

The Institution of Engineering and Technology Benevolent Fund (IET Connect)

Annual Report and Financial Statements
for the year ended 30 June 2018



Charity No: **208925**

Company Registration No: **00441284**

Registered Office:

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

Index

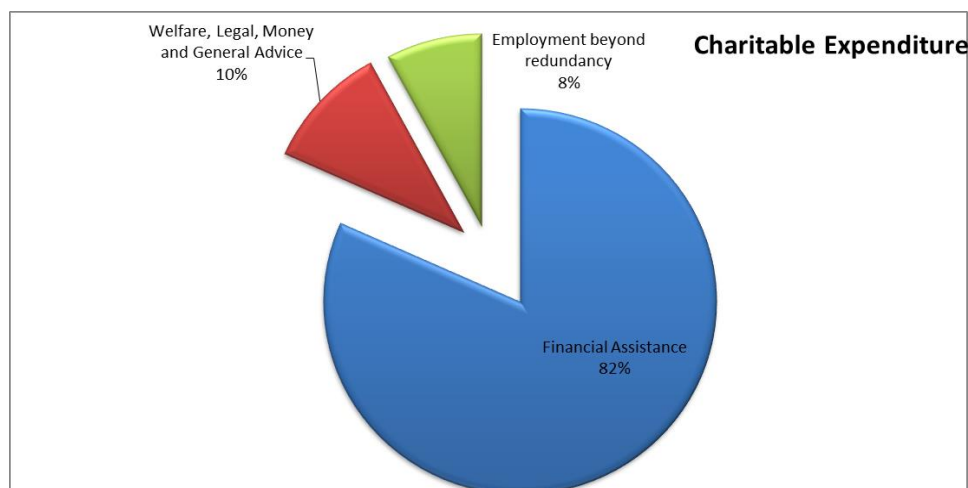
	Page
Report of the Trustees	
Introduction	2
Objectives	6
Activities	6
Fundraising	12
Public Benefit	13
Achievements and Performance	14
Planned Developments for 2018/19	17
Structure, Governance and Management	18
Stakeholders	23
Conclusion	24
Financial Review and Results	25
Investments Policy	25
Reserves Policy	25
Statement of Trustees' Responsibilities for the Annual Accounts	27
Auditor	28
Reference and Administrative Details	29
Independent Auditor's Report	31
Statement of Financial Activities	35
Balance Sheet	36
Cash flow statement	37
Notes to the Financial Statements	38

IET CONNECT

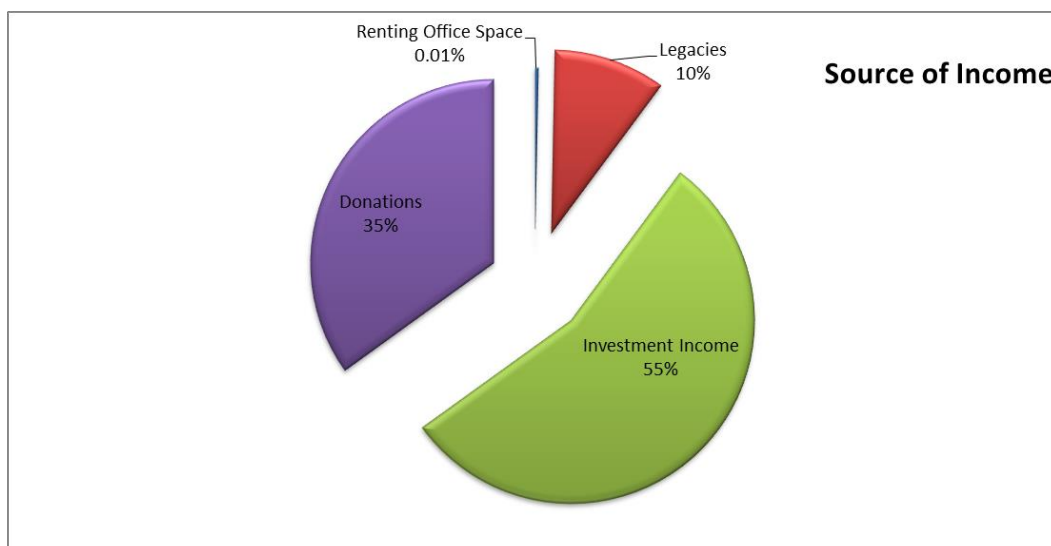
The Institution of Engineering and Technology Benevolent Fund, better known as IET Connect, assists past and present members of the IET and their dependants who are facing difficulties. In the year 2017/18, we had **1166** cases of individuals or families accessing one of our services or receiving support (1003 cases in 2016/17). Throughout this report you will see the comments in orange, received during this financial year, of those we have helped.

During the year we received £447,833 in donations from members of the Institution of Engineering and Technology and £125,901 in legacies yet we directly spent £922,739 on our charitable activities (financial assistance, welfare support and advice and outplacement). The deficit was met by drawing income and capital from our investments.

The direct charitable expenditure of £922,739 for 2017/18 was split:



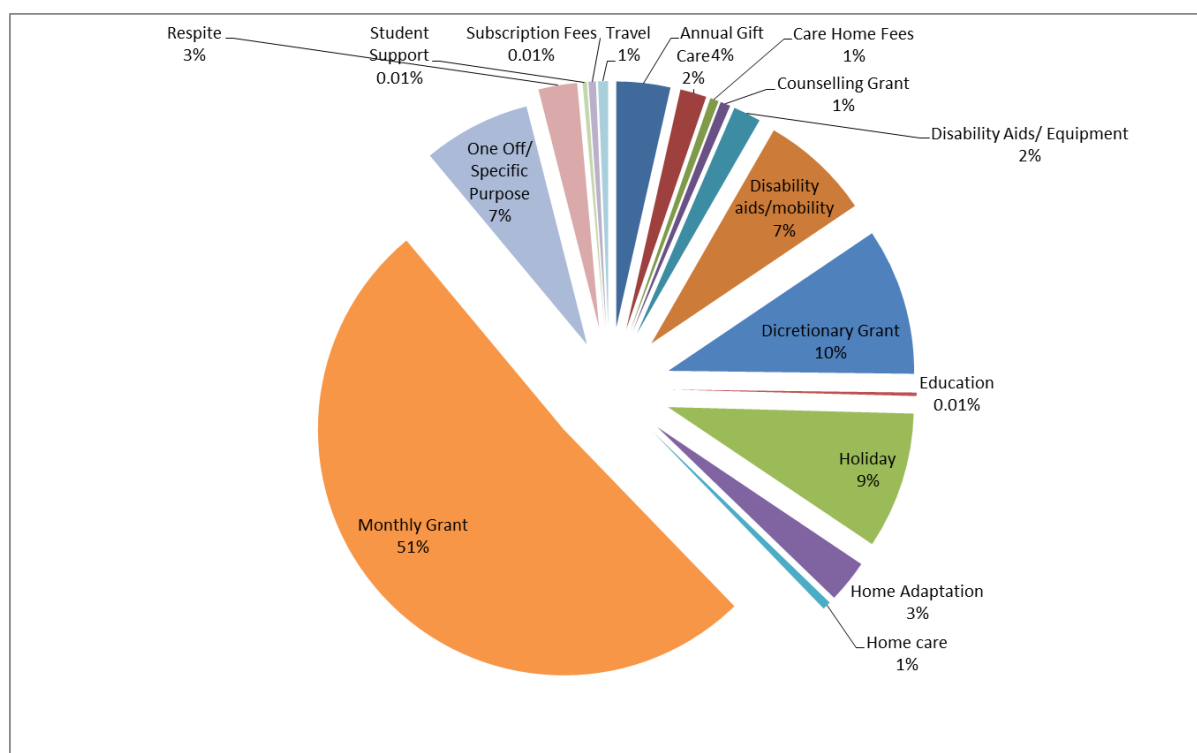
The income of the Charity £1,287,966 for the year came from:



The financial assistance included direct grants of £694,222 (compared to £751,351 in 16/17). Grants were awarded to **226** households made up of individuals, couples or families, in 3 ways:

- One-off specific needs (most relating to illness or disability).
- Short term support (between 6 and 12 months) to get people back on track and able to support themselves after being faced with redundancy or other unexpected difficulties.
- Longer term support through monthly grants to **155** low income households where long-term illness, disability, and caring responsibilities impact on finances.

Disability, Care and One-Off Grants during 2017/18:

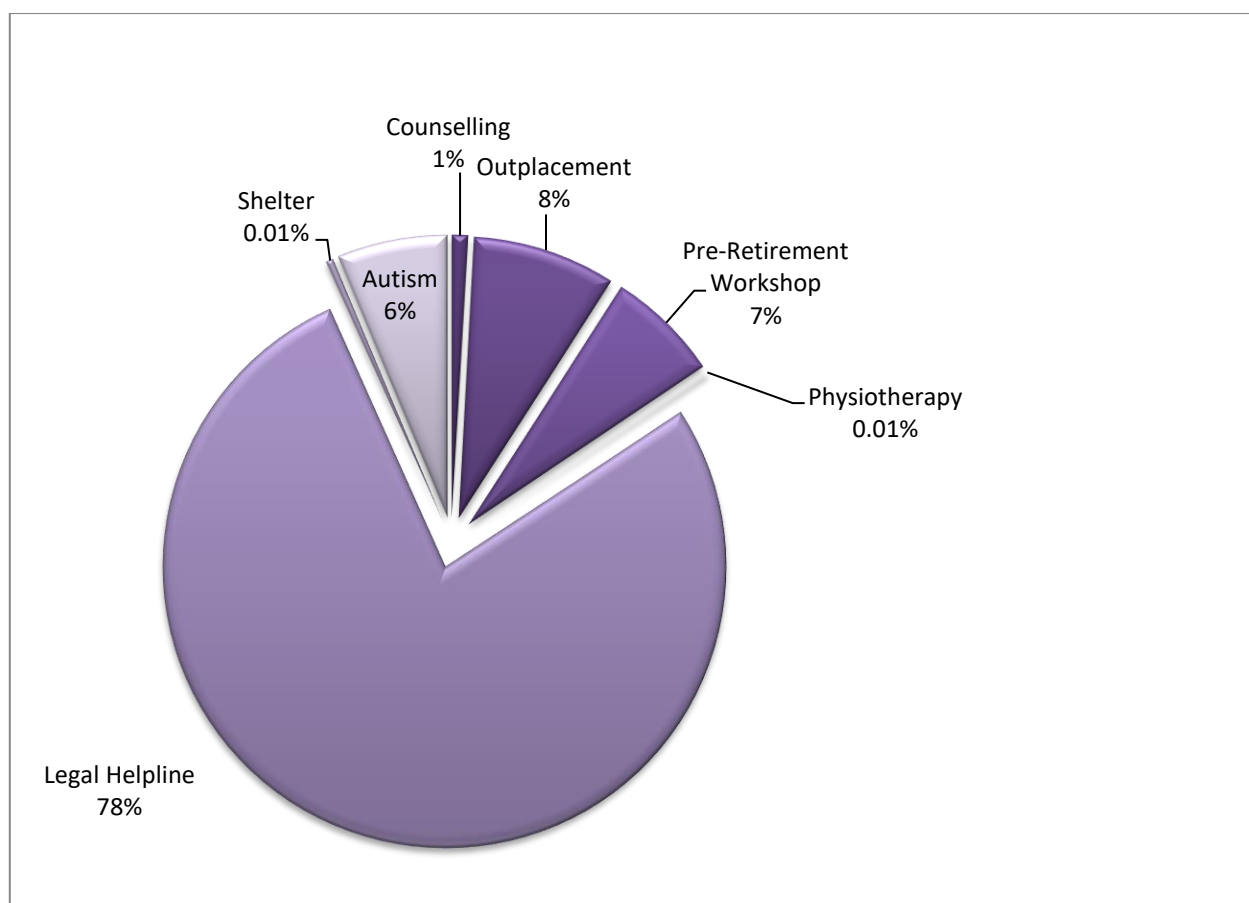


We also supported people in other ways, including specialist advice and guidance:

- **76** people were assisted with one-to-one outplacement/employment guidance (60 people in 16/17). Of those completing the course during the year 50% have found new employment whilst taking part in one of our schemes.
- **718** people contacted our Legal Helpline for advice on legal concerns about family matters, employment, redundancy and a wide range of other issues (654 people in 16/17).
- **74** people attended our Pre-Retirement workshops (79 people in 16/17).

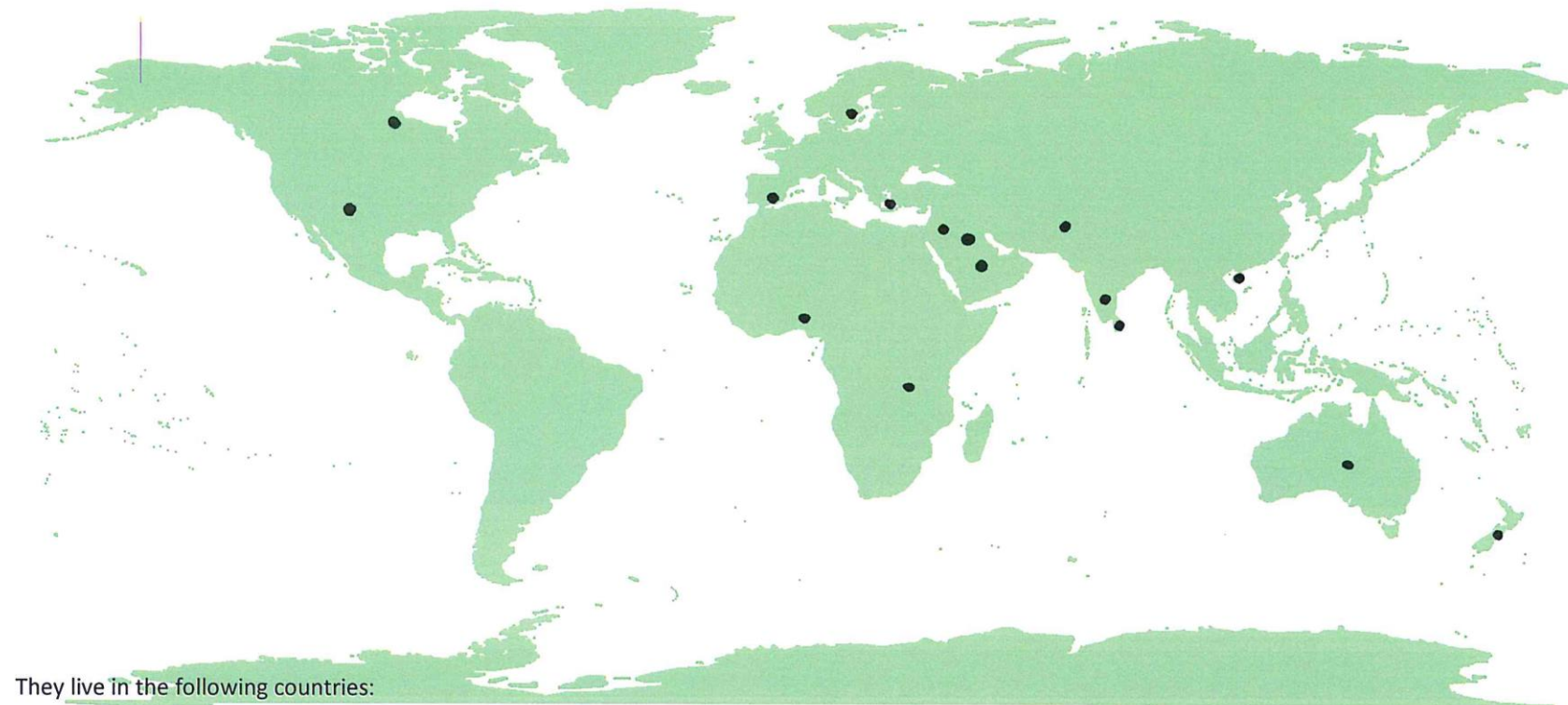
- **58** people were referred to our partnership with the National Autistic Society for a range of advice and support whether it be for themselves or a family member. (This was a new service introduced this year).
- **4** people were referred to our new partnership with Shelter for assistance with housing issues. (This was a new service introduced this year).
- **8** people received grants for a course of counselling (2 in 16/17)
- This year saw the first **2** cases for new funding that is intended for physiotherapy to assist with recovery after an accident or illness and speed up return to independence and, in some cases, employment.

The range of specialist advice and guidance is shown on this chart:



“I think of IET Connect as the Emergency Rescue Service and I am happy that they are trying hard to support their non- UK (international) members from all over the world. I am unemployed since last one year plus and was unable to pay my annual membership fee, I am really impressed by the IET Connect Team that how they rescued me promptly. I am feeling proud of the IET that I am the member of such a professional institution. You are doing well! Keep it up.”

IET Connect is currently helping 39 members or dependants of IET members outside of the United Kingdom:



They live in the following countries:

Australia	2	India	4	Nigeria	4	Sweden	1
Canada	2	Jordan	1	Pakistan	4	United Arab Emirates	1
Greece	2	Lebanon	1	Spain	1	United States of America	1
Hong Kong	1	New Zealand	2	Sri Lanka	11	Zambia	1

OBJECTIVES

The objects of the Charity are “to provide financial or other assistance to persons of all ages who are in need who are beneficiaries of the Fund in any manner which the Trustees consider expedient”. To achieve these objects IET Connect provides information, advice, support and financial assistance, to IET members and former members and their dependants in times of need. Our remit includes former members of the Institution of Electrical Engineers and its former constituent institutions and their dependants. We help individuals and families, many of whom have been affected by accident, illness, disability, bereavement, unemployment and redundancy. The creation of the Speirs Fund in 2010 broadened the objectives of the Charity in terms of who may qualify for assistance (individuals with an interest in engineering) and enabled us to develop services primarily to help individuals and families affected by disability and, in particular, carers.

“I just wanted to say how utterly grateful I am for your help. I really didn’t want to ask for help but having this help has made such a difference and I really don’t know where I’d be at this moment without this life-line. You have been so helpful and so quick!”

ACTIVITIES

The advantage of a charity of our size is flexibility and agility. Whilst most of our activities remain the same there is always scope to introduce something new or arrange for a “one off” response if appropriate at short notice. We do not have any “off the shelf” solutions. We tailor our support to meet the needs of the individual and our caseworkers can draw on a range of services and funding that is available. Frequently a single beneficiary receives several of our services to help address the situation in which they find themselves. An initial call requesting to use our legal helpline about financial issues may well lead to support in a number of different areas such as outplacement advice, a financial grant and possible counselling. A call about an injury or illness may lead to advice being given on State benefits and entitlements, financial grants – either a one-off for a specific piece of equipment or longer term financial support – or perhaps both. The caseworkers will also be able to advise on other support specific to the situation – perhaps specialist national charities or local groups. Experienced advisors discuss with the individual their needs and wishes and arrive at options to help alleviate or resolve their specific situation. Of course, some cases are more straightforward than others but the most effective outcome is sought in every case.

“I would like to take this opportunity to thank the IET Connect for steady support and invariable kindness! I really appreciate the IET Connect activities and the course of development which make you all a reliable anchor in turmoil times.”

“You have enabled us to live a better and happier life than we would without your support. That means a lot to us both.”

“It is comforting to know that, both near and far, you are always there.”

Advice and Guidance

The Charity provides free, confidential advice on a wide range of welfare related matters. There have been increasing numbers of enquiries for information on specialist areas such as care homes and disability issues. An in-house Helpline staff direct people to independent, specialist organizations which deal with specific concerns that may be impacting on their lives. They carry out internet research, as well as using their own broad knowledge and experience. The value of being directed to trusted, reliable sources of information cannot be overestimated because access to independent advice from credible sources can provide reassurance at times when it is needed most.

Specific areas of advice offered include:

- **Autism Support**

A new service, introduced this year, was set up through a partnership with the National Autistic Society. Funding is provided for a personalized advice and support for adults and children with autism, including post-diagnosis, living with autism, education and transitions, e-befriending, local and parent-to-parent support. It has been well used by the 58 people/families referred in the first year. A trial “Understanding Autism” workshop was also run for parents of children with autism.

“Many thanks once again for your kindness to us as a family – it helped so much”

- **Individual Outplacement**

We offer a choice of two different outplacement services providing career coaching and guidance including planning and writing an effective CV, cover letters, job search methods, interview preparation, and self-employment options as well as 12 months access to online support including a wide range of tools and a job search engine. One service includes a series of face-to-face coaching sessions and the other runs one-to-one coaching sessions remotely by telephone, e-mail or Skype™ and can also provide emotional wellbeing support. The latter is ideal for people in remote locations or outside the United Kingdom. At the end of the 12 months of all of the people referred, 50% had found new employment, 17% were actively looking and 29% were still in progress with just 4% who had disengaged. We spent £72,814 helping **76** people with outplacement during the year (£59,937 spent on 60 people in 2016/17).

“After seven months of search for a job, I did find one but it would not have been possible without the help IET Connect. IET Connect’s *** (outplacement provider) support helped me in many different ways to get prepared for the interviews. Also, I knew that if I needed financial assistance IET Connect is there to help me which is very reassuring when I was trying to figure how am I going to support my family.”**

- **Benefits Advice**

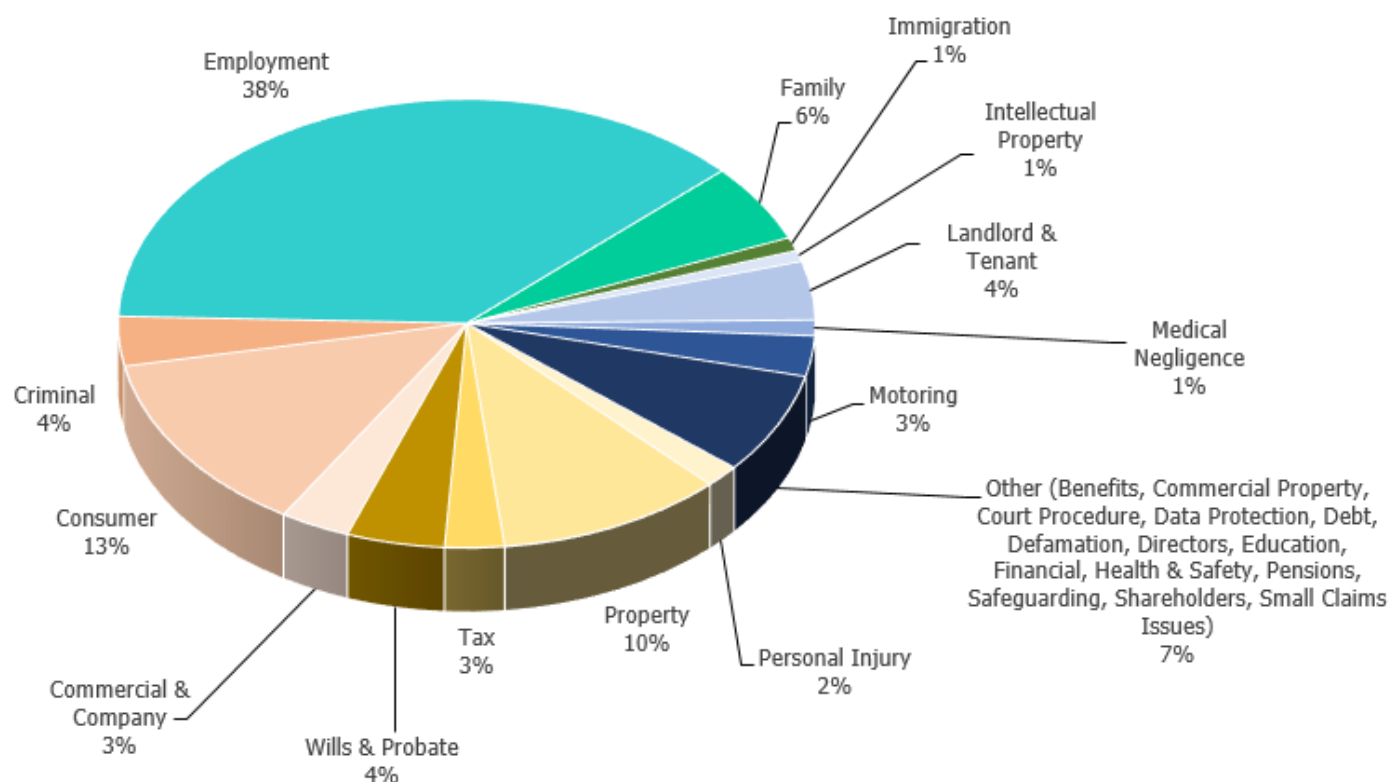
We ensure that we inform people about any State welfare benefits to which they may be entitled and guide them how to claim.

- **Legal Advice**

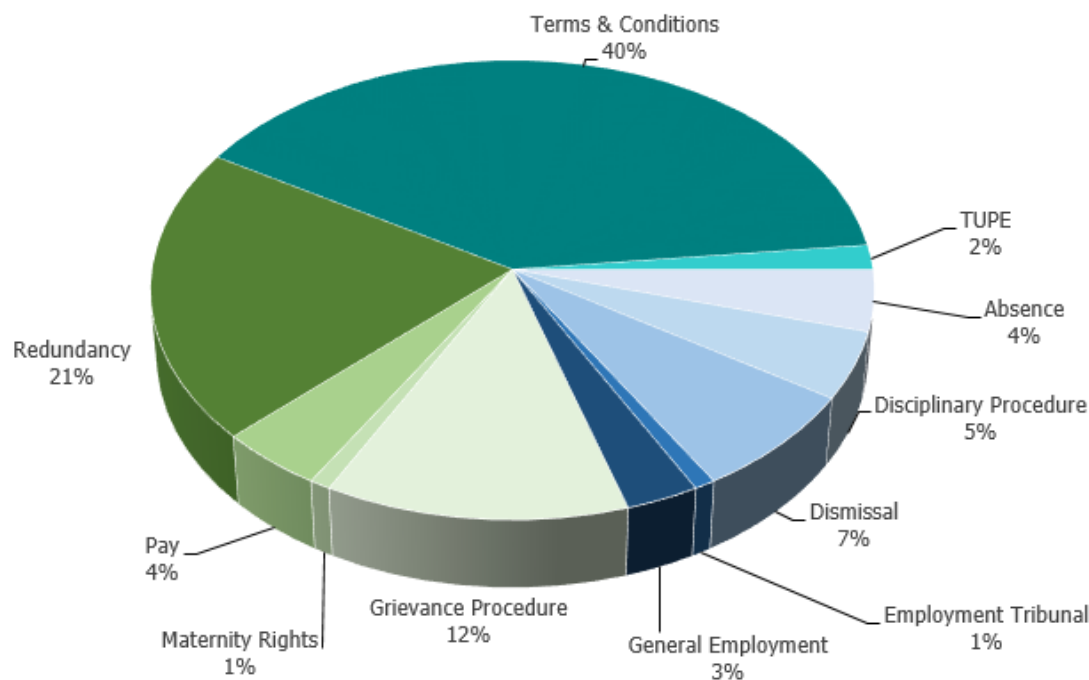
The outsourced legal helpline provides telephone advice directly from legal advisers with at least five years' post qualification experience as a practising solicitor. They cover a wide range of specialisms including employment, redundancy, landlord and tenant, consumer and personal and family matters. During the year there were **718** referrals to the Legal Helpline (654 in 2016/17).

The subjects of the Legal Helpline calls covered many areas ...

It is clear that employment is the largest area of concern for those ringing the Legal Helpline as you can see below:



Within employment law the breakdown is as follows:



“I just wanted to say how much I appreciate the first class service provided by IET Connect and specifically the legal helpline. Today I used the service for the third time and again it was extremely fast, courteous and most importantly reassuring. Thank you very much.”

- **Money Advice**

We can refer individuals to independent debt advice services for help with resolving money problems and arranging debt management plans where appropriate.

- **Pre-Retirement Workshops**

When to retire is a significant personal decision and the transition can be a challenge. A sudden loss of purpose and daily structure can impact significantly on physical and mental health, wellbeing, relationships and finances. Based on the success of the trial, 6 further pre-retirement workshops were run this year through a specialist workshop provider. The day long workshop was attended by **74** people (79 in 2016/17) and all of their feedback was very positive with every attendee recommending it to other IET members.

“I found that by the end I was looking forward very much to planning my retirement. Very informative, useful course.”

“Very thought provoking and very thorough. I was worried that I would be unable to fill my time post retirement, now I can see so many possibilities the problem is choosing which first”.

Emotional Support

The emotional support provided by the Caseworkers to our beneficiaries is for some the most valuable part of our service albeit impossible to quantify in monetary terms. We try to establish continuity - with beneficiaries liaising with the same Caseworker wherever possible. This helps to build rapport and trust. In many cases, an initial home visit may be carried out by the Caseworker and an IET Connect Local Representative to determine the situation and the specific support needed. Caseworkers telephone beneficiaries, particularly the more vulnerable ones, to enquire how they are and whether there is anything worrying them with which IET Connect can help. Some beneficiaries call the staff regularly “for a chat”. Such beneficiaries are often socially isolated, rarely seeing people from one week to the next. Knowing that someone is there for them is important for their wellbeing and self-esteem. No matter how busy staff may be they will always set aside time to listen to and speak with people who need this type of contact.

We encourage and fund counselling with an appropriate counsellor where it is deemed to be beneficial to the individual.

Financial Assistance

Assistance is offered in the form of one-off or monthly grants where a financial need has been identified. Funding may be provided for a specific purpose such as a home adaptation or equipment for disability, or in the form of a monthly grant towards day-to-day items for 6-12 months where an event has caused a reduction in regular income. Some of the items include routine expenses which are not met by State provision such as respite breaks, telephone, television and broadband charges, transport costs and the replacement of essential household items. Where possible, short-term assistance is provided rather than long-term financial assistance to avoid dependency and encourage the beneficiary to look for long-term more sustainable solutions. The preference is to give a larger initial sum, where appropriate, to help the person or family “get back on their feet” or to give breathing space to resolve a difficulty and move forward independently. We spent £753,272 on direct financial assistance (£815,021 in 2016/17).

“It's the first time that I tried to use the IET Connect and to be honest I am proud to be a member of this "family". The support and responsiveness are characterized by high quality and proper process. I received the appropriate financial help in order to overcome some difficulties that I am experiencing, which differentiates this kind of support from others. If I was asked whether I would recommend IET Connect for such incidents, I would do it as from the first time I spoke with a caseworker; I felt that I would receive the appropriate assistance. THANK YOU FOR YOUR HELP”

IET Connect Benevolent Fund has helped me out of extremely difficult circumstances. When ** died I didn't know where to start or what to do. Thank you. Your service and the**

people I have spoken to have been so helpful and supportive. ***** (my caseworker) is always welcoming when I phone; asking for money is very embarrassing but ***** removed that. IET Connect gives me peace of mind.”

“The funding has made a very difficult period of uncertainty more manageable.”

Care and Support for Carers

Where possible, the aim is to promote independence in the home and to support carers whose own needs often go unnoticed or are neglected. Where independence is no longer an option we aim to provide whatever support and guidance we can about other options. The Speirs Fund is used primarily to pay for a wide range of disability and care related needs. It includes respite care and home care with the aim of giving carers a break, whether that is for a day at a time or a longer period. It also pays for items or services that enable frail or disabled individuals to increase or retain their independence in order to continue to live safely in their own home. Where this is not possible we can also contribute towards the costs of long-term nursing care. During the year £42,771 (£106,500 in 2016/17) was provided in grants from the Speirs Fund. The reduction is thought to be due to the marketing concentration on other areas.

“Your kind support will make a great difference to my daily life; climbing stairs can be very painful, what a difference to my daily comfort this will be. IET is greater than just engineering; it has an interest in us as people, many thanks.”

From the parents of a member that we helped with adaptations to her home:

“The financial support you made available to ***** and her family this year has been unbelievable. Your input has allowed her to continue to believe that she can enjoy a better life and has given her the confidence to keep inching along to exciting, attainable goals despite her illness.

Physically and emotionally, you have inspired her by your rock-solid support when her future looked and felt shaky. We cannot help but marvel at your generosity, sensitivity and insight. May God bless you and your team for doing for our child what we couldn't.”

Other Assistance

IET Connect prides itself on its flexible approach in assisting people and is able to consider a wide range of tailor-made support to help meet the specific needs of an individual. There is no set answer to any situation – we believe that everyone is unique and we discuss options with them, accordingly. We are also prepared to investigate and adopt novel solutions if these will lead to a successful outcome. For instance, a cataract operation was funded for an 88 year old widowed person where the NHS waiting list in the area was over 12 months and living at home was becoming unmanageable and unsafe due to her very poor sight.

Where possible we also refer people to specialist organizations that can help them with specific issues – such as our friends at Remap who make bespoke equipment not available commercially.

“This has made a huge difference to my circumstances. When I was diagnosed with cancer it felt my world had come crashing down. The support from IET Connect is easing the pain and giving me a bit more dignity. I would like to thank my caseworker *** for her professionalism and patience.”**

The Contribution of Volunteers

We have 20 Local Representatives and 10 Trustees (of which 5 also serve as Local Representatives). Local Representatives carry out home visits to members in need of support. Their time includes liaising with our caseworkers before and after home visits to people applying for financial support or in receipt of ongoing support. During the visit they discuss the individual or family's circumstances, gather facts and discuss options for support. They write a case report after each visit to clarify circumstances and needs. Local Representatives also attend 2 meetings a year in London which include training.

Our trustees travel to London for 5 trustee meetings a year and all carry out tasks between meetings. Seven of our volunteers also sit on the Case Review Committee which meets 3 times a year in London to discuss grant and welfare policies and applications for financial assistance. They also carry out detailed case reviews 3 times a year between meetings reading the case notes and quizzing the caseworkers on their cases.

It is estimated that our volunteers donated 749 hours of their time to the Charity during the year (Trustees 723 hours and Local Representatives 26 hours).

FUNDRAISING

The Charity recognizes the requirements of the Charities (Protection and Social Investment) Act 2016. For the past several years the Charity has not actively fundraised other than the annual request that is part of the IET subscription mailing. There is a box on the subscription payment form for membership of the IET for people to include a donation to IET Connect if they so choose. The recommended donation is £8.

No professional fundraisers or commercial participators are used. There has been no direct fundraising contact with potential donors and so no breach of any regulation or code and no complaints have been received.

We are fully aware and grateful for the simple line on the IET membership subscription form enabling people to donate to us as part of their annual subscription to the IET.

PUBLIC BENEFIT

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

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

All of the charitable help is provided free of charge and beneficiaries do not need to have donated to IET Connect to be eligible for our services.

The Trustees have reviewed whether any of the help that we provide could possibly cause any detriment or harm and have not identified any example where this might be the case. The only "downside" in terms of public benefit is that the work of IET Connect has led to an increase in the uptake of State benefits by its beneficiaries. Clearly this is an added cost to the Public purse; that said, it is only a case of people now claiming benefits to which they were already entitled or have recently become entitled.

ACHIEVEMENTS & PERFORMANCE

Our Impact

Our aim is to provide effective help and support to individuals and families in times of need and improve their quality of life. We achieve this by offering financial assistance, information and guidance and access to specialist support, funding for counselling, employment support or support with autism. The amount and type of assistance we provide each year is heavily influenced by our marketing which this year concentrated on our services rather than financial support. This year we helped 1166 people.

The results speak for themselves with a 10% increase in calls about legal advice, a 27% increase in requests for assistance with employment guidance, 58 people being referred for autism support, a further 8 for counselling and 4 referred for housing support.

The financial year 2016/17 had seen a 21.4% increase in the financial grants given out by the Charity (£751,351). The 2017/18 year did not match that figure with £694,222 being paid but that was still a significant increase on the 2015/16 figure of £618,955.

There are no limits on the length of time that caseworkers will spend talking to people be it on the telephone or in person. Our aim is to try to improve a person's quality of life in whatever way that we can within our objects. There are no set answers – just what is best for the individual. We believe that the intangible support is often as important as the quantifiable financial support.

Whilst our aim is to give a sufficient amount of help to get the majority of beneficiaries back “on their feet” as soon as possible there will always be a cadre of beneficiaries (currently **155**) who need longer term support, and possibly lifetime support. We do our utmost to stay in contact with these people and to make them feel part of the IET Connect family. For example, they are sent a Christmas card every year individually signed by every member of staff, and a personal letter. Furthermore, all receive a birthday card, again individually signed, and a birthday hamper. For some these are perhaps the only cards and gifts that they receive. A small effort by us such as sending a card often means a great deal to the recipient.

“Many thanks for your kind and beautiful birthday card signed by everyone at IET Connect. I also very much appreciate all the help and support”

“I just got a hamper and birthday card from IET benevolent fund. I want to say a BIG thank you to the team for all the amazing things you do for me.

I am beyond grateful and ecstatic.

This is by far one of the best birthdays for me. Thanks a million.”

“I would like to sincerely thank you for the Birthday Card and the Birthday Gift that I received today, it was a big surprise and one that I really do appreciate very much, it was most kind of you and the IET Connect Team Staff, so please, I would like to pass on my sincere thank yous to each and every one of you. It really brightened up my day and evening. I will cherish what you sent me as I have never received anything like this before.”

“We wish to convey our gratitude to you and to IET Connect. The help given to us, me and my sister is a great life support for both of us. We are ever grateful to the great financial support you are giving us”

“Good news, I now have a job! Things have been a little hectic, as the job came together rather quickly, and I’ve started.

Thanks to the help of IET connect I’ve found a better job than the one I had previously. With the help of the techniques I learned through ***** (our outplacement provider) I was able to apply, and negotiate with a company which had very high demands, and in the end I was able to convince them to hire me.

Also, thanks to IET Connect and yourself for helping sorting out a problem that was keeping me awake at nights. With the help of the advice you connected me with at Step Change, and with the job, I’m on the road to getting my financial issues under control.

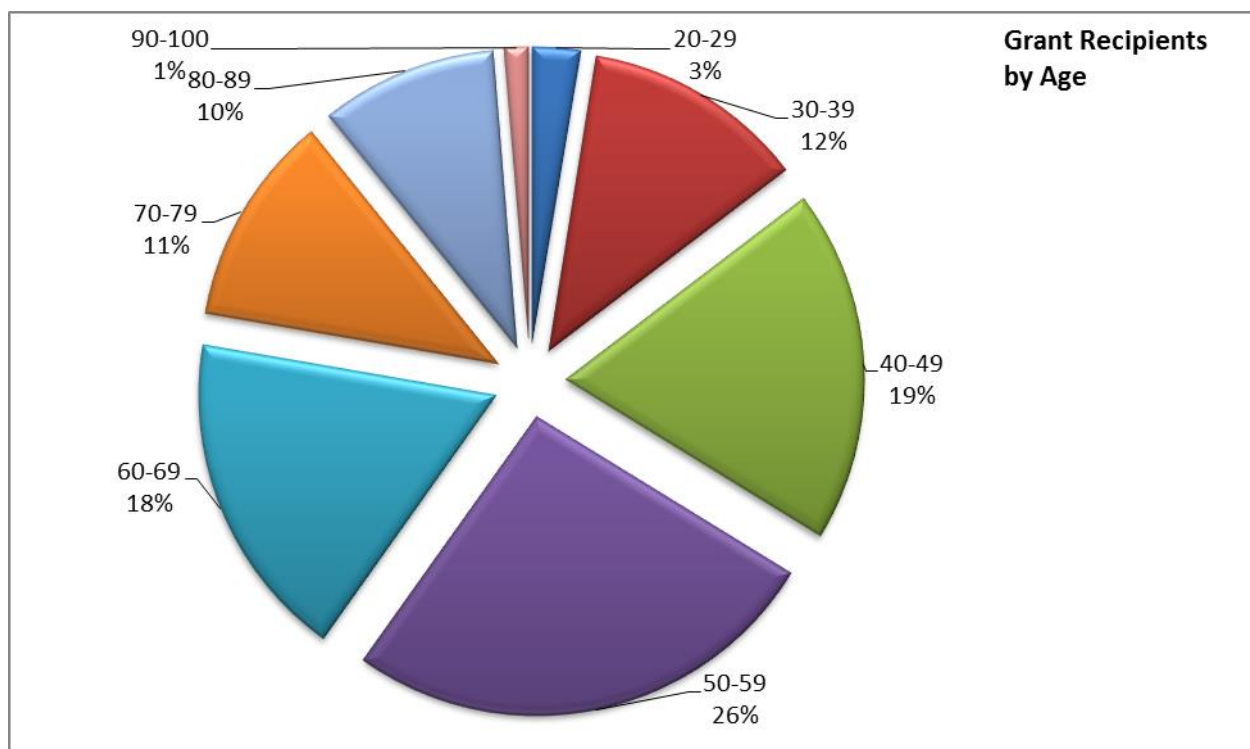
Thanks you for your help and support these past few months, it’s been invaluable to me.”

Achievements

Our aim is to help people to the best of our ability and to try to improve the quality of life of IET members and their dependants where possible. We have been particularly proud of being able to raise awareness about autism and our new service to help people and families concerned by autism. One person stood up at the Annual General Meeting of the IET to say that because of IET Connect he had discovered that he was autistic and that he now understood issues that he had been facing his whole life but had failed to comprehend and that it was like a weight being lifted from him.

This year we have maintained the previous year’s increased support to mid-career individuals – increasing it again by 2%. This includes support to those affected by redundancy, or limited employment options due to mental and physical health conditions. It has been a challenge to get the message across that we help people of all ages and not just the retired and widows – which is a common misconception.

The chart below shows that we are now helping people across the age spectrum:



Investment Performance

The investment target was set as a total return over a 10-year period of an annual average of “RPI + 4%”. Since inception (January 2015) until 30 June 2018 RPI + 4% had been 24.61% but the portfolio had increased on a total return basis by 36.47% compared to the benchmark of 34.72%. During the first half of the year the portfolio consistently outperformed the benchmark (5.8% to 5.5%) in all asset classes except fixed income but in the second half of the year the performance was disappointing with a 6 month growth of 1% with the benchmark achieving growth of 1.8%.

Fundraising Performance

Once again given the health of the investments it was felt to be inappropriate to have a formal fundraising campaign other than encouraging the recommended £8 donation per IET member at the time of the payment of their IET subscription. The steady fall in donations has continued from £502,333 in 2015/16 to £487,043 in 2016/17 and in 2017/18 to £447,833.

PLANNED DEVELOPMENTS FOR 2018/19

We have a broadening range of services in order to meet a wide variety of needs. There is, however, an ongoing lack of awareness about the Charity and its services, which is of increasing concern to staff and trustees.

Our main aim this year is to significantly increase awareness amongst priority stakeholders: The IET, industry and partnerships, and potential beneficiaries; so that anyone who is entitled to and in need of support knows that we are here to help.

To achieve this ambition, we are investing heavily in marketing, with a comprehensive strategy, a significantly increased marketing budget and additional staff. There will be more presence at events, improvement in digital marketing through investment in social media marketing, e-mail marketing and improving the website as well as building links with industry and creating content with partners.

We also plan to:

1. Consider how best to build on the early success of our partnership with the National Autistic Society.
2. Develop our mental health support and investigate the possibilities of new partnerships with other charities such as MIND and AnxietyUK.

Charity Governance Code

The Board has studied the Charity Governance Code issued on 13 July 2017 in some depth. They divided the code into 3 – the areas in which the Charity is completely compliant, the areas in which the Charity is largely compliant and the few areas in which the Charity is not currently compliant. This has prompted them to consider whether or not the current Memorandum and Articles of Association require a review. This is work that will continue in the year 2018/19.

STRUCTURE, GOVERNANCE AND MANAGEMENT

IET Connect is a company limited by guarantee. It is administered by a Board of up to 10 unpaid trustees, most of them also serving alongside our Senior Management Team on committees that control various aspects of the Charity's business under delegated authority.

Trustee Appointment and Competence

The Articles of Association were amended by special resolution of the members of the Fund on 23 March 2006 to help strengthen its links with the IET, to allow the IET Board of Trustees to appoint IET Connect trustees with the necessary skills and experience to manage the Charity, and to give the Local Representative Assembly a significant representation on the Board. Whilst the appointment of trustees was reviewed by the 2009/10 Working Group reviewing the Articles of Association it was felt that the appointment system for trustees worked well and should not be changed.

The Trustee Board is made up of:

- Two trustees appointed by the IET – of whom at least one must be a current trustee of the IET
- Four trustees appointed by the Local Representative Assembly
- Up to four trustees appointed by the Board of Trustees

A majority of the trustees must be members of the IET.

The Trustee Board oversees the work of the Charity and makes decisions on the key policies of the Charity. It delegates more detailed work to its committees and day-to-day management of the Charity to the CEO and the staff.

The Local Representative Assembly is entitled to review any Board appointed trustee and in exceptional circumstances may, if it considers it is in the interests of IET Connect, recommend to the members that their statutory powers to remove a trustee under the Act should be exercised in respect of that trustee. The trustees appointed by the IET are subject to its democratic processes of appointment.

A Trustee Skills Register is maintained in accordance with The Institute of Chartered Secretaries and Administrators Guidance and applicants for trustee appointments are asked to complete a skills audit form as part of the application process.

Trustee Induction and Training

New trustees receive information on IET Connect to brief them on their legal obligations under Charity and Company law. They also receive information on the organization's Objectives and recent financial performance. They are all encouraged to undertake external training to broaden their knowledge and inform them for the undertaking of their roles. During the year individual trustees attended 5 courses and seminars relevant to their roles.

Local Representatives and the Local Representative Assembly

The Local Representatives make up a grouping known as "The Local Representative Assembly". The Local Representative Assembly is intended to represent the interests of stakeholders, as well as IET Members and Local Networks. The Assembly also has responsibility for appointing 4 of the 10 trustees.

Committees

The Case Review Committee

The Case Review Committee has an overview of the policies and principles governing grant decisions and decides on unusual cases and high value grants. The Case Review Committee also regularly reviews a cross-section of cases to ensure appropriate outcomes for beneficiaries as well as identifying opportunities to enhance the operation of IET Connect. It works closely with staff to identify trends in requests for assistance particularly where there is a need for new policies (both financial and non-financial) to help meet the ever evolving needs of IET members. Recommendations for new policies are presented to the Board of Trustees for the Board's approval.

Audit and Investment Committee

The Audit and Investment Committee monitors the effectiveness of IET Connect's quality controls and risk management. Furthermore, it monitors the performance of investments and the investment manager.

Remuneration and Nominations Committee

The purpose of the Remuneration and Nominations Committee is to determine the appropriate remuneration and any changes to terms and conditions of employment of the staff of IET Connect. As the Nominations Committee, its purpose is to meet when necessary to select a new CEO or to assist the CEO in the selection of a new Deputy CEO and Services Manager or a Marketing and Communications Manager.

Remuneration Policy

The remuneration of the Senior Management Team, as the Charity's key management personnel, is set by the Board following recommendations made by the Remuneration and Nominations Committee. The objective is to ensure that the CEO and senior staff are

provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to IET Connect's success. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with other charities to ensure that IET Connect remains sensitive to the broader issues such as pay and employment conditions elsewhere. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope to reward for excellence. The Board of Trustees is in no doubt that the delivery of IET Connect's objectives is primarily dependent on our Senior Management Team.

Risk Management

The Trustee Board does not delegate its responsibility for risk management although the Audit and Investment Committee audits key areas of risk on behalf of the Board. The Board operates a "risk aware" rather than a "risk averse" policy as it feels that to try to operate without any risk would lead to paralysis of the Charity and have a severe adverse impact on its operations.

The Trustees consider "Risk" and a section of the "Risk Register" at every Trustee Board meeting so that during a 12-month period they will have considered all identified risks. They operate a formal risk management procedure that:

- continuously reviews the strategic, financial and operating risks facing IET Connect;
- establishes systems and procedures to mitigate identified risks;
- implements procedures designed to minimize any potential impact on IET Connect should any of those risks materialize.

The Board considers "new" risks as they become apparent rather than waiting for the annual review of the appropriate section of the Risk Register.

Key risks to the Charity and steps taken to manage and, or mitigate them

A key risk is lack of awareness of the Charity and its services amongst the IET membership. This risk has the dual effect of impacting on fundraising and of individuals not being aware of support available to themselves and their dependants. In order to mitigate the risks around awareness we employ a Marketing and Communications Manager who promotes the Charity at every opportunity through marketing materials, IET Connect's website, social media as well as relevant charities and organizations that people may be more likely to approach for assistance. Contact from IET members is closely monitored and communications are targeted to reach all members. It has now been decided to increase the number of staff working on the marketing to 3 (one is a temporary position) and to simultaneously significantly increase the marketing budget to see what can be achieved.

Breach of Data Protection Legislation is a key risk to the Charity, particularly because of the large quantity of sensitive and personal information provided by people accessing

services. All Local Representatives and staff understand and comply with our Data Protection Policy and procedures at all times. All local representatives sign up to a code of practice and receive annual reminders as part of their training. There are prescribed retention times for data and a data breach policy and procedure. A great deal of work was undertaken during the year to ensure that the Charity was compliant with the new General Data Protection Regulation that came into effect in May 2018.

Lack of safety for local representatives and casework staff when carrying out home visits is identified as a key risk. Damage to the reputation of the Charity could also be affected. Training of key staff and all local representatives takes place including suitable precautions to take. When visiting someone applying for support for the first time, two visitors always go together. There are policies and procedures for home visits and safeguarding which staff and volunteers comply with.

Fraud or error involving applications for support is a risk. Casework staff take care to verify an applicant's financial and personal circumstances through official supporting documentation when an application for support is received. Grant procedures are fully complied with. Routine internal and external audits cover all aspects of processing applications and the paying of grants.

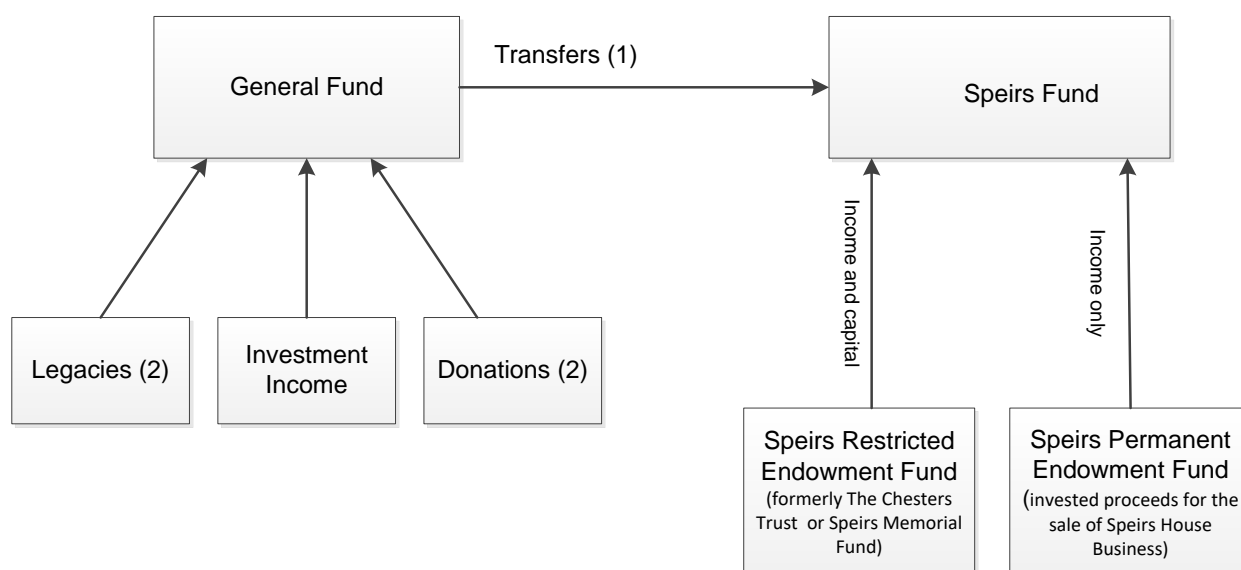
Financial fraud is covered more widely in policies and procedures for volunteer expenses, the processing of invoices, all aspects of grant making and accounting. Once again, all procedures are subject to routine internal and external audits.

The Funds

The assets managed by the Charity are divided between two funds, the General Fund and the Speirs Fund (previously known as the Chesters Trust or the Speirs Memorial Fund).

The Speirs Fund is further sub-divided into two. The income from the sale of the Speirs House business forms a permanent endowment. The previous funds held in the Chesters Trust or Speirs Memorial Fund form a restricted endowment. Prior to the sale, Speirs House was run by a wholly owned charitable subsidiary company established by the Board of Trustees. The Speirs Fund has a broader remit than the General Fund in terms of who it can assist and it is used primarily in the areas of care, disability assistance, promoting and maintaining independence where possible and support for carers of all ages.

The relationships between the Funds are shown below:



Notes:

1. Transfers may take place from the General Fund to the Speirs Fund (but not vice versa).
2. The General Fund is the default fund to receive all donations and legacies unless the donors specify that they would like their donation to go to the Speirs Fund - in which case the money would be credited immediately to the Speirs Fund.

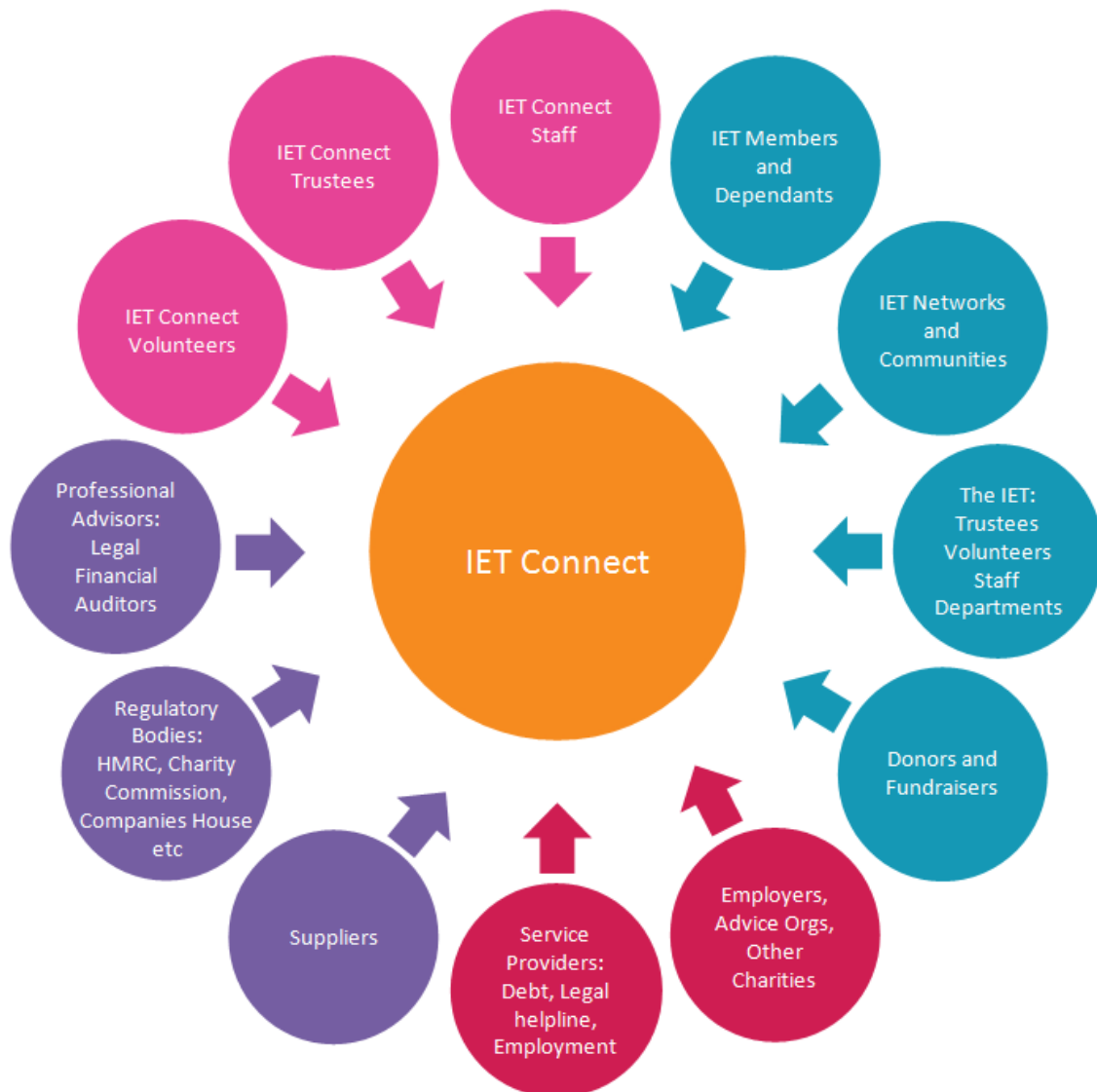
THE INSTITUTION OF ENGINEERING AND TECHNOLOGY

As has already been mentioned, IET Connect assists past and present members of the Institution of Engineering and Technology (IET) and their dependants who are facing difficulties. The IET is a separate company (No. RC000263) and a separate charity (in England & Wales (No. 211014) and Scotland (No. SC038698)). Those assisted also include members of former institutions that merged to form the IET (and its predecessor the Institution of Electrical Engineers) including the Institution of Incorporated Engineers, the Institution of Manufacturing Engineers and Institution of Electronic and Radio Engineers. The IET nominates 2 of IET Connect's trustees. Clearly the 2 charities are very closely linked as the raison d'être of IET Connect is to help IET members, past and present but the governance, administration and funding is completely separate from that of the IET.

STAKEHOLDERS

The stakeholders in IET Connect are numerous and the chart below gives an indication of those involved:

IET Connect stakeholders



CONCLUSION

2017/18 saw a concentration on the provision of non-financial services, in particular the very encouraging start to our new partnership with the National Autistic Society. Already 58 adults and children with autism have received support and have given very positive feedback. There was also a significant increase in the number of people receiving outplacement support to get back into employment with 76 people assisted (60 in 2016/17).

In many ways the year 2017/18 was similar to the preceding year financially with a slight increase (5%) in income £1,287,966 (2016/17 £1,225,931) and an increase (10%) in expenditure £1,775,195 (2016/17 £1,606,889) with the difference largely being due to the £120,000 pension provision.

There was a reduction in financial assistance from £797,181 to £755,470 partly due to limited marketing resource, but also because of a greater focus on offering specialist support services. It should also be noted that the previous year's charitable expenditure had seen an unprecedented rise with financial assistance increasing by 19.3% on the year before, partly due to a high level of targeted marketing and efforts devoted to raise awareness of assistance available. As mentioned earlier, raising awareness of the Charity to potential beneficiaries is a constant challenge.

A considerable amount of time and resource was put into a new marketing strategy and preparing the way for targeted campaigns in three prioritized areas for 2018/19. The marketing costs rose from £7,268 in 2016/17 to £70,224 in 2017/18 to assist with this important challenge. The aim is to reach all individuals eligible to our services but who are difficult to reach or unaware of what is available.

Once again there was a significant difference between income received (which included investment income of £710,403) and the expenditure and it shows the importance of having reserves that can be drawn on to plug the gap of £487,229. Again, the Trustees have stated that they intend to continue to provide the most comprehensive services possible to the greatest number of qualifying individuals possible and do not plan on limiting our offering in any way so long as we do have the reserves that can be drawn upon to meet any deficits.

The Board sees these annual figures as the result of much hard work and a team effort between the volunteers and the staff. The Trustees wish to thank everyone for their contribution to achieving our aim of assisting individuals and families in the most effective way.

Furthermore, the Board wishes to pass on their sincere thanks to our generous and loyal donors who make such a difference to what we can achieve. They also wish to remember everyone who wished to leave the Charity money in their will.

"I still haven't got over my first experience (in many months) of having a shower. It is difficult to describe the difference it has made to me and to that of my image of a future. Over the past few years, I would often say to folks, 'without hope, what is there?'. Of course,

inside, I was really referring to my own circumstance. Well, now I have hope, thanks to you and IET Connect.”

FINANCIAL REVIEW AND RESULTS

The financial results of the year are set out in the Statement of Financial Activities on page 34 which has been prepared in accordance with the Financial Reporting Standard 102 Statement of Recommended Practice 2015.

Income primarily comes from 3 sources – donations, legacies and investments. As mentioned above, in 2018 incoming resources of £1,287,966 were £487,229 less than the expenditure for the year of £1,775,195 (2017: £1,225,931 with an excess of expenditure over income of £380,958). Once again the rise in the value of the investments during the year more than covered the deficit with an overall increase in the funds of the Charity of £577,093. The investments held are a broad spread of largely equity from across the World. Even the UK stock was significantly influenced by the overseas holdings of the UK companies so that with Sterling falling the value of the stock priced in other currencies has increased and still is potentially inflated. When the future relationship with the European Union becomes clearer there may be a risk of Sterling rising in value which would be likely to have a significantly negative effect on the value of the investments. It is disappointing that the fall in donations has continued again this year to £447,833 (from £487,043 in 2017 and £502,333 in 2016). Legacy income however was up at £125,901 (from £42,636 in 2017).

Investments Policy

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

When the Trustee Board identified the Charity as a “Retail Investor” they decided to move the portfolio to Rathbone Investment Management Limited and to adopt the Total Return style of investing.

Reserves Policy

This year investment income exceeded the donations received and it was essential to bridge the gap between expenditure and income. It is imperative that the Charity has reserves that it can fall back on either when there is a deficit due to no legacies being received, a drop in investment return or there is a sudden increase in demand for the Charity's services. The Trustees annually review the adequacy of IET Connect's reserves, which in this case are defined as that part of the Charity's accumulated surpluses that are available to spend once it has met its commitments and covered its other planned expenditure, often called “free” reserves. It excludes endowed funds that have been

invested to provide a secure and predictable income stream; property held for charity use; funds accumulated for a designated purpose within the overall purpose of the Charity; and restricted funds.

The total reserves as at 30 June 2018 were £27,391,522 of which £3,193,420 represented restricted funds and £4,483,319 represented endowment funds. Of the £19,714,783 unrestricted funds, the following amounts are designated:

- £47,220 which represents fixed assets
- £411,326 which is tied up in repayable grants
- £18,963,141 which is the value of unrestricted investment funds, less any cash held within investments

This results in general free reserves excluding the above being £293,096 as at 30 June 2018. Investments are designated, as they are vital to the annual income generation. This level of free reserves represents approximately 2 months of annual expenditure. Although this is below the level of the target set by the Trustees of 6 months expenditure, there are sufficient funds within the investment portfolio to draw down for working capital purposes.

Pension Liability

The Charity has a historic pension liability. After new case law (Merchant Navy Ratings Pension fund Trustees Ltd v Stena Line Ltd 2015) there is no longer felt to be a risk of a Section 75 debt repayment requirement. The triennial pension review as at 31 March 2017 revealed that the previous plan dated 5 March 2015 had been insufficient to clear the deficit by 31 March 2017 due to the pension investments heavy weighting towards gilts. The new plan following the latest review was issued in December 2017 and outlines a requirement to make monthly contributions of £1000 per month until 31 March 2027 to clear the shortfall. See note 1s in the financial statements for further detail.

Viability of the Charity

It is the Board's view that IET Connect remains financially viable in view of its reserves, donation and investment income stream and current cash flow forecasts and that there are no material uncertainties about the ability to continue as a going concern.

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

Law applicable to charities in England and Wales requires us as the Trustees of IET Connect to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements to give a true and fair view, our responsibility as trustees requires us to follow best practice and:

- select the most suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and relevant SORP have been followed, subject to any 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.

As the Charity Trustees, we are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of IET Connect at any time, and which enable us as trustees to ensure that the financial statements comply with the applicable law. As the Charity Trustees, we are also responsible for safeguarding the assets of the Charity and for their proper application under charity law, and hence for taking reasonable steps for the prevention and detection of fraud.

In so far as the Trustees are aware:

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

Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up. The total number of such guarantees at 30 June 2018 was 41 (2017: 41). The Trustees are members of the Charity but this entitles them only to voting rights; the Trustees have no beneficial interest in the Charity.

AUDITOR

In accordance with the charitable company's articles, a resolution proposing that Sayer Vincent LLP be reappointed as auditor of the charitable company was agreed at the Annual General Meeting on 1 March 2018.

ON BEHALF OF THE BOARD OF TRUSTEES

Dr S D Hart MEng CEng FIET
Chairman

Date 22 November 2018

REFERENCE AND ADMINISTRATIVE DETAILS

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

IET Connect's Registered Office is at Napier House, 24 High Holborn, London, WC1V 6AZ

THE BOARD OF TRUSTEES

The Charity trustees at present, together with any others who served in the year, and the committees on which they now serve are:

Mr J A Aust BSc ACGI CEng MIET Treasurer, AIC, CRC, RNC

Mrs J Brownsword MEng(Hons) MIET AIC

Mrs J K Bryant FEng CEng FIET FWES

Dr D Byrne OBE BSc MBA CEng Hon FIET

(Trustee from 1 October 2018)

Mr A R Clarke BSc(Hons) CEng MIET AIC, RNC

(Trustee until 30 September 2018)

Dr P B Connor FlntD

Eur Ing Professor A L Dowd BSc PhD CEng FIET Deputy Chairman, AIC

Mrs A D Giles BSc(Hons) CEng FIET CRC Chairman

Dr S D Hart MEng CEng FIET Chairman, RNC

Mr R M North CEng MIET CRC, LRA Chairman from 1 October 2017

Mr R E H Spalding BSc CEng FIET RN

AIC – Audit and Investment Committee

LRA – Local Representative Assembly

CRC – Case Review Committee

RNC - Remuneration and Nominations Committee

IET CONNECT'S SENIOR MANAGEMENT TEAM

Miss C J Oxland OBE FCIS

Ms C Hobden

Ms L Nixon

Chief Executive Officer and Company Secretary

Deputy Chief Executive Officer

and Services Manager

Marketing and Communications Manager

IET CONNECT'S AGENTS AND ADVISORS

Auditor:	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL
Investment managers:	Rathbone Investment Management Limited 1 Curzon Street London W1J 5FB
Solicitors:	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES

Opinion

We have audited the financial statements of The Institution of Engineering and Technology Benevolent Fund (the 'charitable company') for the year ended 30 June 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30 June 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with

our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Judith Miller (Senior statutory auditor)
23 November 2018

for and on behalf of Sayer Vincent LLP, Statutory Auditors
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Institution of Engineering and Technology Benevolent Fund

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

For the year ended 30 June 2018

		Unrestricted	Restricted		2018	2017
		General	Speirs	Speirs		
		Fund	Fund	Permanent		
	Note	£	£	Endowment	Total	Total
		£	£	£	£	£
Income from:						
Donations		447,833	–	–	447,833	487,043
Legacies		125,901	–	–	125,901	42,636
Events and sundry income		3,829	–	–	3,829	14,659
Investment income		515,138	75,589	119,676	710,403	681,593
Total income		1,092,701	75,589	119,676	1,287,966	1,225,931
Expenditure on:						
Raising funds	3	169,488	14,243	20,925	204,656	154,633
Charitable activities						
Advice and guidance	3	288,723	–	–	288,723	236,116
Financial Support	3	1,230,562	51,435	–	1,281,997	1,216,140
Total expenditure		1,688,773	65,678	20,925	1,775,376	1,606,889
Net income / (expenditure) before net gains on investments		(596,072)	9,911	98,751	(487,410)	(380,958)
Net gains / (losses) on investments		761,304	120,674	182,344	1,064,322	3,497,052
Net income for the year	4	165,232	130,585	281,095	576,912	3,116,094
Transfers between funds		–	118,279	(118,279)	–	–
Net movement in funds		165,232	248,864	162,816	576,912	3,116,094
Reconciliation of funds:						
Total funds brought forward		19,549,370	2,944,556	4,320,503	26,814,429	23,698,335
Total funds carried forward		19,714,602	3,193,420	4,483,319	27,391,341	26,814,429

All of the above results are derived from continuing activities. There were no other recognized gains or losses other than those stated above. Movements in funds are disclosed in Notes 15 & 16 to the financial statements.

The Institution of Engineering and Technology Benevolent Fund

Balance sheet

Company no. 00441284

As at 30 June 2018

	Note	£	2018 £	£	2017 £
Fixed assets:					
Tangible assets	9		47,220		56,685
Investments	10		26,767,606		25,918,875
Repayable grants	11		411,326		460,756
			<u>27,226,152</u>		<u>26,436,316</u>
Current assets:					
Debtors	12	99,458		181,182	
Cash at bank and in hand		320,237		290,654	
			<u>419,695</u>	<u>471,836</u>	
Liabilities:					
Creditors: amounts falling due within one year	13	158,325		93,723	
				<u>93,723</u>	
Net current assets			<u>261,370</u>		<u>378,113</u>
Creditors: amounts falling due after one year	14		96,000		–
Total net assets			<u>27,391,522</u>		<u>26,814,429</u>
The funds of the charity:					
Restricted income funds	15		3,193,420		2,944,556
Endowment	16		4,483,319		4,320,503
Unrestricted income funds:	17a				
Designated funds		16,628,716		15,693,552	
Revaluation reserve		2,792,971		2,531,893	
General funds		293,096		1,323,925	
			<u>19,714,783</u>	<u>19,549,370</u>	
Total unrestricted funds			<u>19,714,783</u>	<u>19,549,370</u>	
Total charity funds			<u>27,391,522</u>	<u>26,814,429</u>	

Approved by the trustees on 22 November 2018 and signed on their behalf by

Dr S D Hart MEng CEng MIET
Chairman

The Institution of Engineering and Technology Benevolent Fund

Statement of cash flows

For the year ended 30 June 2018

	Note	2018		2017	
		£	£	£	£
Cash flows from operating activities	18				
Net cash used in operating activities		(896,592)		(524,819)	
Cash flows from investing activities:					
Dividends, interest and rents from investments		710,403		681,593	
Proceeds from the sale of fixed assets		-		-	
Purchase of fixed assets		-		-	
Proceeds from sale of investments		4,962,309		3,945,112	
Purchase of investments		(5,704,601)		(3,074,853)	
(Increase)/Decrease in cash held for investment by investment managers		957,883		(1,235,956)	
Net cash provided by investing activities		925,994		315,896	
Change in cash and cash equivalents in the year		29,402		(208,923)	
Cash and cash equivalents at the beginning of the year		290,654		499,577	
Cash and cash equivalents at the end of the year		320,056		290,654	

1 Accounting policies

a) Statutory information

The Institution of Engineering and Technology Benevolent Fund is a charitable company limited by guarantee and is incorporated in United Kingdom. The registered office address (and principal place of business, if different from the registered office) is Napier House, 24 High Holborn, London, WC1V 6AZ.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

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

c) Public benefit entity

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

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

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

e) Income

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

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

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

f) Interest receivable

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

1 Accounting policies (continued)

g) Fund accounting

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

- The General Fund is an unrestricted fund, which receives funds, which are expendable at the discretion of the Trustees in furtherance of the objects of the group.
- The Speirs Fund has a broader remit than the General Fund in terms of who it can assist and it will be used primarily in the area of care, assistance for the disabled and promoting independence where possible and assistance for carers.
Transfers may take place from the General Fund to the Speirs Fund but not vice versa in accordance with the Charity Commission scheme – as explained in “The Funds” section of the Report on page 21.
- Designated Funds represents the value of unrestricted fixed assets which are not freely available as reserves for the charity.
- The Revaluation Reserve represents the accumulated unrealized gains made on the Charity’s unrestricted investment portfolio.

h) Expenditure and irrecoverable VAT

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

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

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

i) Grants payable

Grants paid comprise amounts paid to individuals needing financial assistance.

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

j) Allocation of support costs

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

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

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

k) Operating leases

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

1 Accounting policies (continued)

l) Tangible fixed assets

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

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

- | | |
|--------------------------|-------------------|
| ● Furniture and fittings | 10% straight line |
| ● Computer equipment | 33% straight line |
| ● Leasehold improvements | 10% straight line |

m) Repayable grants

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

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

n) Listed investments

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

o) Debtors

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

p) 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.

q) Creditors and provisions

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

r) Financial instruments

With the exception of the listed investments described above the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortized cost using the effective interest method.

The Institution of Engineering and Technology Benevolent Fund

Notes to the financial statements

For the year ended 30 June 2018

1 Accounting policies (continued)

s) Pensions

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

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

2 Detailed comparatives for the statement of financial activities

	Unrestricted £	Speirs Fund £	Permanent Endowment £	2017 Total £
Income from:				
Donations	487,043	–	–	487,043
Legacies	42,636	–	–	42,636
Events and sundry income	14,659	–	–	14,659
Investment income and interest	489,113	75,927	116,553	681,593
Total income	1,033,451	75,927	116,553	1,225,931
Expenditure on:				
Raising funds	121,956	13,195	19,482	154,633
Charitable activities expenditure	236,116	–	–	236,116
Advice and guidance	1,089,360	126,780	–	1,216,140
Financial Support				
Total expenditure	1,447,432	139,975	19,482	1,606,889
Net income / expenditure before gains / (losses) on investments	(413,981)	(64,048)	97,071	(380,958)
Net gains / (losses) on investments	2,513,332	388,148	595,572	3,497,052
Net income / expenditure	2,099,351	324,100	692,643	3,116,094
Transfers between funds	–	115,891	(115,891)	–
Net movement in funds	2,099,351	439,991	576,752	3,116,094
Total funds brought forward	17,450,019	2,504,565	3,743,751	23,698,335
Total funds carried forward	19,549,370	2,944,556	4,320,503	26,814,429

The Institution of Engineering and Technology Benevolent Fund

Notes to the financial statements

For the year ended 30 June 2018

3 Analysis of expenditure

	Charitable activities							
	Raising funds £	Welfare, employment/ career, legal, money and general advice £	Employment beyond redundancy £	Financial Assistance £	Governance costs £	Support costs £	2018 Total £	2017 Total £
Staff costs (Note 5)	12,857	82,574	11,566	56,187	44,790	184,424	392,398	352,677
Defined benefit pension schemes (Note 5)	–	–	–	–	–	120,000	120,000	3,000
Staff recruitment and other costs	–	–	–	–	–	9,349	9,349	2,931
Investment management fees	126,715	–	–	–	–	–	126,715	120,437
Fundraising cost	–	–	–	–	–	–	–	14,547
Direct event cost	–	–	–	–	–	–	–	438
Grants	–	–	61,428	694,222	–	–	755,650	797,181
Marketing & publicity	63,832	–	–	–	–	6,392	70,224	7,268
Rent & services	1,252	–	–	–	–	173,907	175,159	176,948
Travelling & meeting costs	–	–	–	2,717	9,509	67	12,293	14,841
Legal & professional fees	–	14,079	–	–	6,260	–	20,339	21,841
Audit fees	–	–	–	–	9,120	–	9,120	9,250
Depreciation	–	–	–	–	–	9,465	9,465	10,105
Other costs	–	–	–	146	–	74,517	74,663	75,425
	204,656	96,653	72,994	753,272	69,679	578,121	1,775,375	1,606,889
Support costs	–	60,544	45,724	471,854	–	(578,122)	–	–
Governance costs	–	7,297	5,511	56,871	(69,679)	–	–	–
Total expenditure 2018	204,656	164,494	124,229	1,281,997	–	(1)	1,775,375	1,606,889
Total expenditure 2017	154,633	146,681	89,436	1,216,139	–	–	1,606,889	

Of the total expenditure, £1,688,592 was unrestricted (2017: £1,447,432) and £86,603 was restricted (2017: £159,457).

Notes to the financial statements

For the year ended 30 June 2018

4 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2018 £	2017 £
Depreciation	9,465	10,105
Operating lease rentals:		
Property	119,262	62,116
Auditors' remuneration (excluding VAT):		
Audit	7,800	7,600
Other services	1,800	1,800

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

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	329,860	296,042
Social security costs	34,602	31,010
Employer's contribution to defined contribution pension schemes	27,936	25,626
	392,398	352,678
Operating costs of defined benefit pension schemes	120,000	3,000
	512,398	355,678

The Senior Management Team's employee remuneration including national insurance totalled £196,157 (2017: £191,628). IET Connect now operates a defined contribution pension scheme for all permanent staff. Contributions payable under the scheme are shown in the above analysis of staff costs. Contributions paid over the year in respect of the Senior Management Team amounted to £15,520 (2017: £15,420).

One employee (2017: One) received a salary excluding national insurance between £80,000 and £90,000. The pension contributions for this employee were £7,806 (2017: £7,644).

The valuation at 31 March 2017 reported that the IET's scheme's liabilities exceeded the assets but that the deficit had been reduced from the 2014 valuation.

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

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 10 (2017: 9).

7 Related party transactions

No members of the Board of Trustees received any remuneration for the services to IET Connect for the year. During the year travel and subsistence cost totalling £9,498 were reimbursed to 10 Trustees (2017: £11,867 to 10 Trustees). IET Connect provides and pays for trustee indemnity cover.

There were no donations from related parties which were outside the normal course of business and no restricted donations from related parties.

Notes to the financial statements

For the year ended 30 June 2018

8 Taxation

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

9 Tangible fixed assets

	Leasehold improvements £	Furniture & equipment £	Computer equipment £	Total £
Cost or valuation				
At the start of the year	73,973	32,291	2,625	108,889
Disposals in year	–	(11,622)	(2,625)	(14,247)
At the end of the year	<u>73,973</u>	<u>20,669</u>	<u>–</u>	<u>94,642</u>
Depreciation				
At the start of the year	29,588	19,991	2,625	52,204
Charge for the year	7,397	2,068	–	9,465
Eliminated on disposal	–	(11,622)	(2,625)	(14,247)
At the end of the year	<u>36,985</u>	<u>10,437</u>	<u>–</u>	<u>47,422</u>
Net book value				
At the end of the year	<u>36,988</u>	<u>10,232</u>	<u>–</u>	<u>47,220</u>
At the start of the year	<u>44,385</u>	<u>12,300</u>	<u>–</u>	<u>56,685</u>

All of the above assets are used for charitable purposes.

10 Listed investments

	General fund (Unrestricted) £	SF: (Restricted) £	SF:PE (Restricted) £	2018 £	2017 £
Fair value at the start of the year	17,708,004	2,830,419	4,153,687	24,692,110	22,065,317
Purchases	4,107,072	707,618	889,911	5,704,601	3,074,853
Sales proceeds	(3,613,239)	(594,212)	(754,858)	(4,962,309)	(3,945,112)
Realised and unrealised gain/loss	761,304	120,674	182,344	1,064,322	3,497,052
	<u>18,963,141</u>	<u>3,064,499</u>	<u>4,471,084</u>	<u>26,498,724</u>	<u>24,692,110</u>
Cash held by investment broker pending reinvestment	205,150	51,518	12,214	268,882	1,226,765
Fair value at the end of the year	<u>19,168,291</u>	<u>3,116,017</u>	<u>4,483,298</u>	<u>26,767,606</u>	<u>25,918,875</u>
Historic cost at the end of the year	<u>16,375,320</u>	<u>2,679,674</u>	<u>3,807,289</u>	<u>22,862,283</u>	<u>22,397,410</u>

Notes to the financial statements

For the year ended 30 June 2018

11 Repayable grants

	2018 Total £	2017 Total £
Repayable grants at the start of the year	460,756	577,602
Repayments	(49,666)	(117,007)
Interest	236	161
Repayable grants at the end of the year	<u>411,326</u>	<u>460,756</u>

12 Debtors

	2018 £	2017 £
Trade debtors	–	814
Other debtors	5,932	101,757
Accrued income & prepayments	93,526	78,611
	<u>99,458</u>	<u>181,182</u>

With the exception of listed investments, all of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 17 below.

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Due to the Institution of Engineering and Technology	29,522	28,262
Accruals	116,610	65,461
Trade creditors	193	–
Defined benefit pension scheme	12,000	–
	<u>158,325</u>	<u>93,723</u>

14 Creditors: amounts falling due after one year

	2018 £	2017 £
Defined benefit pension scheme	96,000	–
	<u>96,000</u>	<u>–</u>

In the year the 2017 triannual review was completed, IET Connect will continue to make additional contributions of £1,000 a month until March 2027. At 30 June 2018 IET connect had future commitments of £108,000 in respect of the pension scheme (2017 – nil).

15 Restricted funds

	2018 £	2017 £
Balance at 1 July	2,944,556	2,504,565
Incoming resources	75,589	75,927
Resources expended	(65,678)	(139,975)
Transfer between funds	118,279	115,891
Investment gains/(losses)	120,674	388,148
Balance at 30 June	<u>3,193,420</u>	<u>2,944,556</u>

Notes to the financial statements

For the year ended 30 June 2018

16 Endowment funds

	2018 £	2017 £
Balance at 1 July	4,320,503	3,743,751
Incoming resources	119,676	116,553
Resources expended	(20,925)	(19,482)
Transfer between funds	(118,279)	(115,891)
Investment gains/(losses)	182,344	595,572
Balance at 30 June	4,483,319	4,320,503

17a Analysis of net assets between funds (current year)

	Restricted £	Endowment funds £	Designated funds £	Revaluation reserve £	General funds £	Total funds £
Tangible fixed assets	–	–	47,220	–	–	47,220
Repayable grants	–	–	411,326	–	–	411,326
Investments	3,116,017	4,483,298	16,170,170	2,792,971	205,150	26,767,606
Net current assets	77,403	21	–	–	183,946	261,370
Long term liabilities	–	–	–	–	(96,000)	(96,000)
Net assets at 30 June 2018	3,193,420	4,483,319	16,628,716	2,792,971	293,096	27,391,522

17b Analysis of net assets between funds (prior year)

	Restricted £	Endowment funds £	Designated funds £	Revaluation reserve £	General funds £	Total funds £
Tangible fixed assets	–	–	56,685	–	–	56,685
Repayment grants	–	–	460,756	–	–	460,756
Investments	3,035,948	4,320,481	15,176,111	2,531,893	854,442	25,918,875
Net current assets	(91,392)	22	–	–	469,483	378,113
Net assets at 30 June 2017	2,944,556	4,320,503	15,693,552	2,531,893	1,323,925	26,814,429

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

	2018 £	2017 £
Net income for the reporting period (as per the statement of financial activities)	576,912	3,116,094
Depreciation charges	9,465	10,105
(Gains)/losses on investments	(1,064,322)	(3,497,052)
Dividends, interest and rent from investments	(710,403)	(681,593)
Decrease in repayable grants	49,430	116,846
(Increase)/decrease in debtors	81,724	440,044
Increase/(decrease) in creditors	160,602	(29,263)
Net cash provided by / (used in) operating activities	(896,592)	(524,819)

Notes to the financial statements

For the year ended 30 June 2018

19 Operating lease commitments

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

	Property 2018 £	2017 £
Less than one year	119,262	119,262
One to two years	119,262	119,262
Two to five years	327,971	357,786
Over five years	–	89,447
	<u>566,495</u>	<u>685,757</u>

20 Legal status of the charity

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