

**The Institution of Engineering and Technology  
Benevolent Fund**  
Financial Statements and Annual Report  
For the year ended 30 June 2009

**Charity no 208925**  
**Company Registration no 441284**

Registered Office.  
2 Savoy Place  
London  
WC2R 0BL

THURSDAY



A18      \*AWHDFI74\*      27  
11/03/2010  
COMPANIES HOUSE

## Index

Report of the Trustees	1 - 12
Independent auditor's report	13 - 14
Statement of financial activities	15
Balance sheets	16
Notes to the financial statements	17 - 24

## Report of the Trustees

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 2009. 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 No 441284) and is registered as a charity (Charity No 208925). It is managed in accordance with its Memorandum and Articles of Association and under the terms of 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 beneficiaries to whom advice and support is provided. Local Representatives make up the Court that 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 Court also has responsibility for appointing four of the ten trustees.

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

The Speirs Memorial Fund is a restricted fund, which allows the income from the Chesters Estate to be used solely for the upkeep of the Estate and, with the capital, to provide accommodation for IET members and their dependants. The Board of Trustees established a wholly owned charitable subsidiary company for the operation of Speirs House. The company has a Board of Directors that took over the trustees' responsibility for the running of Speirs House within policies set by the parent body, the IET Benevolent Fund.

The Trustees recognise that IET Connect could not undertake its valuable work without the support of IET members who donate on a regular basis. They wish to thank all members who contribute financially and in other ways, in particular to 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 Court a significant representation on the Board. The IET appoints two trustees of whom one must be a current trustee of the IET, the Court appoints four trustees and the Board of Trustees appoints up to four. A majority of the trustees must be members of the IET.

Invitations for nominations for trustees appointed by the Court to fill vacancies on the Board are sent out prior to the Annual General Meeting. The Court 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.

## Report of the Trustees

### 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 Corporate Plan, Annual Development Plan and recent financial performance. External training is also available to help facilitate the undertaking of their roles.

### OBJECTIVES

The Institution of Engineering and Technology (IET) Benevolent Fund, known as IET Connect, provides information, advice and financial support 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, it currently owns one care home in Surrey (Speirs House) in which accommodation is available to members and their dependants.

### PUBLIC BENEFIT

#### How IET Connect Activities Deliver Public Benefit

In setting out the activities for the year, the Trustees of IET Connect have complied with the duty in Section 4 of the Charities Act 2006 to "have due regard" to public benefit guidance published by the Charities Commission.

The Charity's objects and funding limit the services that it can provide and therefore the focus has been on members (and former members) of the IET (150,000 current members worldwide) and their dependant families.

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.

The impact goes much further because by helping someone at a difficult time, his or her close family are also helped. The ability to assist more people is widened even further because the Charity will also help former members and dependants of past members, irrespective of when the member may have died if, in fact, that is the case.

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.

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

Whilst IET Connect will always provide financial help to members who need it (2008/09 circa £535,000 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 financial support to be seen as a short term support, helping IET members and their partners get back into work, live independently and contribute to society once again.

## Report of the Trustees

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

Equal access to the services provided is an important issue for IET Connect. IET members living in poverty and need are sought out as far as possible and actively encouraged to apply to IET Connect for help. All new applicants are means tested and anyone coming below our thresholds is awarded some form of financial help. By applying this measure, IET Connect ensures that people living in poverty form the focus of its activity.

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 include information about the help that IET Connect may be able to offer.

IET Connect has been careful to promote their services to IET members of all ages – through targeted mailings, articles in Local Network Newsletters, membership journals and IET Connect's website. Presentations are also given by Local Representatives at Local Network meetings. Marketing materials are distributed at IET courses and events.

### EXAMPLES OF HOW IET CONNECT HAS HELPED

Grants are made to people on low incomes for a range of purposes

#### Disability Equipment

IET Connect helped to buy a specially adapted vehicle for a 53 year old member with multiple sclerosis. He and his wife and son were able to go on several trips around the UK before he sadly passed away.

*His widow said 'Thank you so much for all your help and support of the many year's of Mark's illness. It helped us to prolong his life and enjoy it to the full. It's good to know that I can contact you again if I need to.'*

#### Holidays

A couple in their twenties received a holiday grant after the husband was diagnosed with a terminal illness. The grant meant they could take a last holiday together. Three months later he died.

*His widow wrote to say 'We really valued the financial help IET Connect was able to give over this time.'*

#### Carers' grants

A divorced member in his 40s, who had had to give up work to care for his elderly mother, was given a weekly grant to help with extra costs not covered by State benefits.

*'Thanks for my weekly grant which allows me to live and maintain contact with my sons.'*

The wife of an elderly disabled member in his 70s was given a holiday grant, for a much needed break while her husband went to a respite care centre.

#### Grants for home adaptations and equipment

A member in his 50s, whose elderly mother recently moved into his home to be cared for, was given a grant to install a stairlift. *"I just wanted to say a big thank you for your help arranging the stair lift. At last my mother is able to benefit from the luxury of being able to take a shower. Until now she has had to have a strip wash at the kitchen sink."*

## Report of the Trustees

### Monthly grants

A member in his 40s, who received treatment for a brain tumour, suffers from severe fatigue and memory loss, and will never be able to return to full time employment. He and his partner and their 3 young children were given a holiday to visit relatives overseas. They also received a monthly grant to supplement his disability benefits and his wife's part-time earnings.

*"IET Connect's help takes the pressure off us and enables us to enjoy things which most families take for granted. I would urge anyone who finds themselves in difficulties to get in touch with IET Connect. That one 'phone call could make a big difference to your life."*

The elderly widow of a member in South Africa received a monthly grant to help with a cleaner and gardener and to maintain her independence in her home.

*'I'm so grateful for all of the help you have given but also for the sympathy and kindness.'*

### EMPLOYMENT SUPPORT

#### Outplacement scheme

Funding was offered for a new employment outplacement scheme for a lone parent in his 50s struggling to find permanent employment. The one-to-one sessions help unemployed people get back to fulfilling employment. It is planned to offer such places to more unemployed members and their partners in the future.

*'Thank you so much for thinking of me with regard to this scheme. This will certainly give me the 'boost' that I need with my job seeking endeavours.'*

### ADVICE

#### State Benefit Advice

One of IET Connect's aims is to make individuals aware of what they may be able to claim, by pinpointing the benefits that may be available and advising them on how to apply.

The increased income as a result of a successful benefits claim often means that people no longer need regular charitable grants from IET Connect and can manage independently. However they can come back at any time, particularly if they have a need for a large expense, such as replacement household equipment.

Examples of benefits help are as follows:

The income of a disabled member living on his own was checked and it was discovered that he was entitled to an additional disability premium on his Income Support, increasing his income by £50 per week. The extra money helps him to maintain independence.

Not only did a member in her 50s successfully claim Income Support Severe Disability Premium with advice from IET Connect, she also received a backdated sum of £4,300.

IET Connect staff arranged for Age Concern to visit an elderly housebound beneficiary to help her to fill in the application form for Attendance Allowance. She received an increase of £21.35 to her weekly Attendance Allowance. She also successfully applied for the Blue Badge scheme because of mobility difficulties and now has free parking when being driven by a relative.

## Report of the Trustees

During the year IET Connect staff identified approximately £52,000 in unclaimed benefits that beneficiaries are now claiming

### General advice

IET Connect also provides signposting and referral to specialist advice organizations for help with disability advice, and statutory funding and other organizations that can help

### Website

Factsheets and links are available via the website for members and relatives but also anyone else who may need it

### Legal advice

Quotes from younger members who rang the Legal Helpline Service about an employment issue

*'This is an excellent service'*

*'This is a practical and useful way of helping younger members'*

## WELFARE POLICIES AND ACTIVITIES

Welfare work falls into five main areas in the form of advice, advocacy, personal contact, financial assistance and long term care, with support tailored to meet individual needs

### Advice

Free advice is available 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

### 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

Referral to a telephone debt advice service for help with resolving money problems and arranging debt management plans

### Advocacy

Advocacy is available for people where additional support is needed in resolving problems

### Personal Contact

Volunteer Local Representatives and London office staff visit people in their own homes to discuss needs and the help available

### 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. Special equipment can also be purchased for disabled people

## Report of the Trustees

### Accommodation

IET Connect currently provides accommodation for elderly members and their dependants at Speirs House in New Malden, Surrey. Support for residential, nursing and respite care is also available elsewhere. Assistance with accommodation is an area the Trustees will be developing in the future.

### Outplacement

A new outplacement service was introduced this year 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.

### 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.

## ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

With an IET worldwide membership of over 150,000, in over 100 countries, the individual needs and circumstances of members are diverse.

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

Research has shown that members are more likely to be in need of advice and information than financial support and we are continuing to focus more on developing services to ensure that IET Connect helps to meet these needs.

The Trustees are constantly looking at ways of promoting IET Connect and encouraging members to contact the Charity for help. Research completed in May 2009 identified that many IET members are reluctant to approach IET Connect for help and as a result we are looking at ways to resolve this. A communications plan will include more targeted emails and personalized mailing to all members as part of the annual IET Subscription Renewal mailing.

Targeted direct mail campaigns have been the most successful method of raising awareness and increasing service usage. Articles have been published in IET's 'Engineering and Technology' and 'Member News', which have a 150,000 readership, and other journals, and are now part of an annual publicity programme.

### Legal Helpline

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

In the year 08/09, 75% of the requests were for advice on employment issues (up from 60% in the previous year), 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.



## Report of the Trustees

### Financial Assistance

IET Connect continues to help people with grants and loans. The Charity assists more people under the age of retirement than ever before, with increasingly complex circumstances, most new applications for funding are received from working age people and the numbers of people in need look set to increase. 40% of grants expenditure goes towards meeting the needs of people under the age of 60.

### Benefits Advice

As has already been mentioned, in the last 12 months approximately £52,000 in unclaimed benefits has been identified through benefits checks and successfully claimed as a result 16 members and their relatives, are now receiving, on average, £3,000 extra in State benefits a year. These benefits include Income Support and premiums, Pension Credit Carers and Savings additions, Disability Living Allowance, Working Tax Credit, Housing Benefit and Council Tax Benefit.

### 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 staff has produced a series of fact sheets for the IET Connect website concentrating on employment issues. In addition there are also factsheets on a wide variety of other topics such as finding a care home, working with a disability, housing grants, home adaptations and dealing with debt.

### PLANNED SERVICE DEVELOPMENTS FOR 2009/10

#### Employment after Redundancy

IET members rate career and unemployment advice highly as one of their needs and which they look to their professional institution for.

The Charity aims to give more help to unemployed members through wider promotion of an outplacement scheme, introduced as a pilot scheme last year. The scheme is particularly relevant because of the rising unemployment numbers as a result of the economic downturn.

Although this scheme has not been running for very long the feedback so far has shown this service to have been outstandingly successful in rebuilding individuals' battered self-esteem and giving them hope for the future. It concentrates on helping people to get back into work by developing a greater awareness of their capacities, potential, skills and limitations, to help them to pursue the career opportunities open to them.

#### Legal Helpline

The success of the free legal advice helpline has helped us to triple the number of IET members that IET Connect supports. Previously the service was only available to UK members, but it has now been expanded to include members living in the European Union and we are considering how we may be able to extend it further still.

### Financial Assistance

Financial assistance continues to be an extremely important part of the Charity's work. The associated casework, particularly with younger members, is growing ever more complex. Grants will focus more on providing short term financial support to help people to improve their long term prospects. Financial

## Report of the Trustees

assistance will be available to help unemployed members with retraining, and related costs, including childcare, which are not met through statutory funding

Funding is also aimed at helping vulnerable elderly or disabled individuals and their carers maintain independence in the home, with grants for home adaptations, mobility equipment and home care and respite breaks for carers

### Counselling

Counselling will be made available to individuals who would benefit and where it cannot be provided through the NHS or other specialist provider. The flexible approach of the Charity means that every case is judged on its merits and the most appropriate form of counselling will be proposed

### Information and Other Support

Signposting is an area of growth. With the increase in calls for generalist advice to the helpline, we will make more use of Advice Guide, the CAB public information database

### Communications

During 2009-10 we plan to continue to build on the existing programme, ensuring that all members receive regular communications through a variety of media

### Speirs House

Running a single care home, in this case Speirs House, with no immediate sources of "in house" management back-up has been a constant concern of the Trustees. The increasing demands of care home legislation, health and safety regulations and other statutory requirements are other pressures. The IET Connect Trustee Board and Speirs House Directors are comprised entirely of engineers, so they have increasingly needed to use specialist consultants

Despite the efforts of IET Connect and the Speirs House Directors, the home, which is able to provide long term care and respite care for up to 35 people, has had a consistently low number of IET members and their dependants making use of the facility, with never more than 50% of residents being members or relatives of members. Perhaps this is not really surprising, given that care home specialists say that most people choose to go into care homes located within 10km or a 20 minute drive from their home

Speirs House has given IET Connect much cause for concern over the years in a number of respects and, on 3 occasions (2003, 2006 and 2008), the IET Connect Trustee Board commissioned a formal report on its possible sale. On the first 2 occasions, it was decided not to pursue such a move, however, in 2008 the Board decided to search for a suitable professional care home organization to whom Speirs House could possibly be sold

In parallel, a wide consultation process was initiated with stakeholders, which commenced in January 2009. This included publication of a leaflet sent to all IET members outlining what was being considered, 2 meetings with the IET Connect Court members who canvassed opinion in their Local Networks and reported their findings, several meetings with the Speirs House Board and meetings with the residents at Speirs House. In Spring 2009, the IET Connect Trustee Board set up an Evaluation Panel to identify potential appropriate competent purchasers for Speirs House within the not-for-profit sector. By June 2009 the Panel had invited bids for Speirs House and was awaiting the response. The sale of Speirs House would enable the Charity to focus on being able to provide care facilities anywhere where IET members, former members and their dependants are in need and not in just one small geographic area

## Report of the Trustees

### Conclusion

Clearly the future of Speirs House and what happens after any decisions are made will have a significant impact on the Charity in the future – particularly during the 09/10 Financial Year. That said, it is imperative that it does not detract from the other work of the Charity.

One of the greatest challenges that the Trustees face is how to continually raise the awareness of how IET Connect can help and reach out to members who might be facing difficulties but, for one reason or another, are unwilling to make contact. The benefits of seeking and finding help in the early stages of a problem are well known. It is vital that everyone knows of the help available and how to access it. A new communications plan will attempt to ensure that members see the relevance of IET Connect to themselves, whether now or in the future. New personalized mail shots will help to publicize this message.

Whilst IET Connect will always provide financial help, more emphasis is being placed on providing preventative help – more advice at the start of a problem before it gets out of hand. As always, prevention is better than cure. It is recognized that it is all too easy for someone to lose hope and then just to depend on regular charitable grants, therefore, IET Connect is looking for ways where a swift injection of cash to resolve a particular problem can lift someone out of that cycle before it really starts.

### FINANCIAL REVIEW

The financial results of the year are set out in the Statement of Financial Activities on page 15 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 £2,870 (2008 surplus of £43,776 before exceptional items). Total incoming resources for the year were £2,254,892 slightly up compared to £2,090,871 in the previous year.

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

Charitable Expenditure Activities highlights the resources expended on non-financial assistance, this was £123,157 (2008, £95,246) i.e. the welfare, legal, money and general advice and information given, and the resources spent on providing financial assistance was £535,116 compared to £479,726 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 organisations that provide financial help, thereby reducing the need for financial assistance from IET Connect.

Governance costs of £135,806 (2008, £121,435) arise mainly from the legal and staff costs incurred in the legal work on reviewing the future position on loans to beneficiaries and ensuring CCA and FSA compliance and also work on the potential sale of the care home Speirs House.

Investment losses of £1,625,976 are shown in Other Recognised Gains and Losses. Such losses were to be expected during a period of extreme market volatility.

## Report of the Trustees

### INVESTMENT POLICY

The Trustees' investment powers are governed by Charity and Trustee legislation and regulations and IET Connects' 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 Speirs Memorial Fund have been amalgamated within a Common Investment Fund which was invested with Barclays Global Investors (BGI)

The investments are invested alongside those of the IET and are monitored as a whole by the IET Investment Committee. The Committee monitors the performance of investment managers on a three and five rolling year basis

### 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 General and Speirs Memorial Funds' accumulated funds are either used as charitable assets such as property, repayable loans, or are endowed and invested to provide an income stream to part fund the current level of activity on a continuing basis into the future

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, dealing with debt and providing information on State benefits and other organisations 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 as much income from its investments as in previous years, 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

### 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 accounts for this charitable company in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP)

## Report of the Trustees

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

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

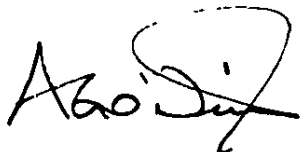
Each of the persons who is a trustee at the date of approval of this report confirms that

- So far as each of the Trustees is aware, there is no relevant audit information of which the 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 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 **5<sup>th</sup> March 2010**

## Report of the Trustees

### 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  
 Dr N F Chin MSc CEng FIET (retired 1 October 2008)  
 Mr A C Cunningham TD BSc (Eng) CEng MIET (appointed 29 October 2008)  
 Mr M G Dee BSc CEng (retired 1 October 2008)  
 Eur Ing Dr A L Dowd BSc CEng FIET  
 Brigadier J R Drew CBE BSc (Eng) FIEE  
 Mr M Fox BSc CEng (retired 29 October 2008)  
 Mrs A D Giles BSc (Hons) CEng FIET  
 Dr W S Jones OBE BSc FEng CEng (retired 30 October 2008)  
 Mr D J Manning BSc CEng FIET (appointed 30 October 2008)  
 Mr A G O'Neill BSc MSc CEng FIET (appointed 1 October 2008)  
 Mr C H Porter BSc (Eng) CEng FIEE (appointed 1 October 2008)  
 Mrs M A Stewart BEng MIET  
 Mr P Wason BSc (Eng) CEng Hon FIET (retired 30 October 2008)  
 Mr P S Weaver BSc (Eng) CEng FIEE (appointed 30 October 2008)

### Legal and administrative details

Chief Executive Officer and Company Secretary	Miss C J Oxland OBE FCIS
Investment managers	Barclays Global Investors Limited Murray House 1 Royal Mint Court London EC3N 4HH
Bankers	Barclays Bank PLC 50 Pall Mall London SW1A 1QB
Solicitors	Blake Lapthorn Tarlo Lyons LLP Harbour Court Compass Road Portsmouth PO6 4ST  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 The Institution of Engineering and Technology Benevolent Fund

We have audited the financial statements of The Institution of Engineering and Technology Benevolent Fund for the year ended 30 June 2009 which comprise the statement of financial activities, the balance sheet and the related notes 1 to 13. 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 495 and 496 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 to the 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.

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

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 charitable company's affairs as at 30 June 2009 and of its incoming resources and application of resources, including its income and expenditure for the year then ended,
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- 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

*Kingston Smith LLP*

**Sidney Bright (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. *8th March 2010*



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

	Note	Unrestricted General Fund	Restricted Speirs Memorial Fund	Residential Home Reserve	2009 £	Total 2008 £
<b>INCOMING RESOURCES</b>						
<b><u>Incoming resources from generated funds:</u></b>						
<b>Voluntary income</b>						
Donations	1(iv)	457,252	-	-	<b>457,252</b>	442,092
Legacies	1(iv)	223,188	-	-	<b>223,188</b>	100,539
<b>Activities for generating income</b>						
Fundraising events		23,194	-	-	<b>23,194</b>	25,024
Investment income and interest	1(vi)	407,814	61,953	3,715	<b>473,482</b>	360,189
<b><u>Incoming resources from charitable activities:</u></b>						
Speirs House residential home		-	1,077,776	-	<b>1,077,776</b>	1,163,027
<b>Total incoming resources</b>		<b>1,111,448</b>	<b>1,139,729</b>	<b>3,715</b>	<b>2,254,892</b>	<b>2,090,871</b>
<b>RESOURCES EXPENDED</b>						
<b><u>Costs of generating funds</u></b>						
Donations / legacies	13	19,697	-	-	<b>19,697</b>	33,436
Fundraising events and publicity		6,489	-	-	<b>6,489</b>	30,189
Investments		12,794	936	-	<b>13,730</b>	19,203
		<b>38,980</b>	<b>936</b>	<b>-</b>	<b>39,916</b>	<b>82,828</b>
<b><u>Charitable expenditure activities</u></b>						
Welfare, legal, money and general advice	13	123,157	-	-	<b>123,157</b>	95,246
Financial assistance		535,116	-	-	<b>535,116</b>	479,726
Speirs House residential home		28,251	1,171,046	-	<b>1,199,297</b>	1,267,860
		<b>686,524</b>	<b>1,171,046</b>	<b>-</b>	<b>1,857,570</b>	<b>1,842,832</b>
Governance costs	13	135,806	-	-	<b>135,806</b>	121,435
<b>Total resources expended before exceptional items</b>		<b>861,310</b>	<b>1,171,982</b>	<b>-</b>	<b>2,033,292</b>	<b>2,047,095</b>
Pension scheme contributions		218,730	-	-	<b>218,730</b>	-
<b>Total resources expended after exceptional items</b>		<b>1,080,040</b>	<b>1,171,982</b>	<b>-</b>	<b>2,252,022</b>	<b>2,047,095</b>
Net incoming resources		31,408	(32,253)	3,715	<b>2,870</b>	43,776
Loss / Gain on investments - unrealised and realised	3	(1,424,355)	(220,358)	18,737	<b>(1,625,976)</b>	(1,043,632)
Transfer between funds	1(ii)	-	(115,957)	115,957	<b>-</b>	-
<b>Net movement in funds</b>		<b>(1,392,947)</b>	<b>(368,568)</b>	<b>138,409</b>	<b>(1,623,106)</b>	<b>(999,856)</b>
Total funds brought forward		<b>12,153,291</b>	<b>3,282,409</b>	<b>591,382</b>	<b>16,027,082</b>	<b>17,026,938</b>
<b>Total funds carried forward</b>		<b>10,760,344</b>	<b>2,913,841</b>	<b>729,791</b>	<b>14,403,976</b>	<b>16,027,082</b>

All incoming resources and resources expended are derived from continuing activities. There are no other recognised gains and losses other than shown above.

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

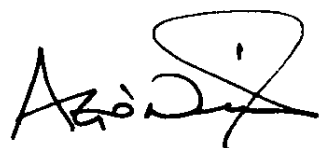
**The Institution of Engineering and Technology Benevolent Fund**  
**A Company Limited by Guarantee**  
**Financial Statements for the year ended 30 June 2009**

## Balance sheet as at 30<sup>th</sup> June 2009

	Notes	Unrestricted Funds General Fund £	Restricted Funds Speirs Memorial Fund £	Residential Home Reserve £	Total 2009 £	Total 2008 £
<b>FIXED ASSETS</b>						
Tangible assets	2	52,630	2,136,444	-	<b>2,189,074</b>	2,224,062
Investments	3	9,635,492	634,137	729,791	<b>10,999,420</b>	12,558,177
		<u>9,688,122</u>	<u>2,770,581</u>	<u>729,791</u>	<b>13,188,494</b>	14,782,239
<b>CURRENT ASSETS</b>						
Repayable grants	4	869,064	-	-	<b>869,064</b>	848,270
Debtors	5	181,442	113,107	-	<b>294,549</b>	292,989
Cash at bank and in hand		478,588	163,410	-	<b>641,998</b>	728,516
		<u>1,529,094</u>	<u>276,517</u>	<u>-</u>	<b>1,805,611</b>	1,869,775
<b>CREDITORS.</b>						
Amounts falling due within one year	6	126,158	207,771	-	<b>333,929</b>	523,202
Inter fund current accounts	7	74,514	(74,514)	-	<b>-</b>	-
		<u>200,672</u>	<u>133,257</u>	<u>-</u>	<b>333,929</b>	523,202
<b>NET CURRENT ASSETS</b>		1,328,422	143,260	-	1,471,682	1,346,573
<b>CREDITORS' amounts falling due after one year</b>	8	256,200	-	-	<b>256,200</b>	101,730
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>10,760,344</u>	<u>2,913,841</u>	<u>729,791</u>	<b>14,403,976</b>	16,027,082
<b>ACCUMULATED FUNDS</b>		<u>10,760,344</u>	<u>2,913,841</u>	<u>729,791</u>	<b>14,403,976</b>	16,027,082

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 5 January 2010



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

Date: **5<sup>th</sup> March 2010**

Company Number: **441284**

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. Comparatives have been revised where necessary. 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.

#### (iii) Fund accounting

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 charity.

The Speirs Memorial Fund is a restricted fund that allows 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 is charged to the Fund, together with a fair allocation of overheads and support costs.

The Trustees have 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, is transferred to the reserve each year. Funds are transferred back to the Speirs Memorial Fund when expenditure is incurred in the year in replacing care facilities, additional sums may be transferred depending on the overall circumstances of the Fund each year. The reserves are 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, is also added to the reserves to maintain their real value. Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

#### (iv) Incoming resources

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

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

The Fund does 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.

#### (v) Resources expended

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



## Notes to the financial statements

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 charity's duties and the cost of statutory compliance.

### (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 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 together with its associated tax credit.

The investments of the General and Speirs Memorial Fund are held in common Investment Fund (CIF). Investment income, investment gains and losses of the CIF are allocated to the General and Speirs Memorial Fund on the basis of the market value of each Fund's investments on the date when they were consolidated and subsequent years on 1 July each year.

### (vii) Fixed assets

Fixed assets are capitalised 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 company 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 s 505 Income and Corporation Taxes Act 1988 and s256 Taxation of Chargeable Gains Act 1992. No tax charge has arisen in the year.

### (x) Repayable loans

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

## Notes to the financial statements

### 2 Tangible Assets

	Land & Property Freehold £	Furniture & Equipment £	Computer Equipment £	Minibus £	Total £
<b>GENERAL FUND</b>					
<b>Cost</b>					
At 1 July 2008	34,475	33,189	28,085	-	95,749
Additions	-	715	-	-	715
At 30 June 2009	34,475	33,904	28,085	-	96,464
<b>Depreciation</b>					
At 1 July 2008	-	19,145	18,938	-	38,083
Charge for the year	-	2,383	3,368	-	5,751
At 30 June 2009	-	21,528	22,306	-	43,834
<b>Net book value</b>					
At 30 June 2009	34,475	12,376	5,779	-	52,630
At 30 June 2008	34,475	14,044	9,147	-	57,666
<b>THE SPEIRS MEMORIAL FUND</b>					
<b>Cost</b>					
At 1 July 2008	2,364,745	982,700	34,567	33,098	3,415,110
Additions	-	98,096	-	-	98,096
At 30 June 2009	2,364,745	1,080,796	34,567	33,098	3,513,206
<b>Depreciation</b>					
At 1 July 2008	653,197	546,538	15,881	33,098	1,248,714
Charge for the year	47,296	73,662	7,090	-	128,048
At 30 June 2009	700,493	620,200	22,971	33,098	1,376,762
<b>Net book value</b>					
At 30 June 2009	1,664,252	460,596	11,596	-	2,136,444
At 30 June 2008	1,711,548	436,162	18,686	-	2,166,396
The net book value at 30 June 2009 represents fixed assets used for the charitable purposes					
<b>TOTAL NET BOOK VALUE</b>					
At 30 June 2009	1,698,727	472,972	17,375	-	2,189,074
At 30 June 2008	1,746,023	450,206	27,833	-	2,224,062

## Notes to the financial statements

### 3 Investments

**Net investment transactions:**

	£
Market value at 1 July 2008	12,558,177
Purchases	1,826,842
Sales proceeds	(1,820,647)
Net investment loss	(1,625,976)
Increase in investment cash	61,024
Market Value at 30 June 2009	<u>10,999,420</u>

	General Fund (Unrestricted)	Speirs House Memorial Fund (Restricted)	TOTAL
	£	£	£
<b>Net movement in investments:</b>			
Market value at 1 July 2008	11,000,963	1,557,214	12,558,177
Net investment loss	(1,424,355)	(201,621)	(1,625,976)
New funds invested	58,884	8,335	67,219
Market value at 30 June 2009	<u>9,635,492</u>	<u>1,363,928</u>	<u>10,999,420</u>
Net realised investment loss based on historical cost	<u>51,257</u>	<u>7,256</u>	<u>58,513</u>

**Analysis of investments:**

	2009		2008	
	Market Value	Cost	Market Value	Cost
	£	£	£	£
Listed investments	10,715,327	11,689,445	12,308,088	11,741,762
Unlisted investments	54,560	68,060	81,580	68,060
Investment cash	229,533	229,533	168,509	168,509
	<u>10,999,420</u>	<u>11,987,038</u>	<u>12,558,177</u>	<u>11,978,331</u>

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, 78.3% are UK and 21.7% overseas.

### 4 Repayable Grants

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

## Notes to the financial statements

### 5 Debtors

	2009	2008
	£	£
GENERAL FUND		
Taxation recoverable	40,979	43,749
Due from The Institution of Engineering and Technology	19,227	-
Accrued income	98,942	75,330
Prepayments	20,747	25,196
Other debtors	1,547	-
	<u>181,442</u>	<u>144,275</u>
THE SPEIRS MEMORIAL FUND		
Trade debtors	102,412	137,561
Prepayments	10,695	11,153
	<u>113,107</u>	<u>148,714</u>
TOTAL DEBTORS	<u>294,549</u>	<u>292,989</u>

### 6 Creditors Amounts falling due within one year

	2009	2008
	£	£
GENERAL FUND		
Trade creditors	6,258	2,822
Other creditors	1,383	2
Due to the Institution of Engineering and Technology	35,198	55,782
Pension scheme contribution (note 10)	33,000	23,160
Accruals and deferred income	50,319	94,970
	<u>126,158</u>	<u>176,736</u>
THE SPEIRS MEMORIAL FUND		
Trade creditors	23,641	9,325
Other creditors	2,782	2,940
Due to the Institution of Engineering and Technology	181,348	262,260
Accruals and deferred income	-	71,941
	<u>207,771</u>	<u>346,466</u>
TOTAL CREDITORS	<u>333,929</u>	<u>523,202</u>

### 7 Inter fund Current Accounts

The Inter fund current accounts reflect payments made by one fund on behalf of the other and funds received on behalf of the other

### 8 Creditors Amounts falling due after one year

	2009	2008
	£	£
GENERAL FUND		
Pension Scheme Contributions (note 10)	<u>256,200</u>	<u>101,730</u>



## Notes to the financial statements

### 9 Subsidiary undertakings

On 17 September 2007 Speirs House, a company limited by guarantee, was incorporated. 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. Prior to that date Speirs House was a subsidiary of the Benevolent Fund. Dormant accounts for the Speirs House Company will be filed for the period up to that date.

### 10 Employee costs

	2009	2008
	£	£
Wages and salaries	913,294	805,236
Social security and welfare costs	76,645	72,804
Defined benefit pension scheme costs (see note below)	6,149	6,072
Defined contribution pension scheme costs (see note below)	15,633	15,776
	<u>1,011,721</u>	<u>899,888</u>

One employee received salary between £60,000 and £65,000

The average number full time equivalent employees analysed by function was

	2009	2008
Costs of generating funds	-	1
Charitable expenditure activities	43.5	37.5
Governance	1	1
	<u>44.5</u>	<u>39.5</u>

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.

The valuation at 31 March 2008 reported that the IEE's scheme's liabilities exceeded the assets by £24,100,000. IET Connect's contributions are affected by a 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:

	2009	2008
	£	£
Current year	33,000	23,160
Over the next eight years	256,200	101,730
	<u>289,200</u>	<u>124,890</u>

### 11 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 £8,897 were reimbursed to 13 Trustees (2008 £5,132 to 12 Trustees). IET Connect provides and pays for trustee indemnity cover which cost £1,155 for the year (2008 £1,155).



## Notes to the financial statements

### 12 Post Balance Sheet Event

In late 2008 the Board decided to search for a suitable professional care home organization to whom Speirs House could possibly be sold. In Spring 2009, the IET Connect Trustee Board set up an Evaluation Panel to identify potential appropriate competent purchasers for Speirs House within the not-for-profit sector. By June 2009 the Panel had invited bids for Speirs House and was awaiting the response. Speirs House was finally sold to Greensleeves Homes Trust, a not-for-profit care home specialist, on 1 March 2010.

## Notes to the financial statements

### 13 Total resources expended

Total resources expended	Generating Funds			Charitable Activities			Governance				Total	2008	
	Donations/ legacies	Funds	Investment Income	Welfare employment /career legal money and general	Financial Assistance	Service development and Publicity	Spurs House	Strategic Planning/ Development Work	Trustee meetings/ reports	Accountants and Auditor			Organisational Legal/ Professional
Grants					416,051							416,051	391,959
Staff Costs	8,399	5,600	5,600	58,796	75,595	41,997	796,327	13,999	25,198	25,198	11,199	75,594	943,290
Staff Recruitment	95	63	63	667	857	476	95	159	286	286	128	859	2,010
Investment Management fees			7,552									7,552	13,716
Marketing & Publicity	8,497					8,497						0	9,336
Market Research						14,334							14,334
Audit fees									16,997			16,997	10,575
Rent & services	276	184	184	1,932	2,484	1,380	276	460	828	828	368	2,484	11,321
Depreciation											5,751	5,751	7,014
Travelling & meeting costs				1,399	15,803				17,795			17,795	18,542
Legal & Professional fees					5,630		18,984				11,850	11,850	29,271
Residential Care Home Costs							383,118						509,939
Other Costs	497	331	331	3,481	4,475	2,486	497	829	1,492	1,492	663	4,476	24,393
Direct Event Cost		311										311	17,812
Staff fundraising costs	1,933					1,933						0	14,313
Service development & Publicity/*	19,697	6,489	13,730	66,275	520,895	71,103	1,199,297	15,447	45,599	44,801	29,959	135,806	2,003,490
Total Costs	19,697	6,489	13,730	56,882	14,221	71,103							43,605
				123,157	535,116	0	1,199,297	15,447	45,599	44,801	29,959	135,806	2,047,095

\* Service development costs represents support cost of the charity

