

**THE CHARTERED CERTIFIED ACCOUNTANTS'
BENEVOLENT FUND**

**REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2004**

(REGISTERED CHARITY NUMBER 222595)

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND
LEGAL AND ADMINISTRATIVE INFORMATION**

Board of Management and Trustees

P R Bailey, President

D J Argent

J M Beckerlegge

Dr V V R Harris

Dr M J M Kedslie

J D Moore

A Sandison

K J Stones

Honorary Secretary

J M Vettraino

Principal Office

29 Lincoln's Inn Fields, London WC2A 3EE

Honorary Auditor

A W Croxford, FCCA

Castle Court, Carnegie Campus, Dunfermline KY11 8PB

Principal Banker

Clydesdale Bank plc

1 Woodside Crescent, Glasgow G3 7UL

REPORT OF THE BOARD OF MANAGEMENT OF THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND FOR THE YEAR ENDED 31 DECEMBER 2004

The Board submits its report together with the accounts for the year ended 31 December 2004. This report is prepared in accordance with the Charities Act 1993 and the Statement of Recommended Practice '*Accounting and Reporting by Charities*' (SORP 2000).

Objects and general information about the Fund

The Fund was established by Trust Deed in 1918. Its principal object is to raise and maintain a fund for the purpose of assisting persons in need who are, or have been, members of ACCA or related organisations and their families and dependants. The Trustees are also empowered to assist other charitable institutions as they see fit.

The Fund is registered by the Charity Commission for England and Wales, registration number 222595. Under the rules of the Fund, there must be at least seven members of the Board of Management. The Board must consist only of Fund members, each of at least two years standing. Board members are elected at the Annual General Meeting, to hold office for one year and are eligible for re-election.

The principal policy adopted by the Board of Management to further the objects of the Fund has been, and continues to be, to make timely grants to members and their families, who face hardship in old age or disaster at any time, anywhere in the world. To enable members and dependants to remain in their properties, the Board on occasion makes loans, normally secured on the properties, towards the cost of major renovations, improvements etc. These loans are normally at the bank base rate of interest to cover the legal costs.

Applications for assistance are encouraged and are sympathetically reviewed. The Fund is able to finance these activities from donations and legacies, as well as the income from a portfolio of long term securities and holdings which enable funds to be made available to meet anticipated short term needs. In addition, the Fund receives royalties on affinity credit card schemes operated by MBNA and the Allied Irish Bank. MBNA took over the affinity credit card scheme from the HBOS during the year. Details of MBNA MasterCard, which are issued with the ACCA logo, are available from ACCA UK and details of the Allied Irish Bank MasterCard are available from ACCA Ireland.

The Fund's administration is provided without charge by ACCA; members of the Board of Management also devote time to the Fund's affairs and receive no remuneration. Other than this, the Fund is not dependent on the services of volunteers or on donations in kind.

The Fund has both unrestricted and endowment funds; the income from the latter is used to provide grants and other assistance given by the Fund in its day to day operations.

Review of the year

During the year, the Fund paid grants and loans, ranging from £100 to £22,000 (2003: £196 to £6,000), to 15 (2003: 20) beneficiaries. These grants and loans amounted to £37,999 (2003: £19,589), and are included in the accounts. In addition, the Board of Management has a commitment to 6 (2003: 8) beneficiaries for grants, payable after the year-end, amounting to £5,273 (2003: £5,252). One loan was advanced and two loans were repaid in the year.

The accounts for the year are shown on pages 4 to 8. The Statement of Financial Activities on page 4 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 5, shows the total assets of the Fund to be £1,222,717 (2003: £908,277), which will generate income to meet its future obligations. The Fund held £311,859 (2003: £171,628) in bank balances and short term deposits at 31 December 2004 and, in the opinion of the Board, the Fund continues to be in a position to pursue its charitable activities in the foreseeable future.

The Board is grateful to all who have contributed in any way to the work of the Fund during 2004. In particular, it expresses thanks to those who made a financial contribution and those who give of their time. Donations from members amounted to £40,776 (2003: £42,036). The Board would like to thank those members who have completed Gift Aid declarations. This method of giving is very tax efficient and the Board encourages UK taxpayers to consider completing Gift Aid declarations if they have not already done so. The Board is also deeply appreciative of legacies receivable in 2004 from John Frederick Hulme, Leonard Walter Thomas Lane and Peter Donald McKay of £124,000, £30,979 and £5,000 respectively. The Fund also received two donations of £1,000 each; one anonymously and one from the Jane Hodge Foundation for which the Board is also very grateful.

REPORT OF THE BOARD OF MANAGEMENT OF THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND FOR THE YEAR ENDED 31 DECEMBER 2004

Review of the year (continued)

The Fund exists to help members and their dependants - both financially and with appropriate advice. The Board asks that members make a point of letting the Secretary of the Fund know of any others in need, as they may be reluctant to approach the Fund directly. The Board is assessing the situation post the Asian Tsunami disaster, and its affect on members and their dependants, with a view to providing assistance as quickly as possible.

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

Reserves policy

It is the policy of the Board to maintain unrestricted funds at a level which will meet anticipated demands for assistance as and when they arise. From time to time, the Board has to respond to emergency applications for grants and loans, which are met from the unrestricted funds. In recent years, demands for assistance have been relatively few, although the Board now finds that the Fund is increasingly receiving applications from younger members or their families. The Board continues actively to encourage applications for assistance from its increasing membership, especially from those in retirement and/or poor health.

The Board has reviewed its unrestricted reserves against a business plan based on demographic trends and projections over the next fifteen years. The Board considers that current reserve levels are adequate for the short-term, however, it believes that reserve levels will need to increase to meet longer term obligations. Therefore, the policy is to continue building up reserves by means of annual surpluses and judicious management of the investment assets. The position is regularly reviewed by the Board.

Investment policy

The Board of Management has considered policies for investing funds and has found that fixed interest and equity stocks, designed for the charity sector, together with UK equities will generate income to meet its current requirements and reasonable capital growth towards future obligations. This is in accordance with the recommendations of an actuarial review undertaken by external advisers. The Fund sometimes needs to react quickly to particular emergencies and has a policy of keeping any surplus liquid funds in short-term deposits which can be readily accessed.

Risk management

The Board has examined the major strategic, business and operational risks which the Fund faces and confirms that systems have been established to enable regular reports to be produced so that the risks may be effectively managed and their impact mitigated as far as possible. Risk is considered annually.

Responsibilities of the Board of Management

The Board of Management is responsible for preparing accounts for each accounting period which give a true and fair view of the state of affairs of the Fund and of the financial activities of the Fund for that period. In preparing those accounts, the Board is responsible for selecting suitable policies and then applying them consistently, making judgements and estimates that are reasonable and prudent, stating whether applicable accounting standards and statements of recommended practice have been followed subject to any departure disclosed and explained in the financial statements and preparing the accounts on the going concern basis unless it is inappropriate to presume that the Fund will continue.

The Board of Management is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund and enable it to ensure that the accounts comply with applicable legislation. It 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.

Honorary auditor

The Board recommends the reappointment of A W Croxford FCCA as honorary auditor.

P R Bailey, President
9 February 2005

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2004**

<i>Notes</i>	Unrestricted funds £	Endowment funds £	Total funds 2004 £	Total funds 2003 £
Incoming resources				
2 Donations	60,335	—	60,335	60,341
Legacies	159,979	—	159,979	1,512
Credit card royalties	80,687	—	80,687	39,718
3 Investment income	43,445	100	43,545	28,059
	<u>344,446</u>	<u>100</u>	<u>344,546</u>	<u>129,630</u>
Resources expended				
<i>Charitable expenditure:</i>				
Grants and loans	37,999	—	37,999	19,589
Support costs	19,559	—	19,559	18,305
Management and administration	433	—	433	542
	<u>57,991</u>	<u>—</u>	<u>57,991</u>	<u>38,436</u>
Net incoming resources before transfers	286,455	100	286,555	91,194
Transfer between funds	100	(100)	—	—
	<u>286,555</u>	<u>—</u>	<u>286,555</u>	<u>91,194</u>
Net incoming resources for the year	286,555	—	286,555	91,194
Other recognised gains and losses				
Realised gain on redemption of investments	—	—	—	23,130
Unrealised gain on investments	27,487	398	27,885	24,927
	<u>314,042</u>	<u>398</u>	<u>314,440</u>	<u>139,251</u>
Net movement in funds	314,042	398	314,440	139,251
Fund balances brought forward at 1 January	905,460	2,817	908,277	769,026
	<u>905,460</u>	<u>2,817</u>	<u>908,277</u>	<u>769,026</u>
Fund balances carried forward at 31 December	1,219,502	3,215	1,222,717	908,277
	<u><u>1,219,502</u></u>	<u><u>3,215</u></u>	<u><u>1,222,717</u></u>	<u><u>908,277</u></u>

All amounts relate to continuing activities. There were no other gains and losses other than those disclosed above.

The accompanying notes to the accounts, on pages 6 to 8, are an integral part of this statement.

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND
BALANCE SHEET AS AT 31 DECEMBER 2004**

	£	2004 £	2003 £
<i>Notes</i>			
Fixed assets			
4 Investments		669,806	616,170 -----
Current assets			
5 Concessionary loans	100,472		110,120
ACCA current account	586		395
Tax recoverable	1,402		1,945
Prepayments and accrued income	138,592		8,019
Cash at bank and on deposit	311,859		171,628
		<u>552,911</u>	<u>292,107</u> -----
Total assets		<u>1,222,717</u>	<u>908,277</u> -----
Capital funds			
6 Endowment		3,215	2,817 -----
Income funds			
7 Designated funds	100,472		110,120
General funds	1,119,030		795,340
		<u>1,219,502</u>	<u>905,460</u> -----
		<u>1,222,717</u>	<u>908,277</u> -----

The accounts were approved by the Board of Management on 9 February 2005 and signed on its behalf by:

P R Bailey, President

The accompanying notes to the accounts, on pages 6 to 8, are an integral part of this statement.

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

1 Accounting policies

(a) *Accounting convention*

The accounts are prepared under the historical cost convention, as modified by the revaluation of investments at market value, and in accordance with applicable accounting standards. In preparing the financial statements the Fund follows best practice as laid down in the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2000).

(b) *Investments*

Fixed asset investments are stated at market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

(c) *Income*

Income is accounted for on an accruals basis except for donations which are accounted for when received. Legacies are included in the year in which they are receivable, which is when the Fund becomes entitled to the resource. In accordance with this policy, legacies are included when the charity is advised by the personal representative of an estate that payment will be made and the amount involved can be quantified. Investment income is stated gross of taxation recoverable. Interest receivable on concessionary loans is accounted for when the loan is repaid.

(d) *Unrestricted funds*

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

The designated funds represent the amounts set aside by the Board of Management for the provision of the non-payment of the concessionary loans.

(e) *Grants and loans*

Grants are recognised in the year in which they are paid. When, in the opinion of the Trustees, loans are unlikely to be recoverable, they are recognised in the Statement of Financial Activities as part of grants and loans.

	2004 £	2003 £
2 Donations		
Donations from members	40,776	42,036
Costs reimbursed by ACCA (notes 9 and 10)	19,559	18,305
	<u>60,335</u>	<u>60,341</u>
3 Investment income		
Dividends on listed investments	28,782	24,102
Interest on cash deposits	8,723	3,905
Interest on concessionary loans	5,983	—
Other interest	57	52
	<u>43,545</u>	<u>28,059</u>

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004 £	2003 £
4 Investments		
<i>Quoted investments</i>		
Market value at 1 January	616,170	546,465
Acquisitions	25,751	171,648
Disposals	—	(126,870)
Net unrealised investment gains	27,885	24,927
	<u>669,806</u>	<u>616,170</u>
Market value at 31 December	<u>669,806</u>	<u>616,170</u>
	<u>571,571</u>	<u>545,820</u>
Historical cost as at 31 December	<u>571,571</u>	<u>545,820</u>

5 Concessionary loans

The concessionary loans are mostly secured by legal charges on freehold properties and are either interest free or at bank base rate. These loans are classified as debtors. It is not expected that any of the loans will be repaid within one year.

6 Endowment fund

Freda Franklin Memorial Fund

At 1 January	2,817	2,312
Net movement in funds for the year	398	505
	<u>3,215</u>	<u>2,817</u>
At 31 December	<u>3,215</u>	<u>2,817</u>

The Freda Franklin Memorial Fund was established by a legacy of £3,000 received in 1990 from the late G C Franklin. The Fund is represented by specific investments.

7 Unrestricted funds

	General Funds £	Designated Funds £	Total 2004 £
At 1 January	795,340	110,120	905,460
Net movement in funds for the year	314,042	—	314,042
Transfer in respect of concessionary loans	9,648	(9,648)	—
	<u>1,119,030</u>	<u>100,472</u>	<u>1,219,502</u>
At 31 December	<u>1,119,030</u>	<u>100,472</u>	<u>1,219,502</u>

The Board of Management has committed £5,273 (2003: £5,252) of the unrestricted funds for grants approved, but not paid.

**THE CHARTERED CERTIFIED ACCOUNTANTS' BENEVOLENT FUND
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

8 Analysis of net assets between funds

	Investments £	Net current assets £	Total 2004 £
Endowment funds:			
Freda Franklin Memorial Fund	3,215	—	3,215
Unrestricted funds:			
Designated funds	—	100,472	100,472
General funds	666,591	452,439	1,119,030
	<u>669,806</u>	<u>552,911</u>	<u>1,222,717</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. However, staff costs incurred by ACCA amounting to £15,779 (2003: £14,823) are included as income in the Statement of Financial Activities as 'Costs reimbursed by ACCA' 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.

10 Board of Management remuneration

Board members are not remunerated, but may be reimbursed for directly incurred travel expenses. These costs amounted to £3,780 (2003: £3,482) to 6 (2003: 4) Board members. These are included as income in the Statement of Financial Activities as 'Costs reimbursed by ACCA' and the expenditure as 'Support costs'.

11 Auditor's remuneration

The auditor received no remuneration for the year (2003: £nil).

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

I have audited the accounts of The Chartered Certified Accountants' Benevolent Fund for the year ended 31 December 2004 which comprise the Statement of Financial Activities, Balance Sheet and the related notes. The accounts have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, and the accounting policies set out therein.

Respective responsibilities of the Board of Management and auditor

As described in the Report of the Board of Management, the Board is responsible for preparing the accounts in accordance with applicable law and UK Accounting Standards.

I have been appointed as auditor under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act. My responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and UK Auditing Standards.

I report to you my opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Charities Act 1993. I also report to you if, in my opinion, the Report of the Board of Management is not consistent with the accounts, if the Fund has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by law regarding Board of Management remuneration and transactions with the Fund is not disclosed.

I read the Report of the Board of Management and consider whether it is consistent with the audited accounts. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounts. My responsibilities do not extend to any other information.

Basis of opinion

I conducted my audit in accordance with UK Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes assessment of the significant estimates and judgements made by the Board in the preparation of the accounts, and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed.

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

Opinion

In my opinion the accounts give a true and fair view of the Fund's affairs as at 31 December 2004, of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

A W Croxford

Honorary Auditor,

Chartered Certified Accountant and Registered Auditor, Dunfermline

9 February 2005

Notes: An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the accounts since first published. These matters are the responsibility of Council but no control procedures can provide absolute assurance in this area.

Legislation in the United Kingdom governing the preparation and dissemination of accounts differs from legislation in other jurisdictions.