

Report & Consolidated Financial Statements

For the period ended 31 December 2009

The Benevolent Fund of the Institution of Civil Engineers Limited

Registered Office:

30 Mill Hill Close
Haywards Heath
West Sussex RH16 1NY

Limited Company Registered in England No. 6708655

Charity Registered in England & Wales No. 1126595

The Benevolent Fund of the Institution of Civil Engineers Limited

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The Benevolent Fund of the Institution of Civil Engineers Limited

Charity Information

Charity Registration Number: 1126595

Company Registration Number: 6708655

**Chief Executive
and Principal Office:** K L Barnett
30 Mill Hill Close
Haywards Heath
West Sussex
RH16 1NY

Bankers: National Westminster Bank plc
Charing Cross
London
WC2H 0PD

Auditors: Mazars LLP
Times House
Throwley Way
Sutton
Surrey
SM1 4JQ

Investment Managers: Baring Private Investment Management Limited
155 Bishopsgate
London
EC2M 3XY

Solicitors: Bircham Dyson Bell
50 Broadway
London
W1H 0BL

The Benevolent Fund of the Institution of Civil Engineers Limited

Trustees' Report

All comparative figures quoted in this Trustees' Report relate to the unincorporated Benevolent Fund of the Institution of Civil Engineers. The activities and assets of this charity were transferred to the Benevolent Fund of the Institution of Civil Engineers Limited at 1 January 2009.

Executive Summary

- Provided financial help to 194 individuals (of these, 59 were new this year);
- Provided charitable accommodation to 22 Beneficiaries;
- Provided financial assistance totalling £651,106;
- Provided an outplacement service to 35 members;
- Ran a helpline, which gave 320 items of advice on issues such as redundancy, employment law, stress, debt;
- Gave grants of up to £3,000 each to 8 disadvantaged or disabled students.

Our Financial Position for the Period Was

Assets as at 31 December 2009

• Investments and tangible fixed assets	£13,242,761
• Net Current Assets	£ 41,380
Total	£13,288,141

Income

• Dividends and interest	£ 284,890
• Donations via ICE subscriptions miscellaneous donations & legacies	£ 309,780
• Rental income	£ 188,831
Total	£ 783,501

Expenditure (including overheads)

• Grants	£ 651,106
• Outplacement)	
• Helpline }	£ 139,273
• Casework)	
• Estate costs	£ 209,429 *
• Administration & Investment Management fee	£ 98,074
Total	£ 1,097,882

(* includes double glazing costs of circa £63,000)

The Benevolent Fund of the Institution of Civil Engineers Limited

Trustees' Report (continued)

The Benevolent Fund (unincorporated charity) was established on 20 December 1864 and was registered as a Charity in 1962.

Incorporation

At a special meeting held on 5 December 2007 with the Fund's lawyers, Trustees were asked to consider the benefits of changing the legal status of the Benevolent Fund from an unincorporated association to a charitable company limited by guarantee. Trustees were advised that converting the Fund to a charitable company would provide a more robust and flexible structure to support the Fund's new activities and services, reduce administration and more clearly define the responsibilities and liabilities of Fund Trustees.

After further discussion and consideration by the Trustee Board, Trustees agreed in principle to incorporate the Benevolent Fund and signed a written resolution at a meeting held on 2 April 2008 to seek the approval of those ICE Members who contribute financially to the Benevolent Fund each year to proceed with the incorporation process. Contributing ICE members received election papers in June 2008 and were asked to vote either for or against the resolution to incorporate by 8 July 2008. In August 2008 votes were counted and the results announced at the September AGM – 2,176 members voted in favour, with 48 against. Trustees were pleased with this conclusive result in favour and worked with the Fund's lawyers and staff team to complete the necessary transfer agreements to ensure that the new company was ready to commence operations in the New Year. The Benevolent Fund became incorporated on 26 September 2008, but the company was held dormant until 1 January 2009.

The new Charitable Company's governing documents are the Memorandum & Articles of Association of the Benevolent Fund of the Institution of Civil Engineers. They were approved at a Trustee meeting held on 2 April 2008 and are available for inspection from the BFICE registered address or at website, www.bfice.org.uk.

Structure, Governance and Management

The Committee of Management, who are the Trustees ('Trustees') and the Directors of the Charitable Company, present their report together with the financial statements of The Benevolent Fund of the Institution of Civil Engineers (the 'Fund') for the period from 26 September 2008 to 31 December 2009. The financial statements have been prepared under the accounting policies set out on pages 16 to 17 of the financial statements and comply with the current statutory requirements, applicable law and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005.

As set out in the Memorandum & Articles of Association of the Fund, there is a Committee of Management (Board of Trustees) which meets quarterly and is set up to conduct the affairs of the Charity. There are sub-committees covering finance and estate maintenance. An employed Chief Executive Officer is appointed to manage the day to day operation of the Charity with a small staff team.

Trustees

The Board of Trustees can consist of up to fifteen members and comprises:

- Three Members of the Council of the Institution of Civil Engineers (ICE) to be appointed, ex-officio, by the Council of ICE;
- Nine members who are elected by Members of BFICE;
- Up to three additional Trustees, appointed by Trustees, who can be co-opted to serve up to three years in office;
- The ICE President, for the year that he is in office, is invited to become the Patron of BFICE. The individual is entitled to attend, but not vote, at all Trustee meetings.

Nominations to serve on the Fund's Committee of Management are invited from all BFICE members. The Charity actively seeks to encourage new individuals to become involved.

The Benevolent Fund of the Institution of Civil Engineers Limited

Trustees' Report (continued)

When appointed, Trustees are sent copies of the Charity's governing documents and past copies of committee papers and are asked to undergo a check by the Criminal Records Bureau. They are also asked to review and sign a copy of the Fund's Data Protection Policy. Trustees are also sent and asked to read Charity Commission Guidance CC3 – The Essential Trustee : what you need to know. Trustees are also required to attend an annual training session on the operation of the Fund and its activities and their role and responsibilities.

Each year, the Charity organises a full "training day" for all its volunteers in the field. Trustees are included in this event.

The Trustees who served during the period were:

Chairman M W Chater (appointed 2 December 2008)

ICE President as Patron: J Venables OBE *
(ex officio)

Council Nominees

I W Flower OBE *
A McAvoy *
P H Oliver *

Elected Members

E D Brew
D Gallear
P Hardy-Bishop
D R Hattersley MBE
W R Kemp MBE *
B Marsden
W N Rogers

Co-opted Members

E J S Hiscocks

* Member of the Council of the Institution of Civil Engineers during 2009

Company Secretary

K L Barnett

All Trustees gave their time voluntarily and received no benefits from the Charity. Any reclaimed expenses are set out in note 12 to the accounts.

The Benevolent Fund of the Institution of Civil Engineers Limited

Trustees' Report (continued)

Objectives and Activities

The object of BFICE, as set out in our Memorandum & Articles of Association, is to afford assistance to members and former members of The Institution of Civil Engineers who are in need and to the dependants of such members.

BFICE's aims fully reflect the purposes for which the charity was set up. The aim that underpins all our work is to help as many individuals in need as possible. Assistance is provided in many ways and varies according to specific requirements. The main types of help include:

- Advice, information, specialist counselling and support
- Financial assistance
- Accommodation

The Fund also helps with employment training and provides job search support.

This report looks at what we achieved and the outcomes of our work in the previous 12 months and sets out our targets for the following year. Under **Achievements and Performance** (page 7), we report on the benefits we have brought to the groups of people we are set up to help.

Preparing this report also helps Trustees ensure that our aims, objectives and activities remain focused on our stated purposes.

How Our Activities Deliver Public Benefit

The Charity's Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to Public Benefit guidance published by the Charities Commission.

Our objects and funding limit the services we can provide to focus on members (**and** former members) of the Institution of Civil Engineers **and** their dependant families. The Trustees are aware that this is a restricted sector of society. However, it represents a sizeable number of individuals worldwide, any of whom can come forward for help at any time. Further, the range and depth of service we provide means that it is not just the individual who benefits. The impact of the Fund's work goes far beyond those people we assist directly. By helping an individual at a difficult time, we also help his or her family and close friends, thereby extending the range of our support.

All our charitable help is provided free of charge. Individuals do not need to have contributed to the Fund to benefit from its services.

The Fund adopts a policy of "helping those who help themselves". Through our telephone advice line and our "back to work" programme, we encourage our beneficiaries to seek their own solutions to their own problems and to come to us at an early stage for help. Whilst the Fund will always provide financial help to those that need it most (2009: circa £600,000 in grants), the emphasis now is on providing preventative help and offering enabling services. Where appropriate, and certainly for ICE members of working age, we want benevolent help to be viewed as a short term support system, helping ICE members back into work, independent living and contributing to society once again.

The Trustees have reviewed whether any of the help we provide could possibly cause any detriment or harm and cannot think of any example where this might be the case.

Equal access to our services is an important issue for the Benevolent Fund. ICE members living in poverty and need are sought out and actively encouraged to apply to BFICE for help. All new applicants are means tested and anyone coming below our thresholds is awarded some form of financial help. By applying this measure, we ensure that people living in poverty form the focus of our activity.

When we are notified of the death of an ICE member we always contact next of kin to alert him / her of the existence of the Fund. We have been rigorous in promoting our services to new ICE members - attending their certificate presentation ceremony - and also to engineering students at universities. Presentations are also given to members and associates at local regional meetings, as well as articles in professional journals and our dedicated website.

The Benevolent Fund of the Institution of Civil Engineers Limited

Trustees' Report (continued)

Specific Objectives for 2009

- Provide financial assistance to fifty-two new beneficiaries
- Award grants totalling £700,000 to beneficiaries
- Fund twenty members on the Outplacement / back to work scheme
- Increase beneficiary occupancy of the charitable properties in Haywards Heath to 70%
- Continue with Trustee and Visitor training
- Attract five students to the Disabled / Disadvantaged student scheme
- Continue with efforts to reduce maintenance costs at the Fund's estate of charitable properties
- Assist 300 members through the Fund's independent helpline
- Continue with marketing and promotional activities in order to attract more individuals to come forward for help
- Increase regional presentation and promotion of the Fund
- Consider ways in which the Fund's estate at Haywards Heath can produce a greater income so that funds can be released to focus on BFICE's primary objectives

Strategies Put in Place to Meet Objectives

- Marketing and promotional activities to raise member awareness of the Fund, including regional presentation programme
- Continuing to promote the availability of accommodation to members in the UK and Overseas
- Continue with strategy to maintain charitable properties appropriately but endeavour to reduce costs where possible
- Ongoing annual joint training event with IMechE Benevolent Fund for Trustees and Visitors
- Increasing rents at the Fund's estate in Haywards Heath to a near market rent to ensure improved income figures

Activities Put in Place to Meet Objectives

Marketing & Promotional

Information about specific Fund services was emailed to targeted groups of members. Over 40,000 members were contacted in some way about the Fund during the period.

Articles about Fund services appeared in regional Newsletters.

The Fund's CEO undertook a tour of the UK regions, giving a talk about the services offered by the Fund and the scope of Fund activity.

Fund staff were present at both ICE Certificate Presentation Ceremonies for new members during the period, and were active in making contact with members and distributing publicity material about the Fund.

Once again, the Fund made sure to contact the next of kin of every member who had died in the period to offer condolences and support should it be needed.

The Benevolent Fund of the Institution of Civil Engineers Limited

Trustees' Report (continued)

Governance & Management

Fund Trustees decided to increase beneficiary rents at the MHC properties so that they were near to market rate, though still discounted. Those unable to meet the new rent were able to claim state assistance through housing benefit. This increase in rental income has enabled the Fund to increase the range and level of help offered to ICE members and their families worldwide.

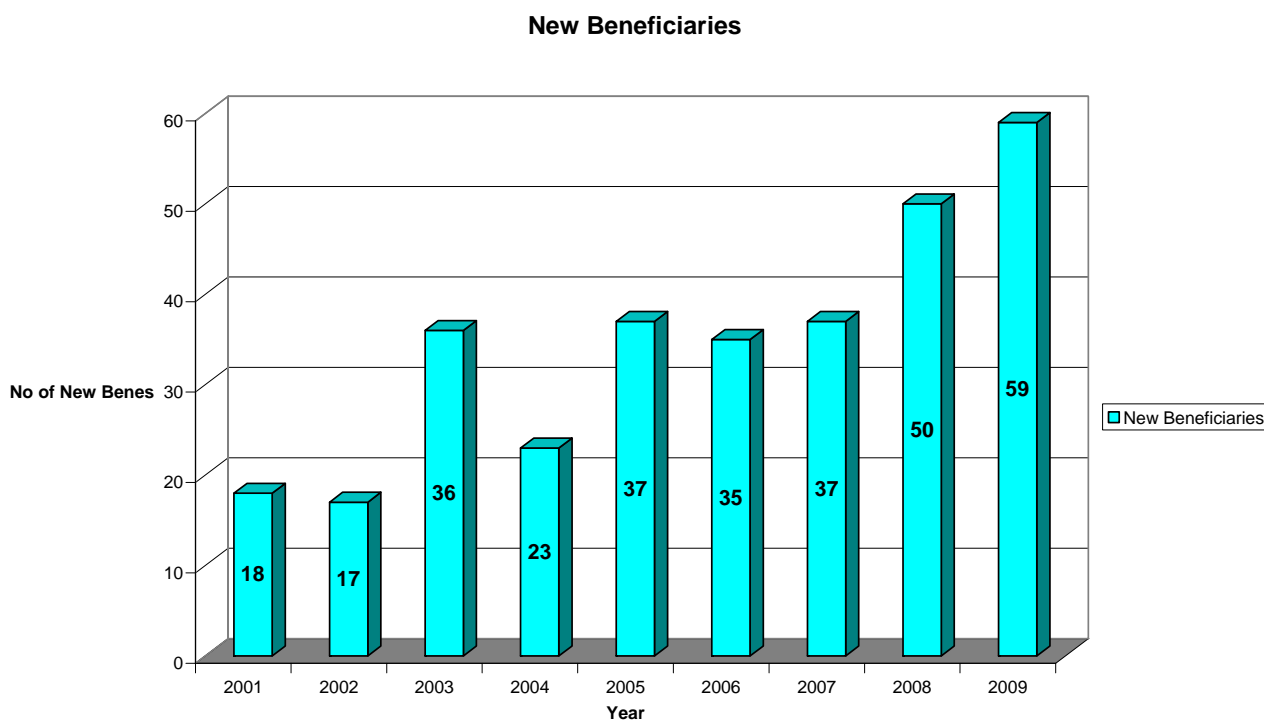
The Trustees appointed "Westgate Joinery", a local specialist firm, to install new double glazed units at its charitable properties. The aim of the exercise was not only to replace existing rotten units, but also to increase comfort for tenants, improve the energy efficiency rating of the properties and importantly reduce future maintenance costs.

At the end of 2007, the Fund's Lawyers recommended to Trustees that they consider a change in the Fund's legal status to become a Charitable Company Limited by Guarantee. 2009 was the first year of the new Charity's operation, with a successful AGM being held on 1 July 2009.

Achievements and Performance

The Trustees are delighted to report an increase in the number of members receiving first time assistance from the Fund to 59 (2008 : 50) – see Figure 1. Since 2006, BFICE has seen the number of members of working age seeking assistance steadily rise. In 2009, 82% of BFICE's new beneficiaries were 65 or under. The Fund saw a considerable number of requests for help from those who had lost their jobs. For individuals facing redundancy and financial difficulties, the Fund was pleased to be able to offer short term financial assistance, plus the opportunity for members to join the Fund's outplacement / back to work programme. The emphasis has been on supporting individuals for a short time and encouraging them to regain independence as soon as they are able.

Figure 1



The Benevolent Fund of the Institution of Civil Engineers Limited

Trustees' Report (continued)

The Outplacement scheme again achieved some considerable success. In 2009, numbers accessing this scheme increased by 133%. 35 members availed themselves of the programme in 2009. 15 of these members have now obtained employment. 8 members have not found jobs, but have positively changed their approach to their career and life since completing the course. 12 members joined the scheme later in the year and have not yet completed the sessions.

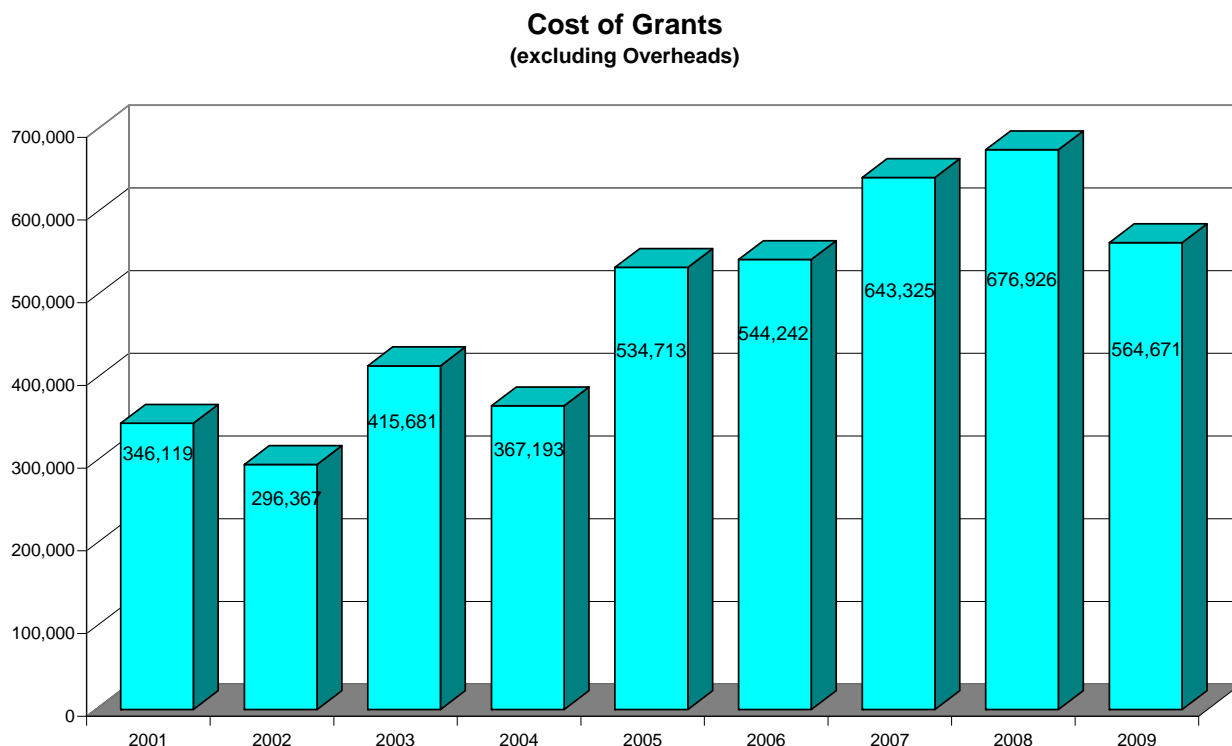
The number of members who sought help from the independent advice line increased significantly in 2009 with 320 members availing themselves of the service (2008:270).

The Fund gave charitable assistance to 8 students who applied for funding through the disabled / disadvantaged student scheme.

The level of beneficiary occupancy at Mill Hill Close remained stable at 60%, with 22 occupants. Sadly, one beneficiary tenant died and another, with alternative accommodation, was required to leave.

A total of £564,671 (2008 : 781,837) was spent on awarding grants to members and their dependants in need – see Figure 2. The total grant money awarded in the year fell by over £200,000. The Trustees of the Fund were satisfied with this outcome, which demonstrates that new “enabling” services (helping members to help themselves and return to independent living) has been successful. The Fund has fewer numbers of “long term” beneficiaries receiving ongoing assistance and has been successful in providing short term emergency support to those that need it most.

Figure 2



Trustees and staff ran a very successful training session for BFICE visitors in November 2009. The day's programme included an open forum where visitors were presented with specific scenarios of interesting / challenging visits / cases for discussion and comment. Such was the successful feedback, that Trustees are committed to running future similar sessions.

The Benevolent Fund of the Institution of Civil Engineers Limited

Trustees' Report (continued)

Specific Objectives for 2010

Benevolence

- Provide assistance to 65 new beneficiaries
- Fund 35 members on the Outplacement scheme
- Attract minimum of 5 students to the disabled / disadvantaged student scheme
- Assist 350 members through the Fund's independent helpline
- Continue with marketing and promotional activities in order to attract more individuals to come forward for help
- Update the Fund's website to include a downloadable presentation about the work of the Fund
- Consider the feasibility of rolling out a new money management service to those facing the stress and burden of debt
- Commence work on a new legacy giving campaign

Governance

- Continue with efforts to reduce costs at MHC, whilst continuing with the essential window replacement programme
- Continue with Trustee and Visitor training, focusing on "real life" case histories
- Work with the firm's lawyers to close down the dormant nominee company, active under the old BFICE constitution
- Continue with annual review of Risk, Investment and Financial Reserves Policy

Financial Review

Approximately 36,000 members (2008 : 43,000) donated to the Fund in 2009. This is a disappointing drop on 2008, but Trustees hope that it is a reflection of the difficult economic conditions faced by ICE members in 2009 and not the increase in the suggested voluntary donation to BFICE (from £3 to £5) agreed in 2008 to take effect from 2009. Nevertheless, Trustees are pleased to report that despite the drop in the number of members donating, subscription income plus irregular donations for the year increased to £233,450 (2008 : £184,842).

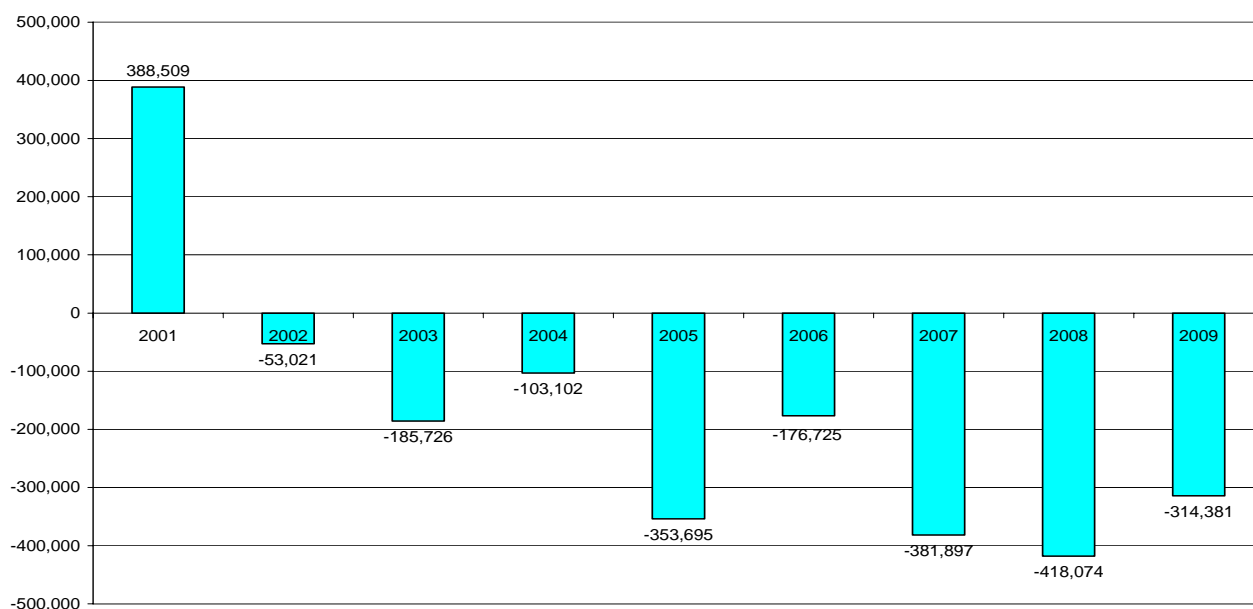
The excess of expenditure over income for the period ended 31 December 2009 was £314,381. Again, in 2009, the Fund spent more than it received – see Figure 3. This reflects the continuing diversity and complexity in many of the cases which the Fund supports, the growing number of new beneficiaries, and the increased use of the helpline and outplacement service. Importantly, the Fund was able to fund the deficit in income from Reserves.

The Benevolent Fund of the Institution of Civil Engineers Limited

Trustees' Report (continued)

Figure 3

Difference between Income and Expenses



Investment Policy

BFICE's current Investment Policy states that the Fund's Investment Managers shall endeavour to achieve an absolute net return of at least CPI+4.5% per annum over the longer term, together with a risk tolerance of a maximum loss of 15% per annum from the annual valuation point, or on a rolling three year basis. Implicit in this objective is the desire at least to maintain the long term value of the portfolio in real terms.

During 2009, the Fund's return was 24.7%, which well exceeds its target of around 7% per annum. The Trustees were pleased that despite a turbulent year on the stock market, the Fund managed to recoup most of its 2008 losses. The value of the Fund's investments rose from £10,505,693 at the beginning of the year to £12,259,010 at the year end. Total investment gains in the value of the fund, realised and unrealised, were £2,112,666.

Reserves Policy

The Fund has no guaranteed income and it is totally reliant on the unpredictable and voluntary contributions of members of the Institution of Civil Engineers ('The Institution') and generously donated bequests.

The current value of Capital B reserves, at the end of December 2009 was just under £7.5 million. This reserve is at market value and unrealised. Its value at any one time depends on fluctuations in the value of its investments.

It is the policy of the Fund to spend all donations and other monies received on benevolence in the year it is received. This is being achieved and BFICE is eating into reserves. Trustees are taking prudent steps to control expenditure and are pleased that the new enabling services are being taken up, allowing more and more beneficiaries to "come off" regular benevolence.

Trustees seek to maintain a level of reserves which will produce an income sufficient to provide circa 25% benevolence needs of the present level of benevolence and day to day running costs of the Fund (2008 34%, 2009 26%).

The Reserves Policy and the level of reserves required will be reviewed annually by the Investments Panel of the Fund and approved by the Committee of Management.

Free reserves are £7,278,549 (2008 : £6,392,898) at the year end.

The Benevolent Fund of the Institution of Civil Engineers Limited

Trustees' Report (continued)

Risk Management

In October 2009, the Fund's Trustees reviewed a paper acknowledging and assessing all the major risks to which they believe the Charity is exposed. The Trustees continue to take steps to mitigate each risk identified and revisit the exercise annually.

Grant Making Policy

The Benevolent Fund invites applications for grants from members - also former members and their dependants - of the Institution of Civil Engineers. All applications are treated sympathetically and are means tested. All grants are approved by the Trustees and are monitored on an annual basis. The Fund operates worldwide. In 2009 the Fund provided financial assistance to 172 (2008 : 154) beneficiaries in the UK and 22 (2008 : 31) overseas.

Trustees' Responsibilities for the Financial Statements

Law applicable to charities in England and Wales requires the Trustees (who are also the Directors for the purposes of company law) to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity as at the balance sheet date and of its incoming resources and application of resources for the financial period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 1993 and the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to Disclosure of Information to Auditors

We have taken all the necessary steps to make ourselves, as Trustees, aware of any relevant audit information and to establish that the auditors are aware of that information. As far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware.

Mazars LLP were appointed auditors at the Annual General Meeting held on 1 July 2009. They offer themselves for reappointment as auditors for the coming year.

This report has been prepared in accordance with the special provisions of section 414 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE COMMITTEE OF MANAGEMENT

D Gallear
Chairman

12 April 2010

Independent Auditor's Report to the Trustees of

The Benevolent Fund of the Institution of Civil Engineers Limited

We have audited the consolidated financial statements of The Benevolent Fund of the Institution of Civil Engineers Limited for the period ended 31 December 2009 which comprise the Statement of Financial Activities, the Balance Sheets and the related notes. The consolidated financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Trustees and Auditors

The Trustees' (who are also the Directors of the company for the purposes of company law) responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the consolidated financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including our opinion, has been prepared for and only for the charity's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the consolidated financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with those consolidated financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's consolidated financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements.

Independent Auditor's Report to the Trustees of

The Benevolent Fund of the Institution of Civil Engineers Limited

Opinion

In our opinion:

- the consolidated financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- the consolidated financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the consolidated financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Report is consistent with the consolidated financial statements.

Nicola Wakefield (Senior statutory auditor)
for and on behalf of Mazars LLP, Chartered Accountants (Statutory auditor)
Times House, Throwley Way, Sutton, Surrey, SM1 4JQ

12 April 2010

The Benevolent Fund of The Institution of Civil Engineers Limited
Consolidated Statement of Financial Activities
For the Period Ended 31 December 2009

	Notes	Unrestricted funds £	Endowment funds £	Total funds 2009 £
INCOMING RESOURCES				
Incoming resources from generated funds				
Voluntary income:				
Individuals and legacies	3	309,780	-	309,780
Activities for generating funds:				
Rental income	4	77,485	-	77,485
Investment income	6	175,592	109,298	284,890
Incoming resources from charitable activities				
Rent – Beneficiaries	7	111,346	-	111,346
Total incoming resources		674,203	109,298	783,501
RESOURCES EXPENDED				
Costs of generating funds				
Costs of rental properties	5	55,216	-	55,216
Investment management costs		39,309	-	39,309
Other costs of generating funds		94,525	-	94,525
Charitable activities				
Provision of financial assistance to individuals	8	651,106	-	651,106
Provision of accommodation to beneficiaries	7 & 8	154,213	-	154,213
Welfare advice and counselling	8	139,273	-	139,273
		944,592	-	944,592
Governance costs	8 & 9	58,765	-	58,765
Total resources expended		1,097,882	-	1,097,882
Net (outgoing)/incoming resources before transfers	11	(423,679)	109,298	(314,381)
Transfers between funds		109,298	(109,298)	-
Net (incoming) resources before other recognised gains and losses		(314,381)	-	(314,381)
Other recognised (losses)/ gains				
Gains on revaluation of fixed assets	14	708,064	-	708,064
Net investment (losses)/ gains	19	1,192,997	919,669	2,112,666
Net movement in funds		1,586,680	919,669	2,506,349
Opening funds of merged group	2	6,476,956	4,304,836	10,781,792
Total funds carried forward	19	8,063,636	5,224,505	13,288,141

All incoming resources and resources expended are derived from continuing activities and there are no recognised gains or losses other than those included above.

The accompanying accounting policies and notes form an integral part of these financial statements.

The Benevolent Fund of the Institution of Civil Engineers Limited

Consolidated Balance Sheet at 31 December 2009

	Notes	Unrestricted 2009 £	Endowment 2009 £	Total 2009 £
Fixed assets				
Tangible fixed assets	14	785,087	-	785,087
Investments	15	7,034,505	5,224,505	12,259,010
Programme related investments	16	202,664	-	202,664
		<u>8,022,256</u>	<u>5,224,505</u>	<u>13,242,761</u>
Current assets				
Debtors	17	69,051	-	69,051
Cash at bank and in hand		83,484	-	83,484
		<u>152,535</u>	<u>-</u>	<u>152,535</u>
Creditors: amounts falling due within one year	18	(111,155)	-	(111,155)
Net current assets		41,380	-	41,380
Total assets less current liabilities		<u>8,063,636</u>	<u>5,224,505</u>	<u>13,288,141</u>
The Funds of the Charity:				
Endowment funds		-	5,224,505	5,224,505
Unrestricted income funds		8,063,636	-	8,063,636
Total Charity funds	19	<u>8,063,636</u>	<u>5,224,505</u>	<u>13,288,141</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of of the Companies Act 2006 relating to small groups.

Approved by the Trustees on 12 April 2010
and signed on their behalf by:

.....
D Gallear
Chairman

The Benevolent Fund of the Institution of Civil Engineers Limited

Balance Sheet at 31 December 2009

	Notes	Unrestricted 2009 £	Endowment 2009 £	Total 2009 £
Fixed assets				
Tangible fixed assets	14	785,087	-	785,087
Investments	15	7,034,505	-	7,034,505
Programme related investments	16	202,664	-	202,664
		<u>8,022,256</u>	<u>-</u>	<u>8,022,256</u>
Current assets				
Debtors	17	69,051	-	69,051
Cash at bank and in hand		83,484	-	83,484
		<u>152,535</u>	<u>-</u>	<u>152,535</u>
Creditors: amounts falling due within one year	18	<u>(111,155)</u>	<u>-</u>	<u>(111,155)</u>
Net current assets		41,380	-	41,380
Total assets less current liabilities		<u>8,063,636</u>	<u>-</u>	<u>8,063,636</u>
The Funds of the Charity:				
Endowment funds		-	-	-
Unrestricted income funds		8,063,636	-	8,063,636
Total Charity funds	19	<u>8,063,636</u>	<u>-</u>	<u>8,063,636</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies

Approved by the Trustees on 12 April 2010
and signed on their behalf by:

.....
D Gallear
Chairman

The Benevolent Fund of the Institution of Civil Engineers Limited

Notes to the Consolidated Financial Statements For the period ended 31 December 2009

1 Principal Accounting Policies

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with the United Kingdom applicable accounting standards.

In preparing the financial statements the Fund follows best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in March 2005.

The principal accounting policies of the Fund are set out below:

1.1 Cash Flow Statement

The Fund is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

1.2 Fixed Asset Investments

Fixed asset investments are included at market value at the balance sheet date. Any gain / (loss) on revaluation is credited / (charged) to the Statement of Financial Activities (SOFA).

1.3 Tangible Fixed Assets

Freehold property is capitalised at historical cost. Capital items having a cost less than £5,000 are written off in the period in which the expenditure is incurred. Residential properties for occupation by beneficiaries have been transferred from the unincorporated Benevolent Fund at historic cost and then the fair value has been reviewed following the transfer. The estimate of fair value has been based on the "existing use" value which is based on the present value of the future cash-flows which will be generated from the properties. The properties are fully maintained with a view to ensuring that total residual values are not less than the fair value. No depreciation is charged on the freehold buildings because the Trustees consider that the economic life of the properties and their residual values, excluding inflation, is such that depreciation is not significant. The value of the property is regularly reviewed in order to identify any permanent diminution in value which if applicable, would be charged to the SOFA.

The cost of tangible fixed assets is written off by equal instalments over the expected useful life using the following annual rates:

External lighting	10%
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1.4 Programme Related Investments

Investments made in pursuit of the Fund's charitable purposes are stated at original cost and adjusted for any subsequent repayment or impairment.

1.5 Fund Accounting

Unrestricted Funds

These are funds which can be issued in accordance with the charitable objects and at the discretion of the Trustees. (Capital Fund B).

Endowment Funds

This includes bequests and donations received before the year 1870 and all permanent endowments where the contributor has directed that the capital shall not be withdrawn in whole or in part (Capital Fund A). The revenue from these funds is transferred to Capital Fund B.

1.6 Incoming Resources

Voluntary Income

In preparing these accounts no value has been attributed to the work performed by volunteers although their work is considered vital to the activities of the Charity.

Donations

Income from donations is included in incoming resources when these are receivable, except as follows:

The Benevolent Fund of the Institution of Civil Engineers Limited

Notes to the Consolidated Financial Statements For the period ended 31 December 2009

When donors specify that donations given to the Fund must be used in future accounting periods, the income is deferred until those periods.

When donors impose conditions which have to be fulfilled before the Fund 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.

Legacies

Legacies are included when the Fund is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Investment Income and Interest Receivable

Investment income and interest is included when receivable by the Fund.

Rent Receivable – Beneficiaries and Non Beneficiaries

Rental income is included in the period in which the Fund is entitled to receipt.

1.7 Resources Expended

Resources expended are included in the SOFA on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is grouped together under headings that aggregate all costs related to the category.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The premises are used for provision of accommodation for beneficiaries and office space for Fund staff. In accordance with the Fund's rules of operation, any properties not required for these purposes are let to non-beneficiary tenants on assured shorthold tenancies of not less than six months' duration. These tenancies, charged at commercial rates, generate additional income for the Fund. Costs are apportioned on the basis of average occupancy by these three elements.

Other overheads have been allocated on the basis of staff time spent on the respective activities.

1.8 Charitable Activities

Costs of charitable activities comprise all costs identified as wholly or mainly attributable to achieving the charitable objects of the Fund. These costs include direct costs, wholly or mainly attributable support costs and an apportionment of overhead.

1.9 Governance Costs

Governance costs comprise all costs identified as wholly or mainly attributable to ensuring the public accountability of the Charity and its compliance with regulations. These costs include direct costs, wholly or mainly attributable support costs and an apportionment of overhead.

1.10 Pension Costs

The cost of providing pension and related benefits is charged on an annual basis to the Statement of Financial Activities.

1.11 Taxation

The Fund is a registered Charity and as such is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes.

The Benevolent Fund of the Institution of Civil Engineers Limited

Notes to the Consolidated Financial Statements For the period ended 31 December 2009

2 Group undertakings

On 1 January 2009 the charity became the sole member of the unincorporated Benevolent Fund of the Institution of Civil Engineers. No consideration was paid on transaction. On this date all activities of the unincorporated Benevolent Fund of the Institution of Civil Engineers were transferred to Benevolent Fund of the Institution of Civil Engineers Limited. At this date unrestricted funds of £6,476,956 were transferred from the unincorporated Benevolent Fund of the Institution of Civil Engineers. On the statement of financial activities this is disclosed within opening funds of the combined group at 1 January 2009. Endowment funds of £4,304,836 have remained within the unincorporated Benevolent Fund of the Institution of Civil Engineers and this balance is also disclosed within opening funds of the combined group at 1 January 2009.

The charity did not undertake any activities in the period between its incorporation on 26 September 2008 and the combination with the unincorporated Benevolent Fund of the Institution of Civil Engineers on 1 January 2009.

The table below explains the adjustments made to the book values of the major categories of assets and liabilities acquired in arriving at fair values.

	Book value at date of incorporation £	Revaluation £	Fair value at date of incorporation £
Fixed assets			
Tangible fixed assets	84,058	708,064	792,122
Investments	6,200,857	-	6,200,857
Programme related investments	165,015	-	165,015
Net current assets	26,690	-	26,690
Funds	<u>6,476,956</u>	<u>708,064</u>	<u>7,157,994</u>

At 1 January 2009 the trustees reviewed the fair value of the fixed assets, which relate to a number of properties at Mill Hill Close in Haywards Heath. These properties are mainly used for the provision of housing to beneficiaries and as such are considered to be assets held to carry out charitable activities rather than for the generation of income. Accordingly the estimate of fair value has been based on the "existing use" value which is based on the present value of the future cash-flows which will be generated from the properties.

3 Voluntary Income

	2009 £
Donations	233,450
Legacies	76,330
	<u>309,780</u>

The geographical analysis of donations is as follows:

	2009 £
United Kingdom	204,865
Rest of the World	28,585
	<u>233,450</u>

The Benevolent Fund of the Institution of Civil Engineers Limited

Notes to the Consolidated Financial Statements For the period ended 31 December 2009

4	Activities for Generating Funds			2009
				£
	Rental income from non-beneficiary tenants			77,485
	Cost of generating funds – rental properties			(55,216)
				<u>22,269</u>
	Net income			<u>22,269</u>
5	Costs of Generating Funds			Total
		Direct costs	Allocated costs	2009
			(see Note 10)	
		£	£	£
	Rental properties	2,791	52,425	55,216
		<u>2,791</u>	<u>52,425</u>	<u>55,216</u>
6	Investment Income and Interest			Total
		Unrestricted funds	Endowment funds	2009
		£	£	£
	Dividends from investments listed on recognised stock exchange	174,998	108,744	283,742
	Interest receivable	594	554	1,148
		<u>175,592</u>	<u>109,298</u>	<u>284,890</u>
7	Incoming Resources from Charitable Activities			2009
				£
	Rent – beneficiaries			
	Rent from beneficiaries			111,346
	Cost of providing accommodation			(154,213)
				<u>(42,867)</u>
	Net cost			<u>(42,867)</u>

The Benevolent Fund of the Institution of Civil Engineers Limited

Notes to the Consolidated Financial Statements For the period ended 31 December 2009

8 Charitable Activities

	Direct costs £	Allocated costs £	Total 2009 £
Costs after allocation			
Provision of financial assistance to individuals	564,671	86,435	651,106
Provision of accommodation to beneficiaries	-	154,213	154,213
Advice and counselling	62,443	76,830	139,273
	<u>627,114</u>	<u>317,478</u>	<u>944,592</u>
Governance (see note 9)	37,156	21,609	58,765
	<u>664,270</u>	<u>339,087</u>	<u>1,003,357</u>

Provision of financial assistance to individuals includes:

	2009 £
Grants to beneficiaries	<u>564,671</u>

All grants were made to private individuals. The Benevolent Fund assisted 194 beneficiaries (2008 : 185) during the period.

9 Governance

	2009 £
Governance costs include:	
Direct costs:	
Auditors' remuneration	6,200
Legal and professional fees	21,080
Trustee expenses	9,876
	<u>37,156</u>
Overheads allocated (see note 10)	21,609
Total	<u>58,765</u>

10 Overheads for Allocation

	Property costs £	Staff costs £	Charity management costs £	Total 2009 £
Financial assistance	3,517	58,657	24,261	86,435
Provision of accommodation	105,845	34,217	14,151	154,213
Advice and counselling	3,126	52,140	21,564	76,830
	<u>112,488</u>	<u>145,014</u>	<u>59,976</u>	<u>317,478</u>
Governance	879	14,664	6,066	21,609
Rental properties	47,818	3,258	1,349	52,425
	<u>161,185</u>	<u>162,936</u>	<u>67,391</u>	<u>391,512</u>

The methods used to apportion overheads are described in note 1.7.

The Benevolent Fund of the Institution of Civil Engineers Limited

Notes to the Consolidated Financial Statements For the period ended 31 December 2009

11 Net (Outgoing)/ Incoming Resources

This is stated after charging:

	2009
	£
Depreciation	7,035
	<u>7,035</u>

12 Staff Costs

The payroll costs for the period were as follows:

	2009
	£
Wages and salaries	110,307
Social security costs	10,861
Special pension contribution	25,778
Other pension costs	15,795
Training	195
	<u>162,936</u>

During the period the Fund contributed £25,778 towards the accumulated deficit on the Defined Benefit Pension Scheme (see note 21).

The average number of employees (full time equivalents) of the Fund during the period was:

	2009
	Number
Cost of generating funds	0.06
Charitable activities	2.67
Governance	0.27
	<u>3.00</u>

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

13 Trustee Remuneration

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

	2009	2009
	£	Number
Meeting expenses reimbursed to Trustees	6,298	12
	<u>6,298</u>	<u>12</u>

The Benevolent Fund of the Institution of Civil Engineers Limited

Notes to the Consolidated Financial Statements For the period ended 31 December 2009

14 Tangible Fixed Assets

Group and charity	Freehold property £	External lighting £	Total 2009 £
At 26 September 2008	-	-	-
Transfer from unincorporated charity	55,903	28,155	84,058
Revaluation (see note 2)	708,064	-	708,064
	<hr/>	<hr/>	<hr/>
At 31 December 2009	763,967	28,155	792,122
	<hr/>	<hr/>	<hr/>
Depreciation			
At 26 September 2008	-	-	-
Provided during period	-	7,035	7,035
	<hr/>	<hr/>	<hr/>
At 31 December 2009	-	7,035	7,035
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2009	763,967	21,120	785,087
	<hr/>	<hr/>	<hr/>

Freehold property is shown at historic cost. In the event of a sale of property the market price is likely to vary considerably depending on the potential use. The Trustees sought appropriate advice during the period ended 31 December 2009 on this matter for insurance purposes and they are advised that the current value for insurance purposes at that time was £6.5 million.

Residential properties for occupation by beneficiaries have been transferred from the unincorporated Benevolent Fund at historic cost and then the fair value has been reviewed following the transfer. The estimate of fair value has been based on the "existing use" value which is based on the present value of the future cash-flows which will be generated from the properties.

15 Fixed Asset Investments

	Group 2009 £	Charity 2009 £
Market value as at 1 January 2009	10,505,693	-
Transfers from unincorporated charity	-	6,200,857
Acquisitions at cost	5,679,668	3,327,881
Sales proceeds	(6,151,060)	(3,560,881)
Net movement in cash balances	112,043	(126,349)
Gain on Exchange	4,857	4,857
(US\$ Capital Acc Revaluation)	7,104	7,104
Net investment gains	2,100,705	1,181,036
	<hr/>	<hr/>
Listed investments at market value	12,259,010	7,034,505
Historical cost at 31 December	11,025,396	6,509,359
	<hr/>	<hr/>
Unrealised investment gains	1,233,614	525,146
	<hr/>	<hr/>

The Benevolent Fund of the Institution of Civil Engineers Limited

Notes to the Consolidated Financial Statements For the period ended 31 December 2009

15 Fixed asset investments (continued)

An analysis of the market value of the group's investments at 31 December 2009 is as follows:

	Unrestricted funds £	Endowment funds £	Total 2009 £
UK bonds and preference shares	462,433	366,887	829,320
UK equities	2,676,894	1,560,539	4,237,433
Overseas bonds and preference shares	750,501	1,014,359	1,764,860
Overseas equities	1,489,377	1,208,658	2,698,035
Alternative investments	1,622,577	788,242	2,410,819
Cash on deposit awaiting investment	32,723	285,820	318,543
	<u>7,034,505</u>	<u>5,224,505</u>	<u>12,259,010</u>

The following investments account for more than 5% of the market value of the portfolio as at 31 December 2009:

	2009 £	%
Baring Fund Managers Agriculture Fund	672,486	5.5
Other listed investments individually under 5%	11,586,524	94.5
	<u>12,259,010</u>	<u>100%</u>

These investments are managed by Baring Asset Management Limited.

16 Programme Related Investments

Group and charity	Secured loans £	Unsecured loans £	Total 2009 £
Balance brought forward at 26 September 2008	-	-	-
Transfers from unincorporated charity	156,172	8,879	165,051
Repayments	-	(8,879)	(8,879)
New Loans	46,492	-	46,492
	<u>202,664</u>	<u>-</u>	<u>202,664</u>
Balance carried forward at 31 December 2009	<u>202,664</u>	<u>-</u>	<u>202,664</u>

In addition to its grant making activities the Fund makes loans to beneficiaries. Normally these loans are secured against the beneficiaries' property.

The Benevolent Fund of the Institution of Civil Engineers Limited

Notes to the Consolidated Financial Statements For the period ended 31 December 2009

17 Debtors: Amounts Falling Due Within One Year

Group and charity	Unrestricted £	Endowment £	Total 2009 £
Other debtors	40,255	-	40,255
Prepayments	28,796	-	28,796
	<u>69,051</u>	<u>-</u>	<u>69,051</u>

Other debtors include £ 21,954 due from the Institution of Civil Engineers.

18 Creditors: Amounts Falling Due Within One Year

Group and charity	Unrestricted £	Endowment £	Total 2009 £
Trade creditors	48,005	-	48,005
Accruals	63,150	-	63,150
	<u>111,155</u>	<u>-</u>	<u>111,155</u>

19 Funds

Group	Unrestricted Funds (Capital B) £	Permanent Endowment (Capital A) £	Total £
Balance brought forward at 1 January 2009	6,476,956	4,304,836	10,781,792
Incoming resources	674,203	109,298	783,501
Outgoing resources	(1,097,882)	-	(1,097,882)
Gains	1,901,061	919,669	2,820,730
Transfers between Funds	109,298	(109,298)	-
Balance at 31 December 2009	<u>8,063,636</u>	<u>5,224,505</u>	<u>13,288,141</u>

The Benevolent Fund of the Institution of Civil Engineers Limited

Notes to the Consolidated Financial Statements For the period ended 31 December 2009

19 Funds (continued)

Charity	Unrestricted Funds (Capital B) £	Permanent Endowment (Capital A) £	Total £
Balance brought forward at 26 September 2008	-	-	-
Transfers from unincorporated charity on 1 January 2009	6,476,956	-	6,476,956
Incoming resources	674,203	-	674,203
Outgoing resources	(1,097,882)	-	(1,097,882)
Gains	1,901,061	-	1,901,061
Transfers between Funds	109,298	-	109,298
Balance at 31 December 2009	<u>8,063,636</u>	<u>-</u>	<u>8,063,636</u>

Unrestricted Funds

Capital 'B' represents the element of the free reserves of the Charity which have not been designated for any specific purpose.

Restricted Funds

Capital 'A' includes bequests and donations received before the year 1870 and all permanent endowments where the contributor has directed that the capital shall not be withdrawn either in whole or part. This has remained in the unincorporated charity as it cannot be transferred to a company limited by guarantee.

20 Capital Commitments

Grants approved by the Trustees for the benevolence year ending 30 June 2010 total £568,276. The amount paid prior to 31 December 2009 was £269,996, leaving a balance to be paid of £271,262. These are not included within accruals on the grounds that the amount paid may vary substantially depending on the circumstances of individual beneficiaries.

The Benevolent Fund of the Institution of Civil Engineers Limited

Notes to the Consolidated Financial Statements For the period ended 31 December 2009

21 Pensions

The Fund adheres to two multi-employer pension schemes operated by the Institution of Civil Engineers. Benefits under the defined benefit pension scheme, which was closed to new members in February 2002, are based on employees' final remuneration and length of service. The pension cost is assessed in accordance with the advice of an independent qualified actuary using the projected unit method on the basis of an annual valuation. The performance of the defined benefit scheme has been reported under FRS17. A full actuarial valuation was carried out at 31 December 2008 and updated to 31 December 2009 using assumptions which are consistent with the requirements of FRS17. As at 31 December 2009 the accumulated deficit calculated by the scheme actuaries was £4,588,000. Full details of these actuarial assumptions can be found in the notes of the accounts of the Institution of Civil Engineers for the year ended 31 December 2009.

The Fund has agreed to contribute £232,000 representing approximately 3% of the shortfall at 31 December 2005 in 9 annual instalments. On a purely numerical basis approximately 3% of the employees and pensioners covered by the scheme have worked for the Fund. Regular contributions in the period totalled £5,464.

The pension costs for the Defined Contribution pension scheme were £5,333. There were no contributions outstanding or prepaid at 31 December 2009.

Pension costs for the period also include £4,998 of administration charges.

22 Related Party Transactions

The Fund enters into transactions with its connected charity, the Institution of Civil Engineers. The nature of the transactions includes the collection of donations from the Institution's members on behalf of the Fund and provision by the Institution of financial, HR, database and IT services.

During 2009 the donations and subscriptions collected by the Institution of Civil Engineers on behalf of the Fund totalled £233,450 and the management fee paid to the Institution of Civil Engineers was £26,961.

Debtors include an amount of £21,954 due to the Fund from the Institution of Civil Engineers at the year end.