

**The Institution of Engineering and Technology  
Benevolent Fund**  
Consolidated Financial Statements and  
Annual Report  
For the year ended 30 June 2010

**Charity no: 208925**  
**Company Registration no: 00441284**

Registered Office:  
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London  
WC2R 0BL

## Index

Report of the Trustees	1 - 20
Introduction	1
Structure, Governance and Management	2
Objectives	5
Stakeholders	6
Activities	7
How IET Connect Activities Deliver Public Benefit	8
Achievements, Performance and Future Plans	12
Conclusion	15
Trustees' Financial Review	16
Investment Policy	17
Reserves Policy	17
Risk Management	18
Trustees' Responsibilities for Financial Statements	18
Auditors	19
Independent Auditor's Report	21 – 22
Consolidated Statement of Financial Activities	23
Consolidated Balance sheet	24
Charity Balance sheet	25
Notes to the Consolidated Financial Statements	26 - 36

## Report of the Trustees

### **A TIME FOR CHANGE...**

The year 2009/10 was a momentous one for IET Connect, The Institution of Engineering and Technology Benevolent Fund. It was a year that saw significant changes within the structure of the Charity which have laid the foundations for its future and the creation of exciting new opportunities.

The year opened with the Charity questioning whether or not it should be running a care home; the debate had spanned part of the last reporting year and continued into this. After much consideration and consultation the Trustee Board decided in August 2009 to sell the care home business of Speirs House to Greensleeves Homes Trust, a "not-for-profit" charitable organization specializing in care homes. The sale process itself took up a large part of the year and involved obtaining the support of various regulators including the Charity Commission and the Care Quality Commission. Finally Speirs House was handed over to Greensleeves on 1 March 2010.

Speirs House had been the gift and "brainchild" of Mr Charles Speirs to provide a home for Members of the Institution of Electrical Engineers returning from the War in 1946 or who had been made homeless by the War. By the 1960s Mr Speirs had been questioning whether it was appropriate for such a large and widely spread Institution to have just one home in Surrey and wondered if it would be better to sell the property to enable the Benevolent Fund to benefit members much further afield. Finally we were able to realize the wishes of Mr Speirs in 2010 with the creation of the Speirs Fund to help the members and dependants of the (now) Institution of Engineering and Technology (IET). The Speirs Fund has been set up formally under a Charity Commission Scheme and is designed to specifically help with the costs of caring and disability. The Fund will be primarily funded from the proceeds of the sale of Speirs House business which have been set up in an endowment fund. Much work remains to be done on developing the Fund but it is already opening up a number of exciting new opportunities.

As with all companies governed by a Memorandum and Articles of Association, IET Connect had to review its governance in line with the Companies Act 2006. Once the final details of the new legal requirements were known towards the end of 2008 IET Connect established a working group under the Chairmanship of Mr Don Brown, Local Representative for Coventry and Warwickshire, to examine the existing Memorandum and Articles of Association, consider more broadly how the Charity should be run (having carried out a "bottom-up review" starting with the needs of beneficiaries first) and then decide how the Memorandum and Articles of Association should be amended. After consultation and circulation of the draft document, the new Memorandum and Articles of Association for the Charity were put to an Annual General Meeting on 19 May 2010 and approved by a Special Resolution.

Both the sale of the Speirs House business and the rewriting of the Memorandum and Articles of Association have taken up a large part of the year but it has enabled the

## Report of the Trustees

Charity to take stock, to re-examine its priorities and to redesign its structure for the challenges ahead. IET Connect ended the year in a much stronger and robust position than it began it with a very clear mission to focus on the needs (financial or otherwise) of its beneficiaries and potential beneficiaries.

The Trustees present their report together with the financial statements of The Institution of Engineering and Technology Benevolent Fund for the year ended 30 June 2010. The financial statements have been prepared in accordance with the accounting policies set out herein and comply with the current statutory requirements, applicable law and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in 2005.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Institution of Engineering and Technology Benevolent Fund, known as IET Connect, is registered as a company limited by guarantee (Company registration number 00441284) and is registered as a charity (Charity number 208925). 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).

The Board of Trustees manages the affairs of the Company and has established committees to monitor and control key areas. Authority has also been delegated to the Chief Executive Officer and staff to manage the day-to-day operations of the Charity and implement the Board's policies and decisions.

Local Representatives are the point of personal contact between IET Connect and most beneficiaries to whom advice and support is provided. Local Representatives make up a grouping known as "The Local Representative Assembly" (previously known as "The Court" until its title was changed under the new Memorandum and Articles of Association agreed on 19 May 2010). The Local Representative Assembly is intended to represent the interests of stakeholders, as well as IET Members and Local Networks. As a body of local representatives it informs and advises the Trustees on the provision of welfare support and assistance. The Assembly also has responsibility for appointing 4 of the 10 trustees.

#### **The Case Committee**

The Case Committee, which is made up mainly of Local Representatives, considers new requests and regularly reviews on going cases. Each application is prepared carefully by the staff who will present the case to the Committee to assess. Each case is looked at in considerable detail taking account of the different financial, social, health and family pressures, together with a wide range of issues such as the global recession, exchange rates, the standard and the cost of living in different regions and

## Report of the Trustees

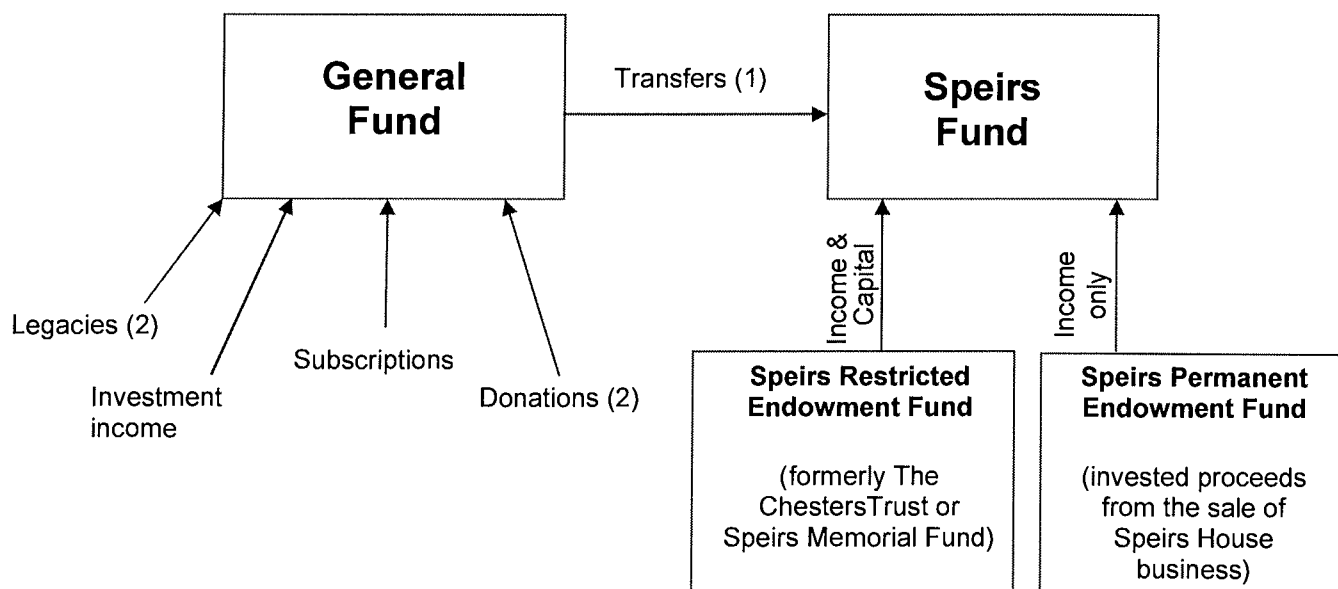
countries. During the year the Case Committee considered 169 cases and declined just 2 new applications outright.

### 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 2. The income from the sale of the Speirs House business forms a permanent endowment. The previous funds held in the Chesters Trust or Speirs Memorial Fund form a restricted endowment. Prior to the sale, Speirs House was run by a wholly owned charitable subsidiary company established by the Board of Trustees. The Speirs Fund has a broader remit than the General Fund in terms of who it can assist and it will be used primarily in the area of care, assistance for the disabled and promoting independence where possible and assistance for carers.

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, legacies and subscriptions 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.

## Report of the Trustees

The Trustees recognize that IET Connect could not undertake its valuable work without the support of IET members who donate on a regular basis. We wish to thank all members who contribute financially and in other ways. In particular we wish to recognize the unfailing interest and dedication of the Local Representatives, committee members, other volunteers and staff.

### Appointment of Trustees

The Articles of Association were amended by special resolution of the members of the Fund on 23 March 2006 to help strengthen its links with the IET, to allow the IET Board of Trustees to appoint IET Connect trustees with the necessary skills and experience to manage the Charity, and to give the (now) Local Representative Assembly (formerly The Court) 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.

It has recently been agreed that vacancies for both the Trustee Board appointed and the Assembly appointed trustees will be advertised as widely as possible.

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

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

### Trustee Induction and Training

New trustees receive information on IET Connect to brief them on their legal obligations under Charity and Company law. They also receive information on the organization's Business and Development Plan and recent financial performance. External training is

## Report of the Trustees

also available to broaden their knowledge and inform them for the undertaking of their roles.

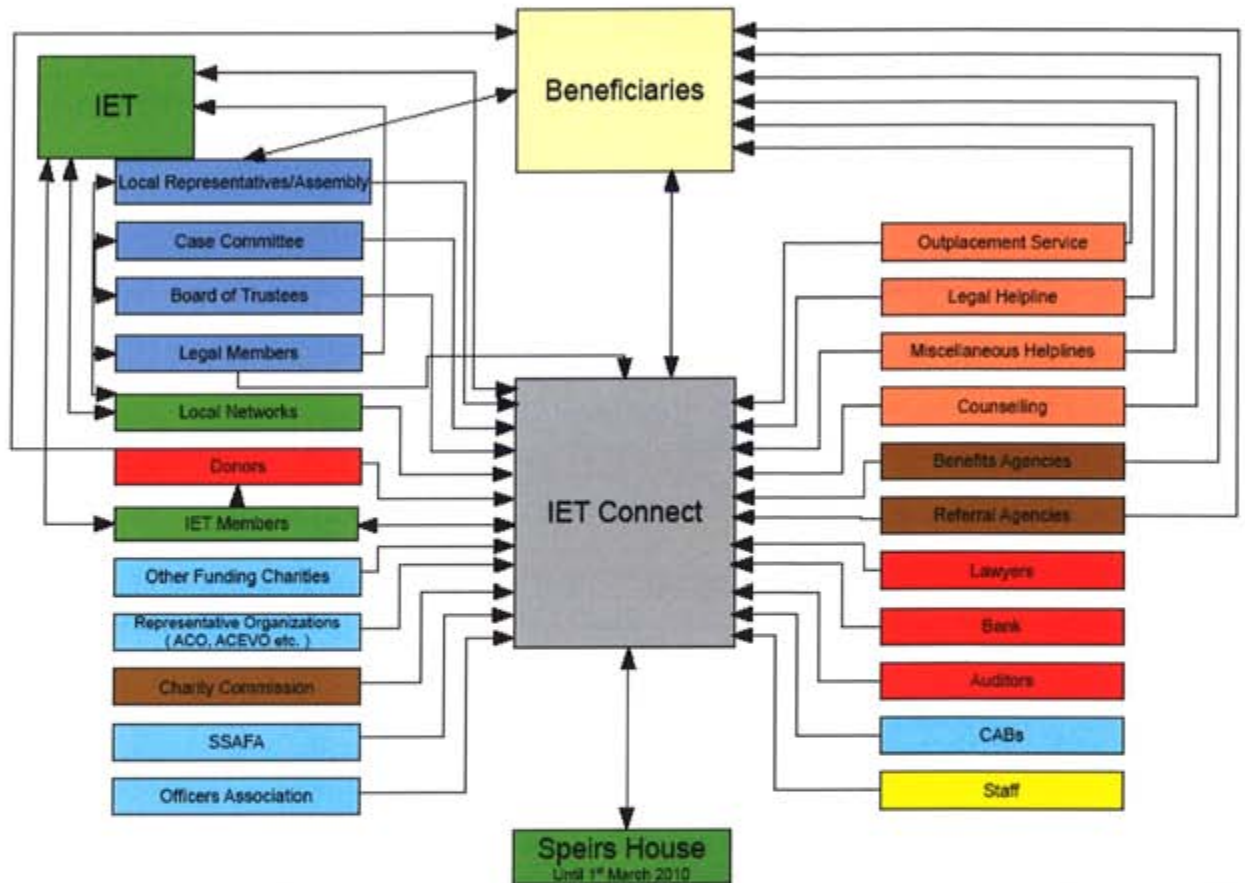
### **OBJECTIVES**

IET Connect provides information, advice and financial support through its general fund to IET members and former members (and former members of the Institution of Electrical Engineers [IEE]), its former constituent institutions, and their dependants in need. It helps individuals and families, many of whom are affected by illness, disability or unemployment. Whilst IET Connect will assist with care home provision and respite care anywhere, until 1 March 2010 it owned Speirs House, a care home in Surrey, in which accommodation was available to members and their dependants. Part of the sale agreement still gives IET members and their dependants priority at Speirs House in terms of allocation of places. The creation of the Speirs Fund in 2010 has broadened the objectives of the Charity and enabled it to start to develop the services that it can offer primarily in the areas of help for individuals and families affected by disability, particularly carers.

# Report of the Trustees

## STAKEHOLDERS

The stakeholders in IET Connect are numerous; many relationships are interconnected and are often two-way. The diagram below gives an indication of the key stakeholders.





# Report of the Trustees

## ACTIVITIES

The welfare work of the Charity falls into 4 main areas in the form of advice, personal contact, financial assistance and care support with help tailored to meet individual needs.

### Advice

We provide free advice on a wide range of matters, including State benefits, care home funding, sources of statutory and local authority funding, and information on specialist organizations that provide help and advice. Specific areas of advice offered include:

- **Benefits Advice**

IET Connect has developed the advice that it provides on State welfare benefits and it now forms an integral part of the work of the Charity. It is also the first element considered when anyone approaches us for financial assistance.

- **Legal Advice**

The outsourced legal helpline provides telephone advice from solicitors with a wide range of specialisms including employment rights, redundancy issues and personal and family matters.

- **Money Advice**

We are able to refer individuals to a telephone debt advice service for help with resolving money problems and arranging debt management plans.

- **Outplacement**

We provide an outplacement service aimed at helping members who have been unemployed for at least 4 months get back to work. The four-month programme helps individuals to develop a greater understanding of their skills and potential with individual coaching to explore career options, self-marketing techniques, interview training and how to develop an effective CV.

### Personal Contact

Volunteer local representatives and London office staff visit people in their own homes to discuss needs and the help available either through IET Connect or other sources such as the State welfare system. The staff will ring beneficiaries, particularly the more vulnerable ones, to see how they are and some beneficiaries often call the staff "for a chat" which they greatly value particularly given the fact that the staff always give the impression of having the time to chat. It is very difficult to quantify the value of such

## Report of the Trustees

contact but many do refer to the staff as being “their friends”. During the year the staff had 3,680 contacts with beneficiaries or potential beneficiaries. We are examining ways in which we may be able to develop a “befriending service”. The Charity ensures that all volunteers and staff who do visit beneficiaries or potential beneficiaries in their homes have a Criminal Record Bureau check before they conduct any visit.

### **Financial Assistance**

Assistance is offered in the form of grants and loans, where a financial need has been identified. Help is given for a wide range of purposes including regular expenses which are not met by State benefits; examples include: respite breaks, television licences, telephone costs, transport costs and household items.

### **Care**

With the introduction of the Speirs Fund more time and resources are being invested in developing the services on offer to help those who need assistance to remain independent, have particular care needs or who are a carer. Support for residential, nursing and respite care is also available. Until 1 March 2010 IET Connect provided accommodation for elderly members and their relatives at Speirs House.

### **Other Assistance**

IET Connect prides itself on its flexible approach to helping people and is able to consider a wide range of tailor made assistance to help to meet the specific needs of an individual.

## **HOW IET CONNECT ACTIVITIES DELIVER PUBLIC BENEFIT**

In setting out the activities for the year, IET Connect’s Trustees have complied with the duty in Section 4 of the Charities Act 2006 to “have due regard” to Public benefit guidance published by the 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.

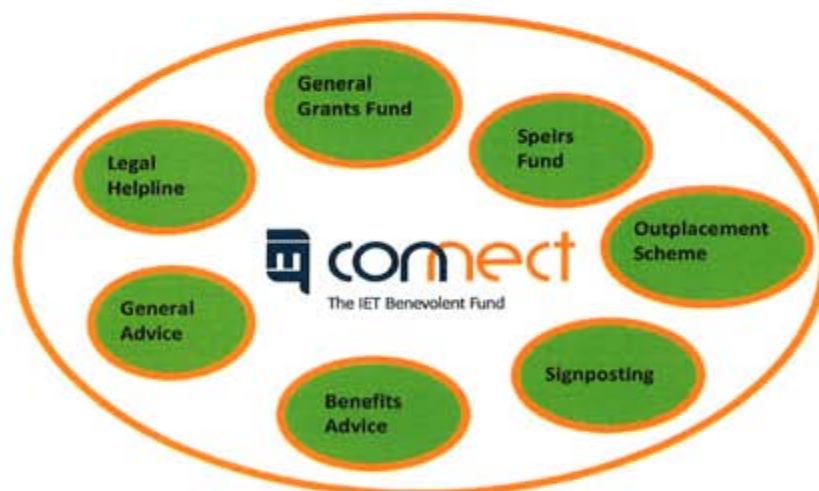
The Charity helps individuals who fall within the remit of the Charity’s objects wherever they are in the World and regardless of their background if they are necessitous. The Trustees are aware that this represents a sizeable number of individuals worldwide, any of whom can approach IET Connect for help at any time. Furthermore, the range of services provided means that it is not just the individual who benefits - by helping someone at a difficult time, his or her close family are also helped.

## Report of the Trustees

All of the charitable help is provided free of charge and beneficiaries do not need to have donated to IET Connect to benefit from its services.

The IET Connect staff have written a number of fact sheets covering a wide variety of areas on subjects such as finding a care home, working with a disability, employment, housing grants, home adaptations and dealing with debt. Along with the fact sheets the website also has links to many other organizations and sources of help. All of this is available via the IET Connect website to any person anywhere with access to the internet. By examining the website "hit rates" it can be seen that the fact sheets on all topics are accessed very frequently with the employment fact sheets currently being the most popular. Most of the "hits" are directly from a Google search which suggests that many benefiting from this advice may well have no direct connection with the IET or IET Connect.

IET Connect services can be used individually or in conjunction



IET Connect adopts a "helping people to help themselves" approach. Through the helpline, legal advice line and employment support, beneficiaries are encouraged and empowered to look for their own solutions.

Whilst IET Connect will always provide financial help to members who need it (2009/10: circa £415,000 in grants), the emphasis is increasingly directed at offering preventative help. Where appropriate, and certainly for members of working age, the aim is for the

## Report of the Trustees

financial help to be seen as a short term support, helping beneficiaries and their partners get back into work, live independently and contribute to society once again.

When the IET is notified of the death of a member they always send the next of kin a condolence letter and a leaflet which includes information about the help that IET Connect may be able to offer.

The Trustees have reviewed whether any of the help that we provide could possibly cause any detriment or harm and cannot think of any example where this might be the case. The only "downside" in terms of Public benefit is that the work of IET Connect has led to a significant 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 that beneficiaries are now claiming for benefits that they are entitled to.

### **Examples of how IET Connect has helped:**

**Having previously enjoyed perfect eyesight, it came as an enormous shock to David when his vision started deteriorating in his early 50s. Just four years later, completely blind in his right eye and with only limited vision in his left, he was faced with the reality of never being able to work again.**

When David's father died he returned to the UK from Hong Kong with his wife and sons to look after his mother who was crippled with arthritis. They set up their own small business but the pressures of work and caring for his elderly mother took their toll. On top of this David suddenly lost his sight due to a detached retina, which could not be successfully treated. David and his wife separated and the business was sold. He could not work and was having great difficulty making ends meet. He was put in touch with IET Connect and awarded a monthly grant to help with living and utility costs and a holiday grant so that he could have a break with his children.

David acknowledges that the grants made a huge difference to his life, enabling him to live with some dignity. Without them, he would have had to scrimp and save but knowing that he had that financial cushion for the year ahead took some of the pressure off.

On the advice of IET Connect he applied for and is now in receipt of higher rate disability living allowance, council tax and housing benefits. This significant increase in income meant that he was at last financially independent again.

**Bob's Army career took him all over the world, but a series of accidents left him with a degenerative spinal condition. At the age of 38 and with a young family to support, he found himself pensioned off from the Army and effectively unemployable.**

Unfortunately, Bob's condition could not be treated and, having been on sick leave for almost a year, he was finally discharged from the Army on medical grounds. His Army

## Report of the Trustees

pension was not enough to support his wife and two children. It also precluded him from applying for State benefits. Like many young families, they had accumulated some debt and always thought they would be able to pay it off with his salary. He never imagined that he would be unemployable in his late thirties.

After getting in touch with IET Connect, the family was given a small monthly grant to help with household costs. Bob felt that the best thing which IET Connect did was to give them holiday grants so that they could get away and spend time together like any other family.

**When Joan's husband Edward had to go into a nursing home, their finances were stretched to the limit. A friend suggested she contact IET Connect, and she discovered that a little help could go a long way.**

Edward had started to lose his balance and although he was not aware of it at the time, it was the first sign of a gradually progressive illness which would eventually debilitate him. It turned out that he was suffering from cerebral ataxia which meant that he had a slow flow of blood to the brain.

Joan had carers to help until one night Edward had a seizure and was taken to hospital. Sadly, from then on he required 24-hour care, making it impossible from him to return home, and he had to go into a nursing home. At a cost of £500 per week, the home was a significant drain on the couple's finances and as Joan did not have a pension, she was reliant on basic State benefits.

IET Connect gave her a weekly allowance which was a great help at a very difficult time. For example, the money enabled her to pay for taxis to and from the nursing home so that she could visit regularly.

Edward was in the nursing home for a year before he died aged 83. IET Connect continued to help Joan financially after his death.

**Born and brought up in Jamaica, Joyce came to England for a holiday in 1959 and liked it so much that she decided to stay. Over the past 50 years, England has become home but, without IET Connect's help, Joyce may have had to leave.**

It was in England, while working, that Joyce met her future husband, Ted. A former Army officer, Ted was working as a general manager for an engineering firm at the time.

They married but some years later Ted sadly died of cancer. Joyce, who was by now retired, found it difficult to manage. She returned to Jamaica but was very unhappy and returned to the United Kingdom where she had spent much of her married life. Unfortunately, when she arrived at the airport, Joyce's purse was stolen along with savings that she had brought back with her. IET Connect immediately came to her rescue with a grant of £1,000 which helped her re-establish herself and find a flat.

## Report of the Trustees

Joyce is now in her late 80s and her health is poor. She has suffered a series of strokes and was herself recently diagnosed with cancer. IET Connect helps with a regular monthly allowance and grants for additional nursing care at home, the telephone bill and garden maintenance, and recently paid to mend a broken boiler. Our caseworkers ring Joyce regularly for a chat and to make sure she is managing.

### **ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS**

The major achievement of the year was the handover of the Speirs House business to Greensleeves Homes Trust in a seamless transfer that has been to the benefit of all parties. The future of the residents and staff is now secure within a specialist organization which will be able to develop the care of the residents and support the staff professionally to a greater extent than IET Connect was able to. The transfer of the Speirs House business has left the Charity free to concentrate on what it does best – helping members wherever in the World they may be.

Other areas of note during the year have been:

#### **Financial Assistance**

This year has seen a continuing shift away from long-term financial assistance for our beneficiaries. It has been identified that there is a tendency for individuals to assume that the Charity will fund them permanently and therefore there is no need for them to try to resolve their own problems. There will always be some beneficiaries who do need on-going and effectively permanent assistance but each case is examined on its own merits. In particular, the staff scrutinize each beneficiary's entitlement to State benefits and once they are drawing the correct benefits they often no longer need our financial assistance. Once a person has had their grants from us withdrawn they are encouraged to contact us again if they run into further difficulties or if their circumstances change – IET Connect will always be there for them if they really need us. Whilst this new policy is reducing the dependency on regular grants IET Connect may well end up giving larger one-off grants in an attempt to resolve particular problems.

As a result of the re-examination and advice process a number of beneficiaries were given notice of the end of their regular grants by the Case Committee of IET Connect:

#### **Number of beneficiaries given notice of end of grants by Case Committee:**

July 2009	9
September 2009	3
November 2009	4
March 2010	8
<b>Total</b>	<b>24</b>

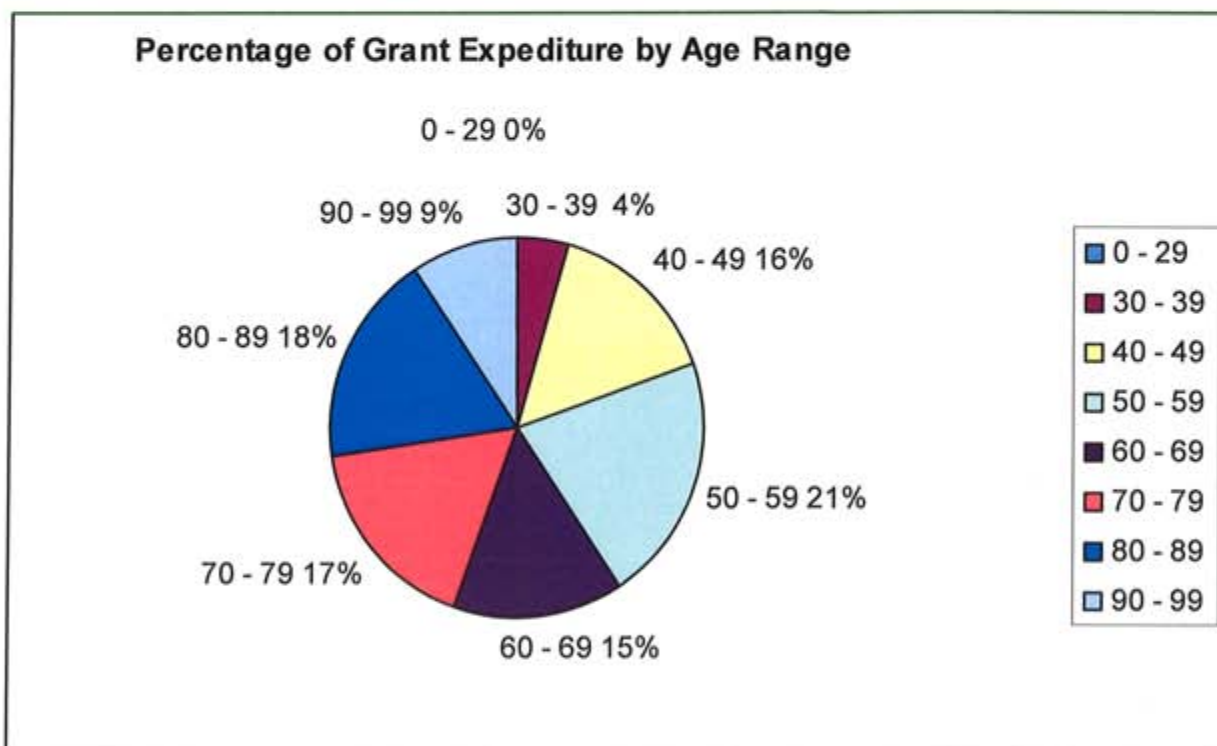


## Report of the Trustees

The Charity has been very proactive in providing support to beneficiaries to enable them to get back into the workplace through the outplacement scheme, grants for courses and to advise them on services and funding available from the State that they were not using as fully as they could have been. Help for new beneficiaries is designed to get them "back on their feet" rather than giving them the impression that they will receive long term funding from the Charity, thereby encouraging them to resolve their own problems where possible. Clearly there are some beneficiaries who will never be able to be self-sufficient and IET Connect will always be there to support them. Almost £850,000 is committed in secured loans to members and their dependants and the interest charged on the loans is currently either 0.5% or 0% interest depending on the type of loan.

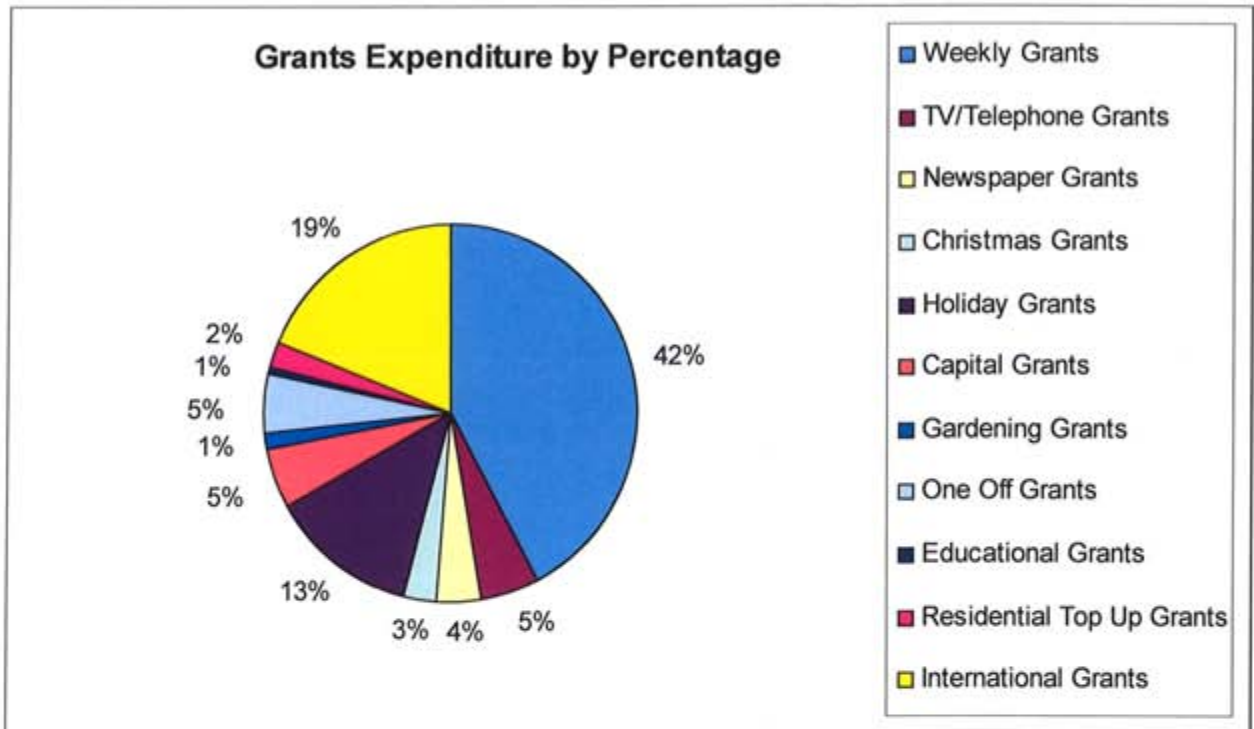
Most new applications for funding are received from working age people with over 40% of grants expenditure going towards meeting the needs of people under the age of 60.

The chart below shows the percentage of the expenditure within different age bands:



## Report of the Trustees

The chart below shows the percentage of expenditure by the main grant types:



### Benefits Advice

All new and existing claimants are checked to establish that State welfare benefits received are correct and that benefit income is being maximized. This can only be achieved by examining all the necessary (and normally extensive) supporting evidence such as that concerning income and capital.

Where it is clear that a member has the right to a specific benefit, for example a means tested benefit such as Income Support or Pension Credit, we make payment of grants conditional on the benefit being claimed. This also applies to non-means tested benefits such as Disability Living Allowance (up to the age of 60) and Attendance Allowance (over the age of 60), when it appears that the claimant's physical and/or mental incapacity make it likely that an award will be made. The award of non-means tested benefits also has the potential to greatly increase means tested income and so the consequences need to be considered.

The benefit income awarded since October 2007 to beneficiaries following our advice has reached about £105,000 a year (including back payments), which has led to an ongoing accumulative value of approximately £40,000 a year being saved by the Fund as a direct result of grants stopping due to beneficiaries no longer being necessitous.



# Report of the Trustees

## Information and Advice

There have been increasing numbers of enquiries for information on specialist topics such as care home enquiries or disability issues. The Helpline staff direct people to a wide range of specialist organizations which deal with specific issues affecting their lives, using the Resource Information Service directory, and through the staffs' own wide knowledge and experience. The value of the staff produced fact sheets and website links has already been mentioned earlier but cannot be underestimated.

## Legal Helpline

The legal helpline has become a well established and very popular service accessed regularly by members. It offers advice on a wide range of legal matters including employment, personal and family law.

In the year 2009/10, 57% of the requests were for advice on employment issues with concerns about redundancy and contractual terms making up the bulk of calls.

The demand for the legal helpline highlights the varying support needs of members, particularly with employment disputes and threatened redundancy.

## PLANNED SERVICE DEVELOPMENTS FOR 2010/11

With an IET worldwide membership of approximately 150,000 in over 100 countries, the individual needs and circumstances of members are diverse and IET Connect is researching ways of reaching overseas members and offering assistance with due regard to local customs and culture.

IET Connect needs to keep pace with social welfare needs and provide a suitable range of support enabling and encouraging members to help themselves.

Much work is planned on developing services for those who need care, who are disabled or who are carers themselves. Where possible, IET Connect plans to invest to help individuals to retain as much independence as possible. When independence is no longer practical IET Connect is developing a flexible service to offer a range of options to help the individual and those involved with caring for them.

A more focussed marketing campaign is planned, designed to raise the profile of the Charity and to inform potential beneficiaries of the extremely broad scope of the services available to them through IET Connect.

## CONCLUSION

The sale of the Speirs House business dominated the year. The Trustees are delighted with the outcome both in terms of the new opportunities that IET Connect now has but also to see the smooth way in which Greensleeves Homes Trust took over the running of Speirs House. All that the Trustees have seen and heard since the sale took place

## Report of the Trustees

has underlined that the transfer of the home was the best thing for all concerned – primarily the residents but also the staff and IET Connect itself.

The sale has now enabled the Charity to look at itself afresh – both in terms of governance (through the review of the Memorandum and Articles of Association) and also the service that it provides. The creation of the Speirs Fund to run alongside the General Fund has broadened the help that IET Connect can offer and to whom. It is still very early days and the Charity is gearing up to have a campaign to raise awareness of IET Connect in general and the new aspects of the Charity in particular. Nevertheless even before the campaign has been launched the Speirs Fund is already being used for some extremely worthy cases.

It is an exciting time and the challenge of the future can be seen in the renewed enthusiasm and drive of all of those involved with IET Connect from the Trustee Board to the staff, to the local representatives and supporters.

### FINANCIAL REVIEW

The financial results of the year are set out in the Consolidated Statement of Financial Activities on page 23 which has been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005). Under SORP 2005, income and expenditure has been reclassified under the headings Generating Funds, Charitable Activities and Governance. In addition to direct costs, administration and support costs have been allocated generally to each of these operations on the basis of time spent.

Incoming resources from these operations were more than resources expended by £1,349,330. This was largely due to the sale of Speirs House and associated adjustments in the accounts – such as the removal of the accrued depreciation costs.

Costs of generating funds include increased direct marketing and publicity costs.

Charitable Expenditure Activities highlights the resources expended on non-financial assistance; this was £175,320 in 2010 (2009 £123,157) i.e. the welfare, legal, money and general advice and information given, and the resources spent on providing financial assistance was £415,309 compared to £535,116 in the previous year.

The resources expended on non-financial assistance reflect the continued increase in the use of IET Connect's services and the increased costs in promoting these. The advice and information services are provided by specialist staff who help members resolve problems earlier and makes them aware of their State benefit entitlement and other organizations that provide financial help, thereby reducing the need for financial assistance from IET Connect.

The increase in governance costs to £196,886 in 2010 from £135,806 in 2009 arise mainly from the legal and staff costs incurred in the rewriting of the Charity's Memorandum and Articles of Association, the on-going legal work on reviewing the

## Report of the Trustees

future position on loans to beneficiaries ensuring CCA and FSA compliance and some work related to the sale of the business of Speirs House.

Investment gains of £855,293 are shown in Other Recognised Gains and Losses. Such gains were to be expected during a period of extreme market volatility and after the loss of £1,625,976 last year.

### INVESTMENT POLICY

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

The investments of the General Fund and the Speirs Fund (both Restricted Fund and Permanent Endowment) have been invested with BlackRock.

The investments are invested alongside those of the IET and are monitored as a whole by the IET Finance and Investment Committee and by IET Connect's own Audit and Investment Committee.

### RESERVES POLICY

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

The total reserves as at 30 June 2010 were £16,608,599 of which £1,615,618 represented restricted funds and £2,713,529 represented endowment funds. Of the £12,279,452 unrestricted funds, £11,246,682 was tied up in fixed assets and £848,938 was tied up in repayable grants, meaning that general free reserves were in a surplus position of £183,832 as at 30 June 2010. This level of free reserves is equal to 3 months of running costs which is a shortfall on the target set by the Trustees of 6 months. The Trustees are obviously concerned about this shortfall and will be working with the IET Connect staff in 2011 to reduce expenditure where possible as well as maximizing income streams. The Trustees acknowledge that it will take some time to build up the free reserves to the target figure of 6 months of running costs.

The amount expended on grants has generally fallen over recent years as efforts are now concentrated on helping members resolve problems earlier through legal advice,

## Report of the Trustees

dealing with debt and providing information on State benefits and other organizations that help. The General Fund has also received legacy income for which it does not budget due to its unpredictable nature. Consequently, IET Connect has not had to draw down leaving more to meet the needs of future beneficiaries.

### **RISK MANAGEMENT**

The Trustees operate a formal risk management procedure that:

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

It was due to reviewing the perceived risks at Speirs House that it was decided to look at the options for its future. The Trustees felt that, with regard to the continued operation of Speirs House under the auspices of IET Connect, they were not well placed to fully appreciate and therefore to take the necessary action on an on-going basis to minimize the risk to the residents, staff and the reputation of the Charity.

### **TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

The Trustees, who are also directors of The IET Benevolent Fund for the purpose of company law, are responsible for preparing the Annual Report and the financial statements. They have chosen to prepare financial statements for this charitable company in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

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 surplus or deficit of the charitable company for that period. In preparing those financial statements, the Trustees have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- observed the method and principles in the Charities SORP;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

## Report of the Trustees

The Trustees are responsible for keeping adequate accounting records which 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

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

- So far as each of the Trustees is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- Each of the Trustees has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

### AUDITORS

In accordance with the charitable company's articles, a resolution proposing that Kingston Smith LLP be reappointed as auditors of the charitable company will be put at the forthcoming Annual General Meeting.



**A G O'Neill BSc MSc CEng FIET**  
**Chairman on behalf of the Board of Trustees**

Date *1<sup>st</sup> February 2011*

**Trustees**

## Report of the Trustees

The following, who are also the directors of the company, have served as Trustees throughout the year:

Mrs J M Brownsword MEng (Hons) MIET  
Mr A C Cunningham TD BSc (Eng) CEng MIET  
Eur Ing Dr A L Dowd BSc CEng FIET  
Brigadier J R Drew CBE BSc (Eng) FIEE  
Mrs A D Giles BSc (Hons) CEng FIET  
Mr D J Manning BSc CEng FIET  
Mr A G O'Neill BSc MSc CEng FIET  
Mr C H Porter BSc (Eng) CEng FIEE  
Mrs M A Stewart BEng MIET (resigned 16 October 2009)  
Mr P S Weaver BSc (Eng) CEng FIEE

### Legal and administrative details

Chief Executive Officer  
and Company Secretary: Miss C J Oxland OBE FCIS

Investment managers: BlackRock Advisors (UK) Limited  
Murray House  
One Royal Mint Court  
London  
EC3N 4HH

Bankers: Barclays Bank PLC  
50 Pall Mall  
London  
SW1A 1QB

Solicitors: Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

Auditor: Kingston Smith LLP  
Orbital House  
20 Eastern Road  
Romford  
RM1 3PJ

## Report of the independent auditors to The Institution of Engineering and Technology Benevolent Fund

We have audited the consolidated and parent charitable company's financial statements of The Institution of Engineering and Technology Benevolent Fund for the year ended 30 June 2010 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheet and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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.

### **Respective responsibilities of trustees and auditors**

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

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

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

### **Basis of audit opinion**

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

## Report of the independent auditors to The Institution of Engineering and Technology Benevolent Fund

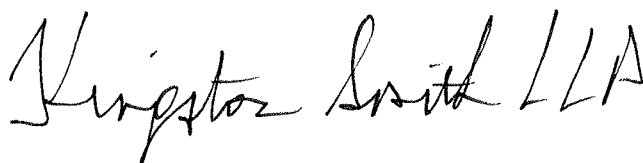
to the group's and charitable company's circumstances, consistently applied and adequately disclosed.

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

### Opinion

In our opinion:

- The financial statements give a true and fair view of the state of the group's and charitable company's affairs as at 30 June 2010 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended; and
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements have been prepared in accordance with the Companies Act 2006; and
- The information provided in the Trustees' Annual Report is consistent with the financial statements.



**Brian Pope (Senior Statutory Auditor)**  
**For and on behalf of Kingston Smith LLP**  
Chartered Accountants  
Statutory Auditor

Orbital House  
20 Eastern Road  
Romford  
Essex, RM1 3PJ

Date: 2 February 2011



## Consolidated Statement of financial activities (incorporating income and expenditure account)

	Note	Unrestricted General Fund	Speirs Restricted Fund Continued Operations	Restricted Discontinued Operations	Endowment Speirs Permanent Endowment	Total 2010	Total 2009
		£	£	£	£	£	£
<b>INCOMING RESOURCES</b>							
<u>Incoming resources from generated funds:</u>							
Voluntary income							
Donations	1(iv)	502,229	-	-	-	502,229	457,252
Legacies	1(iv)	293,662	-	-	-	293,662	223,188
<b>Activities for generating income</b>							
Fundraising events	3	14,767	-	-	-	14,767	23,194
Investment income and interest		375,657	53,175	-	-	428,834	473,482
<u>Incoming resources from charitable activities:</u>							
Speirs House residential home		-	-	804,657	-	804,657	1,077,776
Total incoming resources		1,186,317	53,175	804,657	-	2,044,149	2,254,892
1.1							
<b>RESOURCES EXPENDED</b>							
Costs of generating funds	18	15,447	-	-	-	15,447	39,916
Charitable expenditure activities	18	590,629	-	787,008	-	1,377,637	1,857,570
Governance costs	18	125,255	-	71,631	-	196,886	135,806
Total resources expended		731,331	-	858,639	-	1,589,970	2,033,292
<b>Net incoming/ (outgoing) resources before exceptional items</b>		454,986	53,175	(53,982)	-	454,179	221,600
Pension scheme contributions		-	-	-	-	-	(218,730)
Profit on sale of Speirs House	14	-	895,151	-	-	895,151	-
<b>Net incoming/ (outgoing) resources after exceptional items</b>		454,986	948,326	(53,982)	-	1,349,330	2,870
Gain/(loss) on investments	3	1,005,947	135,817	-	(286,471)	855,293	(1,625,976)
Transfer between funds		58,175	(3,112,157)	53,982	3,000,000	-	-
<b>Net movement in funds</b>	15	1,519,108	(2,028,014)	-	2,713,529	2,204,623	(1,623,106)
Total funds brought forward		10,760,344	3,643,632	-	-	14,403,976	16,027,082
<b>Total funds carried forward</b>		12,279,452	1,615,618	-	2,713,529	16,608,599	14,403,976

There are no other recognized gains and losses other than shown above.  
The accompanying accounting policies and notes form an integral part of these financial statements.

## Consolidated Balance sheet as at 30<sup>th</sup> June 2010

	Notes	Unrestricted Funds General Fund	Restricted Funds Speirs Fund	Endowment Funds Speirs Fund Permanent Endowment	Total 2010	Total 2009
		£	£	£	£	£
<b>FIXED ASSETS</b>						
Tangible assets	2	11,409	-	-	<b>11,409</b>	2,189,074
Investments	3	11,235,273	1,568,248	2,713,529	<b>15,517,050</b>	10,999,420
		<u>11,246,682</u>	<u>1,568,248</u>	<u>2,713,529</u>	<b>15,528,459</b>	<u>13,188,494</u>
<b>CURRENT ASSETS</b>						
Repayable grants	4	848,938	-	-	<b>848,938</b>	869,064
Debtors	5	264,914	100	-	<b>265,014</b>	294,549
Inter fund current accounts	8	(53,175)	53,175	-	-	-
Cash at bank and in hand		337,096	20,514	-	<b>357,610</b>	641,998
		<u>1,397,773</u>	<u>73,789</u>	<u>-</u>	<b>1,471,562</b>	1,805,611
<b>CREDITORS:</b>						
Amounts falling due within one year	6	141,803	26,419	-	<b>168,222</b>	333,929
<b>NET CURRENT ASSETS</b>		<u>1,208,420</u>	<u>47,370</u>	<u>-</u>	<b>1,303,340</b>	1,471,682
<b>CREDITORS: amounts falling due after one year</b>	7	<u>223,200</u>	<u>-</u>	<u>-</u>	<b>223,200</b>	256,200
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>12,279,452</u>	<u>1,615,618</u>	<u>2,713,529</u>	<b>16,608,599</b>	<u>14,403,976</u>
<b>ACCUMULATED FUNDS</b>		<u>12,279,452</u>	<u>1,615,618</u>	<u>2,713,529</u>	<b>16,608,599</b>	<u>14,403,976</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 11 January 2011.



**A G O'Neill BSc MSc CEng FIET**  
Chairman on behalf of the Board of Trustees

Date: 1<sup>st</sup> February 2011

Company Number: 00441284

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

## Charity Balance sheet as at 30<sup>th</sup> June 2010

	Notes	Unrestricted Funds General Fund £	Restricted Funds Speirs Fund £	Endowment Funds Speirs Permanent Endowment £	Total 2010 £	Total 2009 £
<b>FIXED ASSETS</b>						
Tangible assets	2	11,409	-	-	11,409	2,189,074
Investments	3	11,235,273	1,568,248	2,713,529	15,517,050	10,999,420
		<u>11,246,682</u>	<u>1,568,248</u>	<u>2,713,529</u>	<u>15,528,459</u>	<u>13,188,494</u>
<b>CURRENT ASSETS</b>						
Repayable grants	4	848,938	-	-	848,938	869,064
Debtors	5	264,914	-	-	264,914	294,549
Inter fund current accounts	8	(53,175)	53,175	-	-	-
Cash at bank and in hand		337,096	-	-	337,096	641,998
		<u>1,397,773</u>	<u>53,175</u>	<u>-</u>	<u>1,450,948</u>	<u>1,805,611</u>
<b>CREDITORS:</b>						
Amounts falling due within one year	6	147,608	-	-	147,608	333,929
		<u>1,250,165</u>	<u>53,175</u>	<u>-</u>	<u>1,303,340</u>	<u>1,471,682</u>
<b>NET CURRENT ASSETS</b>						
<b>CREDITORS: amounts falling due after one year</b>	7	223,200	-	-	223,200	256,200
		<u>12,273,647</u>	<u>1,621,423</u>	<u>2,713,529</u>	<u>16,608,599</u>	<u>14,403,976</u>
<b>TOTAL ASSETS LESS LIABILITIES</b>						
		<u>12,273,647</u>	<u>1,621,423</u>	<u>2,713,529</u>	<u>16,608,599</u>	<u>14,403,976</u>
<b>ACCUMULATED FUNDS</b>		<u>12,273,647</u>	<u>1,621,423</u>	<u>2,713,529</u>	<u>16,608,599</u>	<u>14,403,976</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 11 January 2011



A G O'Neill BSc MSc CEng FIET  
Chairman on behalf of the Board of Trustees

Date: 1<sup>st</sup> February 2011

Company Number: 00441284

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

# Notes to the financial statements

## 1 Principal Accounting Policies

### (i) Basis of accounting

The financial statements are prepared under the historical cost convention, as modified to incorporate the revaluation of investments.

### (ii) Financial statements

The financial statements have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" (Revised 2005) and applicable United Kingdom accounting and reporting standards. The Statement of Financial Activities has been constructed to include the information required by Financial Reporting Standard No. 3; separate Income and Expenditure Accounts and Statements of Recognised Gains and Losses are thus not required.

These financial statements consolidate the results of the charitable company and of its subsidiary on a line-by-line basis.

### (iii) Fund accounting.

The assets managed by the group are divided between two funds, the General Fund and the Speirs 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.

Previously the Speirs Fund was a restricted fund that allowed for capital and income derived there from the Chesters Estate and other donations of a similar restrictive nature, to be used solely for the upkeep of the estate and for providing accommodation for IET members and their dependants. Expenditure for those purposes was charged to the Fund, together with a fair allocation of overheads and support costs. The Trustees had designated an amount of the restricted fund (the Residential Reserve Home Fund) to be applied to make provisions for the replacement of care facilities when appropriate. A sum, equivalent to the depreciation charge on the existing facility at New Malden, was transferred to the reserve each year. Funds were then transferred back to the Speirs Fund when expenditure was incurred in the year in replacing care facilities, additional sums were transferred depending on the overall circumstances of the Fund each year. The reserves were invested within the overall Fund investments and a proportionate share of the investment income, together with any profits or losses on the sale of investments, was also added to the reserves to maintain their real value.

Following the transfer of the Speirs Fund activities to Speirs House and the subsequent sale of the Chesters Estate the Residential Reserve Home Fund was transferred into the restricted Speirs Fund. This restricted Speirs Fund was then further sub-divided into 2 – a permanent endowment and a restricted endowment. 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.

### (iv) Incoming resources

Donations are recognized on receipt. Income from bank interest and interest on repayable loans is accounted for in the year which it is earned and is included gross.

Legacies are recognized when they become receivable and are capable of measurement.

The Funds do not include property or other assets that have been donated or bequeathed to it, in which it has an interest but which it cannot take possession of until the death of the lifetime legatee.

## Notes to the financial statements

### (v) Resources expended

Resources expended are included in the SOFA on an accruals basis, inclusive of any VAT which cannot be recovered.

Costs of generating funds includes direct costs incurred for generating voluntary income, fundraising income and investment income.

Charitable expenditure includes direct costs and support costs. Administration and support costs have been allocated on the proportion of time spent.

Governance costs comprises the cost of audit, the costs relating to the Board of Trustees carrying out the group's duties and the cost of statutory compliance.

Grants paid comprise amounts paid to individuals needing financial assistance.

### (vi) Investments

Investments are stated at the market value as at the balance sheet date. The market value of unlisted investments is based upon the mid market price at the balance sheet date as notified by the unit trust Fund Managers. The market value of listed investments represents the mid-market price ruling at the balance sheet date.

Investment income is accounted for on a receivable basis.

The investments of the General Fund and the Speirs Fund (both Restricted and Permanent) are invested through BlackRock. Investment income, investment gains and losses of the investments are allocated to the General Fund, the Speirs Restricted Fund and the Speirs Permanent Endowment Fund on the basis of the market value of each Fund's investments on the date when they were consolidated and in subsequent years on 1 July each year.

### (vii) Fixed assets

Fixed asset are capitalized at cost. Depreciation is provided on the fixed assets so as to write them off over their estimated useful lives on a straight line basis at the following rates:

* Speirs House	2%
* Furniture and fittings	10%
* Computer Equipment	33%
* Minibus	25%

### (viii) Cash flow statements

As a small group within the definition of the Companies Act 2006, the Trustees have decided to take advantage of the exemption available under the FRS1 (revised): Cash Flow Statement not to produce a cash flow statement.

### (ix) Taxation

As a registered charity The Institution of Engineering and Technology Benevolent Fund is potentially exempt from taxation of income and gains falling within s505 Income and Corporation Taxes Act 1988 and s256 Taxation of Chargeable Gains Act 1992. Accordingly, no tax charge has arisen in the year.

### (x) Repayable grants

Outstanding grants are accounted for as assets of The Institution of Engineering and Technology Benevolent Fund, and in some cases maybe repaid after more than one year from the balance sheet date.

## Notes to the financial statements

### 2 Tangible Assets

#### Group & Charity

	Land & Property Freehold £	Furniture & Equipment £	Computer Equipment £	Minibus £	Total £
<b>GENERAL FUND</b>					
<b>Cost</b>					
At 1 July 2009	34,475	33,904	28,085	-	96,464
Disposals	(34,475)	-	-	-	(34,475)
At 30 June 2010	-	33,904	28,085	-	61,989
<b>Depreciation</b>					
At 1 July 2009	-	21,528	22,306	-	43,834
Charge for the year	-	2,443	4,303	-	6,746
At 30 June 2010	-	23,971	26,609	-	50,580
<b>Net book value</b>					
At 30 June 2010	-	9,933	1,476	-	11,409
At 30 June 2009	34,475	12,376	5,779	-	52,630
<b>THE SPEIRS MEMORIAL FUND</b>					
<b>Cost</b>					
At 1 July 2009	2,364,745	1,080,796	34,567	33,098	3,513,206
Disposals	(2,364,745)	(1,080,796)	(34,567)	(33,098)	(3,513,206)
At 30 June 2010	-	-	-	-	-
<b>Depreciation</b>					
At 1 July 2009	700,493	620,200	22,971	33,098	1,376,762
On disposals	(700,493)	(620,200)	(22,971)	(33,098)	(1,376,762)
Charge for the year	-	-	-	-	-
At 30 June 2010	-	-	-	-	-
<b>Net book value</b>					
At 30 June 2010	-	-	-	-	-
At 30 June 2009	1,664,252	460,596	11,596	-	2,136,444
<b>TOTAL NET BOOK VALUE</b>					
At 30 June 2010	-	9,933	1,476	-	11,409
At 30 June 2009	1,698,727	472,972	17,375	-	2,189,074

The net book value at 30 June 2010 represents fixed assets used for the charitable purposes.

## Notes to the financial statements

### 3 Investments

#### Group & Charity

	General Fund (Unrestricted) £	Speirs House Memorial Fund (Restricted) £	Speirs House Permanent Endowment (Restricted) £	TOTAL £	2009 £
<b>Net investment transactions:</b>					
Market value at 1 July 2009	9,635,492	1,363,928	-	10,999,420	12,558,177
Purchases	2,871,714	246,362	3,080,000	6,198,076	1,826,842
Sales proceeds	(2,140,478)	(178,000)	(80,100)	(2,398,578)	(1,820,647)
Net investment gain/(loss) (Decrease)/increase in investment cash	1,005,947 (137,402)	135,817 141	(286,471) 100	855,293 (137,161)	(1,625,976) 61,024
Market value at 30 June 2010	11,235,273	1,568,248	2,713,529	15,517,050	10,999,420

Analysis of investments:	2010		2009	
	Market Value £	Cost £	Market Value £	Cost £
Listed investments	15,362,020	11,028,762	10,715,327	11,689,445
Unlisted investments	62,900	68,060	54,560	68,060
Investment cash	92,130	92,130	229,533	229,533
	15,517,050	11,188,952	10,999,420	11,987,038

Unlisted investments comprise holdings in unit trusts. Listed investments comprise those investments, which have been granted a listing on a recognised stock exchange in Great Britain. Of the total investments, 100% are UK and 0% overseas.

The Charity also has an investment in Speirs House its subsidiary company. This company is limited by guarantee and therefore there is no monetary investment recognised in the charity's financial statements.

The following investment holdings represent more than 5% of the value of the portfolio at 30 June 2010:

Charitrack Common Invest Fund	£ 8,523,485
FD Europe EX UK IDX	1,066,510
North America Index Sub Fund	1,190,608
Japan Index Sub Fund	780,949
GBP Gilttrak Fund	3,226,620

Income from investments was as follows:

	2010 £	2009 £
Listed investments	428,348	468,039
Unlisted investments	-	-
Investment cash	486	5,443
	428,834	473,482

## Notes to the financial statements

### 4 Repayable Grants

Certain grants made by the Fund are repayable by the grantees or by their executors on demand.

### 5 Debtors

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
<b>GENERAL FUND</b>				
Taxation recoverable	50,770	40,979	50,770	40,979
Due from The Institution of Engineering and Technology	62,824	19,227	62,824	19,227
Accrued income	113,365	98,942	113,365	98,942
Prepayments	26,031	20,747	26,031	20,747
Other debtors	11,924	1,547	11,924	1,547
	<u>264,914</u>	<u>181,442</u>	<u>264,914</u>	<u>181,442</u>
<b>THE SPEIRS MEMORIAL FUND</b>				
Trade debtors	-	102,412	-	102,412
Other debtors	100	-	-	-
Prepayments	-	10,695	-	10,695
	<u>100</u>	<u>113,107</u>	<u>-</u>	<u>113,107</u>
<b>TOTAL DEBTORS</b>	<u>265,014</u>	<u>294,549</u>	<u>264,914</u>	<u>294,549</u>

### 6 Creditors: Amounts falling due within one year

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
<b>GENERAL FUND</b>				
Trade creditors	2,644	6,258	2,644	6,258
Other creditors	1,436	1,383	1,436	1,383
Due to subsidiary companies	-	-	5,805	-
Due to the Institution of Engineering and Technology	50,436	35,198	50,436	35,198
Pension scheme contribution (note 9)	33,000	33,000	33,000	33,000
Accruals and deferred income	54,287	50,319	54,287	50,319
	<u>141,803</u>	<u>126,158</u>	<u>147,608</u>	<u>126,158</u>
<b>THE SPEIRS MEMORIAL FUND</b>				
Trade creditors	-	23,641	-	23,641
Other creditors	12,862	2,782	-	2,782
Due to the Institution of Engineering and Technology	-	181,348	-	181,348
Accruals and deferred income	13,557	-	-	-
	<u>26,419</u>	<u>207,771</u>	<u>-</u>	<u>207,771</u>
<b>TOTAL CREDITORS</b>	<u>168,222</u>	<u>333,929</u>	<u>147,608</u>	<u>333,929</u>



## Notes to the financial statements

### 7 Creditors: Amounts falling due after one year

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
GENERAL FUND				
Pension Scheme Contributions (note 9)	223,200	256,200	223,200	256,200

Analysis of creditors due greater than one year:

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
Due 1 – 2 years	33,000	33,000	33,000	33,000
Due 2 – 5 years	99,000	99,000	99,000	99,000
Due greater than 5 years	91,200	124,200	91,200	124,200
	223,200	256,200	223,200	256,200

### 8 Inter fund current accounts

The inter fund current accounts reflect either payments made of funds received by one fund on behalf of the other.

### 9 Employee costs

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
Wages and salaries	791,420	913,294	304,462	913,294
Social security and welfare costs	61,682	76,645	23,435	76,645
Defined benefit pension scheme costs (see note below)	6,149	6,149	6,149	6,149
Defined contribution pension scheme costs (see note below)	16,221	15,633	4,273	15,633
	875,472	1,011,721	338,319	1,011,721

One employee (2009: One) received a salary between £60,000 and £65,000. The pension contributions for this employee were £6,272 (2009: £5,295).

The average number full time equivalent employees analysed by function was:

	Group		Charity	
	2010	2009	2010	2009
Costs of generating funds	-	-	-	-
Charitable expenditure activities	43.5	43.5	5.5	43.5
Governance	1	1	1	1
	44.5	44.5	6.5	44.5

The pension charge relates to employees who are members of the IEE Superannuation and Assurance Scheme, a defined benefit pension scheme, and the Fund's defined contribution stakeholder scheme. Contributions of the defined benefit scheme are assessed by qualified independent actuary based on the experience of the scheme as a whole. A full actuarial valuation of the scheme was carried out as at 31 March 2008.

## Notes to the financial statements

### 9 Employee costs (continued)

The valuation at 31 March 2008 reported that the IET's scheme's liabilities greatly exceeded the assets. IET Connect's contributions are affected by any surplus or deficit in the scheme, but IET Connect is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis to meet the full requirements of the Financial Reporting Standard on Pensions, FRS17. Therefore IET Connect's contributions to the scheme are accounted for as if the scheme was a defined contribution scheme. IET Connect Trustees have agreed to make additional contributions to the pension scheme to reduce the share of the deficit on past service on the following basis:

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Current year	33,000	33,000	33,000	33,000
Over the next eight years	223,200	256,200	223,200	256,200
	<u>256,200</u>	<u>289,200</u>	<u>256,200</u>	<u>289,200</u>

### 10 Surplus/(deficit) for the financial year

As permitted by section 408 of the Companies Act 2006, the parent charitable company's statement of financial activities has not been included in these financial statements. The surplus/(deficit) for the financial year is made up as follows:

	2010 £	2009 £
Parent charitable company's surplus/(deficit) for the financial year	<u>2,204,623</u>	<u>(1,623,106)</u>

### 11 Restricted funds

#### Group

	Speirs Fund £	Residential Home Reserve £	Total £
Balance at 1 July 2009	2,913,841	729,791	3,643,632
Incoming resources	1,936,913	-	1,936,913
Resources expended	(1,042,569)	-	(1,042,569)
Investment gains	135,817	-	135,817
Transfers to other funds (note 15)	<u>(2,328,384)</u>	<u>(729,791)</u>	<u>(3,058,175)</u>
Balance at 30 June 2010	<u>1,615,618</u>	<u>-</u>	<u>1,615,618</u>

Previously the Speirs Fund was established to upkeep the Speirs House estate and to provide accommodation to IET members and their dependents. The Residential Home Fund was designated to make provisions for the replacement of care facilities where appropriate. Following the sale of Speirs House Residential Home as detailed in note 14, the balances in the restricted funds have been amalgamated into one restricted fund being the Speirs Fund. This is in accordance with the Charity Commission Scheme dated 29 January 2010.

## Notes to the financial statements

### 11 Restricted funds (continued)

#### Charity

	<b>Speirs Memorial Fund £</b>	<b>Residential Home Reserve £</b>	<b>Total £</b>
Balance at 1 July 2009	2,913,841	729,791	3,643,632
Incoming resources	1,178,615	-	1,178,615
Resources expended	(284,271)	-	(284,271)
Investment gains	135,817	-	135,817
Transfers to other funds (note 15)	(2,322,579)	(729,791)	(3,052,370)
Balance at 30 June 2010	<u>1,621,423</u>	<u>-</u>	<u>1,621,423</u>

### 12 Endowment Funds

#### Group & Charity

	<b>Speirs Permanent Endowment Fund £</b>	<b>Total £</b>
Balance at 1 July 2009	-	-
Incoming resources	-	-
Resources expended	-	-
Investment losses	(286,471)	(286,471)
Transfers from other funds (note 15)	3,000,000	3,000,000
Balance at 30 June 2010	<u>2,713,529</u>	<u>2,713,529</u>

### 13 Transactions with Trustees

No members of the Board of Trustees received any remuneration for the services to IET Connect for the year. During the year travel and subsistence cost totalling £7,006 were reimbursed to 9 Trustees (2009: £8,897 to 13 Trustees). IET Connect provides and pays for trustee indemnity cover which cost £705 for the year (2009: £1,155).

### 14 Exceptional item: Profit on sale of Speirs House

The trade of Speirs House was transferred into a subsidiary company, Speirs House (limited by guarantee), on 15 July 2009. On 1 March 2010 the care home and the trade were sold to a third party for £3,250,000. The amounts recognized in the financial statements are as follows:

Purchase price	£ 3,250,000
Net book value of assets sold	(2,170,919)
Net proceeds from sale	<u>1,079,081</u>
Legal costs	175,625
Wages allocation	8,305
Total costs associated with the sale	<u>183,930</u>

## Notes to the financial statements

### 15 Funds transfers

£3 million of the proceeds from the sale of Speirs House (note 14) were transferred during the year from the Speirs House restricted fund (note 11) to a new endowment fund (note 12). £47,550 staff costs incurred in relation to the sale were transferred from the General Fund to the Speirs Fund. There were also transfers in the year between the General Fund and the Speirs Fund following on from the sale of Speirs House.

### 16 Subsidiary Companies

The charity has one wholly owned subsidiary, Speirs House. Speirs House, a company limited by guarantee, was incorporated on 17 September 2007. Speirs House was subsequently controlled by the Trustees of The Institution of Engineering and Technology Benevolent Fund until the completion of the CQC registration in June 2009 triggered the transfer clause in the 2007 transfer agreement. The transfer is deemed to have taken place on 15 July 2009. On 1 March 2010 Speirs House was sold to Greensleeves Homes Trust (note 14), a not-for-profit care home specialist. Speirs House is a not for profit company and registered charity.

The results of the company for the year ended 30<sup>th</sup> June 2010 are summarised below.

#### Balance sheet as at 30 June 2010

	£
Current assets	26,419
Current liabilities	(26,419)
Total assets less liabilities	<u>-</u>
Represented by accumulated funds	<u>-</u>

#### Summarised Statement of Financial Activities at 30 June 2010

	£
Total incoming resources	776,818
Total resources expended	(776,818)
Net outgoing resources	<u>-</u>

All income is unrestricted in the company however in the group financial statements all of the income has been allocated to the Speirs Fund.

### 17 Related party transactions

During the year The Institution of Engineering and Technology Benevolent Fund (IET Connect) contributed to the running costs of Speirs House. These contributions totalled £18,520 (2009: £nil). At the year end the balance due from IET Connect to Speirs House was £5,805 (2009: £nil).

## Notes to the financial statements

### 18 Total resources expended

#### Group

#### Costs of generating funds

	Donations/ legacies	Events	Investment Income	Total 2010	Total 2009
	£	£	£	£	£
Staff costs	6,460	6,459	6,460	19,379	19,599
Staff recruitment and other costs	-	339	-	339	221
Investment management fees	-	-	(4,619)	(4,619)	7,552
Marketing & publicity	-	-	-	-	8,497
Rent & services	-	-	-	-	644
Other costs	-	-	-	-	1,159
Direct event cost	-	348	-	348	311
Staff fundraising costs	-	-	-	-	1,933
<b>Total costs</b>	<b>6,460</b>	<b>7,146</b>	<b>1,841</b>	<b>15,447</b>	<b>39,916</b>
2009 Total costs	19,697	6,489	13,730	39,916	

#### Charitable expenditure activities

	Welfare, employment/ career, legal, money and general advice	Financial Assistance	Service development and Publicity	Speirs House	Total 2010	Total 2009
	£	£	£	£	£	£
Grants	34,419	307,385	-	-	341,804	416,051
Staff costs	58,139	74,750	41,528	590,019	764,436	972,715
Staff recruitment and other costs	-	-	4,788	2,609	7,397	2,095
Marketing & publicity	-	-	26,261	-	26,261	8,497
Market research	-	-	-	-	-	14,334
Rent & services	-	-	10,407	92,786	103,193	6,072
Travelling & meeting costs	-	3,747	-	-	3,747	17,202
Legal & professional fees	-	-	-	-	-	24,614
Residential care home costs	-	-	-	68,854	68,854	383,118
Other costs	-	8,737	20,468	9,615	38,820	10,939
Staff fundraising costs	-	-	-	-	-	1,933
Bad debt written off	-	-	-	23,125	23,125	-
	<b>92,558</b>	<b>394,619</b>	<b>103,452</b>	<b>787,008</b>	<b>1,377,637</b>	<b>1,857,570</b>
Service development and publicity *	82,762	20,690	(103,452)	-	-	-
<b>Total costs</b>	<b>175,320</b>	<b>415,309</b>	<b>-</b>	<b>787,008</b>	<b>1,377,637</b>	<b>1,857,570</b>
2009 Total costs	123,157	535,116	-	1,199,297	1,857,570	

\* Service development and publicity costs represent the support costs of the group.

## Notes to the financial statements

### 18 Total resources expended (continued)

	Governance costs				Total 2010	Total 2009
	Strategic planning/ Development Work	Trustee meetings/ reports	Accountancy and Audit	Organisational Legal/ Professional		
	£	£	£	£	£	£
Staff costs	85,443	18,688	-	-	104,131	75,594
Staff recruitment	-	-	-	-	-	859
Audit fees	-	-	30,638	-	30,638	16,997
Rent & services	-	-	-	-	-	2,484
Depreciation	-	-	-	6,746	6,746	5,751
Travelling & meeting costs	-	2,863	-	-	2,863	17,795
Legal & professional fees	-	-	-	52,508	52,508	11,850
Other costs	-	-	-	-	-	4,476
<b>Total costs</b>	<b>85,443</b>	<b>21,551</b>	<b>30,638</b>	<b>59,254</b>	<b>196,886</b>	<b>135,806</b>
2009 Total costs	15,447	45,599	44,801	29,959	135,806	