ending 30 September 2022.

Financial Review

Statement of Trustees' responsibilities in relation to the Financial Statements

26. The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to: select suitable accounting policies and then apply them consistently; observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); make judgements and estimates that are reasonable and prudent; state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Guild's Rules. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Reserves policy and risk management

27. There are two fundamental objectives which the Guild's reserves should aim to achieve:
- a) Firstly, there is the ongoing aim to continue to pay regular grants for the foreseeable future.
 - b) Secondly, there is the need for funds to support the current work of the Guild in assisting new applicants and ensure that this work will continue in the long term. To this end every effort is being made to minimise non-essential administration costs. At 30th September 2022 the free reserves available for this work stood at £3,071,713, a decrease of £425,207 when compared to the £3,496,920 as at the end of the previous financial year. For many years the Guild's expenditure has significantly exceeded income. This is only acceptable when, over a reasonable period, the investment portfolio achieves a balancing capital growth to be realised to provide additional income.
28. The Guild's income consisted of investment portfolio income of 86% and 14% 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.

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29. The Trustees expect that demand for the Guild's help is likely to increase as the effects of increasing high inflation affects both young and old throughout the world. This is in addition to the rise in numbers of professional people needing government support in a future climate of limited resources, which is likely to follow on from the current level of record government borrowing.

Achievements and Grants paid

30. The Trustees continue to take full advantage of the scheme set up by the Merchant Navy Welfare Board (MNWB) under which a trained caseworker from the Soldiers, Sailors and Airmen Families Association (SSAFA Forces Help) will, on request, carry out a home visit on behalf of the Guild. This may be either to help with the assessment of a new applicant, or to review the current circumstances of a regular beneficiary. This is an effective way of ensuring that all regular beneficiaries receive a home visit every three years from either a Guild representative, or a SSAFA caseworker. These home visits have identified several instances where the Guild has been able to provide much needed additional support.
31. By the end of the financial year, a total of 52 cases were considered. These included 17 new enquiries. The remainder were existing beneficiaries who receive regular grants as well as several who received a further grant to cover additional requests for help.
32. There were 7 applications for grants that were declined as either the applicant did not meet the eligibility criteria laid down in the Guild's rules or Trustees did not consider them to be essential. However, declined applications were usually forwarded to other charities in case they were able to offer assistance. It should be noted that the Guild Administrator also responds to a wide range of general enquiries and requests for advice. In addition, a review of regular beneficiaries is also carried out annually, with one third being assessed every four months to spread the workload.
33. Following an increase in regular grant payments, the total value of grants paid out during the year was £79,338 while the corresponding figure for 2020/21 was £64,684. 27 beneficiaries received a regular grant at the end of 20/21 and the figure was 22 at the end of the current financial year following the deaths of a number of long-term beneficiaries. All regular beneficiaries received a Christmas bonus of £115 to brighten the festive season. The cost of this benefit totalling £3,335 was funded from the existing funds of the Guild.
34. During the year, the Charity did not receive any legacy payments, as was the same for the previous year. Donations decreased, with £13,167 received from members and branches, as compared to £29,117 in the previous year.
35. Notwithstanding, the Trustees are still satisfied that the underlying financial strength of the Guild remains sufficient to maintain both the levels of regular support they currently award and the additional relief payments made in cases of severe hardship. Nevertheless, they realise that some restraint in the value of total grants paid each year may be necessary to avoid an unsustainable drain on resources and take great care to ensure that the limited resources are properly disbursed by providing a sensible balance between the needs of current and future beneficiaries.
36. In addition, the Trustees greatly appreciate the efforts made by members of the Guild and Institute to raise funds on behalf of the Guild at their social functions and other events held throughout the year.

Review of the activities and investment performance

37. The Statement of Financial Activities (SOFA) on page 12 shows how the Charity obtains its funds and how those funds are used. An analysis of the incoming and outgoing resources of the Guild is disclosed in the Notes to the Financial Statements on Page 16. The SOFA shows that during the year there was a net decrease in the Charity's funds of £425,207 as compared to a £240,795 increase in the previous year.
38. During the year, the Total Support and Administration Costs increased from £74,023 in 2020/21 to £76,506 excluding the rebate of investment manager fees. Details of all costs incurred during the year appear in Accounting Note 4. The Trustees are very conscious of the significant proportion of

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these costs in relation to the total funds available for charitable purposes and are making every effort to address this issue. Whilst the principal aim of the charity is to disburse funds to those in need, much good work is also done to provide guidance and assist clients in difficulty. Therefore, it is worthy of note that the results of work done by the Guild should not be measured purely in terms of the financial assistance provided.

39. The costs shown in the financial statements do not include the value of the voluntary services provided by Trustees and Guild representatives in the day-to-day work of the Guild. A value for this service is not included as the people who provide it do so at no cost to the Guild. However, if the Charity had to employ additional staff to carry out this work then support costs would increase significantly.
40. During the year the Guild's incoming resources were derived from the following main sources:-
- Donations and gifts received from Members of the Guild, plus members and branches of the Institute.
 - The interest and dividends generated by the Guild's investment portfolio.
41. All of the items listed above gave a total of Incoming Resources for the year of £108,801 as compared to £128,002 for the previous year. As at 30th September 2022 the market value of the listed investments was £3,100,440 whereas at the end of September 2021 the portfolio was valued at £3,465,494. The total income and realised and unrealised gains on the investment portfolio for the year appear on the Statement of Financial Activities on page 12.
42. The Trustees wish to express their gratitude to all those who contributed to the Guild, especially Members of the Guild and members of the Institute throughout the world. The committees of several branches of the Institute also supported the Guild with donations from funds raised at their social events. Companies and members of the public also made donations to further the work of the Guild

Plans for the Future

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

Independent Examiner

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



Simon Rickaby, Chairman and Trustee

Dated: 17th March 2023



Cdr Ken Ridley, Honorary Treasurer and Trustee

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

I report to the charity trustees on my examination of the accounts of the charity for the year ended 30 September 2022.

Responsibilities and basis of report

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

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


Independent examiner's statement

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

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- The accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

Signed:


Edward Finch ACA FR

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date

21/3/23

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**STATEMENT OF FINANCIAL ACTIVITIES
for the year ending 30 September 2022**

| | | Total Funds 30 Sep 2022 Unrestricted | Total Funds 30 Sep 2021 Unrestricted |
|--|--------------|---|---|
| | Notes | £ | £ |
| INCOME AND ENDOWMENTS | | | |
| Donations & membership | 2 | 15,067 | 30,287 |
| Investment Income | 3 | 93,734 | 97,715 |
| TOTAL INCOME | | 108,801 | 128,002 |
| EXPENDITURE | | | |
| Raising Funds | 4 | (7,876) | (7,234) |
| Charitable activities | | | |
| Grants paid to beneficiaries | 4 | 79,338 | 64,684 |
| Cost of providing the charitable activities | 4 | 75,260 | 72,542 |
| TOTAL EXPENDITURE | | 146,722 | 129,992 |
| Net (expenditure) available for charitable purposes | | (37,921) | (1,990) |
| Movement in liability for regular grants | 9 | (13,107) | (6,244) |
| Net (Loss)/Gain on Investments | | (374,179) | 249,029 |
| Net (expenditure)/ income | | (425,207) | 240,795 |
| RECONCILIATION OF FUNDS | | | |
| Fund balances at 1 October 2021 | | 3,496,920 | 3,256,125 |
| FUND BALANCE at 30 September 2022 | | 3,071,713 | 3,496,920 |

All incoming resources and resources expended derive from continuing activities.

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

The notes on pages 14 to 18 form part of these financial statements.

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BALANCE SHEET
for the year ending 30 September 2022

| | Notes | Total Funds 2021 / 2022 Unrestricted £ | Total Funds 2020 / 2021 Unrestricted £ |
|--|-------|---|---|
| Fixed assets | | | |
| Investments | 5 | 3,100,440 | 3,465,494 |
| Total fixed assets | | 3,100,440 | 3,465,494 |
| Current assets | | | |
| Debtors | 6 | 2,369 | 3,573 |
| Cash at bank | | 29,925 | 75,843 |
| Total current assets | | 32,294 | 79,416 |
| Liabilities | | | |
| Creditors: Amounts falling due within one year | 7 | 8,914 | 8,990 |
| Net current assets | | 23,380 | 70,426 |
| Total assets less current liabilities | | 3,123,820 | 3,535,920 |
| Provision for liabilities and charges | | | |
| Grants payable | 9 | 52,107 | 39,000 |
| Net assets | | 3,071,713 | 3,496,920 |
| The funds of the charity | | | |
| Unrestricted income funds | | | |
| General funds | | 3,071,713 | 3,496,920 |
| Total charity funds | | 3,071,713 | 3,496,920 |

The financial statements were approved by the undersigned on behalf of the committee on the dates shown.
The notes on pages 14 to 18 form part of these financial statements.



Simon Rickaby
Chairman and Trustee

Date: 17th March 2023



Cdr W K Ridley
Honorary Treasurer and Trustee

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies

i. Basis of Accounts Preparation

The Financial Statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP), applicable Financial Reporting Standards in the United Kingdom (FRS 102) and the Charities Act 2011. The statements have been prepared under the historic cost convention, with the exception that investments are included at market value.

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

ii. Incoming resources

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

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

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

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

Income from investments is accounted for when received.

iii. Resources expended

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

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

iv. Accounting Estimates and judgements – Grant Provision

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

v. Irrecoverable VAT

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

vi. Allocation of overhead and support costs

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

vii. Governance costs

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

viii. Tangible Assets

a) Investment properties

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

b) Other tangible fixed assets

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

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

ix. Investments

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

x. Realised gains and losses

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

xi. Debtors, cash and creditors

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)

| | | | 2021 / 2022 Total | 2020 / 2021 Total |
|---|----------------------------------|-------------------------|------------------------------|------------------------------|
| 2. Donation & membership income | | | £ | £ |
| Donations | | | 13,167 | 29,117 |
| Membership | | | 1,900 | 1,170 |
| Legacies | | | - | - |
| Total Donation & membership income | | | 15,067 | 30,287 |
| 3. Investment income | | | | |
| Listed investments | | | 93,734 | 97,715 |
| Total investment income | | | 93,734 | 97,715 |
| 4. Resources expended | Investment Management | Grant making | 2021 / 2022 Total | 2020 / 2021 Total |
| | £ | £ | £ | £ |
| Grants paid to beneficiaries | | | | |
| Cash payments to beneficiaries in the period | - | 79,338 | 79,338 | 64,684 |
| Support costs | | | | |
| Establishment costs (occupancy of offices) | 618 | 11,744 | 12,362 | 16,321 |
| Direct staff costs | - | 52,762 | 52,762 | 50,224 |
| Other Staff costs | - | 6,043 | 6,043 | 3,851 |
| Insurance | 20 | 383 | 403 | 0 |
| Trustees costs & meeting expenses | - | 915 | 915 | 119 |
| Postages & telephones | - | 42 | 42 | 87 |
| Printing & stationery | - | 900 | 900 | 61 |
| Subscriptions/Advertisements | - | 35 | 35 | 35 |
| Sundry expenses | 17 | 69 | 86 | 376 |
| Investment Managers' fees | (9,122) | 0 | (9,122) | (8,716) |
| Independent Examiners fee | 462 | 1,850 | 2,312 | 2,268 |
| Bank charges | 129 | 517 | 646 | 681 |
| Total Support costs | (7,876) | 75,260 | 67,384 | 65,307 |
| Total Resources Expended | (7,876) | 154,598 | 146,722 | 129,991 |

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

The majority of governance costs have been allocated to grant making, as this is where they spend most of their time.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

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 space at the office of The Institute of Marine Engineering, Science and Technology.

During the period under review the Guild of Benevolence was managed on a day-to-day basis by the Chairman of the Guild, the Honorary Treasurer and other trustees. None of these trustees received any remuneration during the period and they were not required to bear a measurable and quantifiable cost because of the time they donated to the charity. However, legitimate expenses are paid to the trustees when they are claimed and in the period under review, 2 Trustees claimed expenses with a strategy meeting taking place face to face, but online meetings continued post Covid-19 restrictions. For the previous year, no Trustees claimed expenses due to meetings taking place online because of Covid-19 restrictions.

| | | |
|-------------------|-------------|-------------|
| | 2022 | 2021 |
| Trustees expenses | £655 | NIL |

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

Volunteer contributions

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

| 5. Investments | Investment property £ | Listed investments £ | Cash held within the investment portfolio £ | 2021 / 2022 Total £ |
|-----------------------------------|-----------------------------|----------------------------|---|---------------------------|
| As at 1 October 2021 | 875 | 3,464,619 | 0 | 3,465,494 |
| Additions to investments at costs | | 9,122 | 3 | 9,125 |
| Disposals at costs | - | - | | 0 |
| Net loss on revaluation | - | (374,179) | - | (374,179) |
| As at 30 September 2022 | 875 | 3,099,562 | 3 | 3,100,440 |

The following investments are considered material in the context of the investment portfolio at 30 September 2022:

| <u>Name of holding</u> | <u>Market value</u> | <u>Percentage</u> |
|-------------------------------------|---------------------|-------------------|
| Sarasin Endowments Fund Class A INC | 3,099,562 | 100.00% |

The Guild Investment continued to receive rebates for its investment management fees, total of £9,122 for the period ending 30 September 2022, (2021: £8,716).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

| 6. Debtors and prepayments | 2021 / 2022 Total £ | 2020 / 2021 Total £ |
|-----------------------------------|------------------------------------|------------------------------------|
| Debtors | - | - |
| Gift Aid recoverable | 2,369 | 3,573 |
| | <u>2,369</u> | <u>3,573</u> |

All debtors are due within one year.

7. Creditors due within one year

| | £ | £ |
|-----------|---------------------|---------------------|
| Creditors | 4,213 | 5,595 |
| Accruals | 4,703 | 3,395 |
| | <u>8,914</u> | <u>8,990</u> |

8. Related Party

The Institute of Marine Engineers, Science and Technology has charged the Guild of Benevolence during the year £17,956 as per management accounts document for year-end September 2022 (2021: £19,731) as the Guild operates from IMarEST London office at 1 Birdcage Walk and receives administrative support from the Institute.

9. Liability for Future Regular Grants

All regular grants are reviewed individually every twelve months and any new or continuation of existing grants is based on the annual review and made at the sole discretion of the Trustees. Although there is no legal requirement to continue any grant, the Trustees recognise that to accommodate any expectation in the minds of the beneficiaries and to accommodate a notice of termination of a regular grant, have therefore determined the potential liability for regular recipients to be £52,107 (2021: £39,000).