

**THE CHARTERED CERTIFIED ACCOUNTANTS'
BENEVOLENT FUND**

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020**

(REGISTERED CHARITY NUMBER 222595)

CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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REPORT OF THE BOARD OF MANAGEMENT OF THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND FOR THE YEAR ENDED 31 MARCH 2020

The Board presents its annual report and financial statements of the charity (Fund) for the year ended 31 March 2020. The financial statements have been prepared in accordance with the Accounting Policies set out in note 1 to the financial statements and comply with the Fund's governing document, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2015 (Charities SORP (FRS102)).

Structure, governance and management

The Fund is an unincorporated charity established by Trust Deed in 1918 and is registered by the Charity Commission for England and Wales, registration number 222595. The Fund is governed by its Rules.

Under the Rules of the Fund, the members of the Fund are the trustees from time to time of the charitable company, The Chartered Certified Accountants' Benevolent Fund, company number 8880293, charity number 1156341. The trustees of that charity are elected at its Annual General Meeting, to hold office for a period of up to three years and are eligible for re-election.

The activities of the Fund are now carried out by the new charitable company and a transfer document is in place to transfer all the assets and liabilities of the Fund to the new charitable company. The activities of the Fund will continue to fall away until the transfer of the assets and liabilities to the charitable company is complete, and it is recognised that this may take longer than expected because of the inflexibility of the Fund's banks. The Fund has many standing order donations from ACCA members and its bank was unwilling to transfer the bank account into the name of the new charitable company. This means that these donations are being lodged to the bank account of the Fund. During the year the donors have been advised to change their standing order details so that they are remitted directly to the new charity, although it should be noted that there is the risk that the donor will stop making the donation. The donations received by standing order are treated as income of the Fund.

The Board met twice in the year. The main business of the charity with regards to its charitable activities is now undertaken by the new charitable company. Meetings have therefore taken place for governance purposes and to approve various administrative and regulatory activities.

Objectives and activities

The principal objective of the Fund has been to raise and maintain a fund for the purpose of assisting persons in need who are, or have been, members of ACCA and their families and dependants. The Board is also empowered to assist other charitable institutions as it sees fit. The principal policy adopted by the Board of Management to further the objects of the Fund has been, to make timely grants and/or loans to members and their families who face hardship or need at any time. All grant-making activities are now undertaken by the new charitable company and no new grants or loans will ever be awarded by the Fund.

The Fund employs no staff. Its administration, including routine legal advice, is provided by ACCA. Members of the Board of Management also devote time to the Fund's affairs at meetings; travel to and from meetings and communications between meetings for which they receive no remuneration. The Fund is not dependent on the services of volunteers or donations in kind.

The Fund's unrestricted funds at the end of the year represents the general fund which will be transferred to the new charitable company in due course.

Public benefit

The Fund's principal charitable purpose has been to give to those members of ACCA and their families and dependants, who are in need, by reason of age, ill-health, disability, financial hardship or other disadvantage. Following the incorporation of the new charity, this is now undertaken by it. The Board is still of the view that the Fund meets the public benefit requirement by assisting the new charity as appropriate in relieving members and their families and dependants of financial hardship as applications will be passed on to the new charitable company. The Charity Commission published revised public benefit guidance in February 2014 which the Board has noted.

REPORT OF THE BOARD OF MANAGEMENT OF THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND FOR THE YEAR ENDED 31 MARCH 2020

Financial review

The Fund continues to receive a small amount of donations through standing orders into the bank accounts and some bank interest. It also has entitlement to Gift Aid on donations received in the last four years. Expenditure represents bank charges on the maintenance of the bank accounts. It is expected that these activities will continue to run down until the Board is in a position to close those bank accounts and complete the transfer of the assets and liabilities. The Fund may continue to receive legacies for the foreseeable future because legators may not have updated their wills to take account of the new charitable company.

The financial statements for the period are shown on pages 6 to 12. The Statement of Financial Activities on page 6 shows the incoming resources available to the Fund and the extent to which these resources have been applied. This, together with the Balance Sheet on page 7, shows the total assets of the Fund to be £520 (2019: £520). The Fund held £206,658 (2019: £520) in bank balances. During the year the trustees decided to transfer funds from the charitable company's operational bank account held with Metro Bank back to the unincorporated charity. The reason for doing this, was because Metro Bank had a lot of negative press during the year and the trustees wanted to reduce its exposure to Metro Bank to safeguard the assets. It is anticipated that the funds will be returned to the charitable company during the coming year and the remaining funds will be used to transfer the remaining assets to the new charitable company.

The Board is grateful to all who have contributed in any way to the work of the Fund during the year ended 31 March 2020. In particular, it expresses thanks to those who made a financial contribution and those who gave of their time. Donations from members amounted to £1,479 (year ended 31 March 2019: £1,742).

The Board would like to thank all those members who have supported the Fund over many years and who have made donations to the Fund.

Investment policy and performance

Following the transfer of the investment portfolio to the new charitable company, the Fund holds no investments apart from an interest-bearing bank account. The Board therefore believes that having an investment policy and reviewing performance is no longer relevant for the Fund.

Risk management

As part of their duties as trustees of the charitable company, the Board examines and reviews annually the major strategic, business and operational risks which the Fund faces and confirms that systems have been established so that the risks may be effectively monitored and their impact mitigated as far as possible. The majority of the risks are more applicable to the new charitable company however the Board recognise that the Fund still has regulatory responsibilities and will ensure that these are complied with and will continue to monitor the risks relevant to this.

Reserves policy

The Board is in the process of transferring the assets and liabilities of the Fund to the new charitable company and in due course the reserves will be run down to nil.

The Board considers that its unrestricted reserves are adequate to meet the requirements to transfer all the assets and liabilities to the new charitable company.

Achievements and performance

The Fund continued to work towards transferring the remaining assets to the new charitable company. There remains £520 (2019: £520) in unrestricted funds due to be transferred in the future. During the year the Board members signed an agency agreement/letter of understanding between the Fund and the charitable company which resolved that that the trustees of the unincorporated charity will transfer any donations and legacies received by the unincorporated charity to the charitable company as soon as reasonably possible. The agreement was subsequently signed by the trustees of the charitable company.

REPORT OF THE BOARD OF MANAGEMENT OF THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND FOR THE YEAR ENDED 31 MARCH 2020

Plans for the future

The Fund will continue to operate to manage any legacies which have been specifically left to it, although it should be noted that the letter of understanding between the new charities allows these to be received by the charitable company. The Board will also continue to transfer the remaining assets and liabilities of the Fund to the new charitable company. Once the Board is satisfied that all the assets and liabilities have been transferred to the charitable company, it may consider the dissolution of the Fund.

During the time taken to transfer the assets and liabilities, the Board will continue to maintain its efforts to attract applications for assistance from members and direct them to the new charitable company, where applicable.

Reference and administrative information

Trustees

Mr P D Finch, Chairman

Mr J M Beckerlegge

Dr M J M Briston

Mrs S Burd

Mrs J Cole

Mr A E P Laure (appointed 11 September 2019)

Miss R Mather (appointed 11 September 2019, resigned 22 April 2020)

Mr A Sandison

Mr A G Thorne

During the year, Mr J M Beckerlegge and Mr A Sandison retired as Trustees under the terms of the Memorandum and Articles of Association and were subsequently re-elected as Trustees for a further term of three years.

Honorary Secretary

H McCash

Principal Office

The Adelphi, 1-11 John Adam Street, London, WC2N 6AU

Principal Banker

Clydesdale Bank plc, 1 Woodside Crescent, Glasgow, G3 7UL

Solicitors

Bates Wells & Braithwaite London LLP, 2-6 Cannon Street, London, EC4M 6YH

Key management personnel remuneration

The Board consider the Board of Management and the Secretary as comprising the key management personnel of the charity in charge of directing and controlling the charity on a day to day basis. All board members give of their time freely and no board member remuneration was paid in the year. As the majority of business is conducted through the new charitable company, details of any board member's expenses and related party transactions are disclosed in that charity's accounts.

Board members are required to disclose all relevant interests and register them with the Secretary and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

The services of the Secretary are donated by ACCA.

REPORT OF THE BOARD OF MANAGEMENT OF THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND FOR THE YEAR ENDED 31 MARCH 2020

Board of Management's responsibilities in relation to the financial statements

The Board of Management is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

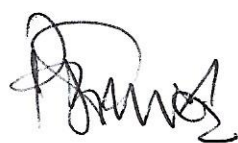
The Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005, and the regulations made thereunder, requires the Board of Management to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Generally Accounting Standards and applicable law) including FRS 102 The Financial Reporting Standard applicable period in the UK and Republic of Ireland, which give a true and fair view of the state of affairs of the Fund and of the incoming resources and application of resources, including the income and expenditure, of the Fund for that period. In preparing these financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles set out in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Board of Management is responsible for keeping proper accounting records that are sufficient to show and explain the Fund's transactions and disclose with reasonable accuracy at any time the financial position of the Fund and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the rules. The Board of Management is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

As the charity does not meet the statutory requirements for an audit or an independent examination, the Board has agreed that neither is necessary and the accounts have been prepared as stated without an external examination.

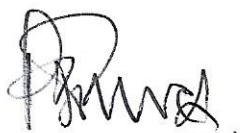


David Finch, Chairman
9 December 2020

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND
BALANCE SHEET AS AT 31 MARCH 2020**

	31 March 2020 £	31 March 2019 £
<i>Notes</i>		
Current assets		
Tax recoverable	—	—
Cash at bank and in hand	206,658	520
	<u>206,658</u>	<u>520</u>
6 Creditors: amounts falling due within one year	(206,138)	—
	<u>520</u>	<u>520</u>
Net current assets		
	<u>520</u>	<u>520</u>
Total assets less current liabilities	<u><u>520</u></u>	<u><u>520</u></u>
Funds		
7 Unrestricted funds		
General funds	520	520
	<u>520</u>	<u>520</u>
Total funds	<u><u>520</u></u>	<u><u>520</u></u>

The financial statements were approved by the Board of Management on 9 December 2020 and signed on its behalf by:



David Finch, Chairman

The accompanying notes on pages 9 to 12 form part of these financial statements.

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	Total funds Year ended 31 March 2020 £	Total funds Year ended 31 March 2019 £
Net movement in funds	—	(19,350)
Adjustments for:		
Interest received	(149)	(82)
Tax on Gift Aid donations	—	4,068
Changes in working capital:		
Trade and other payables	206,138	(15,502)
	<hr/>	<hr/>
Cash generated from operations	205,989	(30,866)
Tax received	—	—
	<hr/>	<hr/>
Net cash absorbed by operating activities	205,989	(30,866)
	<hr/>	<hr/>
<i>Cash flows from investing activities:</i>		
Interest received	149	82
	<hr/>	<hr/>
Net cash provided by investing activities	149	82
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	206,138	(30,784)
Reconciliation of funds		
Cash and cash equivalents brought forward	520	31,304
	<hr/>	<hr/>
Cash and cash equivalents carried forward	206,658	520
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes on pages 9 to 12 form part of these financial statements.

THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting Policies

The following accounting policies are considered material in relation to the Fund's financial statements:

(a) *Basis of preparation*

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(b) *Critical accounting estimates and judgements*

The preparation of financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Board's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

(c) *Preparation of the accounts on a going concern basis*

The financial statements have not been prepared on the going concern basis due to the Board's intention to wind-up the Fund on completion of the transfer of its assets and liabilities to the new charitable company. The Board consider that this has no significant effect on the figures.

(d) *Income recognition*

All income is recognised once the Fund has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. All incoming resources are accounted for on an accruals basis except for donations which are accounted for when received. Legacies are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Fund; this is normally upon notification of the interest paid or payable by the bank. Investment income is stated gross of taxation recoverable.

(e) *Expenditure recognition*

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Fund to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

(f) *Unrestricted funds*

The unrestricted general funds represent the amounts retained to ensure the continuing charitable activities of the Fund.

Designated funds are unrestricted funds that are set aside at the discretion of the trustees for specific purposes. The purpose of specific designated funds is shown in note 10 to the financial statements.

(g) *Cash at bank and in hand*

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

THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting Policies (continued)

- (h) *Support costs*
Support costs comprise the costs of administrative support provided by ACCA and trustees' expenses, both of which are apportioned between Grants Payable and Governance Costs on the basis of the time spent on each activity. Details of support costs are given in note 9.
- (i) *Expenditure on raising funds*
The costs of generating funds consist of investment management costs and certain legal fees.
- (j) *Expenditure on charitable activities*
Costs of charitable activities include grants made and an apportionment of overhead and support costs as shown in note 4.
- (k) *Governance costs*
Governance costs comprise expenditure relating to the Fund's governance and include any costs related to audit, legal and professional fees together with an apportionment of overhead and support costs as shown in note 4.
- (l) *Grant-making*
Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Benevolent Fund.
- (m) *Foreign currencies*
Transactions in foreign currencies are converted into sterling, which is the presentational currency of the charity, at exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.
- (n) *Financial instruments*
Financial instruments recognised in the balance sheet include cash and cash equivalents, receivables and prepayments and trade and other payables. Financial instruments are initially valued at fair value. Financial assets are derecognised when the rights to receive cash flows from the asset have expired. Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires.

The company assesses at each balance sheet date whether a financial asset is impaired. Where a financial asset shows an indicator of impairment, it is tested to assess whether it should be specifically impaired. The recoverable amounts of financial assets are calculated by discounting the estimated future cash flows using the original effective interest rate. Where the recoverable amount is less than the carrying value, an impairment loss is recognised. Subsequent to recognising that impairment, the impairment may be recovered if an event occurred that reverses the impairment indicator.

Subsequent to initial recognition, financial instruments are measured as set out below.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost and for the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand or bank overdraft and short-term investments and are subject to insignificant risk of changes in value.

Trade and other payables

Trade and other payables are stated at their fair value.

THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
2 Donations		
Donations from members	1,479	1,742
Tax on Gift Aid donations	—	—
	<u>1,479</u>	<u>1,742</u>

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
3 Investment income		
Interest on cash deposits and fixed rate investments	149	21
Interest received on Gift Aid claim	—	61
	<u>149</u>	<u>82</u>

	Direct costs £	Support costs £	Year ended 31 March 2020 £	Year ended 31 March 2019 £
4 Expenditure on charitable activities				
Governance costs	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

	31 March 2020 £	31 March 2019 £
5 Charitable donations		
Donation to the Chartered Certified Accountants' Benevolent Fund	1,628	21,174
	<u>1,628</u>	<u>21,174</u>

During the year the Fund transferred £1,628 (2019: £21,174) to the charity company limited by guarantee, the Chartered Certified Accountants' Benevolent Fund, as authorised by the transfer documentation which became effective as at 31 December 2014.

	31 March 2020 £	31 March 2019 £
6 Creditors: amounts falling due within one year		
Amounts due to ACCA	—	—
Amounts due to the Chartered Certified Accountants' Benevolent Fund (charitable company)	206,138	—
	<u>206,138</u>	<u>—</u>

THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

7 Analysis of net assets between funds

	Investments £	Net current assets £	Total £
As at 31 March 2019			
Unrestricted funds:			
General funds	—	520	520
	<u>—</u>	<u>520</u>	<u>520</u>
	<u>—</u>	<u>520</u>	<u>520</u>
	<u>—</u>	<u>520</u>	<u>520</u>
As at 31 March 2020			
Unrestricted funds:			
General funds	—	520	520
	<u>—</u>	<u>520</u>	<u>520</u>
	<u>—</u>	<u>520</u>	<u>520</u>
	<u>—</u>	<u>520</u>	<u>520</u>

8 Transfers between funds

	General Funds £	Total £
At 1 April 2018	19,870	19,870
Net movement in funds for the period	(19,350)	(19,350)
	<u>520</u>	<u>520</u>
At 31 March 2019	520	520
Net movement in funds for the period	—	—
	<u>—</u>	<u>—</u>
At 31 March 2020	<u>520</u>	<u>520</u>

9 Related party transactions

The Fund exists to provide assistance to persons in need who are or have been members of ACCA or related organisations and their families and dependants. ACCA is responsible for the administration of the Fund and bears some of its overhead expenses which are not reflected in the Statement of Financial Activities. Staff costs and expenses incurred by ACCA amounting to £nil (2019: £nil), are included as income in the Statement of Financial Activities as 'gifts in kind' and the expenditure as 'Support costs'. As the main activities are undertaken by the new charitable company, there are no support costs.

ACCA also collects certain income and pays certain expenditure on behalf of the Fund and there may, therefore, at any time be a balance outstanding between the Fund and ACCA. As the transfer of assets and liabilities to the charitable company is still ongoing, there may at any time be a balance between the two Chartered Certified Accountants' Benevolent Funds.

	31 March 2020 £	31 March 2019 £
Related party balances	Owing	Owing
ACCA	—	—
Chartered Certified Accountants' Benevolent Fund (charitable company)	<u>(206,138)</u>	<u>—</u>
	<u>(206,138)</u>	<u>—</u>

10 Financial assets and liabilities

All financial assets and liabilities are stated at amortised cost.