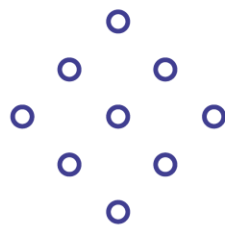


**The Institution of Engineering and Technology  
Benevolent Fund (Foothold)**

Annual Report and Financial Statements  
for the year ended 30 June 2019



**Foothold**  
Supporting engineers

Charity No: **208925**

Company Registration No: **00441284**

Registered Office:

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

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## 1. REFERENCE AND ADMINISTRATIVE DETAILS

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

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

### THE BOARD OF TRUSTEES

The Charity trustees during 2018/19, together with any others who served in the year, and the committees on which they now serve are:

Dr S D Hart MEng CEng FIET.	Chairman, RNC (resigned 1 July 2019)
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Eur Ing Professor A L Dowd BSc PhD CEng FIET.	Chairman, RNC (appointed 1 July 2019)
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Mr J A Aust BSc ACGI CEng MIET.	Treasurer, AIC, CRC, RNC
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Dr D Byrne OBE BSc MBA CEng Hon FIET.	Vice Chairman AIC, RNC (appointed 1 October 2018)
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Mr R M North BSc (Hons) CEng MIET.	LRA Chairman CRC
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Mrs A D Giles BSc (Hons) CEng FIET.	CRC Chairman
-------------------------------------	--------------

Mrs J Brownsword MEng (Hons) MIET.	AIC
------------------------------------	-----

Mrs J K Bryant FEng CEng FIET FWES.

Dr P B Connor FInstD.

Mr R E H Spalding BSc CEng FIET RN.

AIC – Audit & Investment Committee

LRA – Local Representative Assembly

CRC – Case Review Committee

RNC - Remuneration and Nominations Committee

## **FOOTHOLD'S PRINCIPAL OFFICERS**

Miss C J Oxland OBE FCIS	Chief Executive Officer and Company Secretary July 1 2018- December 31 2018
Mrs J Petit	Chief Executive Officer and Company Secretary Jan 1 2019
Ms C Hobden	Deputy Chief Executive Officer and Services Manager
Ms L Nixon	Marketing and Communications Manager
Ms B J Archer	Office Manager/PA to CEO 8 March 2019

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

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

Rathbone Investment Management Limited  
1 Curzon Street  
London  
W1J 5FB

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

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

## **2. CHAIRMAN'S REPORT**

In my last year as Chair of Foothold (The Institution of Engineering and Technology Benevolent Fund), it is a pleasure to introduce the Annual Report and Accounts for 2019. The Charity has done great work over the year, building on the success of previous years, with overall instances of help growing in 2019 by a further 138.

But as well as getting more help to more people, the Charity has been developing new kinds of support which better meet the needs of the community it exists to serve.

With the increasing understanding of the need for positive health and wellbeing and recognising that 1 in 4 people will encounter a mental health issue every year we have formalised our partnership with Anxiety UK to offer a mental health assessment, tailored resources and courses of therapy to support people to deal with their anxiety and depression as effectively as possible all through the support of the engineering community. We have also reviewed our regular financial support packages and agreed an interim uplift, the first since 2014, whilst we develop systems for truly individualising this support in 2020-21.

I am extremely grateful to all our partners and stakeholders for their support throughout the year and I would also like to extend my thanks to the Board of Trustees for their assiduous commitment to our role in the wellbeing of the Engineering community. I am also grateful to our many hard-working volunteers and not least to the Charity's own staff. Alongside dedication and hard work, collaboration is crucial for the outcomes we seek to achieve, and I am delighted with the sense of teamwork shown by everyone involved.

I know for certain, however, that the true motivation which sits at the heart of this organisation is the fundamental desire to remain entirely non-judgemental, offering increasingly effective help and support to anyone and everyone within our community who needs it.

In 2020, I am stepping down as Chair of the Charity. As I hand over to my successor Eur Ing Professor A L Dowd BSc PhD CEng FIET. I'd like to pass on my heartfelt gratitude to everyone involved with the Charity for making it such a pleasure to work alongside you. Thank you, you really do change lives for the better - and long may that continue!

**Dr Simon Hart MEng CEng FIET**

**Chair, Board of Trustees**

### **3. TRUSTEE REPORT**

The trustees present their report including consideration of the principal risks they consider the Charity faces, the strategic report and the audited financial statements for the year ended 30 June 2019.

At the meeting of the Board of Trustees on 26<sup>th</sup> June 2019 it was agreed that the working name of the charity should be changed from IET Connect to Foothold. This change was formalised on October 8 2019.

### **Structure, Governance and Management**

#### **3.1 Governing document**

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

#### **3.2 Administrative details**

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

#### **3.3 Recruitment and appointment of Board Directors**

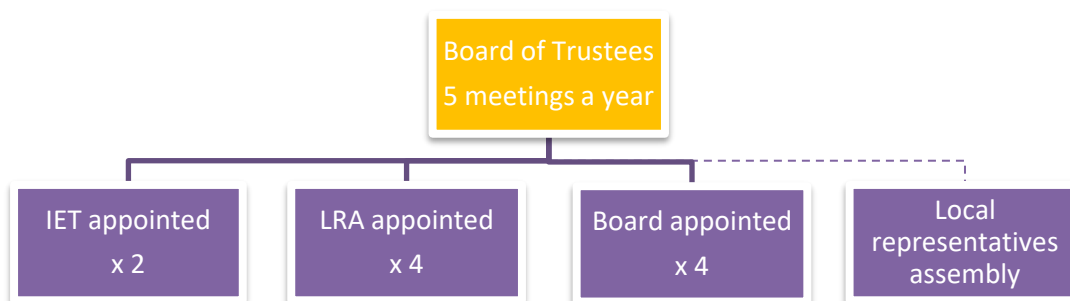
The articles of association were amended by special resolution of the members of the Fund on 23 March 2006 to help strengthen its links with the IET, to allow the IET Board of Trustees to appoint Foothold trustees with the necessary skills and experience to manage the Charity, and to give the Local Representative 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.

### Board structure 2018-19



The board, currently comprising of 10 trustees meets regularly and has four principal committees and the Local Representative Assembly. The memorandum and articles of association allow for a minimum of three and a maximum of ten trustees.

The trustees have responsibility for the strategic direction of the Charity, ensuring that it is solvent, operating in a professional manner and delivering the outcomes it has been set up for.

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

The senior management team has responsibility for the day to day operational management of the Charity, individual supervision of various groups of staff, ensuring that staff develop their skills and good working practices. The Board met on five occasions during the year.

### 3.3.1 Trustee Appointment and Competence

When a vacancy arises, the Board considers which skills it requires to fulfil its responsibilities for the strategic direction of the Charity and, with reference to the trustee skills audit, agrees what competencies it requires in any new post. A role description for

this appointment is drawn up, together with a recruitment pack and the role is advertised. Candidates are asked to submit a CV and covering letter which are then considered by the Remuneration and Nominations committee and where appropriate an interview is offered.

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

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

### **3.3.2 Trustee Induction and Training**

New trustees receive information from Foothold to brief them on their legal obligations under Charity and Company law. They also receive information on the organisation's objectives and recent financial performance. 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 2 courses and seminars relevant to their roles.

## **3.4 Committees**

### **Committee structure 2018-19**



#### **3.4.1 Service Development Committee**

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



for the Board's approval. In 2018-19 the committee discussed whether the title Case Review Committee adequately described the work they undertook and put a proposal to the Board to change the name to Service Development Committee which was accepted.

### **3.4.2 Audit and Investment Committee**

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

### **3.4.3 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 Foothold. 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 new SMT members.

### **3.4.4 Disciplinary Committee**

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

Trustee attendance at Board and sub-committees is set out below:

	Board of Trustees	Audit and investment	Service development	Remuneration and Nominations
Dr S Hart	5/5			1/1
Mr J Aust	4/5	4/4	3/4	1/1
Mrs J Brownsword	5/5	4/4		
Mrs J K Bryant	3/5			
Dr D Byrne	5/5			
Dr P B Connor	5/5			
Prof A Dowd	5/5	4/4		1/1
Mrs A D Giles	4/5		4/4	1/1

	Board of Trustees	Audit and investment	Service development	Remuneration and Nominations
Mr R North	4/5		3/4	
Mr R E H Spalding	4/5			

### 3.5 Remuneration Policy

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

### 3.6 Disabled persons

The Charity has an equal opportunity policy. This means that we have undertaken to support disabled people employed or volunteering within the Charity.

### 3.7 Employee information

The Charity is committed to providing information to employees on matters of concern to them and consulting employees, or their representatives, on a regular basis so that their views can be taken in to account when making decisions.

### 3.8 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 Foothold;
- establishes systems and procedures to mitigate identified risks;
- implements procedures designed to minimise any potential impact on Foothold should any of those risks materialise.

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

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

**Lack of awareness** of the Charity and its services amongst the IET membership and wider engineering community, risking individuals not being aware of support available to themselves and their dependants. To mitigate the risks around awareness we employ a Marketing and Communications Manager who promotes the Charity at every opportunity through marketing materials, Foothold's website, social media as well as relevant charities and organisations 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. During the year we increased the number of staff working in the marketing and communications team to 3 which has reaped rewards in terms of awareness of our services.

**Reduction in income** risks the necessity of utilising reserves to maintain cashflow and potential to reduce the staffing infrastructure of the organisation with a concomitant effect of reducing the availability of services for beneficiaries. There has been a year on year reduction in our fundraised income for a five-year period and so to safeguard the ongoing service provision to our community this will be addressed going forward through the development of a fundraising strategy and appointment of a fundraiser.

**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 volunteers and staff understand and comply with our Data Protection Policy and procedures. All volunteers 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 confidentiality agreement is signed by any external person who may be present in the office during working hours and be party to ongoing conversations in the open plan office as they go about their work such as our cleaners.

**Lack of safety for volunteers 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 is provided for key staff and all local representatives and there are policies and procedures for home visits and safeguarding which staff and volunteers comply with. When visiting someone applying for support for the first time, two visitors always go together.

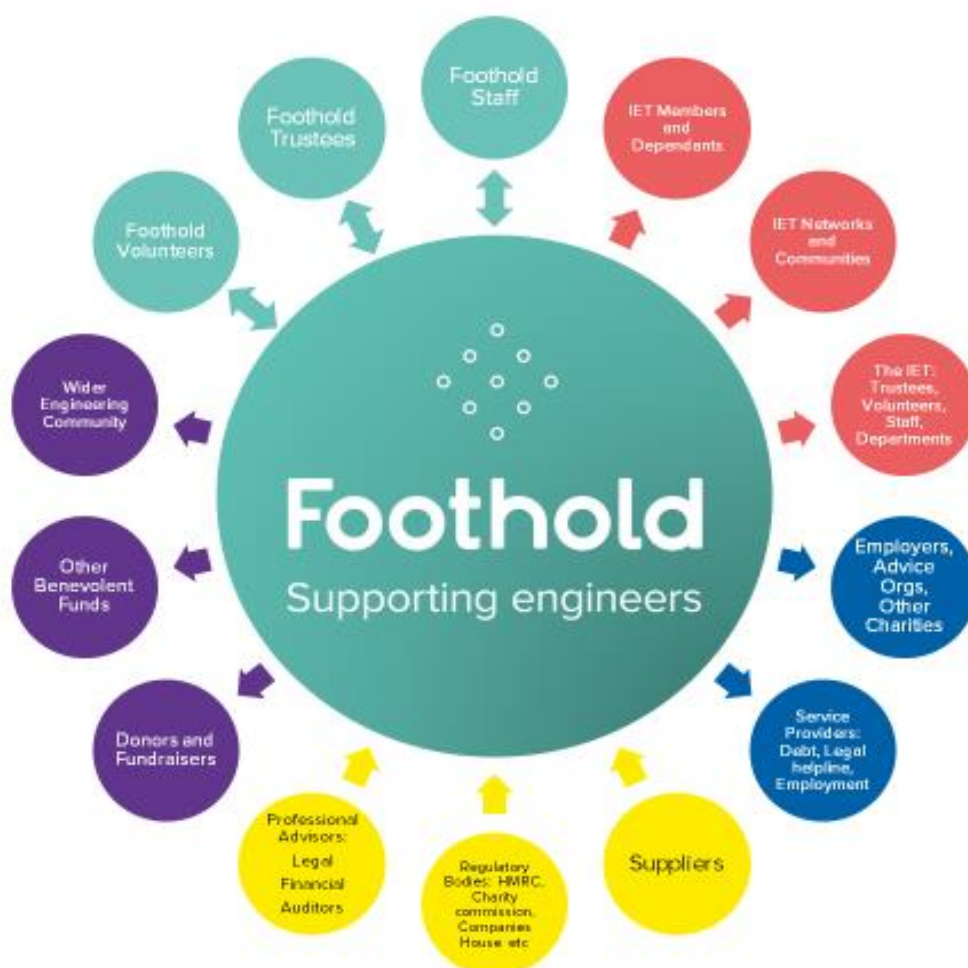
**Fraud or error involving applications for support** is a risk. Casework staff take care to verify an applicant's financial and personal circumstances through official supporting documentation when an application for support is received. Grant procedures are fully complied with. Routine internal and 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 trustees have taken note of the Charity Commission's guidance on working with non-Charities and have begun a review of Foothold's relationships which will continue in 2019-20.

### 3.9 STAKEHOLDERS

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



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

As has already been mentioned, Foothold assists past and present members of the Institution of Engineering and Technology (IET) and their dependants who are facing difficulties. The IET is a separate company (No. RC000263) and a separate charity (in England & Wales (No. 211014) and 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 Foothold's trustees. Clearly the 2 charities are very closely linked as the *raison d'être* of Foothold is to help IET members, past and present but the governance, objectives, administration and funding are separate from that of the IET. Currently most of Foothold's income is as a result of IET members' direct donations and legacies.

## **4. STRATEGIC REPORT**

The Trustees present their strategic report for the year ended 30 June 2019, containing a review of achievements and performance, a financial review and plans for future periods.

### **4.1 Objectives and activities**

#### **4.1.1 Purposes and aims**

The objects of the Charity are "to provide financial or other assistance to persons of all ages who are in need who are beneficiaries of the Fund in any manner which the Trustees consider expedient". To achieve these objects Foothold 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. 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 those with caring responsibilities.

#### **4.1.2 Public benefit**

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

Furthermore, not everyone who is in financial hardship is necessarily poor, but it may still be charitable to relieve their financial hardship or to prevent poverty.

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

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

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

increase in the uptake of State benefits by its 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.

Meet Molly: a mum of 2 young kids, she guided her young family through a difficult time with a bit of support from Foothold.

"I was a private tutor before the kids came along but decided to stay at home with them afterwards. I'd wanted a change of career for a while and thought engineering would really suit me, so I started my engineering degree through the Open Uni, while I was at home with the kids and became a member of The IET."

The journey wasn't straightforward though. After splitting up with her partner, Molly looked at couple's counselling but, like many others, she was finding that even discounted services were out of her price range. As a newly-single student parent, money was tight and that's when Molly found Foothold.

"My experience has been nothing but positive - everyone I spoke to was really understanding and genuinely wanted to help. I found out I was eligible for counselling support which meant I could find a counsellor who helped me through a very difficult time and didn't have to worry about not being able to afford it or having a very limited amount of support."

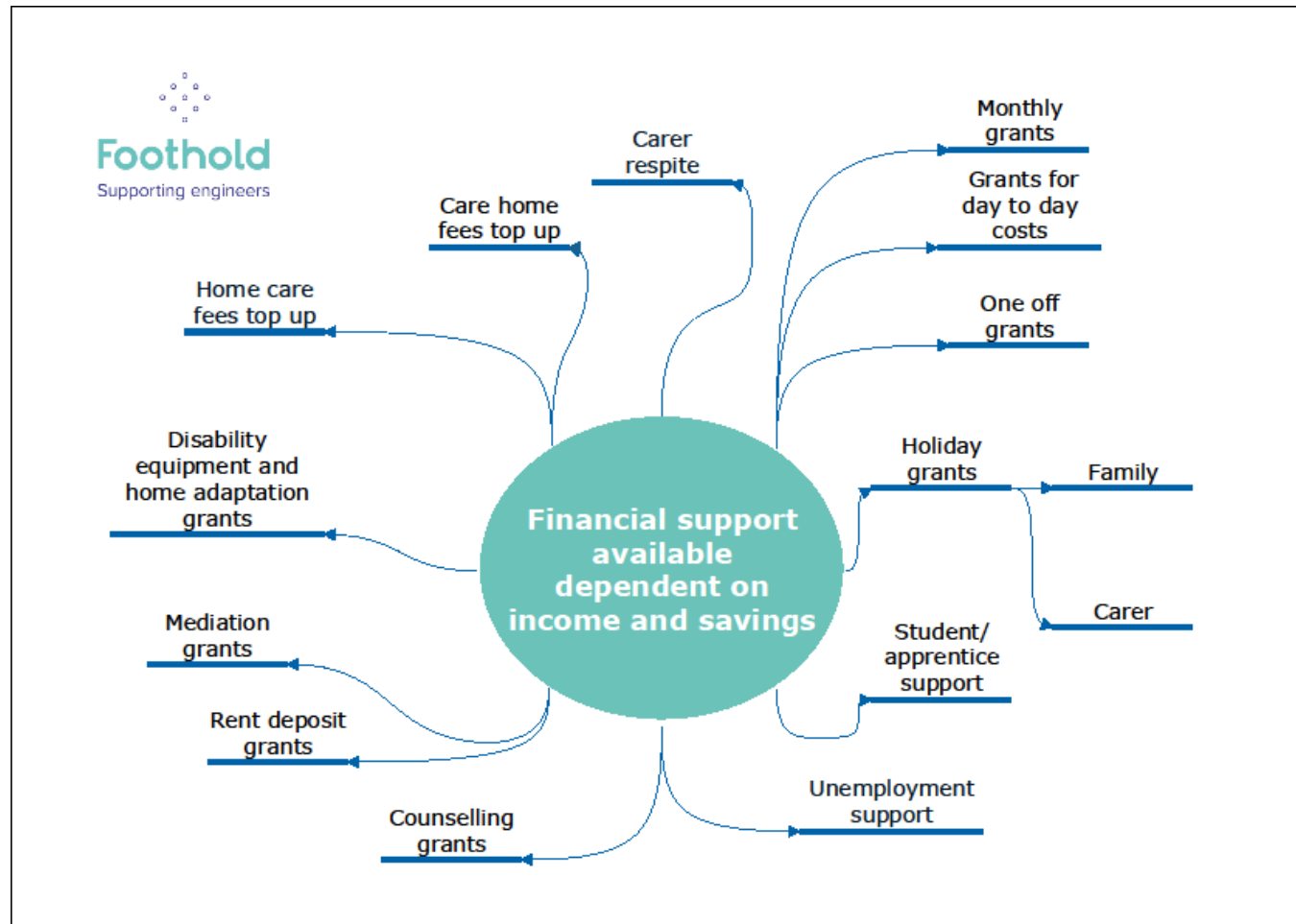
"We also got a monthly grant which helped so much in the first few months of being a single parent, allowing me to get out of the small amount of debt I was in after the split and not struggle financially while I sorted employment."

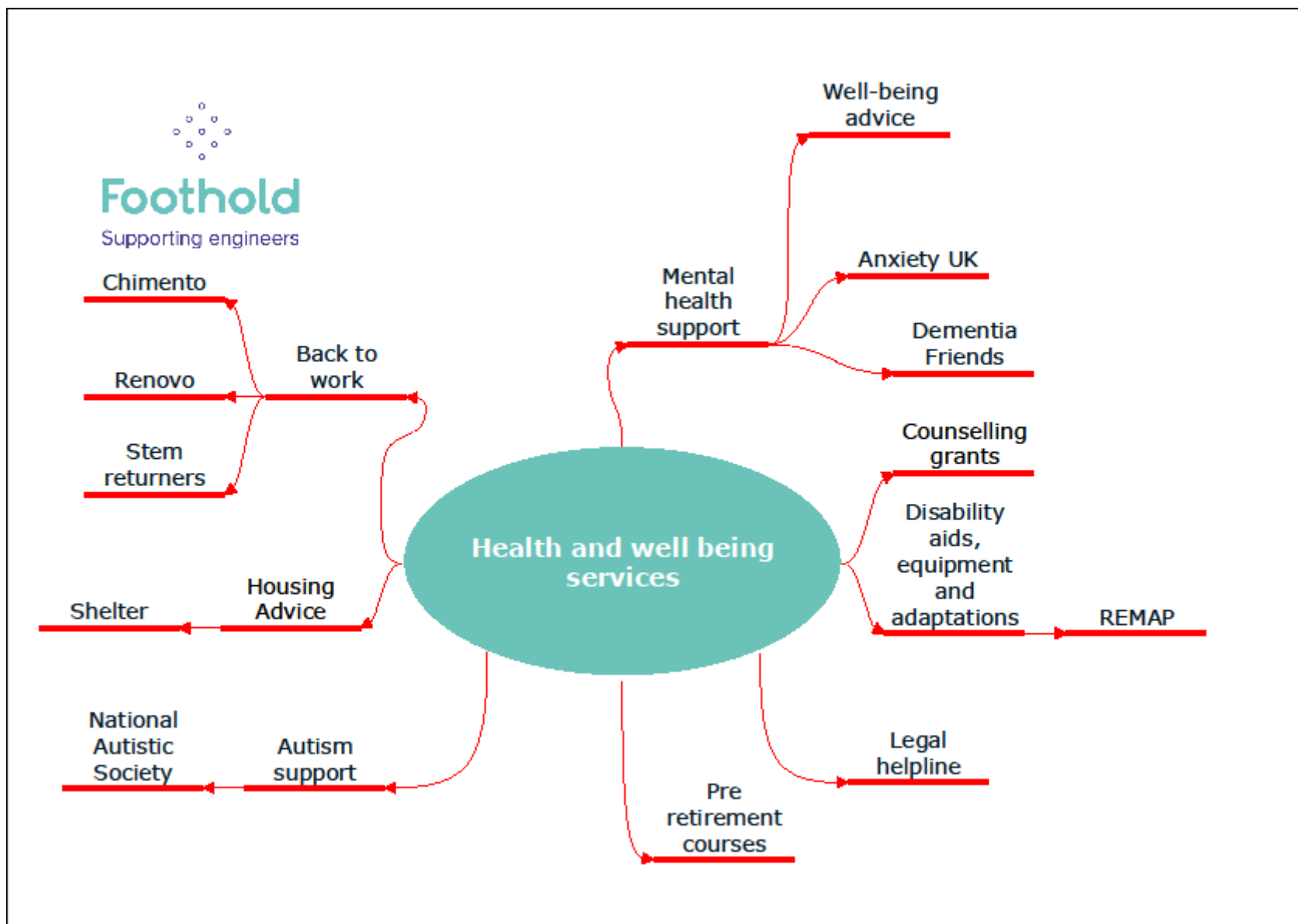
Molly and her two toddlers are busy exploring the outdoors most days now, giving her the chance to work from home in the evenings, making crocheted clothes, toys and blankets for sale.

"We are all really happy now and I'm just enjoying being present for the short amount of time the kids are small."

### 4.1.3 Activities

We help individuals and families, many of whom have been affected by accident, illness, disability, bereavement, unemployment and redundancy through a variety of programmes as outlined below:







#### **4.1.3.1 Advice and Guidance**

The Charity provides free, confidential advice on a wide range of welfare related matters. Our caseworkers carry out internet research, as well as using their own broad knowledge and experience to support people as well as directing people to independent, specialist organisations which deal with specific concerns that may be impacting on their lives such as Step Change the Debt service and to a bespoke Shelter service for housing concerns. Legal issues may be dealt with by a referral to Law Express and support with regaining employment through our relationship with Chiumento and Renovo, all services funded by Foothold. 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.

#### **4.1.3.2 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 including for non-members of The IET who have an interest in engineering. 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 and travel costs for treatment or to visit people in hospital or a care setting. It also pays for items or services that enable frail or disabled individuals to increase or retain their independence to continue to live safely in their own home such as bespoke equipment designed by Remap which is not available commercially. Where this is not possible we can also contribute towards the costs of long-term care.

#### **4.1.3.3 Emotional Support**

The emotional support we provide comes from both our caseworkers and volunteers, as well as through our partnership with Anxiety UK and the delivery of grants to fund counselling and other forms of psychological therapy. Our aim is to develop relationships with our beneficiaries, by establishing continuity with a named caseworker which helps to build rapport and trust and by using a beneficiary journey framework, ensuring regular touchpoints throughout the year. This year the Caseworkers made 6 joint visits with an Foothold Local Representative to help with their assessment. Our Local representatives made four additional visits to continue the support. More often the relationship is developed through telephone or email communication.

#### **4.1.3.4 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.

#### **4.1.3.5 Other Assistance**

Foothold 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.

### **4.2 IMPACT, ACHIEVEMENTS & PERFORMANCE**

The external environment has continued to be dominated by the discussions around Brexit, concerns about the possibility of the country falling back into recession and the effect on people’s livelihoods alongside the ongoing impact of ten years of austerity. There have been enquiries from beneficiaries about their rights in the event of the UK leaving the European Union which has prompted us to consider the robustness of our offer of legal support to our non UK community and we will be taking that forward with our colleagues at Law Express in 2019-20. We have also received briefings from our Investment managers on the likely impact on investment returns and how that might affect our income and reserves in the coming years and this has been taken into consideration as the Board considered the budget which underpins our new strategy for 2019-2022.

The impact of the widely publicised safeguarding issues identified at some national charities, publication of the Charity Governance code and ongoing concerns about cyber security and fraud have all been considered by the Board of Trustees and reviews of our management of risk and memorandum and articles of association have been scheduled.

Internally the changes of staff during the year, including the change of CEO at the midpoint of the year have offered opportunities for development of the strategy and review of our operational structure which we feel will enhance our ability to support more beneficiaries in the coming years as well as offering a broader range of support options.

#### **4.2.1 Our Impact**

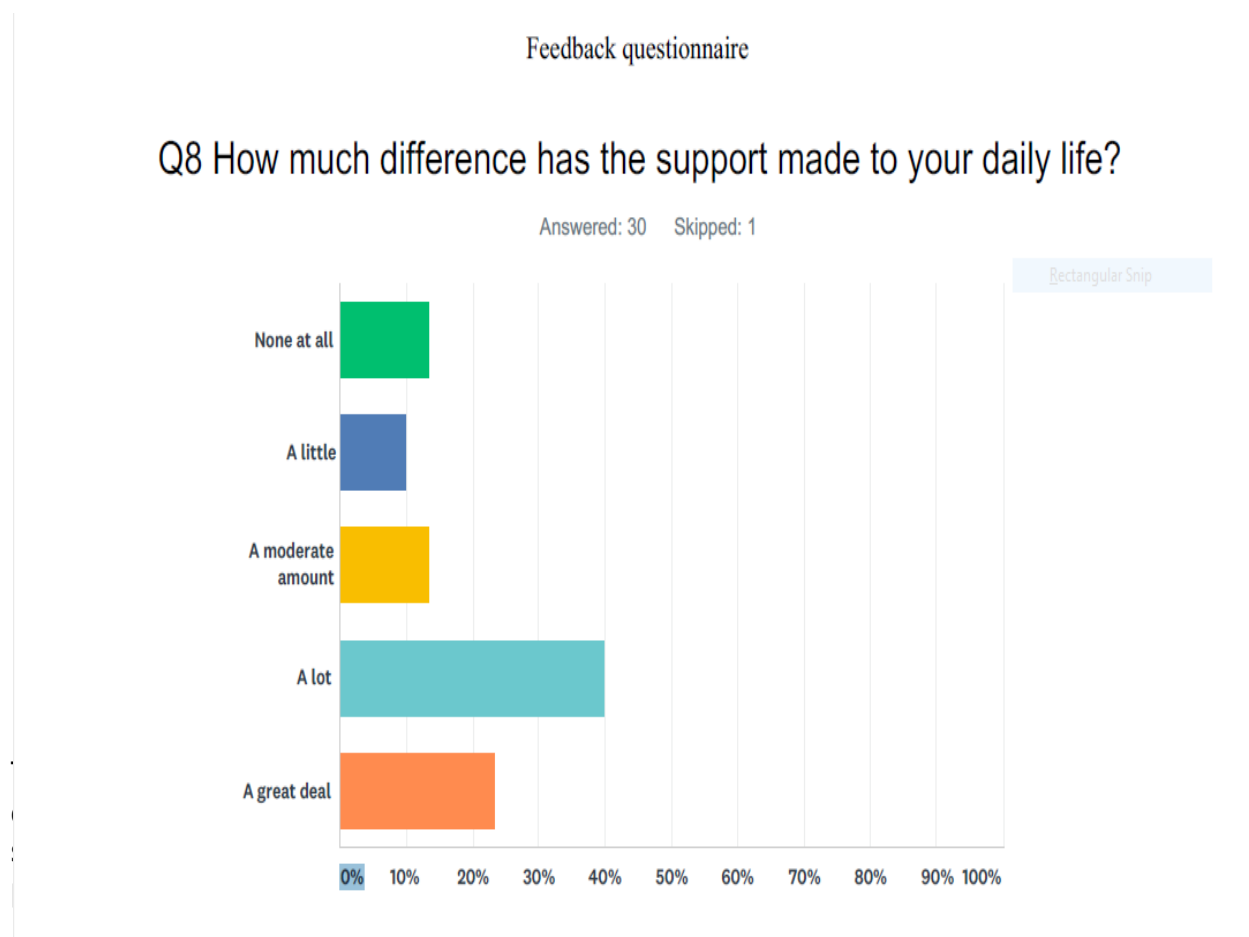
Our aim is to provide effective help and support to individuals and families in times of need and improve their quality of life. We achieve this by offering financial assistance,

information and guidance and access to specialist support, funding for counselling, career support or support with autism. This year we helped 992 people some of whom accessed more than one of our services.

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 that is 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.

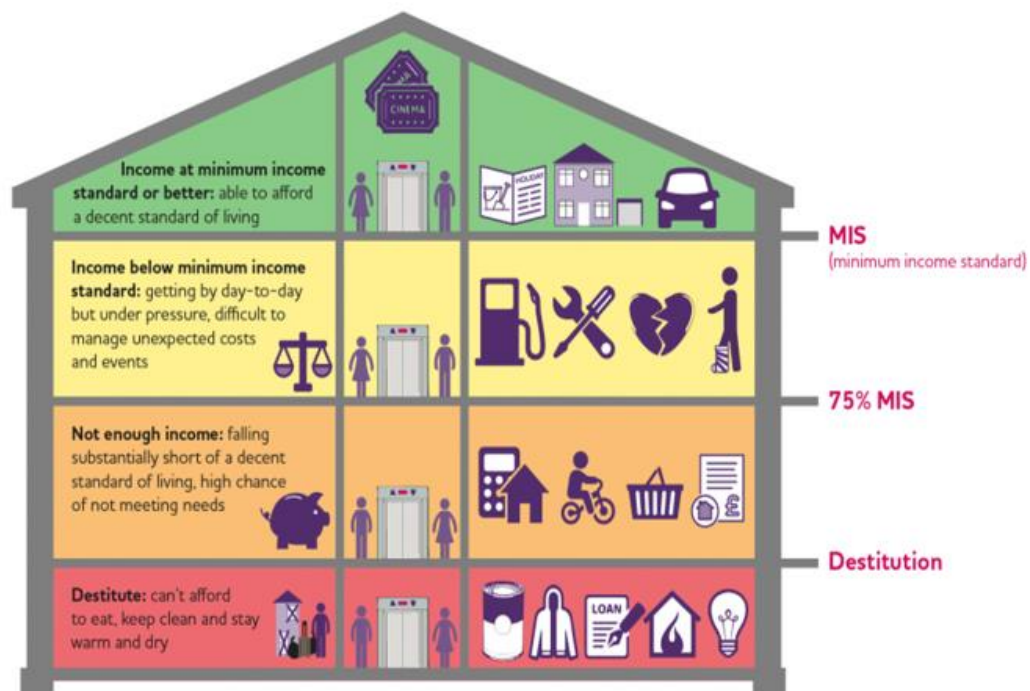
Although the numbers of people accessing our services has increased by 9% we realised that we had a limited understanding of what impact we have had on the lives of the people who access our services. As a starting point in April 2019 we set up a Survey Monkey questionnaire to ask everyone who accessed our services about their experience of our help. A link to the questionnaire is included in all caseworker letters, as an email footer and on the website to capture as many comments as possible. Because of this and the anonymity of the survey we cannot directly compare the numbers of surveys completed with the number of support services provided in any given period to indicate uptake and we will consider this further in 2019-20. The questionnaire can also be sent as a word document or hard copy to people who are not easily able to access the internet.

The questionnaire provides us with demographic information and specifically asks:



As part of our work this year we have also undertaken some modelling on the impact of our regular financial support on people's standard of living using the Joseph Rowntree.

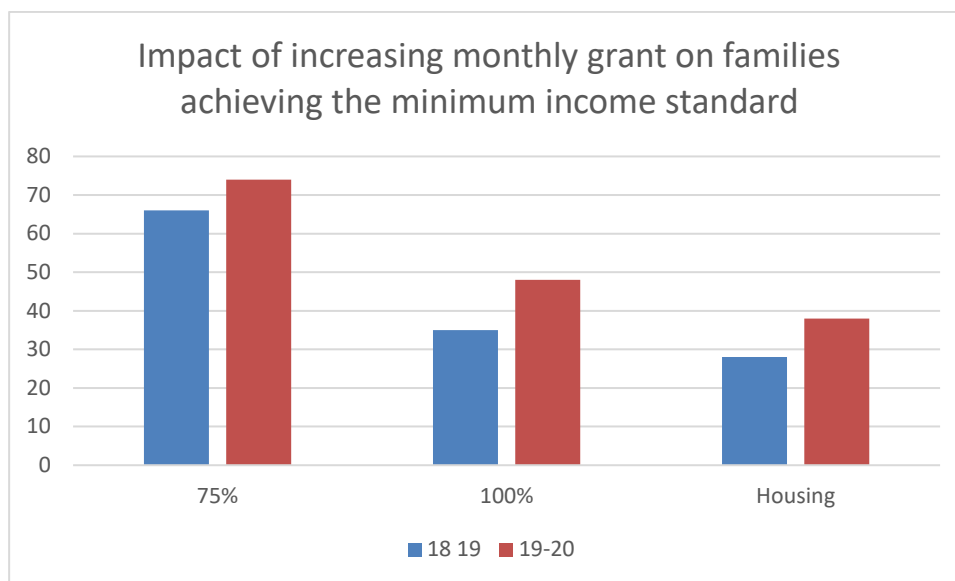
“Minimum Income Standard” (MIS) as a proxy measure for achieving a socially inclusive lifestyle.



(Reproduced from "Households below a minimum income standard 2008/09-2015/16" Matt Padley, Laura Valadez Martinez and Donald Hirsch. Joseph Rowntree Foundation).

Our modelling showed that with the current levels of grant 44% of our regular beneficiaries still had incomes less than 75% of the MIS with only 35% of the beneficiaries reaching incomes at or above the MIS level.

Following this modelling the Board agreed to increase the regular monthly grant with an above inflation increase of 28% in recognition of the fact that these grants had not been reviewed since 2014. The impact of this change for 2019-20 can be seen in the table below:

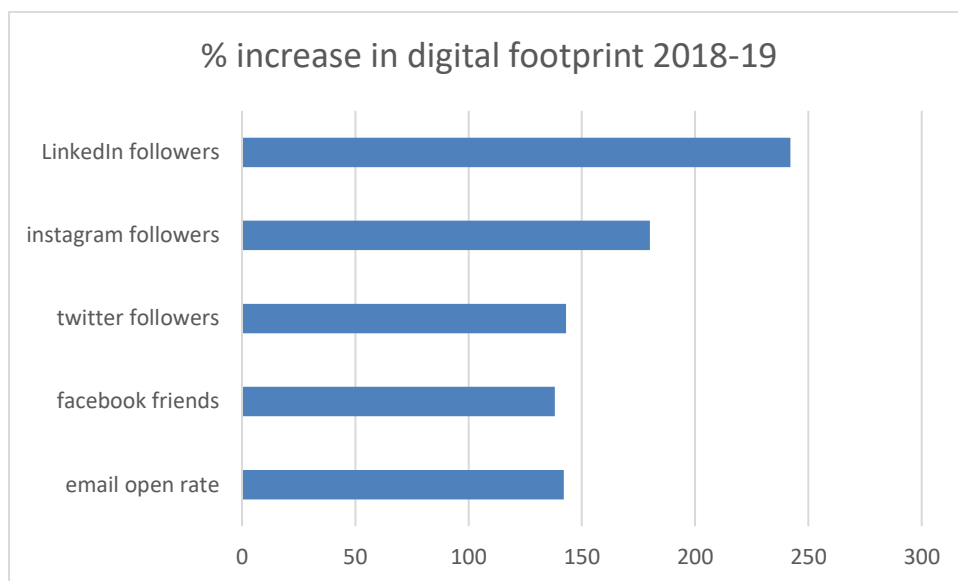


We are also aware that even with these increases 26% of our regular beneficiaries are still coping on an income of less than 75% of MIS. Within this group there is a wide variation in the gap between their income and the 75% MIS level, some still being under the 25% MIS level leaving them in destitution. We will be looking to address this in the lifetime of our 2019-22 strategy.

#### **4.2.2 Achievements**

This year, 2018/19, we provided 1,323 instances of support to individuals or families (1,185 instances in 2017/18) through a broad range of services designed to meet a wide variety of needs.

Although we are delighted with the increased uptake of services we continued to work during the year to address the trustees' concerns about lack of awareness of the charity and its services through the implementation of our marketing strategy, investment in staff with expertise in digital communications and increased visibility both at member and staff events. This has allowed for more targeted digital communications and greater exposure to our potential and current beneficiaries leading to increased uptake of all our digital channels and enquiries for services linked to digital messaging.



The Marketing and Communications team have also led on the Brand review designed to assess recognition and understanding of our brand and the impact this could have on uptake of our services. The findings of phase one of the review echoed previous studies in 2007 and 2009 which indicated that with a new name and visual identity the Charity could reach more people, expand its services and increase funds to meet growing needs. With this understanding the Board agreed to phase two of the review and development of a new identity which was presented to the Board and ratified in June 2019. Phase three, the implementation of the rebranding will be the focus for the marketing and communications team in the first four months of 2019-20.

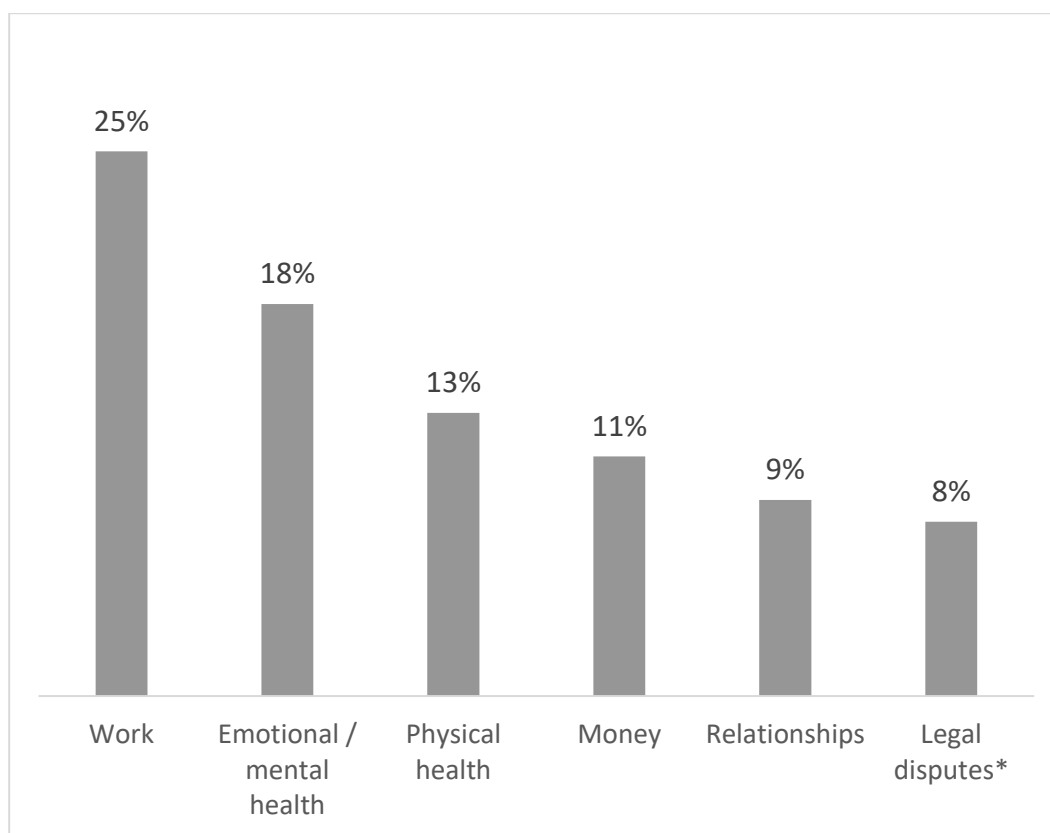
To ensure that our services are meeting the needs of our beneficiaries we reviewed our knowledge base and recognised that there had been no formal assessment of the needs of our beneficiaries since 2009.

So, in March 2019 we commissioned Shed Research to work with potential and current beneficiaries to find out;

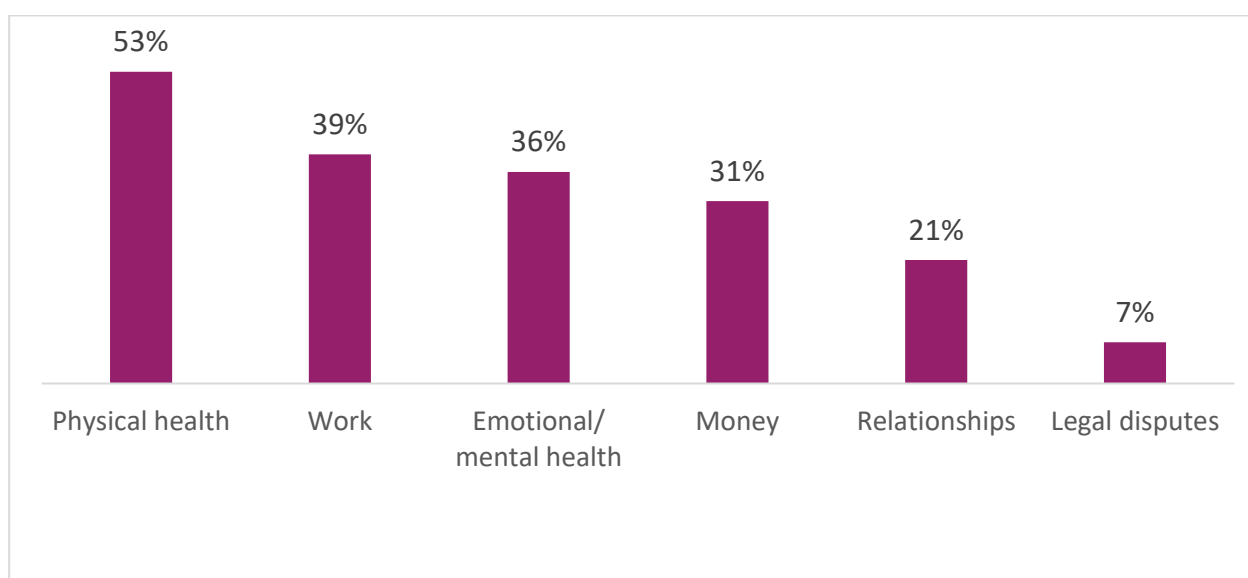
1. What challenges they face or may anticipate later in life
2. What support they may need, in what way and through what channels
3. Where they currently go for support and how they feel that support meets their needs

The research team undertook 30 telephone interviews with IET members including 7 past or current beneficiaries and received 1,679 responses to the questionnaire (statistically significant with a 95% confidence rate).

The current challenges were identified as:



The respondents said that they thought their future challenges would be:



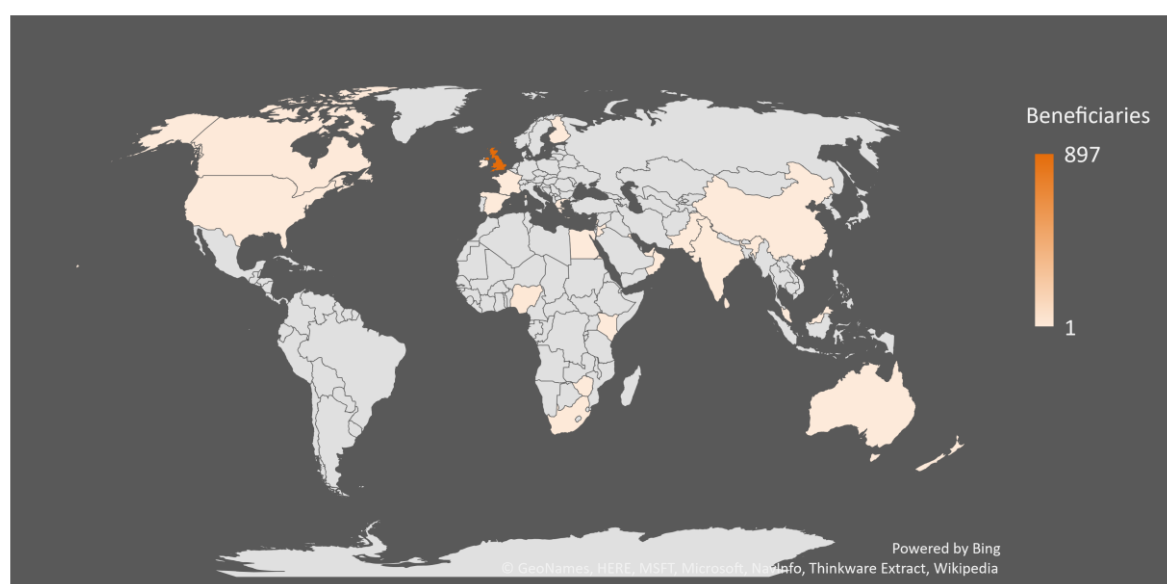
We were also able to gain further insights on value propositions for members from the results of the research on “Future of Membership” carried out by Laura Barrabia-Gil as part of the work of The IET Young Professionals Communities Committee (YPCC).

This information was brought together with the outcome of the work of the brand review which looked at our stakeholders’ understanding of who we were as an organisation and the support we could offer. This information was used to inform the development of our strategy for 2019-22 which was agreed by the Board in June 2019.

Our new partnership with Anxiety UK was launched in April 2019 providing a mental health wellbeing assessment, access to the headspace app and therapies for our beneficiaries. The assessment is not available for members of the public who join Anxiety UK and so our partnership brings added value alongside our standard funding offer for counselling. As part of the development of our mental health support the Service Development Committee requested that we consider our approach to supporting with those people living with dementia. Following discussion, we agreed that to bring staff, volunteers and Committee members to a similar level of understanding about the issues we would work to become a “Dementia friendly” organisation. We accessed the resources available through Dementia Friends including a training session from one of their dementia champions and completed our induction in June 2019. The initiative was well received, and the understanding gained will feed into the development of our health and wellbeing services.

### 4.2.3 Performance

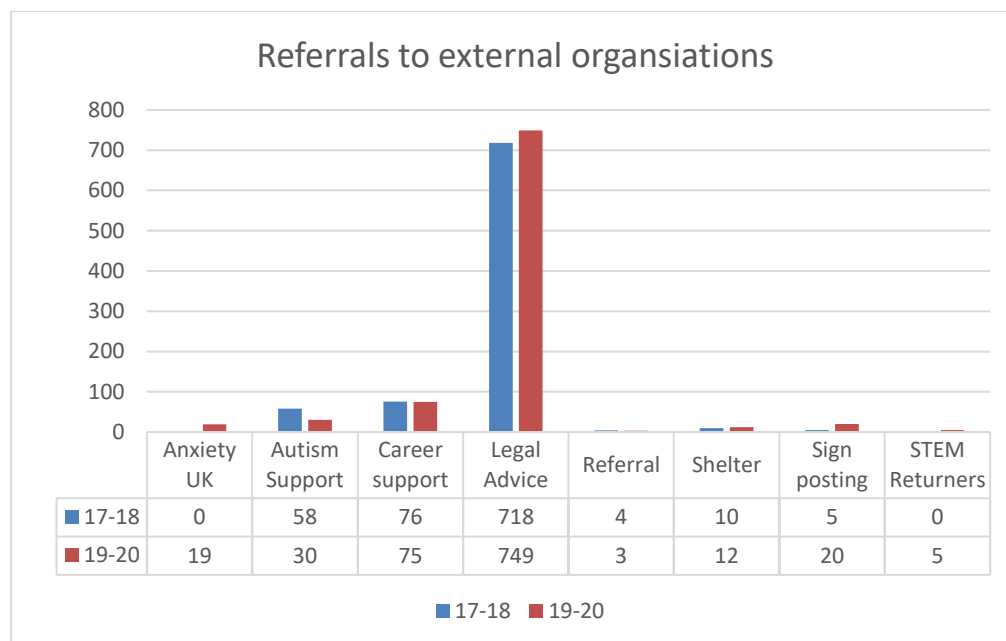
In 2018-19 we supported 992 unique individuals and families (910 in 2017-18) with support being offered in 30 countries worldwide and 86 counties across the UK, with some people receiving support on more than one occasion during the year.



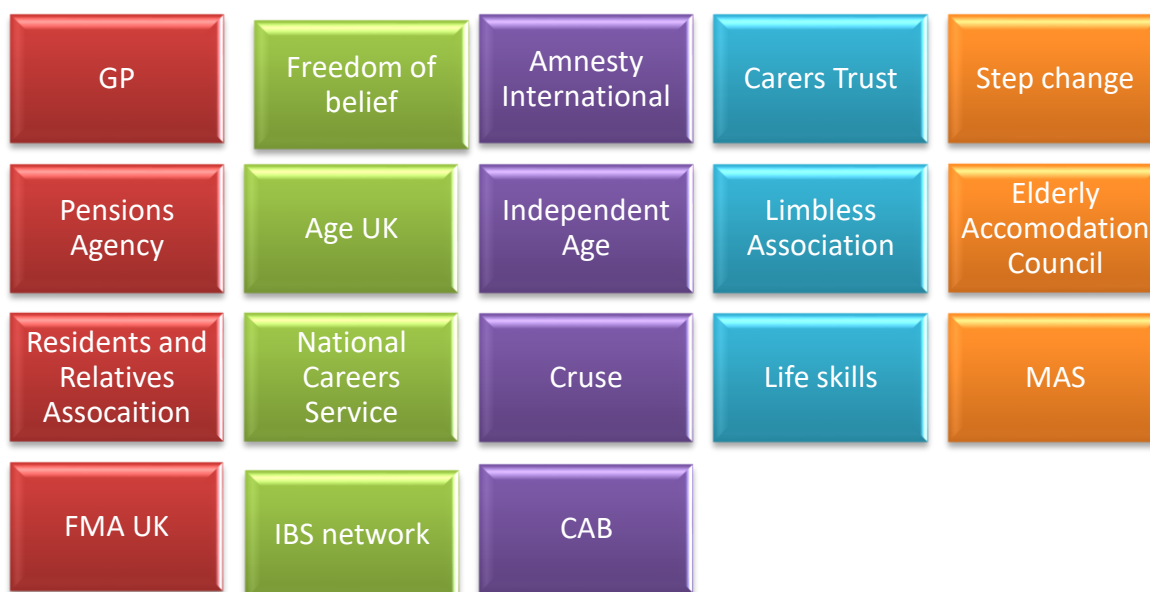


#### 4.2.3.1 Advice and Guidance

To provide the most appropriate support for people who contact us for assistance we work with other organisations who are specialists in their fields either through referral contracts or signposting.

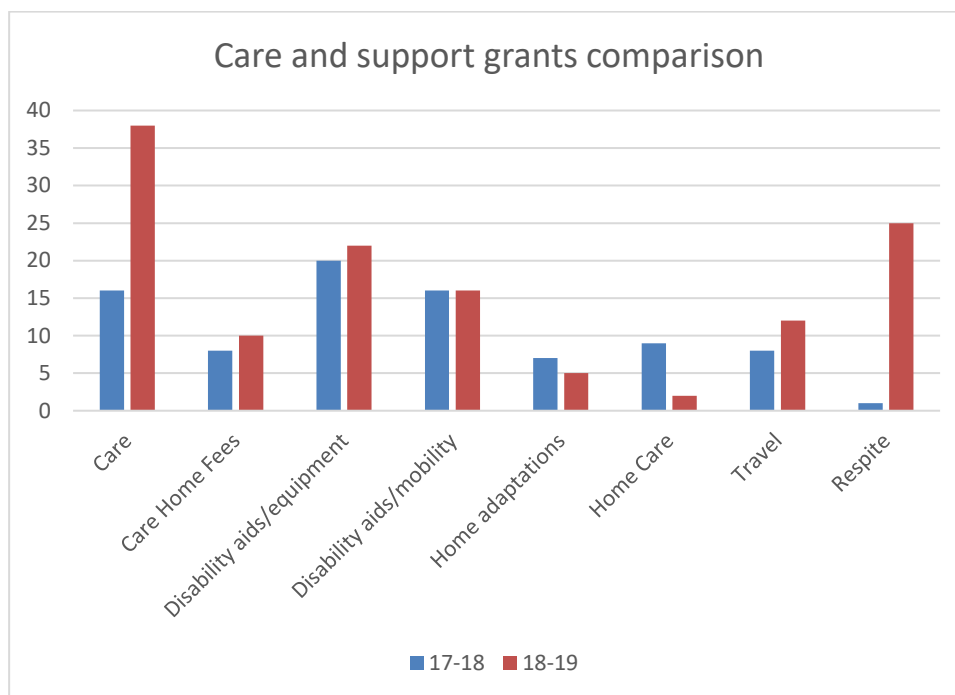


Organisations we signposted people to:



#### 4.2.3.2 Care and Support Grants

The number of individual grants provided to support carers and those requiring care increased from 84 in 2017/18 to 105 in 2018/19.

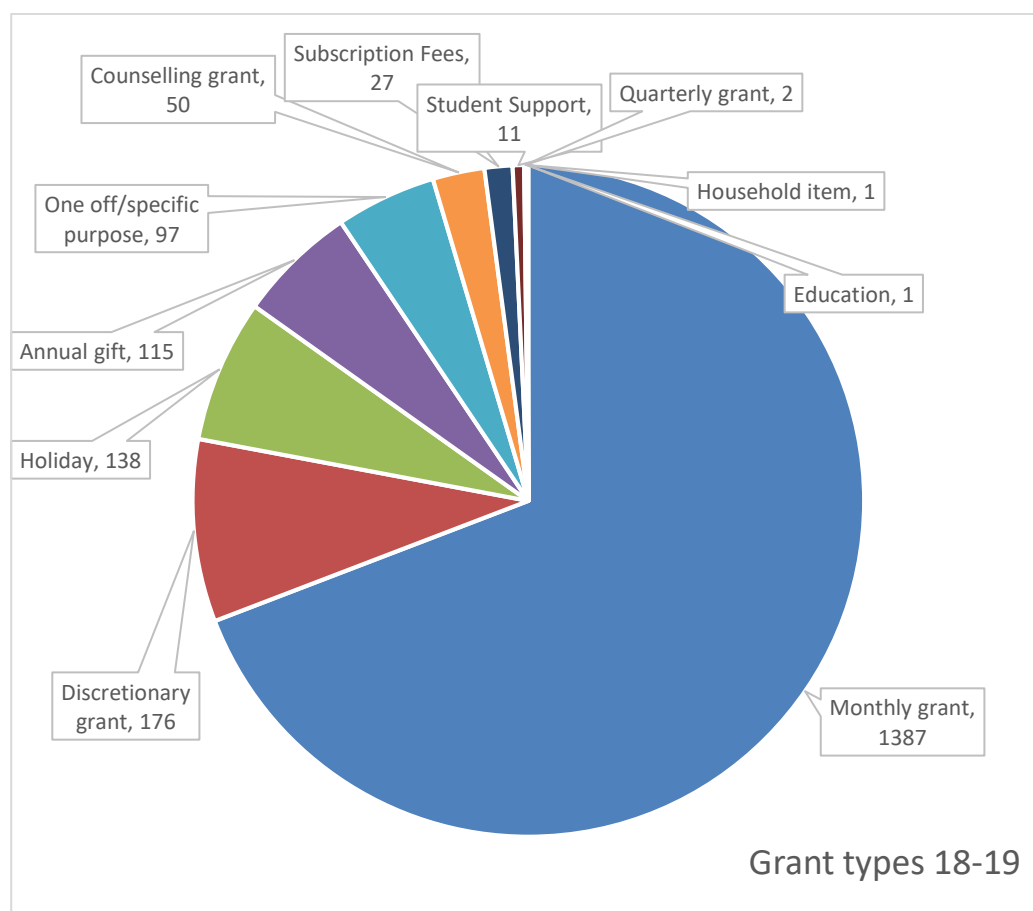


#### 4.2.3.3 Emotional Support

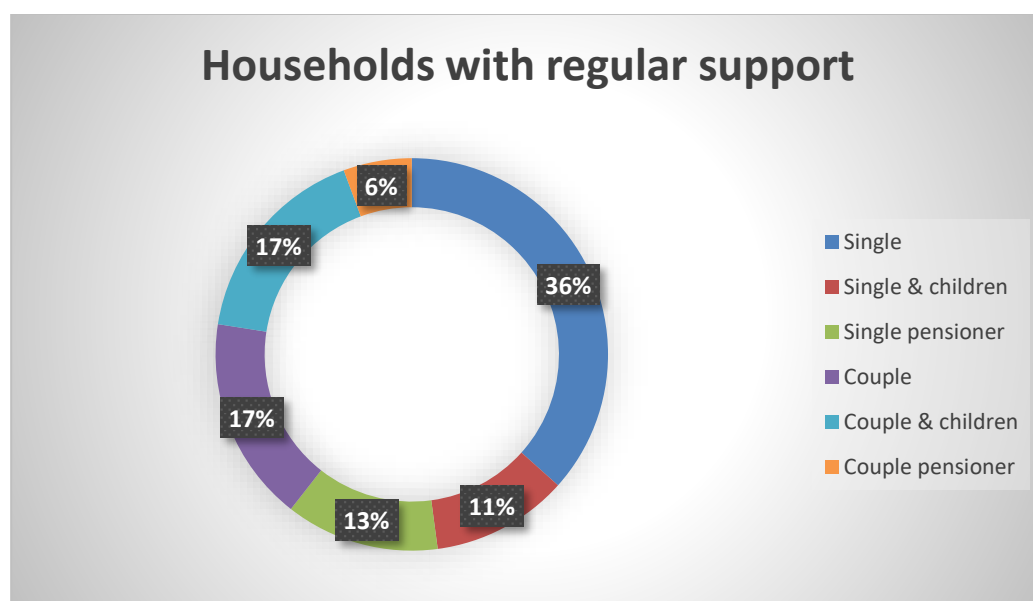
During this year we received 18 requests for courses of counselling with a counsellor of their choice (8 in 2017/18) and 19 people have accessed support in the first three months of our partnership with Anxiety UK which was launched in April 2019 with start-up costs of £4,000. Following the media focus on the issues of access to children's mental health services, in April 2019 the Board agreed to increase our support for counselling to include the grandchildren of beneficiaries where the IET member was participating in their care. 3 children have benefited from this support in the three months since the decision.

#### 4.2.3.4 Financial Assistance

In 2018/19 we spent £931,836 on direct financial assistance (£753,272 in 2017/18). This included 2,135 direct grants (compared with 1,817 in 2017/18).



Our largest expenditure was through monthly grants provided to 186 low income households where long-term illness, caring responsibilities and, in 70% of cases, disability in the family is impacting on finances.



#### **4.2.3.5 Other Assistance**

During the year we have tailored our support to address the individual needs of our beneficiaries in a wide variety of ways from funding the installing of air conditioning for someone whose medical condition is known to cause heat intolerance, helping to repatriate the body of someone who died abroad suddenly, providing clothes for an interview or helping a mother gain peace of mind about her young children's safety by providing a grant to fence off the garden.

#### **4.2.3.6 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 2019 RPI + 4% had been 34.1%, but the portfolio had increased on a total return basis by 42.1% compared to the composite index benchmark (which is used for shorter term comparison purposes) of 41.7%. During the year, the portfolio produced a total return of 4.1%, behind the composite index benchmark which returned 5.3%.

#### **4.2.3.7 Fundraising Performance**

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 and £422,423 in 2018-19 due to a variety of factors including the rise in the numbers of employers who pay for their staff's professional subscriptions but do not make a contribution to Foothold and continuing changes in the ways in which donors wish to support charities including benevolent funds.

#### **4.2.3.8 The Contribution of Volunteers**

We have 22 Local Representatives 4 of whom also volunteer as part of our 10-strong Trustee Board.

Local Representatives provide support to the caseworkers on initial home visits where appropriate and can offer on-going support local 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.

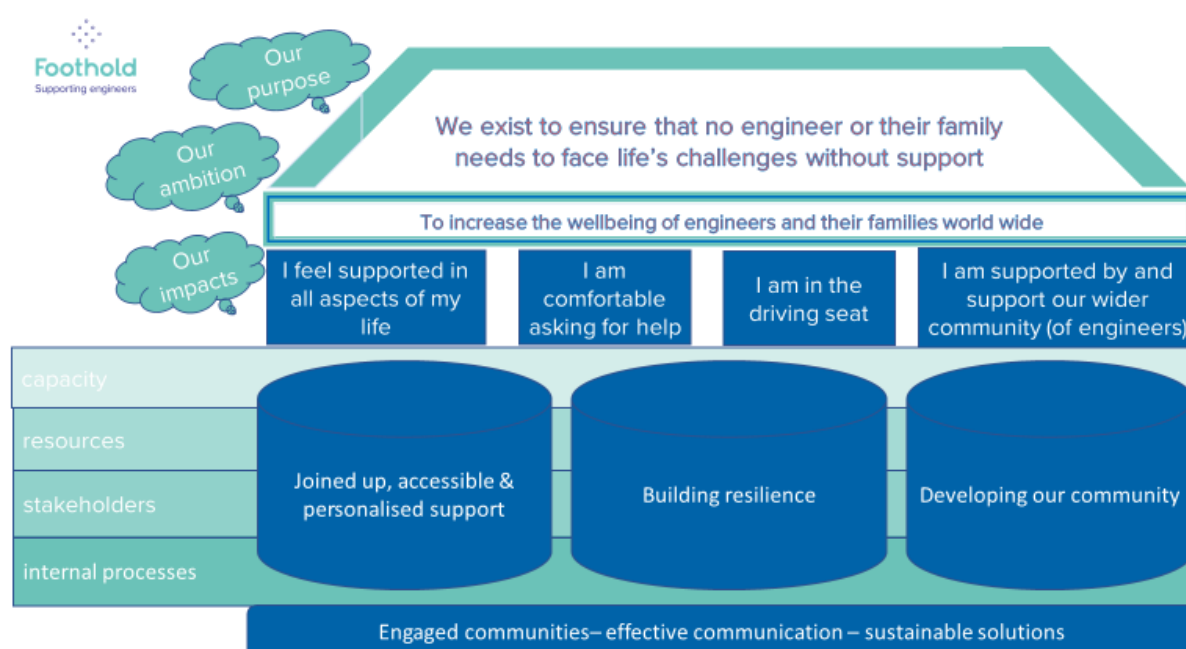
Our trustees travel to London for 5 trustee meetings a year and all carry out tasks between meetings. 4 of our volunteers also sit on the Case Review Committee which meets 3 times a year in London to discuss grant and welfare policies and applications for financial assistance. They also carry out detailed case reviews 3 times a year between meetings to ensure the correct process and procedures have been followed in the investigation and awarding of grants. One volunteer also attended our Audit and Investment Committee for the year.

It is estimated that our volunteers donated 1,254 hours of their time to the Charity during the year (Trustees 1,093 hours and Local Representatives 161 hours).

### 4.3 Planned developments for 2019/22

The first year of our new three-year strategy is focused on investment in infrastructure, services and staffing to enable us to meet our outcome of supporting 3,000 people a year by 2022 and increasing the impact we have on the wellbeing of engineers and their families worldwide.

#### Our strategic framework



#### 4.3.1 Specific objectives for 2019-20

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

- expanding our career support services to include career coaching and skills-based support
- developing a system of grants based on individual circumstances growing to match the requirements of the minimum income standard
- expanding our career support services to include career coaching and skills-based support
- expanding our legal advice to cover our community outside the UK

## **Developing our community**

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

## **Building resilience**

- providing information and advice on health and wellbeing through a variety of channels particularly focussing on mental health and carers issues
- amplifying the voice of other organisations campaigns which positively affect our community through our digital channels

## **Establishing the foundations**

Engaged communities - implement phase three of the brand review launching the new visual identity and website.

Effective communication - Identifying beneficiary, supporter and donor journeys to ensure appropriate and timely communication in line with best practice.

Sustainable solutions - Increasing income generation through launching an active fundraising strategy focussing on individual donors, legacies, 3<sup>rd</sup> party events and a lottery and maximising other opportunities as they arise.

## **4.4 Charity Governance Code**

The Board has studied the Charity Governance Code issued on 13 July 2017 in some depth and identified 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 us to consider whether the current memorandum and articles of association require a review and work on this will continue in the year 2019/20.

## **4.5 Summary**

2018/19 saw the continuation of the increase in the number of individuals receiving support (up 9% on 2017/18) with a corresponding 12% increase in the instances of support provided, which can be seen as an indication of the increasing complexity of the needs of people contacting us.

These increases in activity were achieved alongside the completion of the Brand review and development of a new three-year strategy, based on the outcomes of the research we commissioned in the Spring into the current and future needs of the IET membership past and present.

This strategy will see Foothold continue to increase both the numbers of individuals receiving support and the numbers of services taken up, whilst increasing the range of support available to improve the health and wellbeing of our community, a need strongly identified by the research.

Financially the year 2018/19 was broadly similar to the preceding year with a slight increase (8.4%) in income at £1,396,736 (2017/18 £1,288,147) attributable to an increased investment income of £746,477 and legacy income of £227,055, up 80% on 2017/18 levels, although with an increase (14.6%) in expenditure at £2,034,921 (2017/18 £1,775,376).

The increase in income, especially that from gifts in wills, helped to offset the continuing decrease in individual donations and enabled us to maintain the levels of our funds, despite the increased expenditure which was mainly attributable to the 18% increase in grants directed to financial support. This demonstrates the continuing commitment of the Trustees to provide the most comprehensive services possible to the greatest number of qualifying individuals possible so long as we have the reserves that can be drawn upon to meet any deficits.

However, in recognition of the increasing range and scope of needs of the IET membership and the continued reduction in individual donations the Trustees agreed to the addition of a fundraiser to the team in the 2019-20 budget to develop a strategy to increase our income through a variety of fundraising streams. The post will sit alongside the ongoing work that the Marketing and Communications team undertake to raise awareness of Foothold amongst the IET membership.

The Board sees these annual figures as the result of much hard work and a 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 donors who make such a difference to what we can achieve for IET members past and present, their dependents and the wider engineering community.

## **5. FINANCIAL REVIEW AND RESULTS**

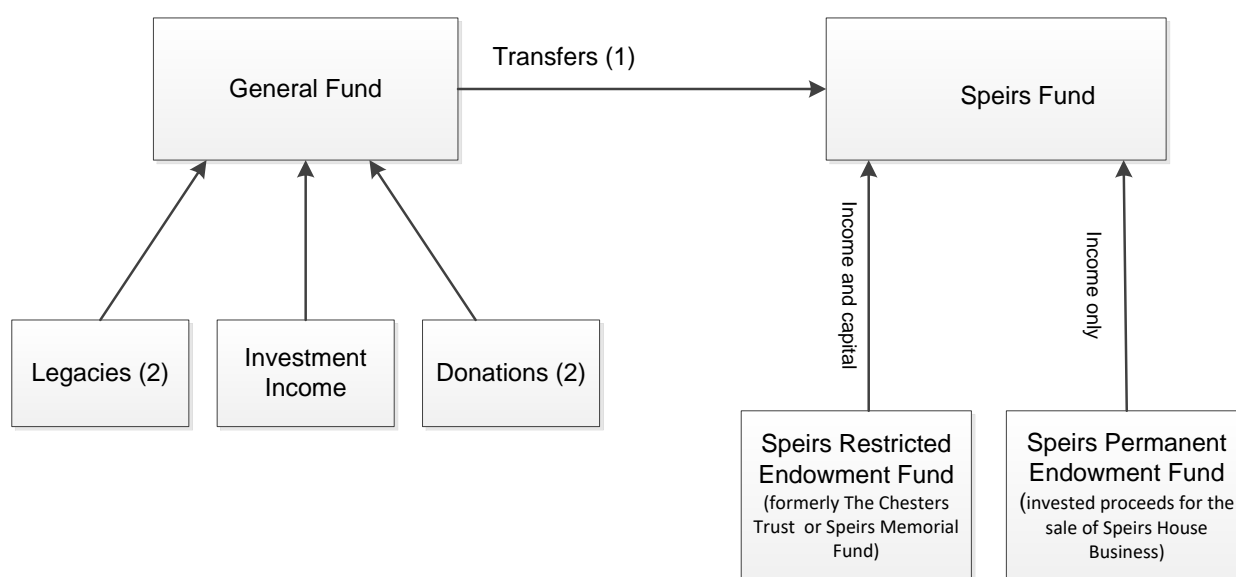
During the year we received £422,423 in donations from members of the Institution of Engineering and Technology and £227,055 in legacies and we spent £1,800,852 on our charitable activities (financial assistance, welfare support and advice and career support). The deficit was met by drawing income and capital from our investments.

### **5.1 The Funds**

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

The Speirs Fund is further sub-divided into two. The income from the sale of the Speirs House business forms a permanent endowment. The previous funds held in the Chesters Trust or Speirs Memorial Fund form a restricted income fund. Prior to the sale, Speirs House was run by a wholly owned charitable subsidiary company established by the Board of Trustees. The Speirs Fund has a broader remit than the General Fund 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 financial results of the year are set out in the Statement of Financial Activities on page 44 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 2018/19 incoming resources of £1,396,716 were £638,025 less than the expenditure for the year of £2,034,741 (2018: Income £1,287,966 with an excess of expenditure over income of £487,410). Once again, the rise in the value of the investments during the year provided some cover of the deficit, with an overall decrease in the funds of the Charity of £290,960. 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 £422,423 (from £447,833 in 2018, £487,043 in 2017 and £502,333 in 2016). Legacy income however was up at £227,055 (from £125,901 in 2018).

## **5.2 Investments Policy**

The Trustees' investment powers are governed by Charity and Trustee legislation and regulations and Foothold's memorandum of association, which permits it to invest monies not immediately required for its purposes in securities, property, or other investments as may be thought fit. 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.

## **5.3 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 Foothold's reserves, which in this case are defined as that part of the Charity's accumulated surpluses that are available to spend once it has met its commitments and covered its other planned expenditure, often called "free" reserves. It excludes endowed funds that have been invested to provide a secure and predictable income stream; property held for charity use; funds accumulated for a designated purpose within the overall purpose of the Charity; and restricted funds.

The total reserves as at 30 June 2019 were £27,100,382 of which £3,314,395, represented restricted funds and £ 4,515,824, represented endowment funds. Of the £19,270,163 unrestricted funds, the following amounts are designated:

- £ 38,914 which represents fixed assets
- £ 410,726 which is tied up in repayable grants
- £18,499,330, which is the value of unrestricted investment funds, less any cash held within investments

This results in general free reserves excluding the above being £321,193 as at 30 June 2019. 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.

#### **5.4 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 contributions of £1,000 per month until 31 March 2027 to clear the shortfall. See note 1t in the financial statements for further detail.

#### **5.5 Viability of the Charity**

It is the Board's view that Foothold 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.

#### **5.6 Fundraising**

The Charity recognises the requirements of the Charities (Protection and Social Investment) Act 2016 which contains a range of provisions aimed at raising standards in fundraising. These respond to a perceived need among the public for charities fundraising activities to be better regulated following media interest in the death of poppy seller Olive Cooke.

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 Foothold if they so choose. The recommended donation in 2017-18 was £8.

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

Considering our plans to increase our fundraising activity in 2019/20 we have voluntarily subscribed to the Fundraising Regulator's code of fundraising practice which will inform the development of our activities, policies and procedures going forward.

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

and will only use them to provide the individual with the service that they have requested and communicate with them in the ways that they have agreed to.

Individuals' data may also be used for analysis purposes to help us to provide the best service possible. We will only allow information to be used by suppliers working on our behalf and we'll only share it if required to do so by law. We do not share data with third parties.

## **5.7 STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS**

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

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

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

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware

- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 30 June 2019 was 39 (2018:41). 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 28 February 2019

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

**Eur Ing Professor A L Dowd BSc PhD CEng FIET**

**Chairman**

**Date 22 January 2020**

## **INDEPENDENT AUDITOR'S REPORT**

### **Opinion**

We have audited the financial statements of The Institution of Engineering and Technology Benevolent Fund (the 'charitable company') for the year ended 30 June 2019 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 2019 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 including the strategic 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 including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report including the strategic 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 including the strategic 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.

## **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.

Helen Elliott (Senior statutory auditor)  
22 January 2020  
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 (operating as Foothold)

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

For the year ended 30 June 2019

		Unrestricted	Restricted		2019	2018
		General	Speirs	Speirs		
		Fund	Fund	Permanent		
	Note	£	£	Endowment	Total	Total
		£	£	£	£	£
<b>Income from:</b>						
Donations		422,423	–	–	422,423	447,833
Legacies		227,055	–	–	227,055	125,901
Events and sundry income		791	–	–	791	4,010
Investment income		533,072	87,583	125,792	746,447	710,403
<b>Total income</b>		<b>1,183,341</b>	<b>87,583</b>	<b>125,792</b>	<b>1,396,716</b>	<b>1,288,147</b>
<b>Expenditure on:</b>						
Raising funds	3	188,361	18,918	26,590	233,869	204,656
Charitable activities						
Advice and guidance	3	288,254	–	–	288,254	288,723
Financial Support	3	1,392,017	120,781	–	1,512,798	1,281,997
<b>Total expenditure</b>		<b>1,868,632</b>	<b>139,699</b>	<b>26,590</b>	<b>2,034,921</b>	<b>1,775,376</b>
<b>Net (expenditure) / income before net gains on investments</b>		<b>(685,291)</b>	<b>(52,116)</b>	<b>99,202</b>	<b>(638,205)</b>	<b>(487,229)</b>
Net gains / (losses) on investments		240,671	46,348	60,046	347,065	1,064,322
<b>Net (expenditure) / income for the year</b>	4	<b>(444,620)</b>	<b>(5,768)</b>	<b>159,248</b>	<b>(291,140)</b>	<b>577,093</b>
Transfers between funds		–	126,743	(126,743)	–	–
<b>Net movement in funds</b>		<b>(444,620)</b>	<b>120,975</b>	<b>32,505</b>	<b>(291,140)</b>	<b>577,093</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		19,714,783	3,193,420	4,483,319	27,391,522	26,814,429
<b>Total funds carried forward</b>		<b>19,270,163</b>	<b>3,314,395</b>	<b>4,515,824</b>	<b>27,100,382</b>	<b>27,391,522</b>

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

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

Balance sheet

Company no. 00441284

As at 30 June 2019

	Note	£	2019 £	£	2018 £
<b>Fixed assets:</b>					
Tangible assets	9		38,914		47,220
Investments	10		26,735,421		26,767,606
Repayable grants	11		410,726		411,326
			<u>27,185,061</u>		<u>27,226,152</u>
<b>Current assets:</b>					
Debtors	12	112,051		99,458	
Cash at bank and in hand		189,717		320,237	
		<u>301,768</u>		<u>419,695</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	302,447		158,325	
				<u>158,325</u>	
<b>Net current (liabilities) / assets</b>			<u>(679)</u>		<u>261,370</u>
<b>Total assets less current liabilities</b>			<u>27,184,382</u>		<u>27,487,522</u>
Creditors: amounts falling due after one year	14		84,000		96,000
<b>Total net assets</b>			<u><u>27,100,382</u></u>		<u><u>27,391,522</u></u>
<b>The funds of the charity:</b>					
Restricted income funds	15		3,314,395		3,193,420
Endowment	16		4,515,824		4,483,319
Unrestricted income funds:	17a				
Designated funds		16,012,038		16,628,716	
Revaluation reserve		2,936,932		2,792,971	
General funds		321,193		293,096	
		<u>19,270,163</u>		<u>19,714,783</u>	
<b>Total unrestricted funds</b>			<u>19,270,163</u>		<u>19,714,783</u>
<b>Total charity funds</b>			<u><u>27,100,382</u></u>		<u><u>27,391,522</u></u>

Approved by the trustees on 22 January 2020 and signed on their behalf by

Eur Ing Professor A L Dowd BSc PhD CEng FIET  
Chairman

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

Statement of cash flows

For the year ended 30 June 2019

	Note	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>	18				
<b>Net cash used in operating activities</b>			(1,254,945)		(896,411)
<b>Cash flows from investing activities:</b>					
Dividends and interest from investments		746,447		710,403	
Purchase of fixed assets		(1,272)		–	
Proceeds from sale of investments		4,729,249		4,962,309	
Purchase of investments		(3,968,149)		(5,704,601)	
(Increase)/Decrease in cash held for investment by investment managers		(381,850)		957,883	
<b>Net cash provided by investing activities</b>			<u>1,124,425</u>		<u>925,994</u>
<b>Change in cash and cash equivalents in the year</b>			(130,520)		29,583
Cash and cash equivalents at the beginning of the year			<u>320,237</u>		<u>290,654</u>
<b>Cash and cash equivalents at the end of the year</b>			<u><u>189,717</u></u>		<u><u>320,237</u></u>

**1 Accounting policies**

**a) Statutory information**

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

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (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 recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

**c) Public benefit entity**

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

**d) Going concern**

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

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

**e) Income**

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

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

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

**f) Interest receivable**

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

**g) Investment income and dividends**

Investment income is included when receivable.

**1 Accounting policies (continued)**

**h) Fund accounting**

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

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

**i) Expenditure and irrecoverable VAT**

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

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

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

**j) Grants payable**

Grants paid comprise amounts paid to individuals needing financial assistance.

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

**k) Allocation of support costs**

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

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

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

**l) Operating leases**

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

**1 Accounting policies (continued)**

**m) Tangible fixed assets**

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

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

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

**n) Repayable grants**

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

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

**o) Listed investments**

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

**p) Debtors**

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

**q) Cash at bank and in hand**

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

**r) Creditors and provisions**

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

**s) Financial instruments**

With the exception of the listed investments described above the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

## Notes to the financial statements

For the year ended 30 June 2019

## 1 Accounting policies (continued)

## t) Pensions

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

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

## 2 Detailed comparatives for the statement of financial activities

			2018	
	Unrestricted £	Speirs Fund £	Permanent Endowment £	Total £
<b>Income from:</b>				
Donations	447,833	–	–	447,833
Legacies	125,901	–	–	125,901
Events and sundry income	4,010	–	–	4,010
Investment income and interest	515,138	75,589	119,676	710,403
<b>Total income</b>	<b>1,092,882</b>	<b>75,589</b>	<b>119,676</b>	<b>1,288,147</b>
<b>Expenditure on:</b>				
Raising funds	169,488	14,243	20,925	204,656
Charitable activities expenditure				
Advice and guidance	288,723	–	–	288,723
Financial Support	1,230,562	51,435	–	1,281,997
<b>Total expenditure</b>	<b>1,688,773</b>	<b>65,678</b>	<b>20,925</b>	<b>1,775,376</b>
<b>Net income / expenditure before gains / (losses) on investments</b>	<b>(595,891)</b>	<b>9,911</b>	<b>98,751</b>	<b>(487,229)</b>
Net gains / (losses) on investments	761,304	120,674	182,344	1,064,322
<b>Net income / expenditure</b>	<b>165,413</b>	<b>130,585</b>	<b>281,095</b>	<b>577,093</b>
Transfers between funds	–	118,279	(118,279)	–
<b>Net movement in funds</b>	<b>165,413</b>	<b>248,864</b>	<b>162,816</b>	<b>577,093</b>
<b>Total funds brought forward</b>	<b>19,549,370</b>	<b>2,944,556</b>	<b>4,320,503</b>	<b>26,814,429</b>
<b>Total funds carried forward</b>	<b>19,714,783</b>	<b>3,193,420</b>	<b>4,483,319</b>	<b>27,391,522</b>

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

Notes to the financial statements

For the year ended 30 June 2019

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 £	2019 Total £	2018 Total £
Staff costs (Note 5)	20,827	79,091	12,071	64,909	77,770	185,698	440,366	392,398
Defined benefit pension schemes (Note 5)	–	–	–	–	–	–	–	120,000
Staff recruitment and other costs	–	–	–	–	–	9,785	9,785	9,349
Investment management fees	126,446	–	–	–	–	–	126,446	126,715
Grants	–	–	71,796	864,788	–	–	936,584	755,650
Marketing & publicity	85,952	–	–	–	–	26,320	112,272	70,224
Rent & services	594	–	–	–	–	214,714	215,308	175,159
Travelling & meeting costs	–	–	–	1,291	12,241	71	13,603	12,293
Legal & professional fees	–	14,597	–	–	1,307	–	15,904	20,339
Audit fees	–	–	–	–	10,880	–	10,880	9,120
Depreciation	–	–	–	–	–	9,578	9,578	9,465
Other costs	50	–	–	848	–	143,297	144,195	74,663
	233,869	93,688	83,867	931,836	102,198	589,463	2,034,921	1,775,375
Support costs	–	49,780	44,562	495,121	–	(589,463)	–	–
Governance costs	–	8,631	7,726	85,841	(102,198)	–	–	–
<b>Total expenditure 2019</b>	<b>233,869</b>	<b>152,099</b>	<b>136,155</b>	<b>1,512,798</b>	<b>–</b>	<b>–</b>	<b>2,034,921</b>	<b>1,775,375</b>
Total expenditure 2018	204,656	164,494	124,229	1,281,997	–	–	1,775,376	



# The Institution of Engineering and Technology Benevolent Fund

## Notes to the financial statements

For the year ended 30 June 2019

### 3b 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 £
Staff costs (Note 5)	12,857	82,574	11,566	56,187	44,790	184,424	392,398
Defined benefit pension schemes (Note 5)	–	–	–	–	–	120,000	120,000
Staff recruitment and other costs	–	–	–	–	–	9,349	9,349
Investment management fees	126,715	–	–	–	–	–	126,715
Fundraising cost	–	–	–	–	–	–	–
Direct event cost	–	–	–	–	–	–	–
Grants	–	–	61,428	694,222	–	–	755,650
Marketing & publicity	63,832	–	–	–	–	6,392	70,224
Rent & services	1,252	–	–	–	–	173,907	175,159
Travelling & meeting costs	–	–	–	2,717	9,509	67	12,293
Legal & professional fees	–	14,080	–	–	6,260	–	20,340
Audit fees	–	–	–	–	9,120	–	9,120
Depreciation	–	–	–	–	–	9,465	9,465
Other costs	–	–	–	146	–	74,517	74,663
	204,656	96,654	72,994	753,272	69,679	578,121	1,775,376
Support costs	–	60,543	45,724	471,854	–	(578,121)	–
Governance costs	–	7,297	5,511	56,871	(69,679)	–	–
<b>Total expenditure 2018</b>	<b>204,656</b>	<b>164,494</b>	<b>124,229</b>	<b>1,281,997</b>	<b>–</b>	<b>–</b>	<b>1,775,376</b>

Notes to the financial statements

For the year ended 30 June 2019

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

This is stated after charging:

	2019 £	2018 £
Depreciation	9,578	9,465
Operating lease rentals:		
Property	128,500	119,262
Auditors' remuneration (excluding VAT):		
Audit	8,000	7,800
Other services	2,000	1,800
	<u>          </u>	<u>          </u>

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

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	377,465	329,860
Social security costs	39,374	34,602
Employer's contribution to defined contribution pension scheme	23,527	27,936
	<u>          </u>	<u>          </u>
	440,366	392,398
	<u>          </u>	<u>          </u>
Operating costs of defined benefit pension schemes	–	120,000
	<u>          </u>	<u>          </u>
	440,366	512,398
	<u>          </u>	<u>          </u>

The Senior Management Team's employee remuneration including national insurance totalled £194,240 (2018: £196,157). Foothold now operates a defined contribution pension scheme for all permanent staff.

In 2019 Nil (2018:One) received a salary excluding national insurance between £80,000 and £90,000. The pension contributions for this employee was £7,806 in 2018.

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

**6 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 11 (2018: 10).

**7 Related party transactions**

No members of the Board of Trustees received any remuneration for the services to Foothold for the year. During the year travel and subsistence cost totalling £12,416 were reimbursed to 10 trustees (2018: £9,498 to 10 trustees). Foothold 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.

**8 Taxation**

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

## Notes to the financial statements

For the year ended 30 June 2019

## 9 Tangible fixed assets

	Leasehold improvements £	Furniture & equipment £	Total £
<b>Cost or valuation</b>			
At the start of the year	73,973	20,669	<b>94,642</b>
Additions in year	–	1,272	<b>1,272</b>
At the end of the year	<b>73,973</b>	<b>21,941</b>	<b>95,914</b>
<b>Depreciation</b>			
At the start of the year	36,985	10,437	<b>47,422</b>
Charge for the year	7,397	2,181	<b>9,578</b>
At the end of the year	<b>44,382</b>	<b>12,618</b>	<b>57,000</b>
<b>Net book value</b>			
At the end of the year	<b>29,591</b>	<b>9,323</b>	<b>38,914</b>
At the start of the year	<b>36,988</b>	<b>10,232</b>	<b>47,220</b>

All of the above assets are used for charitable purposes.

## 10 Listed investments

	General fund (Unrestricted) £	SF: (Restricted) £	SF:PE (Restricted) £	2019 £	2018 £
Fair value at the start of the year	18,963,141	3,064,499	4,471,084	<b>26,498,724</b>	24,692,110
Purchases	2,804,847	498,889	664,413	<b>3,968,149</b>	5,704,601
Sales proceeds	(3,509,329)	(434,652)	(785,268)	<b>(4,729,249)</b>	(4,962,309)
Realised and unrealised gain/loss	240,671	46,348	60,046	<b>347,065</b>	1,064,322
	<b>18,499,330</b>	<b>3,175,084</b>	<b>4,410,275</b>	<b>26,084,689</b>	26,498,724
Cash held by investment broker pending reinvestment	417,975	121,809	110,948	<b>650,732</b>	268,882
Fair value at the end of the year	<b>18,917,305</b>	<b>3,296,893</b>	<b>4,521,223</b>	<b>26,735,421</b>	26,767,606
Historic cost at the end of the year	<b>15,980,373</b>	<b>2,729,665</b>	<b>3,779,087</b>	<b>22,489,125</b>	22,862,283

## 10b Listed investments (prior year)

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

## Notes to the financial statements

For the year ended 30 June 2019

## 11 Repayable grants

	2019 Total £	2018 Total £
Repayable grants at the start of the year	411,326	460,756
Repayments	(600)	(49,666)
Interest	–	236
Repayable grants at the end of the year	410,726	411,326

## 12 Debtors

	2019 £	2018 £
Trade debtors	23,740	–
Other debtors	7,697	5,932
Accrued income & prepayments	80,614	93,526
	112,051	99,458

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

	2019 £	2018 £
Due to the Institution of Engineering and Technology	129,830	29,522
Accruals	126,358	116,610
Trade creditors	34,259	193
Defined benefit pension scheme	12,000	12,000
	302,447	158,325

## 14 Creditors: amounts falling due after one year

	2019 £	2018 £
Defined benefit pension scheme	84,000	96,000
	84,000	96,000

In 2018 the 2017 triannual review was completed, Foothold will continue to make additional contributions of £1,000 a month until March 2027. At 30 June 2019 Foothold had future commitments of £96,000 in respect of the pension scheme (2017 – £108,000). £12,000 is within current liability.

## 15 Restricted funds

	2019 £	2018 £
Balance at 1 July	3,193,420	2,944,556
Incoming resources	87,583	75,589
Resources expended	(139,699)	(65,678)
Transfer between funds	126,743	118,279
Investment gains/(losses)	46,348	120,674
Balance at 30 June	3,314,396	3,193,420

## Notes to the financial statements

For the year ended 30 June 2019

## 16 Endowment funds

	2019 £	2018 £
Balance at 1 July	4,483,319	4,320,503
Incoming resources	125,792	119,676
Resources expended	(26,590)	(20,925)
Transfer between funds	(126,743)	(118,279)
Investment gains/(losses)	60,046	182,344
Balance at 30 June	4,515,824	4,483,319

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

	Restricted £	Endowment funds £	Designated funds £	Revaluation reserve £	General funds £	Total funds £
Tangible fixed assets	–	–	38,914	–	–	38,914
Repayable grants	–	–	410,726	–	–	410,726
Investments	3,296,893	4,521,223	15,562,398	2,936,932	417,975	26,735,421
Net current liabilities	17,502	(5,399)	–	–	(12,782)	(679)
Long term liabilities	–	–	–	–	(84,000)	(84,000)
Net assets at 30 June 2019	3,314,395	4,515,824	16,012,038	2,936,932	321,193	27,100,382

## 17b Analysis of net assets between funds (prior 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
Creditors: amounts due	–	–	–	–	(96,000)	(96,000)
Net assets at 30 June 2018	–	4,483,319	16,628,716	2,792,971	293,096	27,391,522

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

	2019 £	2018 £
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	(291,140)	577,093
Depreciation charges	9,578	9,465
(Gains)/losses on investments	(347,065)	(1,064,322)
Dividends and interest from investments	(746,447)	(710,403)
Decrease in repayable grants	600	49,430
(Increase)/decrease in debtors	(12,593)	81,724
Increase/(decrease) in creditors	132,122	160,602
Net cash provided by / (used in) operating activities	(1,254,945)	(896,411)

Notes to the financial statements

For the year ended 30 June 2019

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 2019 £	2018 £
Less than one year	128,500	119,262
One to two years	128,500	119,262
Two to five years	235,583	327,971
	<u>492,583</u>	<u>566,495</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.