

**THE CHARTERED CERTIFIED ACCOUNTANTS'  
BENEVOLENT FUND  
(LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2017**

**(COMPANY NUMBER 08880293)  
(REGISTERED CHARITY NUMBER 1156341)  
(OSCR SC045337)**

# **CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

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**REPORT OF THE TRUSTEES  
OF THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND  
FOR THE YEAR ENDED 31 MARCH 2017**

The Trustees present their annual report and financial statements of the charity (the Fund) for the year ended 31 March 2017. 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 Companies Act 2006, 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 2014 (Charities SORP (FRS102)).

**Objectives and activities**

The principal objective of the Fund is to raise and maintain a fund for the purpose of assisting persons in need who are, or have been, members of the Association of Chartered Certified Accountants (ACCA) or the Association of Authorised Public Accountants (AAPA), and their families and dependants. The Trustees are also empowered to assist other charitable institutions as they see fit. The principal policy adopted by the Trustees to further the objectives of the Fund has been, and continues to be, to make timely grants and/or loans to members and their families who face hardship or need at any time. These loans are normally secured and are either interest-free or linked to bank base rate.

Prior to the incorporation of the Fund, the same activities were carried out by the unincorporated charity, the Chartered Certified Accountants' Benevolent Fund (old charity) (charity number 222595). The assets and liabilities of the old charity are in the process of being transferred to the Fund.

The Fund employs no staff. Its staff and administration, including routine legal advice, is provided by ACCA. The Trustees also devote time to the Fund's affairs at meetings, travel to and from meetings and have communications between meetings for which they receive no remuneration. The Fund is also supported by ACCA members and ACCA staff who may, as volunteers, visit applicants and beneficiaries from time to time when requested by the Fund. The Fund is not otherwise dependent on the services of volunteers or donations in kind.

The Fund's unrestricted funds include two designated funds: a Loan Fund and a Disaster Fund. The former is equal to the total amount of loans to beneficiaries and recognises the fact that these amounts are not available for the Fund's day-to-day operations. The latter will be used to provide emergency assistance to members and their families who have been affected by a disaster, most recently in Nepal, and will be added to annually at a rate agreed by the Board (currently 5% of the Fund's income excluding support cost donations) up to a cap of £250,000.

**Grant making policy**

The Fund exists to help members and their dependants - both financially and with appropriate advice. The Trustees encourage applications for assistance from all ACCA and AAPA members and their dependants. Applicants submit financial and other information in a specific format. Each case is considered on its own merits and is sympathetically reviewed. Assistance may take the form of one-off grants to help in the short-term, regular ongoing grants or a loan which would normally be secured on the applicant's property. In certain cases grants may be continued on an annual basis following submission of the appropriate documentation. Cases are normally reviewed annually.

The Trustees ask that ACCA and AAPA members advise the Secretary of the Fund of any potential beneficiaries they believe to be in need but who may be reluctant to approach the Fund directly. The Trustees are concerned that the Fund does not receive enough applications, although they try to contact all potential beneficiaries through a variety of media.

The Trustees review the guidelines for granting assistance annually. Details of how to apply for grants and other assistance, together with the relevant forms, are available from the Secretary and the ACCA website at <http://www.accaglobal.com/uk/en/member/membership/benevolent-fund>

# **REPORT OF THE TRUSTEES OF THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND FOR THE YEAR ENDED 31 MARCH 2017**

## **Financial review**

The Fund is currently able to finance its activities from donations, legacies and the income from its investment portfolio which provide funds to meet anticipated needs in the short term. In addition, the Fund receives royalties on an affinity credit card scheme operated by MBNA. Details of the MBNA MasterCards, which are issued with the ACCA logo, are available at on the ACCA website at <http://www.accaglobal.com/uk/en/member/membership/benevolent-fund/donate>

The financial statements for the year are shown on pages 9 to 19. The Statement of Financial Activities on page 9 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 10, shows the total assets of the Fund to be £4,110,101 (2016: £3,547,736), which will generate income to meet its future obligations. The Fund held £277,868 (2016: £352,285) in bank balances and short term deposits and in the opinion of the Trustees the Fund continues to be in a position to pursue its charitable activities in the foreseeable future. Governance costs for the current year include legal costs relating to the transfer of the loans into the Fund, advice received in respect of the Mortgage Credit Directive and professional fees payable to the Financial Conduct Authority (FCA) so that the Fund has the permissions to administer mortgages.

The Trustees are grateful to all who have contributed in any way to the work of the Fund during the year to 31 March 2017. In particular, it expresses thanks to those who made a financial contribution and those who gave of their time. Donations from members including tax on Gift Aid donations amounted to £34,427 (year ended 31 March 2016: £46,608).

The Trustees would like to thank all those members who have made donations to the Fund, particularly those who are UK taxpayers and have completed Gift Aid declarations which allow the Fund to reclaim basic rate tax paid on these donations. This method of giving is very tax efficient and the Trustees encourage UK taxpayers to consider completing Gift Aid declarations if they have not already done so. The Trustees also encourage donors to gift shares directly to the Fund in order to gain the tax benefits available both to the Fund and the donor.

The Trustees appreciate any help members can give in ensuring that the Fund can provide support to all those who have reason to ask for it. From the grateful letters the Trustees receive, they can assure members that the assistance the Fund provides is highly appreciated. Please help the Trustees to ensure that they can continue to fulfil the objectives of the Fund.

## **Investment policy and performance**

The Trustees have considered the most appropriate policy for investing funds and have delegated the management of its investments to Charles Stanley & Co. Ltd. The Trustees consider that it is appropriate to invest directly in particular investments as well as some common investment funds designed for the charity sector. The Fund's overall investment aim is to increase the value of its investment portfolio on a total returns basis in the longer term. The Fund invests the designated emergency fund and a proportion of its other unrestricted reserves in cash and short-term deposits that can be readily accessed so that the Fund can react quickly to particular emergencies and other urgent needs for support.

The investment portfolio was transferred from the unincorporated charity, the Chartered Certified Accountants' Benevolent Fund, to the Fund in April 2015. For the purposes of performance comparisons, the comparable figures for 2016 relate to the performance of the investment portfolio since that date. The total return on capital investments for the year was 15.30% (2016: -5.73%) against the benchmarks (FTSE PI Income) of 15.91%, (FTSE 100) 18.59% and (FTSE All-share GBP) 17.52% (2016: -3.11%, -8.33% and -7.33%). The total income return on investments for the year was 3.03% (2016: 2.71%). The Trustees consider the overall return on long term investments and deposits for the period to be disappointing although accept that it is line with the positive performance in the stock markets during that period.

The Trustees consider the asset allocation strategy regularly and will formally review the investment strategy every three years. As part of good governance the Trustees review the investment management services every five years. In September 2015, the Trustees undertook a review of those services and following a robust tendering exercise, decided to reappoint Charles Stanley as managers of the investment portfolio. In December 2015 the Trustees reviewed the investment strategy and considered the charity's Statement of Investment Principles as part of this review. The Trustees agreed to change the asset allocation strategy so as to allow Charles Stanley more flexibility when selecting investment. Following discussion with Charles Stanley the Trustees also implemented a bespoke benchmark for performance monitoring purposes. The Trustees meet with the investment manager once or twice a year to discuss performance.

**REPORT OF THE TRUSTEES  
OF THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND  
FOR THE YEAR ENDED 31 MARCH 2017**

**Public benefit**

The Fund's principal charitable purpose is to give to those members of ACCA or AAPA and their families and dependants, who are in need, by reason of age, ill-health, disability, financial hardship or other disadvantage. The Fund assists its beneficiaries by awarding grants or loans of money, the provision of specific items, the payment of services and relevant advice and support. The Trustees are of the view that the Fund meets the public benefit requirement by relieving members and their families and dependants of financial hardship. The Charity Commission published revised public benefit guidance in February 2014 which the Trustees have noted.

**Risk management**

The Trustees examine and review 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 Trustees consider variability of the investment returns on the investment portfolio to constitute the charity's major financial risk and recent volatility in the world stock markets has demonstrated this risk. This is mitigated by retaining expert investment managers and having a diversified investment portfolio. The Trustees manage the investment portfolio on a total returns basis. The Trustees consider a total return basis will stabilise the resources available for grant-making and allow them to take account of the longer-term outlooks for investment returns.

**Reserves policy**

The Trustees aim to maintain unrestricted funds at a level that will meet anticipated demands for assistance as and when they arise as well as special demands in times of emergency such as the Nepal earthquake. ACCA has over 198,000 members in 188 countries and the reserves policy reflects the uncertainties that this brings.

The Trustees assess the reserves to be retained in the context of its long-term strategic projections. These estimate anticipated growth in membership numbers and take account of demographic changes that anticipate increases in the number of retired members, and the likely effects of the African AIDS pandemic on members' families. The Trustees have prepared a 15-year projection, which will be updated annually, which indicates that, while the Fund is likely to be able to increase its reserves in the short to medium term, the growth in total demand will mean that, from 2026, the Fund's expenditure will exceed its income and it will be necessary to apply its reserves to meet these needs. This shortfall is expected to increase in subsequent years.

The Trustees therefore consider that the charity's unrestricted reserves are adequate to meet current levels of demand but that it is necessary to increase these over the next 10 years so that they can continue to relieve distress even after demands on its resources have outstripped its income.

The Trustees accept that they could not allow the period during which expenditure exceeds income to deplete unrestricted reserves entirely but they believe that there is sufficient time to review the actual situation before any action needs to be taken. Therefore, the policy is to continue building up reserves by means of annual surpluses and careful management of the investment assets. The position is regularly reviewed by the Trustees.

The Trustees have also designated some of the unrestricted funds as a Disaster Fund for use in case of a national or international disaster, whether the result of forces of nature, terrorism or war, which affects a significant number of members. A Disaster Fund was held by the unincorporated charity, the Chartered Certified Accountants' Benevolent Fund and this has been transferred from that charity to the Fund as part of the transfer documentation between the Trustees of both charities. This is shown separately in the financial statements. The Trustees have put a cap on the Disaster Fund at £250,000.

All ACCA and AAPA members are contacted annually about the availability of the Fund; ACCA offices worldwide receive updates of the Fund's activities and policies and there is a link to the Fund's website from the main ACCA website. Despite all these active channels of communication, the Fund still finds it challenging to attract a sufficient number of applicants demonstrating real hardship and, as a consequence, the financial support it is able to give remains limited. The Trustees continue to consider how the work of the Fund could be more widely recognised by developing new publicity and communication strategies. As part of this, a new website for the Fund is being developed and the Fund continues to liaise and work with other benevolent funds.

**REPORT OF THE TRUSTEES  
OF THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND  
FOR THE YEAR ENDED 31 MARCH 2017**

**Achievements and performance**

During the year, the Fund agreed to pay grants, ranging from £100 to £5,871 (2016: £50 to £11,711), to 13 (2016: 27) beneficiaries and offered relevant advice and support. The grants amounted to £15,099 (2016: £39,714). Included in this are commitments to 5 (2016: 12) beneficiaries for grants, payable after the year-end, amounting to £2,192 (2016: £10,669). Under SORP 2015 these commitments are included in the financial statements as creditors.

The Trustees noted the total value of grants given was lower this year and there was a decrease in the number of beneficiaries to whom assistance was given. Efforts have been made to increase the number of applications as it is evident that global economic conditions continue to be difficult and that some beneficiaries have greater needs. Although the Fund continues to receive a number of debt-related applications, the Trustees do not normally assist in these cases unless the clearance of debts would mean that the applicant's income would then exceed their expenditure by a comfortable enough margin to allow them to make a fresh start. In some cases, the applicant's position often appears to be unsustainable in the longer-term. If the Trustees believe the applicant has no realistic alternative to an arrangement with their creditors, or bankruptcy, they will reluctantly decide that temporary financial assistance would do no more than delay the inevitable. In addition the Fund will not usually provide funds for new business start-ups. In order to promote the Fund further, the Trustees continue to review its communication strategies, improve its profile on the website and embark on a number of proactive publicity opportunities where possible. They also strive to maintain close contacts with ACCA's branches and offices overseas.

**Structure, governance and management**

The Chartered Certified Accountants' Benevolent Fund is a company limited by guarantee following incorporation on 6 February 2014, registration number 08880293. It was also registered as a charity with the Charity Commission for England and Wales on 25 March 2014, registration number 1156341, and with OSCR in Scotland on 9 January 2016, registration number SC045337. The company is governed by its Memorandum and Articles of Association. The company is limited by guarantee and therefore has no share capital.

The governing body is the Board of Directors which consists of no less than five and no more than fifteen Trustees. The directors (who are also Trustees of the charity for the purposes of charity law) were appointed on the date of incorporation and are listed on page 6.

The Articles of Association provide for one third of the Trustees to be due for re-appointment in any one year. At every Annual Retirement Meeting one third, or the number nearest to one third of the Trustees, being those who have been longest in office since their last appointment or reappointment, must retire from office. Where more than one third of the Trustees have served for the same period of time since their last appointment or reappointment those Trustees shall agree amongst themselves which Trustees shall retire, or in the event that agreement cannot be reached, the decision shall be made by lot.

The Trustees met four times in the year. At each meeting they considered applications from potential beneficiaries and reviewed the financial position of the Fund. A strategy meeting is held annually at which the Trustees agree the broad strategy and activities of the Fund including consistency of grant-making, investments, reserves and risk management policies and performance. The day to day administration of grants and the processing and handling of applications prior to consideration by the Trustees is delegated to the Secretary and the administrator.

At each meeting the Trustees also considered the activities required to complete the transfer of the assets and liabilities from the unincorporated charity to the charitable company limited by guarantee.

New Trustees will be identified from the relevant skillsets and may be appointed from outwith ACCA members. The new Trustees will be appointed by the current Trustees and serve for a period of time after which they may put themselves forward for re-appointment.

**REPORT OF THE TRUSTEES  
OF THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND  
FOR THE YEAR ENDED 31 MARCH 2017**

**Structure, governance and management (continued)**

The Trustees have a New Trustee Induction pack which will be given to new Trustees. The pack includes a copy of the Memorandum and Articles of Association of the company, a brief history of the company, the last three years' annual reports of the Fund and of the unincorporated charity, recent minutes, a copy of the Charity Commission guidance 'The Essential Trustee: What you need to know' and a copy of the most recent management financial statements, strategy and 15-year rolling plan.

The Fund is a member of the Association of Charitable Organisations (ACO). The ACO provides much helpful information on good practice, changes in the law affecting charities and acts as a voice lobbying on behalf of the benevolent sector charities with the Government and Regulators.

**Reference and administrative information**

*Trustees*

P D Finch, Chairman  
J M Beckerlegge  
Dr M J M Briston  
Mrs S Burd  
Mrs J Cole  
A Sandison  
A G Thorne

*Honorary Secretary*

H McCash

*Principal Office*

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

*Honorary Auditor*

Grant Thornton UK LLP, 110 Queen Street, Glasgow, G1 3BX

*Principal Banker*

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

*Solicitors*

Bates Wells & Braithwaite London LLP, 10 Queen Street Place, London, EC4R 1BE

Wilsons Solicitors LLP, Alexandra House, St Johns Street, Salisbury, Wiltshire, SP1 2SB

*Investment Manager*

Charles Stanley & Co. Limited, 55 Bishopsgate, London, EC2N 3AS

**Secured lending and the Financial Conduct Authority**

In 2015 the Fund applied to the Financial Conduct Authority (FCA) to enable it to administer secured loans and charge nominal interest rates on those loans. The loans were previously held by the unincorporated charity, the Chartered Certified Accountants' Benevolent Fund, which had a Consumer Credit Licence which expired during the previous year. Following a robust application process the Fund was FCA authorised to administer secured loans and the Secretary and the Trustees were all approved under section 59 of the Financial Services and Markets Act (FSMA) 2000 to be able to perform the Controlled Function. The loans are in the process of being transferred to the Fund from the unincorporated charity. The Trustees were keen to ensure that the charity was able to support its beneficiaries by providing low-interest lending secured on the borrower's property. It is however recognised that the administrative burden is onerous and the Fund has been in contact with some other charities who believe that the regulation burden is completely out of place for charities and that there should be an exemption for charities who provide secured lending to beneficiaries. A number of charities together with the ACO established a working group and met with the FCA to address the concerns of the regulation. While the meeting was positive in that the FCA recognised that benevolent funds will generally not be acting 'by way of business' in relation to secured lending and the charging of interest, it is unable to provide assistance or guidance as to whether charities such as the Fund are required to be registered with the FCA. The Trustees have discussed this internally and believe that the Fund does not act by way of business and are considering deregistering from the FCA.

**REPORT OF THE TRUSTEES  
OF THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND  
FOR THE YEAR ENDED 31 MARCH 2017**

**Plans for the future**

The Fund is now fully operational as the main charity following the transfer of the majority of the assets and liabilities from the charity established by Trust Deed. The Trustees will continue to transfer the rest of the assets and liabilities during the forthcoming year. The charity established by Trust Deed will continue to operate until such time that the Trustees are satisfied that all the assets and liabilities have been transferred to the charitable company. Only at that time will the Trustees consider the dissolution thereof.

The Trustees will continue to maintain its efforts to attract applications for assistance from ACCA and AAPA members and to treat these with courtesy and concern, making every possible effort to ensure that support is offered in all appropriate cases.

In particular, the Trustees will continue to promote the Benevolent Fund across the world to try and reach all members. This will be done with features in *Accounting and Business*, the Fund's website, using members' networks, national offices and collaborating with other Benevolent Funds.

**Key management personnel remuneration**

The Trustees consider the Board of Directors 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 Trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are included in notes 7, 16 and 17 to the accounts.

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

The services of the Secretary are donated by ACCA.

**Trustees' responsibilities statement**

The Trustees (who are also directors of the Chartered Certified Accountants' Benevolent Fund for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable 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 charity will continue in operation.



**REPORT OF THE TRUSTEES  
OF THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND  
FOR THE YEAR ENDED 31 MARCH 2017**

**Trustees' responsibilities statement (continued)**

The Trustees are responsible for keeping adequate accounting records, that are sufficient to show and explain the charitable company's transactions 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, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Memorandum and Articles of Association. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

**Auditor**

The Trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Fund's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The Trustees are not aware of any relevant audit information of which the auditor is unaware.

Grant Thornton UK LLP has expressed their willingness to continue in office. The Fund is most grateful for Grant Thornton UK LLP's support and a resolution to re-appoint them will be proposed in accordance with section 485 of the Companies Act at the annual general meeting.



**David Finch, Chairman**  
31 May 2017

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

<i>Notes</i>		<b>Total funds</b>	<b>Total funds</b>
		<b>Year ended</b>	<b>Year ended</b>
		<b>31 March</b>	<b>31 March</b>
		<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	<b>Income</b>		
2	Transfer in from The Chartered Certified Accountants' Benevolent Fund (unincorporated charity)	<b>36,784</b>	3,571,418
3	Donations	<b>60,721</b>	72,824
	Legacies	<b>4,000</b>	—
	Credit card royalties	<b>9,506</b>	—
4	Investment income	<b>102,424</b>	80,468
	<b>Total income</b>	<b>213,435</b>	3,724,710
	<b>Expenditure</b>		
5	<i>Expenditure on raising funds</i>		
	Investment management costs	<b>17,586</b>	16,196
6,7	<i>Expenditure on charitable activities</i>	<b>42,652</b>	77,004
	<b>Total expenditure</b>	<b>60,238</b>	93,200
9	Net gains/(losses) on investments	<b>409,168</b>	(168,774)
	<b>Net income and net movement in funds</b>	<b>562,365</b>	3,462,736
	<b>Reconciliation of funds</b>		
	Total funds brought forward at 1 April	<b>3,547,736</b>	85,000
	<b>Total funds carried forward at 31 March</b>	<b>4,110,101</b>	3,547,736

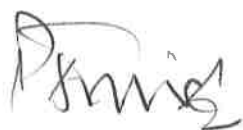
All amounts relate to continuing activities and to unrestricted funds.

*The accompanying notes on pages 12 to 19 form part of these financial statements.*

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND**  
**BALANCE SHEET AS AT 31 MARCH 2017**  
**COMPANY NUMBER 08880293**

		31 March 2017 £	31 March 2016 £
<i>Notes</i>			
	<b>Fixed assets</b>		
9	Investments	3,076,667	2,566,804
	<b>Current assets</b>		
10	Loans	114,079	77,364
11	Amounts due from related parties	98,235	123,259
	Tax recoverable	9,659	4,200
	Prepayments and accrued income	12,550	3,493
12	Short-term investments	528,000	444,000
	Cash at bank and in hand	277,868	352,285
		<u>1,040,391</u>	<u>1,004,601</u>
13	<b>Creditors:</b> amounts falling due within one year	<u>6,957</u>	<u>23,669</u>
	<b>Net current assets</b>	<b>1,033,434</b>	<b>980,932</b>
	<b>Total assets less current liabilities</b>	<b><u>4,110,101</u></b>	<b><u>3,547,736</u></b>
	<b>Funds</b>		
15	<b>Unrestricted funds</b>		
	Designated funds	229,607	185,060
	General funds	3,880,494	3,362,676
	<b>Total funds</b>	<b><u>4,110,101</u></b>	<b><u>3,547,736</u></b>

The financial statements were approved by the Trustees on 31 May 2017 and signed on their behalf by:



**David Finch, Chairman**

*The accompanying notes on pages 12 to 19 form part of these financial statements.*

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

<i>Notes</i>		
	<b>Total funds Year ended 31 March 2017 £</b>	<b>Total funds Year ended 31 March 2016 £</b>
19	<b>Net cash used in operating activities</b>	<b>7,854</b>
	<b><i>Cash flows from investing activities:</i></b>	
	Interest and dividends	80,468
	Proceeds from sale of investments	156,571
	<b>Net cash provided by investing activities</b>	<b>236,894</b>
	<b><i>Cash flows from financing activities</i></b>	
	Purchase of investments	(2,892,004)
	<b>Net cash provided by financing activities</b>	<b>(2,892,004)</b>
	<b>Change in cash and cash equivalents in the year</b>	<b>711,285</b>
	<b>Reconciliation of funds</b>	
	Cash and cash equivalents brought forward	85,000
	<b>Cash and cash equivalents carried forward</b>	<b>796,285</b>

*The accompanying notes on pages 12 to 19 form part of these financial statements.*

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**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 Trustees' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate to the recoverability of the loans. Where there is an indication that the loan is not recoverable a review will be undertaken of the recoverable amount of that asset based on value in use calculations which will involve estimates and assumptions made by the directors.

**(c) Income recognition**

All income is recognised once the charity 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 charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised on a receivable basis. Investment income is stated gross of taxation recoverable. Interest receivable on loans is recognised when receipt can be established with sufficient reliability. Credit card royalties are accounted for on an accruals basis. Gifts in kind are recognised at their market value on receipt (see notes 16 and 17).

**(d) 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.

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

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

**(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 15 to the financial statements.

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1 Accounting Policies (continued)**

**(g) Fixed asset investments**

Fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Fund does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of the volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub-sectors.

**(h) Realised and unrealised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase price if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**(i) Financial instruments**

Financial instruments recognised in the balance sheet include cash and cash equivalents, available-for-sale investments, 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.

**Loans**

Loans are carried at the original amount advanced to a beneficiary less any payments made and less provision made for the non-recoverability of these loans. A provision for impairment of loans is established when there is objective evidence that the Benevolent Fund will not be able to collect all amounts due according to the original terms and conditions of the loans. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows.

**Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. 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.

**Gains and losses**

All gains or losses on financial assets and liabilities are recognised in the statement of financial activities, including unrealised and realised gains or losses on investments.

**(j) Short-term investments**

Short-term investments includes cash deposits with a maturity of between 3 months to 1 year from the date of acquisition or opening of the deposit or similar amount.

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1 Accounting Policies (continued)**

(k) *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.

(l) *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 notes 7, 16 and 17.

(m) *Expenditure on raising funds*

The costs of generating funds consist of investment management costs and certain legal fees.

(n) *Expenditure on charitable activities*

Costs of charitable activities include grants made and an apportionment of overhead and support costs as shown in notes 6 and 7.

(o) *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 notes 6 and 7.

(p) *Loans*

Loans are accounted for as a debtor once the funds have been remitted to the beneficiary and the appropriate documentation has been received. Although loans are treated as current assets, it is not expected that any of them will be repaid in full within one year. Provision is made for non-repayment of the loans when the Trustees believe there is little likelihood of recovery. Interest on loans is not accounted for until the loans are repaid.

(q) *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.

(r) *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.

**2 Charitable donations**

Donation from the Chartered Certified Accountants' Benevolent Fund

31 March 2017 £	31 March 2016 £
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<b>36,784</b>	<b>3,571,418</b>
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During the year the Fund received £36,784 from the unincorporated charity, the Chartered Certified Accountants' Benevolent Fund, as authorised by the transfer documentation which became effective as at 31 December 2014.

**3 Donations**

Donations from members

Gifts in kind - costs reimbursed by ACCA (notes 16 and 17)

<b>34,427</b>	46,608
<b>26,294</b>	26,216
<b>60,721</b>	<b>72,824</b>

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	<b>31 March 2017 £</b>	<b>31 March 2016 £</b>
<b>4 Investment income</b>		
Dividends on listed investments	<b>87,746</b>	71,005
Interest on cash deposits and fixed rate investments	<b>14,678</b>	9,463
	<b><u>102,424</u></b>	<b><u>80,468</u></b>

<b>5 Investment management costs</b>		
Investment management fees	<b>17,586</b>	16,196
	<b><u>17,586</u></b>	<b><u>16,196</u></b>

	<b>Direct costs £</b>	<b>Support costs £</b>	<b>Year ended 31 March 2017 £</b>	<b>Year ended 31 March 2016 £</b>
<b>6 Expenditure on charitable activities</b>				
Grants payable	<b>15,099</b>	<b>16,054</b>	<b>31,153</b>	56,229
Governance costs	<b>1,259</b>	<b>10,240</b>	<b>11,499</b>	20,775
	<b><u>16,358</u></b>	<b><u>26,294</u></b>	<b><u>42,652</u></b>	<b><u>77,004</u></b>

- 7 Support costs**  
Support costs, consisting of Trustees' expenses and the office costs of the Fund, including staff salaries, are split between grant making and governance on the estimated time spent on each activity as shown in the table below.

<b>Support costs</b>	<b>Basis of Apportionment</b>	<b>Grants payable £</b>	<b>Governance costs £</b>	<b>Year ended 31 March 2017 £</b>	<b>Year ended 31 March 2016 £</b>
Office costs	Work done	<b>6,575</b>	<b>6,575</b>	<b>13,150</b>	13,150
Trustees expenses	Actual	<b>5,989</b>	<b>2,567</b>	<b>8,556</b>	7,652
Staff expenses	Actual	<b>2,228</b>	<b>557</b>	<b>2,785</b>	2,196
Meeting costs	Actual	<b>1,262</b>	<b>541</b>	<b>1,803</b>	3,218
		<b><u>16,054</u></b>	<b><u>10,240</u></b>	<b><u>26,294</u></b>	<b><u>26,216</u></b>

The Fund has no employees. The Secretary and administrative staff are employed by ACCA and a proportion of their staff costs is included in support costs above.

- 8 Analysis of grants**  
All grants awarded are for the benefit of individuals and their families.



**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND**  
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	31 March 2017 £	31 March 2016 £
<b>9 Investments</b>		
<b><i>Quoted investments</i></b>		
Market value at 1 April	2,566,804	—
Acquisitions	233,824	2,892,004
Disposals at carrying value	(133,129)	(156,426)
Net unrealised investment gains/(losses)	400,631	(168,629)
Net realised investment gains/(losses) on disposal	8,537	(145)
	<u>3,076,667</u>	<u>2,566,804</u>
Market value at 31 March	<u>3,076,667</u>	<u>2,566,804</u>
Historical cost as at 31 March	<u>2,844,665</u>	<u>2,735,433</u>
<b>Investments at market value</b>		
UK Equities	1,837,301	1,444,232
Europe Equities	92,155	74,172
North America Equities	320,759	240,514
Asia Pacific Equities	193,597	148,357
Other Global Equities	69,645	65,242
UK Gilts	204,212	201,714
Other Fixed Interest	236,800	271,958
Property	122,198	120,615
<b>Total</b>	<u>3,076,667</u>	<u>2,566,804</u>

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

All investment assets were held in the UK except as disclosed above.

The following individual shareholdings or investments are considered individually to be material with the market values and proportion of the portfolio shown as at 31 March 2017:

Holding	Market Value	Percentage of Portfolio
<b>BlackRock Charinco units</b>	<b>207,389</b>	<b>6.7%</b>

The Trustees set 5% of period-end market value of the investment portfolio as the threshold for reporting material investments.

**10 Loans**

Loans are classified as debtors. They can be repaid at any time and are therefore categorised as current assets. The remaining loans from the unincorporated charity, the Chartered Certified Accountants' Benevolent Fund, were transferred to the charitable company in April 2016. Most of the loans are secured by legal charges on freehold properties and are interest-bearing at rates related to bank base rate. One loan of £875, which is not secured or interest bearing, was awarded during the year. One loan is being repaid by instalments.

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	31 March 2017 £	31 March 2016 £	
<b>11 Amounts due from related parties</b>			
Due from ACCA	2,729	9,556	
Due from the unincorporated charity, the Chartered Certified Accountants' Benevolent Fund	95,506	113,703	
	<u>98,235</u>	<u>123,259</u>	
	31 March 2017 £	31 March 2016 £	
<b>12 Short-term investments</b>			
Market value at 1 April	444,000	85,000	
Acquisitions	528,000	714,000	
Disposals at carrying value	(444,000)	(355,000)	
	<u>528,000</u>	<u>444,000</u>	
Market value at 31 March	<u>528,000</u>	<u>444,000</u>	
Historical cost as at 31 March	<u>528,000</u>	<u>444,000</u>	
	31 March 2017 £	31 March 2016 £	
<b>13 Creditors: amounts falling due within one year</b>			
Trade creditors	—	3,873	
Grants committed	2,192	10,669	
Accrued expenses	4,765	9,127	
	<u>6,957</u>	<u>23,669</u>	
<b>14 Analysis of net assets between funds</b>			
	Investments £	Net current assets £	Total 2017 £
<b>Unrestricted funds:</b>			
Designated funds	—	229,607	229,607
General funds	3,076,667	803,827	3,880,494
	<u>3,076,667</u>	<u>1,033,434</u>	<u>4,110,101</u>

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**15 Transfers between funds**

	General funds	Designated Funds		Total
	£	Disaster Fund	Loan Fund	£
At 1 April 2016	3,362,676	107,696	77,364	3,547,736
Net movement in funds for the period	562,365	—	—	562,365
Transfer of loans from old charity	(36,784)	—	36,784	—
Loan Fund – loans repaid	3,800	—	(3,800)	—
Loan Fund – loans awarded	(875)	—	875	—
Loan Fund – forex gain	(2,856)	—	2,856	—
Transfer in respect of Disaster Fund	(7,832)	7,832	—	—
At 31 March 2017	<u>3,880,494</u>	<u>115,528</u>	<u>114,079</u>	<u>4,110,101</u>

The designated Disaster Fund is available to provide emergency assistance to members and their families who have been affected by national or international disaster. The designated Loan Fund is maintained at a value equal to the total amount of loans to beneficiaries and recognises the fact that these amounts are not available for the Fund's day-to-day operations.

**16 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. However, staff costs and expenses incurred by ACCA amounting to £17,738 (2016: £18,564), are included as income in the Statement of Financial Activities as 'gifts in kind' and the expenditure as '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 from the unincorporated charity is still ongoing, a balance exists between the two Chartered Certified Accountants' Benevolent Funds. Any such balances at the year-end are identified in total in the balance sheet.

	31 March 2017	31 March 2016
	£	£
<b>Related party balances</b>	<b>Owed</b>	<b>Owed</b>
ACCA	2,729	9,556
Chartered Certified Accountants' Benevolent Fund (unincorporated charity)	95,506	113,703
	<u>98,235</u>	<u>123,259</u>

**17 Trustees' expenses and remuneration**

The Trustees all give freely of their time and expertise without any form of remuneration or other benefits in cash or kind (2016: £nil). They may be reimbursed for directly incurred expenses or costs may be incurred by the Fund for attendance at meetings. In total, these costs amounted to £8,556 (2016: £7,652) to 7 (2016: 6) Trustees. These expenses were made up of 7 Trustees reimbursed for their travel expenses totalling £4,059 (£3,303), accommodation costs incurred by the Fund totalling £4,247 (2016: £4,104) and seminar and conference related travel expenses for 1 (2016: 2) trustee of £250 (2016: £245). These are included in the Statement of Financial Activities under income as 'gifts in kind' and under expenditure as 'Support costs'.

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**18 Auditor's remuneration**

The auditor received no remuneration for the period (2016: £nil). The costs of the audit are borne by ACCA.

**19 Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>£</b>	<b>£</b>
Net movement in funds	<b>562,365</b>	3,462,736
Deduct investment income shown in investing activities	<b>(102,424)</b>	(80,468)
Minus/add back net realised (gains)/losses on investments	<b>(409,168)</b>	,168,629
Increase in debtors	<b>(26,207)</b>	(208,316)
(Decrease)/increase in creditors	<b>(16,712)</b>	23,669
	<hr/>	<hr/>
Net cash used in operating activities	<b>7,854</b>	3,366,250
	<hr/>	<hr/>

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND**

We have audited the financial statements of The Chartered Certified Accountants' Benevolent Fund for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under chapter 3 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement, set out on pages 7 and 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources including, its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

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

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Annual Report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Grant Thornton UK LLP*

Diana Penny  
Senior Statutory Auditor  
For and on behalf of Grant Thornton UK LLP,  
Statutory Auditor, Chartered Accountants  
Edinburgh  
Date: *19 JUNE 2017*

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006