

# The Benevolent Fund of the Institution of Mechanical Engineers

Annual Report and Accounts For the year to 31 December 2023

Annual Report and Accounts For  
the year to 31 December 2023

Company Registered in England No.130981  
Registered Charity No: 209465

<b>Report of the Trustees</b>	<b>2-18</b>
<b>Independent Auditor's Report to the Members of the Benevolent Fund of the Institution of Mechanical Engineers</b>	<b>19-22</b>
<b>Statement of Financial Activities</b>	<b>23</b>
<b>Balance Sheet</b>	<b>24</b>
<b>Statement of Cash Flows</b>	<b>25</b>
<b>Accounting Policies</b>	<b>26-28</b>
<b>Notes to the accounts</b>	<b>29-33</b>

## **INTRODUCTION**

The Trustees are pleased to submit their annual report which incorporates the Director's Report and accounts for the year ended 31 December 2023. In preparing this report the Trustees have complied with the Charities Act 2011, the Companies Act 2006, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in UK and Republic of Ireland (FRS102), and the company's Articles of Association governing document.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The Benevolent Fund of The Institution of Mechanical Engineers (also known as, and now operating under, the working title of 'Support Network') was founded in 1913 and is registered with the Charity Commission for England and Wales as charity number 209465. Support Network is also a Company Limited by Guarantee; and is registered with Companies House as company number 130981. The Trustees, Officers and professional advisers of the charity are listed on page 17 of this report. Support Network operates throughout the United Kingdom and internationally, wherever there are members (or former members) of the Institution of Mechanical Engineers (IMechE). Although close ties exist between Support Network and the IMechE, it should be noted that they are separate and distinct registered charities and companies, with different objectives, funds and management structures.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT OF THE CHARITY**

Support Network is a charitable company limited by guarantee, established under a Memorandum of Association, now revised as Articles of Association (January 2020) which sets out the objects and powers of the charitable company and all governance provisions relating to the same. A copy of the current version of the Articles of Association are filed with both the Charity Commission for England and Wales and at Companies House. The Directors of the company are also charity Trustees for the purposes of charity law. The governing body of Support Network is the Trustee Board, and the Trustees are jointly responsible for its governance.

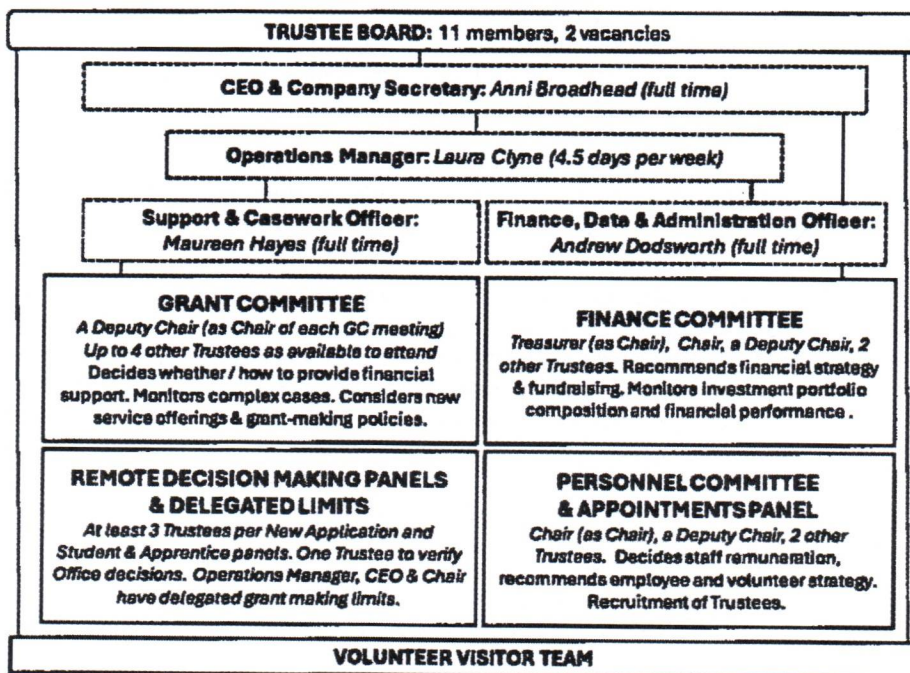
Support Network's charitable objectives are the relief and prevention of poverty. In December 2019, permission was given to expand the existing charitable objectives to include assistance to both individuals and organisations, these being:

- Members (or former members) of the Institution of Mechanical Engineers (IMechE).
- The partners, civil partners, widows, widowers, children (including adult children), relatives and other dependants of such members or former members (whether such members or former members are alive or dead at the time such provision is sought).
- To relieve, or assist in the relief of, poverty or financial hardship throughout the world, in particular but without limitation to the provision of funding for development projects, particularly projects or parts of projects with a strong engineering or technical component.
- To advance education, in particular, through providing funding in support of projects which develop capability in science, technology, engineering and mathematics.

Support Network has four full-time equivalent staff, who are based in the London office though largely work from home. It relies on a large network of volunteers, who themselves are mostly members of the IMechE and thus also form part of the eligible 'community' of users of the organisation's services. Volunteers assist with casework through making home visits and/or telephone or online calls for financial verification or anti-loneliness purposes, plus our international volunteers act as in-country representatives to provide a wider context to member applications. Volunteers are thereby involved with the majority of the welfare interventions and casework undertaken by the organisation. They are accordingly a mainstay of Support

Network's activities and a principal point of contact with new applicants and existing beneficiaries. As presently constituted, Support Network could not operate without them. Purely in terms of hours of casework, Support Network would require at least two extra full-time staff if there were no volunteers.

Trustees are responsible for setting the organisation strategy and for ensuring that this is implemented by the Chief Executive. To assist with this work there are three sub-committees which are accountable to the main Trustee Board. There are also additional remote grant decision making panels, and members of each committee and panel are listed on page 17. A diagram of the structure of the organisation at May 2024 is shown below:



**Trustee Board:**

The Trustee Board, when complete, consists of at least eight and not more than thirteen individuals. The current Board comprises 11 elected and co-opted members. None of the Support Network Trustees are also IMechE Trustees.

The Trustees serve for a fixed period of three years, after which time they are eligible to stand to serve for a further three years, after which they must retire for at least one year, before being eligible to serve on the board again. This is unless they hold the office of Chair or Deputy Chair at the time that their retirement would fall to be effective, at which point they may serve for an additional consecutive 1-2 years before being time barred. This is in order to facilitate succession planning. Candidates to be considered for election to the Board are invited to submit statements of application against the Person Specification required that year, and to attend an interview either with the Chair and a Deputy Chair, or otherwise the full Appointments Panel (usually comprising the Chair, Deputy Chair and one or two other Trustees, who are usually also members of the Personnel Committee). New trustees are elected by the full Trustee Board, and usually take office with effect from the date of the July Trustee Board meeting, which is also usually the first Trustee Board meeting that they attend unless they have been co-opted at another stage of the calendar year.

The elected Trustees are often already familiar with either: 1) the purpose and practical work of Support Network, (as they have largely been recruited from those who have demonstrated a commitment to the aims and ethos of the charity by volunteering to act as 'Visitors'); or 2) with the work of the IMechE, as candidates are usually IMechE members; undertake volunteer activities for the IMechE; or are employed in a role which brings additional expertise to the Support Network board e.g. communications experience.

All Trustees are recruited in accordance with adding the required skills and experience to the board, on the basis of a skills audit of all Trustees, and associated succession planning exercise. Requirements in respect of the Code of Governance, especially those in respect of Diversity and Inclusion are considered when planning for and undertaking the recruitment of new Trustees.

During their induction process, each new Trustee is provided with access to all the necessary reference documents, policies and procedures for them to play an effective role on the Trustee Board, including copies of the governing document, Charity Commission publications, terms of reference for committees, risk register, latest full statutory accounts, and the previous year of Trustee Board minutes and financial statements. Policy documents are reviewed and revised as appropriate, with the latest editions posted on an internal Extranet, accessible via a password protected area of the governance section within the Support Network website pages. New Trustees are invited to meet with the Chief Executive (either online or at the company's registered office in London), in order to familiarise themselves with the charity, to undertake to meet the other members of the staff team, and to talk through the role and requirements in more depth. They are also required to attend external training sessions, provided by specialists in governance, to include the role, duties and responsibilities of a Trustee; finance and investment skills for Trustees; and other governance related training as applicable.

The IMechE President and IMechE Chief Executive are Patrons of the charity. At the date of this report, the possible change in Royal Patron is being determined.

***Grant Committee:***

The Grant Committee meets as required, usually twice a year, with the purposes of: deciding awards/loans in presented cases within the grant making framework of policies and guidelines agreed by the Trustee Board; monitoring complex cases; overseeing cases determined by the staff and discussing amendments to grant making policies and strategy. It also considers the awards given via other decision making routes, and discusses new provider opportunities, with a view to making recommendations to the Trustee Board regarding emerging patterns of need and appropriate responses to the same. On occasions, potential foundation grant recipients might also be considered in principle, before being considered in full by the Trustee Board. The Grant Committee is usually chaired by one of the Deputy Chairs, and includes up to four other Trustees, together with members of staff. New volunteers are invited to attend as part of their induction training. Other volunteer visitors may also be asked to attend if one or more of their cases are being considered and especially if those are thought to be quite complex, requiring additional discussion in person to assist with the decision-making process. All new Trustees are asked to attend a Grant Committee meeting during their first year of appointment as part of their induction or as soon as possible thereafter. Trustees who do not undertake application related visits are especially encouraged to attend Grant Committee meetings in order to understand part of the core service provision and the related risks and /or strategic elements of the same.

**Finance Committee:**

The Finance Committee meets as required to consider specific areas of finance. On an annual basis, usually in February, it receives investment manager presentations in respect of the performance of funds during the preceding year. The organisation undertakes a full review of the investment portfolio on a five yearly basis. The Finance Committee is comprised of up to five Trustees, including the Treasurer, Chair, a Deputy Chair and two other Trustees. All matters of strategic finance, investment portfolio, fundraising targets and financial procedures can be considered by this committee, which then reports to the Trustee Board. Whilst the committee has a stated membership for ongoing development work, an open invitation is extended to all Trustees in respect of attending the annual investment manager presentations. This full invitation is also extended to any Finance Committee meeting which is attended by the auditor e.g. to present the annual audit findings and to receive questions from Trustees as part of the statutory accounts agreement and signing process. An opportunity is provided at that meeting for the auditor and Trustees to meet without staff being present. All new Trustees are asked to attend the first Finance Committee after their appointment as part of their induction.

**Personnel Committee:**

The Personnel Committee meets as required to consider specific personnel related issues, and at least annually (usually in December) when it considers the appraisals and performance of the staff team during the past year, their objectives for the coming year, and sets their individual remuneration. The Trustee Board delegates matters of staff administration, pay awards, benefits and organisation to the Personnel Committee. Issues, policies and/or procedures relating to volunteers are also considered here in the first instance. This committee is comprised of four Trustees, where possible including the Chair and a Deputy Chair of the Trustee Board. Care is taken to ensure that members of the Personnel Committee do not completely change between meetings to ensure continuity of decision making. The work of the committee is often progressed by email, on a subject specific basis, in between meetings. Policies and procedures in relation to safeguarding, and compliance with the General Data Protection Regulation 2016/679 (GDPR) is within the remit of the Personnel Committee. The Appointments Panel, which interviews potential candidates to be considered for election to the Trustee Board is a sub-set of the Personnel Committee. Similarly, members of the Personnel Committee usually comprise the panel for any employee recruitment.

**Remote Grant Decision Making Panels and direct service referrals:**

Referrals to the employment coaching service, the New Application Panel, Student & Apprentice Panel, Office Decisions process and decisions made by the Chair, Chief Executive or Operations Manager, are all additional decisions making routes which enable grant award decisions to be taken without applicants experiencing undue delay. All decisions are made within limits of type and financial amount that have been previously agreed and delegated by the Trustee Board. All awards determined by the remote grant decision making panels are reported to the following Grant Committee meeting for verification.

**Foundation Funding:**

During our initial implementation of the foundation funding programme, most decisions relating to which organisations to be awarded foundation funding, and at what level/duration etc., have either been made by the full Trustee Board and/or following a presentation by the applicant organisation to which all Trustees have been invited. In addition, designated Trustees and/or working groups have been used to link to specific projects to help with progression and management. A strategic review of this area occurred in 2023 and is discussed further later in this report.

**RISK MANAGEMENT**

The Trustees have identified the major strategic risks to which Support Network is exposed,

and have considered controls and actions to mitigate them. The Trustees also take appropriate steps to moderate and manage the operational risks to which volunteers and staff of Support Network are exposed. The risk register is reviewed in full on an annual basis, usually at the October Trustee Board meeting. Competence based training for Trustees & volunteers, employer's indemnity insurance and monitoring of new legislative requirements are all examples of steps that are routinely undertaken. Authority for the day to day management of risk is delegated by the Trustee Board to the Chief Executive. In addition, the Chief Executive, who is also the Company Secretary, undertakes regular reviews of governance related risks, to complement those reviewed by the sub-committees.

Work on the format and presentation of the risk register commenced during 2022 with agreement to make the most significant risks more prominent, essentially 'lifting' them away from other largely mitigated risks, and to also show the difference between pre and past mitigation risk values. It has been agreed to further develop the format of the risk register during 2024 to make this even more informative. In the interim, the Trustees have identified specific key risks to the charity and the actual steps taken to mitigate those risks. The risk value is calculated as: Impact x Probability, where 1 = low and 5 = high. Save for the risk shown below, all other risks have a value of 3 or less:

**MAIN RISK:**

*Expansion of Foundation project funding brings associated yet unanticipated organisational risks – assessed as risk value 4 (2x2).* Trustees feel that whilst the expansion of our activities into providing funding to organisations through our foundation funding work is welcome to increase our impact and public benefit, it also brings the organisation into new areas of operating, with associated uncertainties. There is much to learn in this new area – providing grants to fund projects is very different to awarding grants to individuals. Issues such as multi-year agreements; health and safety of projects; third party engagement; pace of project progress have all been aspects that have been considered by Trustees during 2023. We anticipate additional demands, and possibly risks too, as we increase the number of foundation grants that we have in parallel to each other. Although we undertook a strategic review of this function in the round during 2023, it was felt that the inherent risks still remained.

**CHARITY ACTIVITIES AND PUBLIC BENEFIT**

Support Network is a charity which was established in 1913 for "the prevention and relief of poverty." In guidance concerning public benefit ('Public benefit: the public benefit requirement (PB1)'; 'Public benefit: running a charity (PB2)'; 'Public benefit: reporting (PB3) and 'Public benefit: rules for charities' February 2014) the Charity Commission recognised that for charities which have these charitable objectives, the rules relating to 'public' benefit are different in that:

*"...in general, for a purpose to be charitable it must satisfy both the 'public' and 'benefit' aspects of public benefit. However, if the purpose is to prevent or relieve poverty, the position is different. In the case of charities for the relief (and in some cases the prevention) of poverty the courts consider the public benefit requirement can be met by satisfying the 'benefit' aspect only. In these cases there is no separate consideration of the 'public' aspect. Legal requirement: only charities with a purpose to relieve (and in some cases to prevent) poverty can define who can benefit by reference to: their family relationship (that means their descent from one individual); their employment by an employer; their membership of an unincorporated association"*

*('Public benefit: the public benefit requirement' Charity Commission, September 2013)*

At 31 December 2023, there were over 115,000 current Members of the IMechE in over 140 countries around the world. Taken together with partners, widows, widowers, children, relatives

and other dependants of such members and/or former members who are also eligible, the number of people eligible for assistance from Support Network is estimated to be in the order of at least 250,000 across the world. In its' guidance concerning charitable purposes ('Charitable Purposes', issued in September 2013 and updated in September 2014) the Charity Commission recognised that generally, the relief of poverty includes its prevention and the prevention of poverty includes its relief:

*"...There can be no absolute definition of what 'poverty' might mean since the problems giving rise to poverty are multi-dimensional and cumulative. It can affect individuals and whole communities. It might be experienced on a long or short-term basis. Poverty can both create, and be created by, adverse social conditions, such as poor health and nutrition, and low achievement in education and other areas of human development...The prevention or relief of poverty is not just about giving financial assistance to people who lack money; poverty is a more complex issue that is dependent upon the social and economic circumstances in which it arises. The commission recognises that many charities that are concerned with preventing or relieving poverty will do so by addressing both the causes (prevention) and the consequences (relief) of poverty.*

*"...Not everyone who is in financial hardship is necessarily poor, but it may still be charitable to relieve their financial hardship under the description of purposes relating to 'the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage. In most cases, the commission will treat the relief of poverty and the relief of financial hardship the same. Generally speaking, it is likely to be charitable to relieve either the poverty or the financial hardship of anyone who does not have the resources to provide themselves, either on a short or long-term basis, with the normal things of life which most people take for granted. Examples of ways in which charities might relieve poverty include: grants of money; the provision of items (either outright or on loan) such as furniture, bedding, clothing, food, fuel, heating appliances, washing machines and fridges; payment for services such as essential house decorating, insulation and repairs, laundering, meals on wheels, outings and entertainment, child-minding, telephone line, rates and utilities; the provision of facilities such as the supply of tools or books, payments of fees for instruction, examination or other expenses connected with vocational training, language, literacy, numerical or technical skills, travelling expenses to help the recipients to earn their living, equipment and funds for recreational pursuits or training intended to bring the quality of life of the beneficiaries to a reasonable standard; the provision of money management and debt counselling advice are examples of the ways in which charities might help prevent poverty... "*

*('Charitable Purposes', Charity Commission, September 2013)*

Accordingly, to meet its poverty related objects, Support Network aims to prevent or relieve poverty by providing financial grants and/or non-financial support services to eligible individuals in 'need' due to experiencing difficulties in their lives, such as poor mental health, accidents, ill health, disability, bereavement, unemployment, relationship breakdown, the separation of families, meeting the care needs of others, and/or subsequently returning to employment after attending to any of the same. Thus, in addition to cash grants and interest-free secured loans, Support Network also provides specialist advice, information, guidance, facilitated peer mentoring, employment coaching, counselling, loneliness support, respite breaks, and memberships of autism and dyslexia support groups. At a detailed level this can include:

- Grants to disabled or financially disadvantaged undergraduates, Apprentices, Diploma and other students up to and including those pursuing a PhD, to enable them to complete their studies and thus to become self-sufficient, ideally via careers in mechanical engineering.
- Professional employment coaching support to those who are unemployed, at risk of redundancy, and/or to improve job seeking prospects, including post career-break.



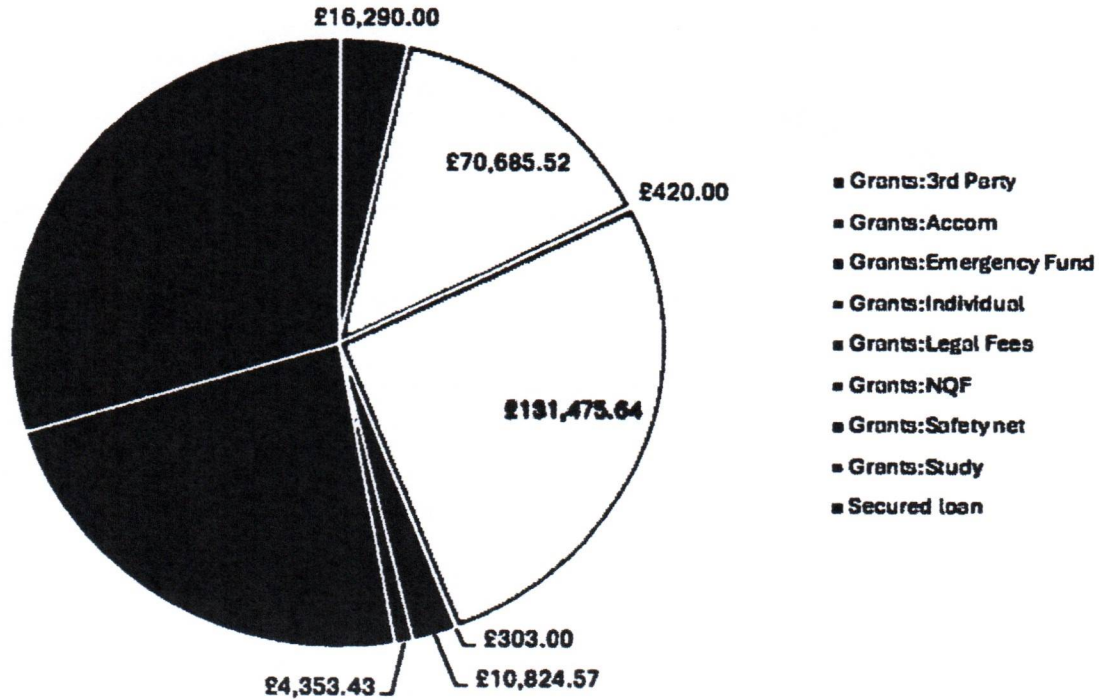
- One-off payments for purpose specific expenditure, e.g. disability equipment.
- Time limited, 'breathing space' grants to address temporary or transitional difficulties.
- Interest-free secured loans to homeowners e.g. to assist with essential works or disability.
- Debt and money advice.
- Themed payments to assist with particular expenditure e.g. Winter Warmth.
- Advice and support from and/or memberships of specialist organisations in respect of autism, dementia, care and the associated demands of meeting these needs.
- Provision of respite breaks and outings for carers and the cared for, either together or separately.
- A telephone befriending and social visits service to reduce social isolation and loneliness.
- Educational, and/or life enhancing experiences for disabled children, or at times of parental separation/ reduced financial circumstances.
- Contributions towards meeting buildings and contents insurance costs.
- Grants for furniture, bedding, clothing, food, heating appliances, washing machines, fridges etc.
- Fuel grants and energy efficiency advice to ensure that homes are safe and warm.
- Telephone, broadband and online access grants to promote social inclusion.
- Home emergency alert systems and other adaptations to enable independent living.
- Self-access online information guides.
- General and legal advice in respect of everyday, and/or court related problems, ensuring that information needs are readily met and/or potential options for action are identified in a timely manner.
- Contributions to necessary specialist health care not publicly available.
- The provision of equipment for disabled people.
- New baby grants for essential items
- Parenting and grandparenting support helpline and resources

### **GRANT DISTRIBUTION IN 2023**

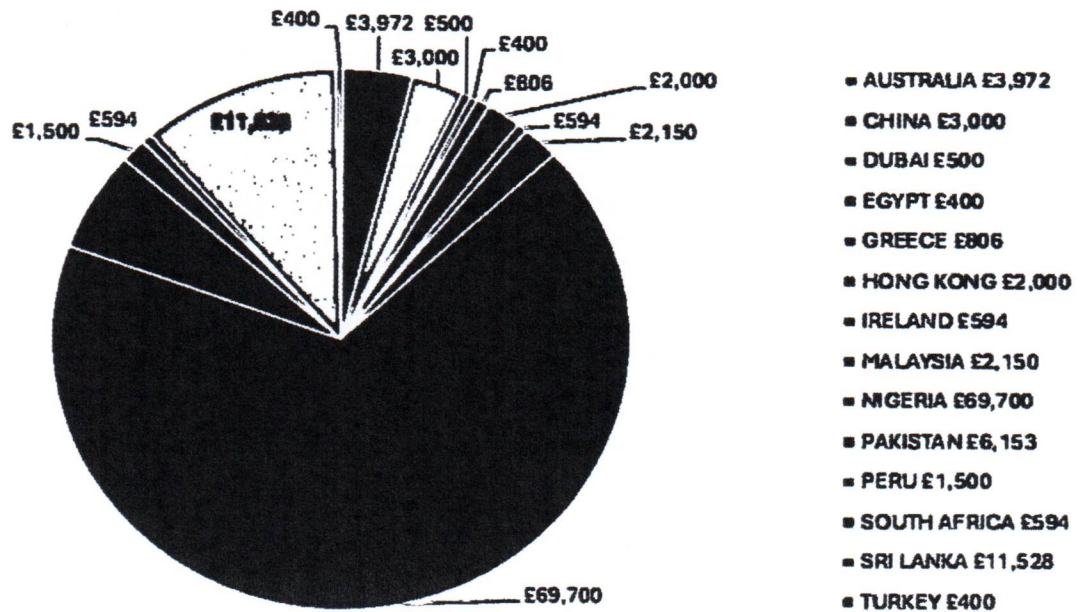
In deciding what assistance to offer, Support Network assesses the needs of each applicant against their individual circumstances, including their social and economic conditions. We recognise that poverty is a relative concept, and what constitutes poverty in an affluent society is very different in absolute terms from poverty in a developing country. In this regard, and especially as much more can be understood from a face-to-face conversation at the applicant's home, the organisation places considerable weight on the report and recommendations made by the Visitor, recognising that, particularly internationally, those based locally are better able to judge what is an appropriate and reasonable standard for the basic necessities of life. Mental health difficulties are also taken into account, and very often, a series of visits will be required to fully support applicants for whom mental health difficulties are an ongoing issue. Where possible all services are equally available, irrespective of geographical location, e.g. Support Network uses an employment specialist partner that can provide their services on a worldwide basis through the use of digital resources, email and/or online meetings and contact.

In seeking to expand the charitable objectives, the Trustees had due regard to the Charity Commission guidance on public benefit and accordingly decided to commence funding projects which would increase the reach of those assisted to be beyond the defined eligible group of IMechE members and their relatives. As such, the charity can now reach further in undertaking work to meet its objectives, and has continued to make such grants since the first was made in December 2020.

## Total grants (£) 2023 including loans



## Total international grants (£) 2023



## **ACHIEVEMENT AND PERFORMANCE**

### **Activities planned for 2023 were:**

**MAINTAIN A FOCUS ON MENTAL HEALTH INITIATIVES:** During the year we wanted to continue to promote positive and/or preventative measures to maintain good mental health and wellbeing. We wanted to notice and be responsive to any issues of stigma /reluctance to reach out for help and to reshape our offerings to assist in delivering support to those in need across a wider range of areas. All of these were achieved. For example, we provided 74 counselling grants, and expanded the range of webinars to address wellbeing and financial self-help measures, some of these being targeted to specific sections of the membership e.g. migraines, menopause, men's mental health. We promoted the NEST (Nurturing Empowering Supporting Training) helpline and referral service to help parents and carers feel assisted with practical and emotional interventions to manage their competing demands at home and at work.

**FURTHER ASSIST WITH ENGINEERING CAREER FUTURES:** We continued to focus on our Student, Apprentice, and Newly Qualified grant programmes, both in the UK and internationally. We were able to help many more international students, the majority of them in Nigeria, due to the assistance of our international based Trustee. This service will be further refined in 2024. We continued to deliver our employment training, career break return and mentoring support, and noticed that whilst the numbers of individuals assisted in these areas was fairly similar to that of 2022, the complexity of the applicant's life situations was high, requiring additional ongoing casework.

**EXPAND OUR FOUNDATION GRANT-MAKING:** Our intention for the year was to build on our 2022 work and experience in this area, by making more grants, ideally across all of our target areas of education, engineering innovation and international development and to see more projects through to completion. All of these were achieved. In financial terms we made award decisions amounting to £197K, again almost doubling the £101K distributed in 2022. Our work with Tarnos School in Kenya saw the construction of a science classroom and the subsequent decision to commence solarization of the school to work towards energy self-sufficiency. We provided help to support organic farming and an irrigation system to eventually supply school meals, reducing the need to annually fundraise for the same. We built a bridge in Rwanda to connect communities and enable economic regeneration.

**ADOPT ESG PRINCIPLES TO OUR INVESTMENT PORTFOLIO (environment, social, governance):** During 2023 we started to undertake our latest 5-year review of our investment holdings. We used the same to start to implement our revised investment strategy to incorporate a greater focus on investing within our decided ESG principles. This will further align our investments with our mission of making a difference through preventing and relieving poverty, e.g. switching funds to sustainable products and questioning/influencing investment managers re their steps to increase their own ESG profile.

**PLACE DIVERSITY & INCLUSION AT THE HEART OF ALL THAT WE DO** During the year we expanded our neuro diversity offering and helped families with autism, ADHD and dyslexia related issues. We created a co-lead on Diversity and Inclusion and expanded our website offerings to include nutrition, stress, anxiety, migraine, menopause and men's mental health topics. These have proved to be very popular, both in those who join the live event and those who later access the recording. We observed how some subjects were viewed in much greater numbers after the initial event, (e.g. A guide to disability benefits) suggesting that many preferred to engage in a private way, or at a time of day that was better suited to their needs. We recruited a new Trustee and maintained the profile of having Board members who are engaged in all stages of their career, ranging from undergraduate study, to initial and senior roles, through to retirement. The age profile of the Board is the youngest it has ever been, 4 of the 11 members are female, and two are people of colour. One Trustee is a non-UK national, based in Angola. We have increased our communications to the global membership, and offered online contact whenever an in person visit was not possible, thus increasing the peer-to-peer element of our work.

### **SERVICE USER FEEDBACK**

Service users regularly tell us that our interventions make a positive difference to them and

their family. Examples received during 2023 included:

*"...This grant couldn't have come at a better time, it will help massively with my energy bills as they are high and seem to be increasing again, especially with the cold weather. Again, thank you for all your help, you've been beyond helpful and I'm very grateful to yourself and IMechE..." (From a UK mature student member with young child)*

*"...I wanted to thank you for referring me to the family coaching and support service (NEST). Maggie has been an excellent coach and she has been an absolute blessing with supporting me with my mum. I honestly can't thank you enough..." (UK based member juggling care and work)*

*"...I just wanted to express my gratitude to you for informing me of the Student Hardship Grant scheme, and to the Student & Apprentice panel for considering my application and providing me with substantial support so promptly. This will significantly improve my current situation and further embed my desire to stay connected with IMechE in my future career..." (UK BEng student)*

*"...I would like to thank you and the team for such amazing help which has lifted a tonne of weight off my shoulders. No words can express my gratitude and would like to extend a special thank you to Maureen for your quick response and extra assistance in signposting me to Fiona, also to David who showed great compassion every time I spoke to him and to all the Trustees for pretty much enabling me to proceed with my Master's degree with much, much, less worry and anxiety. I will not forget this assistance and God bless you all..." (UK mature Masters student with children)*

## **FINANCIAL REVIEW**

Support Network has three main sources of income: (a) donations received from IMechE members during the year, with associated Gift Aid receipts where applicable; (b) legacy and in memoriam gift donations; and (c) investment portfolio gains, received as dividend income. (Capital gains are also obtained from the investment portfolio, and where funds are held as 'accumulation units' any receipts are automatically reinvested into the investment holding, rather than drawn as income *per se*, in order for the same to hold long-term value against changes in inflation over time). Support Network has an unrestricted investment fund which is invested to provide a regular and reliable source of income for Support Network. The Trustees are legally bound to promote the best long-term interests of Support Network and to make adequate provision for both present and future beneficiaries. The overall investment policy is to obtain the best financial return from Support Network's assets, consistent with acceptable risk. To achieve this, the given powers of investment will be exercised so that the assets yield the best long-term return by way of both income and capital appreciation, judged in relation to the risks of investment. The portfolio is diversified in respect of asset class, geographical exposure and investment managers.

### **1) Results**

The net gain for the year ended 31 December 2023 was £1,114,276. Expenditure was £1,012,847.

### **2) Voluntary income**

- Donations, subscriptions and bequests
- Dividends and interest from an investment portfolio

Voluntary income, comprising donations and bequests, were received at a value of £261,835 (2022: £274,694). In 2023, dividends and interest from the investment portfolio amounted to £1,011,672 (2022: £1,031,983). The Trustees continue to have a preferred strategy of largely holding Support Network's equity-based investments in accumulation units, (rather than drawing an income stream from the same), in order to offset any losses in capital value, and hence to help to preserve funds for the future, save for the COIF Charifund holding where at times the dividend was drawn in order to provide greater operational income during the financial

year. The Trustees again decided the strategy of meeting any final operational deficit at the year-end through drawing from the reserves, rather than limiting grant or service provision expenditure in year. From the total expenditure 99% was spent on charitable activities (99% in 2022). This included charitable grants of £582,431 (2022: £409,755).

### 3) Investment Portfolio

The allocation of Support Network's investment portfolio at the close of 2023 was:

VALUE	ASSET	INVESTMENT	BENCHMARK
29.4%	Equities	M&G Charifund	FTSE All Share Index
41.8%	Equities	M&G Global Dividend Fund	FTSE All Share Index
12.1%	Equities	Fidelity Institutional Funds	FTSE All Share Index
8.8%	Multi Asset	Cazenove Charity Multi Asset Fund	FTSE All Share Index
5.6%	Property	Charities Property Fund	HSBC PUT Index
2%	Equities	COIF Investment Fund	FTSE All Share Index
0.3%	Cash	COIF Deposit Fund	London Interbank Rate
0%	Bonds	COIF Fixed Interest Fund	WM Co. UK Bonds

We do not have any control over how the JP Dudin Trust is invested, though we receive dividends from it, so it is not shown in the investment portfolio above.

Given the low interest rates now offered on cash deposits, the amount held in the COIF Deposit Fund has been maintained at a low level.

### 4) Social, environmental or ethical constraints

In the annual review of investment policy for the charity, the Trustees considered whether there should be any social, environmental or ethical considerations to impose constraints on how Support Network should invest and commenced work to create a screened ESG (environmental, sustainable, governance) focussed approach. With many of the Institution's members working in industries commonly attributed to low ESG scoring, the Trustee Board has taken great consideration as to whether any industries should be wholly excluded from the investment portfolio. Following a poll undertaken in November 2022, the Trustee Board has committed to understand its exposure to and commence exclusion of investments from the portfolio in the following areas:

- gambling operations
- pornography & violent material
- tobacco production
- oppressive regimes
- animal testing
- high interest lending
- alcohol production

- parties without an anti-slave labour policy

Realignment across these areas commenced in February 2023 as part of the 5-year cyclical review of the organisation's investments, working towards complete removal by the end of 2024.

## **5) Reserves Policy and Designated Fund**

Support Network is a 'closed' charity in that it does not actively seek funding from outside the membership of the Institution of Mechanical Engineers. Each year, a significant proportion of the charity's income is derived from annual and irregular donations, and bequests. Legacy income, however, is very uncertain, as are the levels of donations *per se*, and it cannot be guaranteed that voluntary donation levels will be repeated (or increased) year on year. In order to safeguard the ongoing provision of grants to current beneficiaries, and to cover non-discretionary expenditure, (such as salaries, pension contributions, rent), the Trustees hold reserves at a minimum level of one year's average expenditure. In anticipation of increased grant giving and/or social investment initiatives, it has been agreed to increase the level of reserves from £1,000,000 to £2,000,000.

Additionally, during 2020, Trustees agreed to create a designated fund to meet operational expenditure 'in perpetuity' and set this fund at £8,000,000. As at 31 December 2023, total funds exceeded this combined £10,000,000 amount. Accordingly, the funds are held to ensure future needs can be met, especially if there is an unexpected large-scale event requiring additional resources to be provided e.g. a significant downturn in a sector of the mechanical engineering industry at a future date.

Accordingly, the Trustees are confident that the introduced foundation giving approach can be further implemented and established, as the level of immediate and long-term reserves has been more than achieved, and that this is an active strategy in order to best use some of these resources. The reserves policy is reviewed annually, taking into account the latest forecasts of income, expenditure and changes in grant making policy.

## **6) Grant Making Policy**

All grants made in 2023 were for the benefit of individuals, save for the foundation funding grants that are detailed below. In 2023, 386 members contacted us for the first time (2022: 228), their requests including help with finances, employment coaching, dyslexia support, social visits or legal advice. During the year 917 grant payments were made (2022: 825). The majority of grants and support decisions were either determined/confirmed by the Grants Committee, (which met twice during the year); through the remote decision making panels; or were initially made by the staff team, and subsequently authorised by a designated Trustee through the Office Decisions process. All proposed Office Decisions were made available on a password restricted basis to Trustees via the Extranet, to allow Trustees to see whether they agreed with the decisions made by the OD Trustee. Where the Chair, CEO or the Operations Manager made grant funding decisions, these were made within the agreed delegated limits of both value and type of award, and were reported to the subsequent Grant Committee meeting.

Considerable care is taken to ensure that applicants are able to apply for all welfare benefits, state support and/or other third party assistance that they might be entitled to, before charitable grants are made. Support Network aims to make a positive impact and difference on the lives of people who are assisted, and accordingly at the outset of providing support, the avoidance of creating long-term dependency is paramount, so that wherever possible, people are helped to help themselves.

Examples of grants awarded included: allowances towards fuel and utility costs; travelling

expenses for visiting people in hospital or nursing care; television licence fees; telephone calls; computer equipment, broadband and wifi access; crisis payments to relieve sudden unanticipated financial needs; replacement items such as washing machines, cookers, fridges, heating appliances; health and medical equipment; powered mobility vehicles; essential house repairs and insulation; adaptations to the homes of disabled people; gardening costs for older people; care help at home; personal emergency alarms; arrangements for respite care and the costs of respite breaks; and assistance towards residential and care home care costs.

A separate programme of grants is available for disabled or disadvantaged Apprentices, undergraduates, and other students who are IMechE members, irrespective of where in the world they live or study. A Newly Qualified Fund is available for IMechE members who have completed their studies or training in the immediate past 3 years, which seeks to ease the transition into the world of work.

The foundation funding element of our work is divided into the areas of international development; education; and engineering innovation. We want our work in these areas to ideally have a STEM (science, engineering, technology, mathematics) focus and to also align with the work of the IMechE. We additionally frame these areas within the UN Sustainable Development Goals. Whilst we have a preference for making award to or through UK based charitable organisations (as we feel that in the initial stages of our entering this work this is a close 'fit' for undertaking our due diligence process) this is not a fixed requirement, especially where we feel that the ultimate outcomes and impact of the funded work will help us to meet our expanded charitable objectives in respect of using engineering to relieve poverty.

## **7) Pension Funds**

All current Support Network staff are enrolled in the IMechE's contribution based pension scheme which is operated by Scottish Widows plc. During 2023, the employer rate was 10% (2022: 10%). The company used to operate a defined benefit scheme which is now closed. As prescribed by FRS 102, the funding level of the defined benefit pension fund must be disclosed. After an actuarial report carried out for the IMechE consolidated accounts to 31st December 2023, the pension fund was 100% funded.

### **Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the Trustees are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Each of the persons who is a Trustee at the date of approval of this report confirms that:

- So far as each Trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- Each Trustee has taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The trustees have taken advantage of the small companies exemption in preparing the trustees' annual report and the financial statements.

#### **PLANS FOR FUTURE PERIODS**

During 2024 Support Network plans to continue our core work whilst responding to additional needs and challenges faced by members and their families. As such we will work to:

**MAINTAIN A FOCUS ON MENTAL HEALTH INITIATIVES:** Continue to promote and provide positive and/or preventative measures to maintain good mental health and wellbeing, especially in respect of the cost-of-living crisis, and be responsive to the perceived stigma felt by some applicants and reshape our offerings to assist in delivering support to those in need. Further expand current offering to address issues relating to loneliness; poor nutrition; counselling needs; relationship breakdown; parenting support; gambling; substance abuse; and anxiety.

**ASSIST WITH ENGINEERING CAREER FUTURES:** Continue to focus on our Student, Apprentice, and Newly Qualified grant programmes, both in the UK and Internationally, plus employment training, career break return and mentoring support, with a core response to members at risk of/experiencing redundancy to enable them to enter, re-enter or remain in engineering or related paths. Work in partnership with the IMechE/others to support programmes that enable STEM focussed work experience programmes and/or remove barriers to entering the mechanical engineering profession as part of our diversity and inclusion work. Expand our offerings to Armed Forces and STEM returners.

**FOUNDATION GRANT-MAKING:** Build on our 2023 work and further learning in this area through our strategic review, to make more grants during 2024, and ensure that each of the strands of education, engineering innovation and international development is supported. Further review our contribution through this work to the Sustainable Development Goals (SDGs) undertake measures to help meet the climate crisis.

**IMPLEMENT ESG PRINCIPLES TO OUR INVESTMENT PORTFOLIO (environment, social, governance) and UNDERTAKE FINANCIAL REVIEW:** During 2024 we will implement the changes required to restructure our investment portfolio with our revised investment strategy and ESG policies adopted during 2023, in order to further align our investments with our mission. Undertake a review of finance, donations and fraud protection processes and policies.

**PLACE DIVERSITY & INCLUSION AT THE HEART OF ALL THAT WE DO:** Maintain our global reach to individual IMechE members in respect of services, grants, volunteering and Trustee opportunities through adapting our processes to remove barriers to engagement with us e.g. establishing digital working as our effective norm. Continue to undertake an holistic approach to casework ensuring that additional issues such as disability, carer responsibilities, physical or mental health issues; possible discrimination at work are identified - even when these are not the presenting problem - and increase our effective grants and service responses to the same. Undertake member



survey and focus group research to shape offerings to the widest member need and to complement the IMechE inclusion strategy.

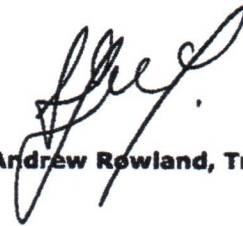
## IN APPRECIATION

The Trustees would like to convey their sincere thanks to the many volunteers who have so generously given their time in assisting Support Network, and especially for their continued adaptability and commitment during the extended periods of lockdown and enforced online 'visiting'. They would also like to express their thanks to the staff, who have continued to work effectively throughout the year, adapting to working from home and being away from colleagues. The combined team of staff and volunteers make it possible to continue the charity's essential work of relieving poverty whilst minimising administrative overheads. Gratitude is also expressed to IMechE colleagues for their support and assistance throughout the year. With the continued contribution of this combined team, Support Network looks forward with confidence to enhancing the lives of IMechE members and their dependents who find themselves in need of assistance, and additionally to extending and expanding our foundation funding work and associated impact.

This report was approved by the Trustees on ~~25 June~~ <sup>July</sup> 2024 and signed on their behalf by:



Bruce Dagley, Chair



Andrew Rowland, Treasurer

**Reference and Administrative Information**

Name: The Benevolent Fund of the Institution of Mechanical Engineers (**Support Network**)

Charity Reg. No.209465 Company Reg. No.130981 Registered Office: 3 Birdcage Walk, London SW1H 9JJ

ROLE	NAME	COMMITTEES	2023 TB MEETINGS ATTENDED	NOTES
Chair	Bruce Dagley	1,2,3,6	4	
Deputy Chair	Farah Baksh	1,2,3,4,5,6	4	
Treasurer	Andrew Rowland	1,3	2	
International Trustee	Chukwuma Onunkwo	1,7,11	3	
Young Member Trustee	Harshitha Manjula Rajappa	1,7	1	
Visitor Trustee	David Price	1,12	2	
Trustee	Tony Frater	1,7	2	
Trustee	Jodie Howlett	1,6	3	
Trustee	Al Peasland	1,2,3,8	3	
Trustee	Elisabeth Wilson	1	4	
Trustee	John Cornforth	1,2,6,8	1	<i>Retired July 2023</i>
Trustee	Bob Cuthbertson	1,6	0	<i>Co-opted Sept 2023</i>
CEO & Co. Sec.	Anni Broadhead	1,2,3,4,5,9,10	4	

**Key to Committees**

- 1 Member of the Grants Committee
- 2 Member of the Personnel Committee
- 3 Member of the Finance Committee
- 4 Co-lead on Communications and IMechE relationship
- 5 Co-representative on IMechE Diversity & Inclusion Board
- 6 Member of the New Application Panel
- 7 Member of the Student & Apprenticeship Panel
- 8 Member of the Office Decision Panel
- 9 Lead on General Data Protection Regulations
- 10 Lead on Foundation Funding
- 11 IMechE Reduced Subscriptions panel representative
- 12 Lead on membership survey & relations

**Key Management Personnel**

The Trustees have delegated significant authority and responsibility in the day-to-day running of the charity to the Chief Executive, Anni Broadhead.

**Investment Managers:**

Cazenove Schroder & Co. Limited, 31 Gresham Street, London EC2V 7QA  
 CCLA Investment Management Limited, 80 Cheapside, London EC2V 6DZ  
 Cordea Savills LLP, 33 Margaret Street, London W1G 0JD  
 Fidelity International, 130 Tonbridge Road, Tonbridge, Kent, TN11 9DZ  
 M&G Ltd, Laurence Pountney Hill, London EC4R 0HH

**Bankers:** NatWest Bank plc, 38 Strand, London WC2N 5JB

**Auditors:** Moore Kingston Smith LLP, 6th Floor, 9 Appold St, London EC2A 2AP

**Solicitors:** Bircham Dyson Bell, 50 Broadway, London SW1H 0BL

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BENEVOLENT FUND OF THE INSTITUTION OF MECHANICAL ENGINEERS**

## **Opinion**

We have audited the financial statements of The Benevolent Fund of the Institution of Mechanical Engineers ('the company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement] and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 December 2023 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; and
- 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are

required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 12, 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 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 judgement 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 purposes of expressing an opinion on the effectiveness of the charitable company'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 charitable company'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 charitable company 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.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

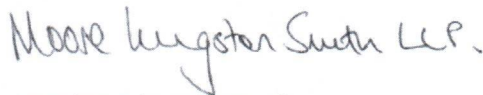
- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of

management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

#### **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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Aikens (Partner)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 19 August 2024

Sixth Floor  
9 Appold Street  
London  
EC2A 2AP

## The Benevolent Fund of the Institution of Mechanical Engineers

### Statement of Financial Activities For the year ended 31 December 2023

	Notes	Total (Unrestricted) General Funds 2023 £	Total (Unrestricted) Designated Funds 2023 £	Total (Unrestricted) Funds 2023 £	Total (Unrestricted) Funds 2022 £
<b>Income and Endowments from:</b>					
<i>Donations and Legacies</i>					
Donations, bequests	1	261,835	-	261,835	274,694
<i>Investments</i>					
Interest & dividends	2	1,011,672	-	1,011,672	1,031,983
<b>Total</b>		<b>1,273,507</b>	<b>-</b>	<b>1,273,507</b>	<b>1,306,677</b>
<b>Expenditure on:</b>					
<i>Raising funds</i>					
Raising funds		7,395	-	7,395	8,238
<i>Charitable activities</i>					
Charitable activities	3	1,005,452	-	1,005,452	784,310
<b>Total</b>		<b>1,012,847</b>	<b>-</b>	<b>1,012,847</b>	<b>772,548</b>
Net gains / (losses) on investment assets	9	853,616	-	853,616	(1,515,725)
<b>Net income / (expenditure)</b>		<b>1,114,276</b>	<b>-</b>	<b>1,114,276</b>	<b>(981,586)</b>
Transfers	14	-	-	-	-
<b>Net movement in funds</b>		<b>1,114,276</b>	<b>-</b>	<b>1,114,276</b>	<b>(981,586)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	14	26,005,080	8,000,000	34,005,080	34,986,676
Total funds carried forward	14	27,119,356	8,000,000	35,119,356	34,005,080

All income and expenses derive from continuing operations and relate to general funds.

The notes numbered 1 to 22 form part of these accounts.

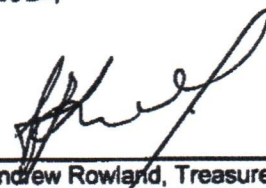
# The Benevolent Fund of the Institution of Mechanical Engineers

## Balance Sheet For the year ended 31 December 2023

	Notes	Total Funds 2023 £	Total Funds 2022 £
<b>Fixed Assets</b>			
Tangible assets	8	-	-
<b>Investments:-</b>			
Stock Market Investments	9	33,770,586	32,766,521
<b>Total fixed assets</b>		<u>33,770,586</u>	<u>32,766,521</u>
<b>Current Assets</b>			
Debtors	12	52,893	42,348
Cash at bank and in hand	11	168,848	141,749
Loans (due after more than one year)	10	1,244,068	1,176,331
<b>Total current assets</b>		<u>1,465,809</u>	<u>1,360,428</u>
<b>Liabilities</b>			
Creditors: - amounts falling due within one year	13	117,039	121,869
		<u>117,039</u>	<u>121,869</u>
<b>Net current assets</b>		1,348,770	1,238,559
<b>Total assets less current liabilities</b>		<u>35,119,356</u>	<u>34,005,080</u>
<b>The funds of the charity:</b>			
Unrestricted funds		27,119,356	26,005,080
Designated funds		8,000,000	8,000,000
		<u>35,119,356</u>	<u>34,005,080</u>

These financial statements were approved by the Trustee Board on <sup>25</sup> July 2024 and signed on its behalf by:-

  
Bruce Dagley, Chair

  
Andrew Rowland, Treasurer.

Members of the Trustee Board

The notes numbered 1 to 20 form part of these accounts.

Company Number 130981



# The Benevolent Fund of the Institution of Mechanical Engineers

## Statement of Cash Flows For the year ended 31 December 2023

	Notes	2023 £	2022 £
<b>Cash flows from operating activities:</b>			
<i>Net cash used in operating activities</i>		<u>(834,123)</u>	<u>(515,648)</u>
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		588,673	478,613
Bank interest received		1,038	164
Purchase of Investments		0	(150,000)
Proceeds from sale of investments		350,000	100,000
Change in cash held by investment manager	11	(78,489)	148,802
<b>Net cash provided by investing activities</b>		<u>861,222</u>	<u>575,742</u>
<i>Change in cash and cash equivalents in the reporting</i>		27,099	59,931
<i>Cash and cash equivalents at the beginning of the reporting period</i>		141,749	81,818
<i>Cash and cash equivalents at the end of the reporting</i>		<u>168,848</u>	<u>141,749</u>
<b>Net (expenditure)/income for the period</b>			
		£	£
<b>Net income for the reporting period</b>		1,114,276	(981,596)
Adjustments for:			
Dividends, interest from investments		(1,011,672)	(1,031,983)
Depreciation charges		-	-
Decrease / (increase) in debtors		(78,281)	(68,928)
Increase / (decrease) in creditors		(4,830)	51,134
(Gains) / losses on investments		(853,616)	1,515,725
<b>Net Cash used in operating activities</b>		<u>(834,123)</u>	<u>(515,648)</u>

	At 01/01/23 £	Cashflows £	Non-cash £	At 31/12/23 £
<b>Net Debt Note</b>				
Cash	141,749	27,099	-	168,848
	<u>141,749</u>	<u>27,099</u>	<u>0</u>	<u>168,848</u>

# The Benevolent Fund of the Institution of Mechanical Engineers

## Accounting Policies

For the year ended 31 December 2023

---

### ACCOUNTING POLICIES

The Charity is a private limited company (Charity Reg. No 209465, Company Reg. No 130981), which is incorporated and domiciled in the UK and is a public benefit entity. The address of the registered office is: 3 Birdcage Walk, London SW1H 9JJ.

A Summary of the accounting policies which have been applied consistently is set out below.

#### a) BASIS OF ACCOUNTING

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard, including Update Bulletin 2, applicable in the UK and Republic of Ireland, the Companies Act 2006, and the UK Generally Accepted Practice as it applies from 1 January 2015. The accounts comply with applicable charity and company law in England and Wales.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound. The financial statements have been prepared on the historical cost convention, modified to incorporate the revaluation of investments.

#### b) GOING CONCERN

The financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result from the company not being able to continue for the next 12 months. There are no material uncertainties about the company's ability to continue as a going concern. The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the entity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. The trustees conclude there is a reasonable expectation that the Fund has adequate resources and unrestricted reserves/cash balances to continue in operational assistance for the foreseeable future. The Fund therefore continues to adopt the going concern basis in preparing its financial statements.

#### c) FUND ACCOUNTING

The financial statements make reference to Total Funds. These funds are unrestricted and therefore can be drawn on when required.

Trustees may designate and set aside unrestricted funds for specific purposes

#### d) FINANCIAL ASSETS

The Charity has elected to apply the provisions of Section 11 "Basic financial instruments" of FRS102 to all of its financial instruments. Financial assets are recognised in the company's statement of financial position when the Charity becomes party to the contractual provisions of the Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

---

# The Benevolent Fund of the Institution of Mechanical Engineers

## Accounting Policies

For the year ended 31 December 2023

---

### Loan and receivables

Life-time interest free loans are made to approved beneficiaries which are repayable only from the estate of the beneficiary or, in the case of joint loans, from the estate of the second surviving partner. These are accounted for at cost.

### Impairment of financial assets

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

### e) FINANCIAL LIABILITIES

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

### f) INVESTMENTS

Investments are stated at fair value at the balance sheet date. The statement of Financial Activities includes the net gains and losses on revaluation and disposals of investment funds throughout the year.

### g) TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost (a capitalisation limit is in place of £1,000) less depreciation calculated at rates intended to write off their cost less estimated residual value over the period of their estimated useful lives at the following rates:

Furniture	20% per annum on written down value
Equipment	33% per annum on cost

### h) RESOURCES EXPENDED

Expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be recovered. Expenditure is recognised once there is legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and can be measured reliably. Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure. Support costs are allocated between the categories of expenditure depending on their nature.

---

# **The Benevolent Fund of the Institution of Mechanical Engineers**

## **Accounting Policies**

**For the year ended 31 December 2023**

---

### **i) INCOME**

Incoming resources are recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and likelihood of receipt is probable. Bank interest is accounted for in the period for which the charity is entitled to receipt.

Legacies are recognised when all the criteria have been met; entitlement when probate has been granted and the executor(s) of the estate have established that there are sufficient assets in the estate, after settling liabilities to pay legacy income; the value is reliably measured and the likelihood of receiving the legacy is probable.

### **j) POST-RETIREMENT BENEFITS**

The charitable company has associated member status in the pension scheme operated by the Institution of Mechanical Engineers which provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charitable company. The charitable company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. All new staff are enrolled in the defined benefit scheme with contributions charged to the Statement of Financial Activities as incurred.

### **k) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements, nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

# The Benevolent Fund of the Institution of Mechanical Engineers

## Accounting Policies

For the year ended 31 December 2023

<b>1 Income</b>	<b>2023</b>	<b>2022</b>		
	£	£		
Donations & Gift Aid Reclaim	260,382	266,356		
Donations in Kind	-	6,595		
JP Dudin Bequest	1,453	1,743		
	<u>261,835</u>	<u>274,694</u>		
<b>2 Investment Income</b>	<b>2023</b>	<b>2022</b>		
	£	£		
Dividends & loan stock interest - UK investments	1,010,634	1,031,819		
Bank Interest	1,038	164		
	<u>1,011,672</u>	<u>1,031,983</u>		
<b>3 Charitable Activities</b>	<b>2023</b>	<b>2022 as restated</b>		
	£	£		
Grants for the relief of poverty	394,511	308,651		
Foundation grants	187,920	101,104		
Allocation from salaries	200,790	183,323		
Allocation from support costs (note 4)	222,231	171,232		
	<u>1,005,452</u>	<u>764,310</u>		
All grants were made to individuals. During the year there were 425 beneficiaries (2022: 168).				
<b>Analysis of Grants</b>	<b>Grants to Institutions</b>	<b>Grants to Individuals</b>	<b>Support Costs</b>	<b>Total</b>
Grants for the relief of poverty	-	394,511	286,534	681,045
Foundation Grants: Bridges to Prosperity	80,003	-	58,106	138,109
Foundation grant: Ecologia	56,444	-	40,995	97,439
Foundation Grants: Enthuse Charitable	50,000	-	36,315	86,315
Foundation Grants: Global Greengrants	-	-	-	-
Foundation grant: Rapid Foundation	1,473	-	1,070	2,543
Foundation grant: Remap	-	-	-	-
<b>Total</b>	<u>187,920</u>	<u>394,511</u>	<u>423,021</u>	<u>1,005,452</u>
<b>4 Support Cost</b>	<b>2023</b>	<b>2022</b>		
	£	£		
Training Volunteers	702	7,783		
Staff Costs	105,044	82,101		
Grants committee expenses	-	65		
Visiting beneficiaries	1,154	1,879		
Publications	1,970	1,031		
Printing & Stationery	911	1,523		
Postage & telephone	1,299	1,805		
Communications & database	24,508	19,308		
Depreciation	-	-		
Extranet for use by Volunteers	3,982	1,492		
Accommodation charges	8,693	8,693		
Accounting & Computer Services	16,176	16,054		
Travel & subsistence	70	565		
Bank charges	3,274	1,301		
Subscriptions to professional bodies	2,904	2,729		
Sundry	382	464		
Loan write off	-	-		
Homeworking costs	452	513		
110th Anniversary	9,628	-		
Allocation from governance costs (note 5)	41,082	23,926		
	<u>222,231</u>	<u>171,232</u>		

# The Benevolent Fund of the Institution of Mechanical Engineers

## Accounting Policies

For the year ended 31 December 2023

5 Other: governance costs	2023	2022
	£	£
Audit fee (current year inc VAT)	17,388	12,242
Committee expenses	6,588	10,945
Compliance costs & insurance	2,141	739
Legal Fees	1,692	
Strategic Review	13,273	
	<u>41,082</u>	<u>23,926</u>

No payments have been made to the auditor or their associates in respect of non-audit work during the year.

6 Staff	2023	2022
	£	£
Staff costs comprise:-		
Salaries and other emoluments	249,492	212,644
Social security costs	23,524	22,026
Other pension costs	24,206	23,228
HR and payroll support	6,170	4,536
Training	1,588	2,562
Tax on staff taxable benefits	854	428
	<u>305,834</u>	<u>265,424</u>

Those earning over £60,000 in the year are:

	2023	2022
£70,001 to £80,000	-	1
£80,001 to £90,000	1	-

The total amounts paid in respect of key management personnel in 2023: £102,497 (2022: £87,050 ) and pension contribution of these high paid employees was in 2023 £9,280 (2022 £8,838 ).

The average number of persons employed by the entity under contracts of service was 4 (2022: 4)

7 Trustee Board	2023	2022
	£	£
Travel and subsistence expenses paid	<u>6,588</u>	<u>10,945</u>
	No.	No.
Number of members who claimed	<u>8</u>	<u>9</u>

No member of the Committee received any remuneration in respect of services to the Fund for the year.

8 Fixed Assets - Furniture and Office Equipment	2023	2022
	£	£
Cost		
At 1 January	43,052	43,052
Additions	-	-
At 31 December	<u>43,052</u>	<u>43,052</u>
Depreciation		
At 1 January	43,052	43,052
Amount provided	-	-
At 31 December	<u>43,052</u>	<u>43,052</u>
Net Book Value at 31 December 2023 and 31 December 2022	<u>-</u>	<u>-</u>

# The Benevolent Fund of the Institution of Mechanical Engineers

## Accounting Policies

For the year ended 31 December 2023

9 Investments (at market value)	2023	2022
	£	£
J P Dudin income account	-	-
M&G Chari Fund Accumulation Units	9,883,653	9,876,774
M&G Global Dividend Fund Accumulation Units	14,071,709	12,982,120
Fidelity Fund Shares	4,152,942	3,956,242
Cazenove Charity Multi Asset Fund Income Units	3,005,505	2,970,531
Charity Property Fund Income Units	1,868,453	1,987,555
CCLA COIF Charities Investment Fund Income Units	681,083	964,547
CCLA COIF Fixed Interest Fund Units	-	-
Total	<u>33,663,345</u>	<u>32,737,769</u>

All investments are listed UK securities.

	2023	2022
	Capital	Capital
	£	£
Movements of investments		
Market value at 1 January	32,737,769	33,648,287
Purchases and accumulations	421,960	705,207
Disposal proceeds	(350,000)	(100,000)
Net investment gain/(loss)	<u>853,616</u>	<u>(1,515,725)</u>
	33,663,345	32,737,769
Cash with investment manager	<u>107,241</u>	<u>28,752</u>
Market value at 31 December	<u>33,770,586</u>	<u>32,766,521</u>
Historic costs at 31 December	<u>20,431,151</u>	<u>20,359,192</u>
Unrealised investment gains at 31 December	<u>13,339,435</u>	<u>12,407,329</u>

10 Loans	2023	2022
	£	£
Brought forward 1st January	1,176,331	1,110,548
Additions	148,420	92,973
Repayments	(80,683)	(27,190)
Written off	-	-
Carried forward 31st December	<u>1,244,068</u>	<u>1,176,331</u>

These loans are interest free and are repayable to the Benevolent Fund from the estate of the beneficiaries in more than one year. The amount of provided unsecured loans in 2023 was £147,714 (2022: £90,036 ).

11 Analysis of Changes in Cash	2023	Cash flow	2022
	£	£	£
Cash at bank and in hand	168,848	27,099	141,749
Cash with investment manager - see note 9	107,241	78,489	28,751
	<u>276,089</u>	<u>105,588</u>	<u>170,500</u>

12 Other Debtors	2023	2022
	£	£
Amounts due from the Institution of Mechanical Engineers	4,270	9,879
Other debtors	48,623	32,469
	<u>52,893</u>	<u>42,348</u>

## The Benevolent Fund of the Institution of Mechanical Engineers

### Accounting Policies

For the year ended 31 December 2023

#### 13 Creditors

	2023	2022
	£	£
Amounts due to the Institution of Mechanical Engineers	96,332	102,386
Audit fees	15,000	12,000
Accruals	5,707	7,483
	<u>117,039</u>	<u>121,869</u>

#### 14 Analysis of Funds at 31 December 2023

	1 January 2023	Income	Expenditure	Gains / losses	31 December 2022
		£	£	£	£
<b>Unrestricted</b>					
<i>Designated Funds</i>	8,000,000			-	8,000,000
<i>Unrestricted Funds</i>	26,005,080	1,273,507	(1,012,847)	853,616	27,119,356
<b>Total funds</b>	<u>34,005,080</u>	<u>1,273,507</u>	<u>(1,012,847)</u>	<u>853,616</u>	<u>35,119,356</u>

#### 15 Financial Commitments

The Trustee Board has given outline approval to help certain beneficiaries during the coming year. Because actual circumstances will vary, it is not possible to accurately quantify the amount at this time but the level is not expected to be material.

#### 16 Pensions

All current employees participate in the Institution of Mechanical Engineers contribution based pension scheme. In 2023 the Institution matched employee contributions to this plan up to a maximum of 10% of salary (2022: 10%).

The Benevolent Fund has associated member status in the defined benefit pension scheme operated by the Institution of Mechanical Engineers, which is now closed to new members. The latest full actuarial valuation was carried out at 1 December 2015 and updated to 31 December 2019 by a qualified independent company of actuaries, and can be found in the consolidated accounts of the Institution. As prescribed by FRS102, the funding level of the pension fund must be disclosed; after an actuarial report carried out for the Institution of Mechanical Engineers consolidated accounts to 31 December 2023, the pension fund was 100% funded (2022 100%).

The Benevolent Fund is therefore exposed to actuarial risks associated with the scheme operated by the Institution of Mechanical Engineers and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents contributions payable to the scheme in respect of the accounting period. The Benevolent Fund has entered into an agreement whereby the Fund recognises a liability for contributions payable that arise from the agreement ("Deficit Recoverable Plan") to the extent that they relate to the deficit and resulting expense in the income and expenditure account. As at 31 December 2023 no such "Deficit Recoverable Plan" was in place and as a result no liability has been recognised in these financial statements relating to this.



# **The Benevolent Fund of the Institution of Mechanical Engineers**

## **Accounting Policies**

**For the year ended 31 December 2023**

---

### **17 Taxation**

The Benevolent Fund is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **18 Ultimate parent**

In the opinion of the trustees there is no controlling party.

### **19 Related Party Transactions**

The Benevolent Fund of the Institution of Mechanical Engineers (Support Network) is an independent and separate charity and company from that of the Institution of Mechanical Engineers (IMechE). Whilst these organisations have distinct purposes and operations, there is a close relationship. This is largely due both Support Network and the IMechE helping the same people, they re both linked to the membership base of the IMechE. Support Network therefore seeks to ensure that the services and grants offered are aligned with the needs of this particular part of the engineering community. Support Network is grateful for the donation collection undertaken by the IMechE, and for related marketing and communications promotion that is provided by them. Over recent years at least one of the Support Network Trustees has been sourced from the IMechE employee group, further helping to understand and the align the work of the two organisations

In 2023 donations received via the IMechE totalled £205,610, and recharged expenditure from IMechE totalled £333,277, leaving a net balance of (£127,666). 2022 figures were receipts £216,707, recharges £286,907, and net balance (£70,200).

Related party transactions in both 2023 and 2022, other than trustees' travelling and subsistence expenses reported in Note 7.

### **20 Commitments**

The total commitment for rental costs were £10,779, and other services were £11,933 at 31 December 2023 (2022: rental costs £10,779, other services £11,933)

### **21 Company Limited by Guarantee**

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.

### **22 Prior Year Adjustments**

Staff costs were wholly attributed to support costs in 2022. Having reviewed the position to reflect a more accurate pictures of activities undertaken, £183,323 of the 2022 total staff costs of £265,424 have been reallocated to costs from charitable activities in the prior year.