

## **President's Statement**

Dear Member,

In recent times, CABA's Report and Accounts have been accompanied by an Impact Report, where there has been a message from the President. For reasons given below this year's Impact Report will be available from late June so, I am writing to you now, in advance of our Annual General Meeting on 8 June 2010.

It has been a busy and ultimately very successful year for CABA. Kath Haines, acting Chief Executive this time last year, was appointed Chief Executive in August 2009, on completion of a full search, conducted by Saxton Bampfylde. She has made her mark on the organisation by widening out the management team and reorganising the way in which the organisation delivers its services. This reorganisation, which essentially reflects a more holistic approach to problem solving by CABA, is close to completion and, when this process is over, the Impact Report will then be distributed. This reorganisation has been welcomed by the new management team and staff, and confidence and energy levels are high.

Our volunteers continue to be important to us and we want to work as closely and effectively as we can with them. One new initiative is training six volunteers to assist the CABA team with cases involving debt problems. It is the intention that four of these volunteers will work from our Dorking office, with the remaining two being based in Rugby. Debt is an important component of many of the cases that CABA deals with and additional capacity provided by volunteers will be invaluable.

Another success during 2009 was the development of Career Clinics and Narrowing the Gap events in partnership with the ICAEW, supporting members facing redundancy or on career breaks, in returning to work. These partnerships have been at the forefront of establishing closer links with the ICAEW.

You will read in the Report that our investment portfolio has fared much better in 2009, after the very difficult 2008, experienced by all investment funds. We received the final instalment of £13m from the Redrow / Persimmon consortium in respect of the land at Easthampstead in July 2009.

My three year term as President finishes at the completion of the forthcoming Annual General Meeting. It has been a great pleasure and privilege to serve in this role and I look forward to a continuing involvement as a trustee. I am delighted to write that my successor will be Nick Brooks, who is a partner in Kingston Smith, specialising in Charities and whom we have been fortunate to have had as a trustee since 2000. Nick is currently chairman of CABA's Audit and Risk Committee.

In order to share the duties of the Presidency, when necessary, and to improve CABA's governance, the Trustees have decided to appoint two Deputy Presidents to serve in that position with effect from 9 June 2010 for a maximum term of three years. They are Richard Wyber, presently chairman of CABA's Investment Committee, and Richard Wade, presently chairman of CABA's Support Services Committee.

One new trustee was appointed during the year. Robin Fieth, Executive Director, Finance and Operations at the ICAEW, became a trustee in March 2010, following Michael Izza's resignation. We are very fortunate to have Robin's services available to CABA. Close linkage with the ICAEW, whilst retaining our independence, is integral to CABA's current and future success. It is the intention to embark on the process to recruit additional trustees towards the end of the year.

John Heskett  
President



Supporting Chartered Accountants since 1886

# **Chartered Accountants' Benevolent Association**

(a company limited by guarantee)

## **Report of the Trustees and Financial Statements for the year ended 31 December 2009**

Charity number 1116973  
Company number 5970606

# Chartered Accountants' Benevolent Association

## Report of the Trustees for the year ended 31 December 2009

The Trustees present their report and the audited financial statements for the year ended 31 December 2009.

### Reference and Administrative Information

#### Patron

The President of the Institute of Chartered Accountants in England and Wales

#### Board of Trustees

*(in office for the whole year unless otherwise stated)*

John Heskett – *President*

David Adams

Nicholas Brooks

Robin Fieth *(appointed 5 March 2010)*

Derek Hall

Tom Hughes-Parry

Michael Izza *(retired 23 October 2009)*

Hilary Lindsay

Ron McCahill *(retired 15 May 2009)*

Paul McManus

Richard Wade

Richard Wyber

#### Chief Executive

Kathryn Haines *(appointed 4 August 2009)*

#### Secretary

Kathryn Haines

#### Senior Management Team

Peggy Jenkins Head of Operations

Wendy Saunders Head of Strategy and  
Development

Pamela Wood External Relations Manager

Natalie Worth Head of Finance and  
Administration

#### Registered Office

8 Mitchell Court  
Castle Mound Way  
Rugby  
Warwickshire  
CV23 0UY

#### Principal Advisors

##### **Investments**

Cambridge Associates Limited  
80 Victoria Street  
Cardinal Place  
London  
SW1E 5JL

##### **Cash Management**

Royal London Cash Management Limited  
55 Gracechurch Street  
London  
EC3V 0UF

##### **Bankers**

The Royal Bank of Scotland  
62/63 Threadneedle Street  
London  
EC2R 8LA

##### **Solicitors**

Bates Wells & Braithwaite  
2-6 Cannon Street  
London  
EC2M 6YH

CMS Cameron McKenna  
160 Aldersgate Street  
London  
EC1A 4DD

##### **Property Consultants**

Cluttons LLP  
Portman House  
2 Portman Street  
London  
W1H 6DU

##### **Auditors**

Grant Thornton UK LLP  
Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

# **Chartered Accountants' Benevolent Association**

## **Objects, Activities and Performance**

### **Objectives, activities and performance for the public benefit**

The Charity's objects are:

- the relief of poverty and sickness and the preservation of good health of the beneficiaries; and
- such other purposes as are charitable under the laws of England and Wales for the beneficiaries.

The Charity's beneficiaries are:

- Members and former members of the Institute of Chartered Accountants in England and Wales (the "Institute"), the Society of Incorporated Accountants (the "Society"), including individuals without full membership, who are or were registered as studying for examinations, with the expectation of becoming a full member of the Institute or the Society;
- the dependants of such members and former members; and
- the current or former employees of the Institute, the Society, the Charity and the dependants of such employees.

In the past 12 months we have reviewed our aims and objectives and in undertaking this exercise we have considered the Charity Commission's guidance on public benefit.

The aim of the Charity is to enable our users to maintain reasonable quality of life by improving financial security, reducing the impact of physical and mental ill health and enabling users to maintain independence.

Both our research programmes and our practical experience of working with clients reveal that many of the factors that cause distress are inter-related. Furthermore there is evidence that providing users with advice and training can help them to make productive life-enhancing choices. These factors inform the following objectives, which we have developed to meet the Charity's aim:

- to provide financial support;
- to provide training and events;
- to provide support; and
- to provide signposting, advice and information.

# **Chartered Accountants' Benevolent Association**

## **To provide financial support**

CABA provides financial help if people are experiencing difficulties. Access to financial support is means tested. We can also help find other sources of financial help such as state benefit or other charities. Financial support is provided in a variety of ways; in the form of a grant, donation, secured loan, or payment towards the cost of respite care.

We report annually the levels of funds donated, monitoring why people are approaching us for financial support and identifying trends.

The Trustees stated their commitment to meet all eligible demands for financial support in their Report last year, to ensure that Chartered Accountants and their families are supported in their time of need. This is borne out by the increase in financial aid paid out, which totalled £1.2m in 2009 (2008 - £1.0m), including loans of £0.1m (2008 - £0.1m) to 13 new and existing borrowers (2008 - 20). The total value of loans outstanding at 31 December 2009 was £0.8m, to 79 borrowers (2008 - £0.7m to 84 borrowers).

There was an increase in the number of enquiries to the Financial Support team from 295 in 2008 to 307 in 2009, indicating an increase in the need for CABA services. We were able to offer financial support to 79 new clients in 2009. The number of households financially supported during 2009 was 347, of which over 22% were from new applicants. Although 65% of those financially supported were aged over 60, we have seen an increase in the number of younger members coming to us for financial support.

Where the Charity is unable to help with financial assistance, enquirers and applicants are provided with details of other sources of support, including the CABA Carer Support team, Debt Management team, CABA Helpline and the Institute's Support Members services.

## **To run training courses and events**

CABA delivers a range of training courses across the country. We provide training to improve or maintain health of Chartered Accountants by addressing problems relating to stress and other related matters (e.g. effective communication and time management). The stress and well being training courses help delegates identify their own stress levels and help them develop 'coping mechanisms'. This training programme, by focusing on time management and effective communication, encourages delegates to consider their work life balance with the aim to encourage a healthier way of life.

Feedback from delegates is collected at the end of each session and three to six months post the event to assess the effectiveness and impact of attending.

# Chartered Accountants' Benevolent Association

The number of people trained was expected to increase in 2009, with the development and delivery of new training courses.

A total of 708 delegates attended UK training events during the year (2008 - 467). Work started on improving monitoring and evaluation of the programme, particularly longer term benefits and outcomes. 95% of those attending reported a long-term benefit after three to six months. Outcomes include learning techniques to deal with stress, feeling more able to deal with future stress, and feeling more confident in using new techniques to deal with stress. An interesting outcome is that delegates feel better having shared their experiences with others, which is the key unique selling point of the programme. The value of Chartered Accountants supporting Chartered Accountants should not be underestimated.

The stress management and well-being programme was piloted in Hong Kong from November 2009 to January 2010. Initial feedback and evaluation is very positive and work is underway to extend the pilot and continue the programme during 2010.

Over the past 12 months in response to increased requests from members who have been made redundant or fear redundancy, we have run a series of events in partnership with the ICAEW, to support those members facing unemployment, many as a result of the current economic climate. These events have been subsidised by CABA, to ensure the cost of attendance is not a barrier to those wanting to attend. A total of 433 delegates attended 20 events in 2009, which were run as part of national and regional programmes to help those members wanting to return to work. These events help our clients' financial security, with improved prospects of returning to paid employment.

## To provide support

Support is provided in a variety of ways:

**Helpline.** A confidential telephone helpline staffed by trained health and legal professionals, 24 hours a day, 365 days a year, is available to all members and their families. Advice, information and support is provided on a range of subjects, including alcohol addiction, bereavement, bullying, debt, drugs, gambling, health, work, stress and legal issues.

The helpline provided support on emotional, health and legal matters for 704 callers in 2009 (2008 – 483), the biggest single category of these being employment (175 calls). This is the highest annual number of calls since the helpline started in 2005. In 2009 work has been focussed on improving the working relationship between CABA front line staff and our helpline provider. Two training visits for front line staff were organised during the year to improve

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referral and signposting. Stronger links with ICAEW departments, including Support Members and Integrity and Ethics Department were made, to try to target legal and emotional support to Members.

The new CABA brand was launched at the beginning of 2009 with new livery, support messages and website, replacing the separate CABA and YouCount brands that were in use in 2008. The number of unique visits to the new combined website increased substantially to 52,606 in 2009, compared with 16,881 visits to the YouCount site and 12,131 to the CABA site in 2008. The majority of visits to the website were to the advice and information sections.

**Carers.** Carer support workers offer knowledge, support and advice to carers including advice on what help is available from statutory services and private sector providers, practical and financial help with respite care and holidays, advice on mobility aids and adaptations, advocacy support to help access services as well as a listening ear and emotional support.

**Debt.** Free, independent, impartial, and confidential debt advice and support is offered by experienced debt advisors. Budgeting help is also provided as well as advice on benefit and tax credit entitlement.

One of our key objectives for 2009 was to expand the Carer Support and Debt Management services, by appointing additional resources, as our two specialist staff members in these areas were working to full capacity, despite no advertising of these new services to members. Three new members of staff were recruited during the year enabling an increase in the number of clients supported. 52 carers were given high level support by the Carer Support team in 2009 (2008 -20) and 99 people were supported by the Debt Management team during 2009 (2008 – 18).

**Career coaching.** Career coaching is offered on an individual basis to those who have been out of work for a significant period. Access to this service is means tested. During 2009 13 clients were supported by this service, with 5 improving their financial circumstances by the end of the year.

## **To provide signposting, advice and information**

CABA signposts clients to a range of specialist advice agencies where we do not have the expertise in house e.g. advising those who are homeless or those who are struggling with addiction.

All of our clients receive some advice and information, with many also receiving signposting to other organisations.

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Through our four objectives we are able to demonstrate that we fulfil our charitable objects:

- The provision of financial support, return to work events, debt advice and career coaching all help CABA relieve poverty;
- Relieving sickness is achieved through the provision of the carer support service, financial support for medical bills, provision of respite care, and aids and adaptations and loans for house adaptations;
- The training courses, provision of a listening ear and reduction of client debt all help in preserving the good health of our clients; and
- Signposting to appropriate support and the Helpline enable us to meet our charitable objects in all areas: the relief of poverty, sickness and the preservation of good health of our clients.

## **Continuous improvement**

We continue to strive for a model of benevolence that encourages and maintains the independence of our clients and decisions are determined according to their needs.

CABA follows a process of continuous review and improvement, using monitoring and evaluation as a means of assessing the success of our services. Statistics are collected on a monthly basis, monitoring activity across all our services. In addition, once a debt or carer case is closed, clients are sent a confidential questionnaire to assess the impact the service has had on them and their families. The findings from this work are fed into our strategic planning to ensure that we are responding appropriately to an ever changing environment.

## **Access to services**

For those based in the UK there is no restriction to services that they can access, with the exception of financial support and individual career coaching which are means tested. All members can access events provided in partnership with the Institute. Costs are subsidised and the unwaged can be reimbursed for all associated costs.

Those living overseas have access to financial assistance, the telephone counselling helpline (which includes carer and debt advice) and signposting. During the past 18 months CABA has begun to broaden the range of overseas services offered by piloting the stress management and well-being training in Cyprus and Hong Kong. This work will be evaluated next year and the findings will help inform an international strategy.

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## Volunteers

CABA volunteers are an important part of our organisation and we are looking at opportunities to make greater use of volunteers to deliver our expanding range of services. During the year we were supported by the following:

**Trustees:** The Trustees are all volunteers. We operate a formal induction programme for new Trustees, together with ongoing specific and annual Trustee training. We held a Trustee training day in November 2009.

**Referees:** Referees support the clients receiving financial support. New referees have been recruited by arranging recruitment events in Districts with the greatest need. The number of referees now totals 228.

**Confidantes:** A team of volunteers, known as Confidantes, was established to provide a sympathetic yet objective point of view, using a confidential freephone, direct from the Charity or by referral through the CABA counselling service. The Confidantes service was launched in November 2008. Uptake of the service was low and a decision was taken to close down the service in October 2009. There are no cases remaining.

**Debt Management Volunteers:** Volunteers to help deliver the Debt Management service were recruited in November 2009 and they are being trained over a three month period.

For all of our volunteers we use a variety of methods of communication and training, including newsletters, induction events, both as small groups and individuals, one to one sessions, and a volunteers' conference, the most recent one being held in November 2009.

## Plans for Future Periods

The Charity is determined to continue to support those most in need, particularly in this difficult economic climate. For 2010 we plan to move to a more holistic service. With an increasing range of support available to our clients it is important that the most appropriate support is channelled to those needing our help. In order to achieve this we are introducing a new assessment process in Spring 2010, initially for all new enquiries. This process will be adopted for existing clients during the remainder of 2010.

Through this new approach to service delivery we aim to meet the needs of more clients, recognising that direct aid is a combination of practical, caring and emotional support as well as financial aid.

# **Chartered Accountants' Benevolent Association**

Looking at future trends, the demand for services is expected to continue to grow as life expectancy increases and Institute membership grows. There are also social trends that increase the number of potential users, for example second families, and, in common with other benevolent organisations the profile of those approaching CABA for assistance has also changed over the past few years. They are younger, and often have more complex needs, e.g. multiple families, health problems, significant levels of debt, and children with disability. Such cases require support from a variety of specialist staff.

We also need to be aware of any government changes to benefit entitlements that may adversely affect our clients, and be able to respond quickly to changes in clients needs.

CABA is moving towards a model of benevolence that encourages and maintains independence amongst clients and decisions are determined according to their individual needs. To help us deliver this holistic 'person centred' support and advice the following services have been introduced and will be developed over the coming few years:

- Debt advice – specialist debt advisors helping to resolve debt issues, maximise income and advice to avoid further debt;
- Supporting carers – specialist staff advising and supporting carers giving advice on what help is available from statutory services, advice on suitable respite care and mobility aids, advocacy support to help access services they are entitled to and a listening ear;
- 24 hour telephone helpline – trained counsellors, legal advisors and health professionals available seven days a week offering counselling, legal and medical advice; and
- Programme of training specifically designed for Chartered Accountants - courses cover Stress Management and Well-being, Tackling stress at work for Managers, Improving Assertiveness and Effective Time Management, together with events run jointly with the Institute to help those out of work prepare themselves to return to work.

In 2010 additional posts will be recruited to strengthen the skills and expertise within the existing staff team, including Income maximisation, Health and Care and Advice and Information, as well as additional 'back-office' staff.

We will also be reviewing the role of our volunteers and how we can best support and advise Members who live overseas.

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## **Employees**

The quality and commitment of our staff has played a major role in our success. This has been demonstrated in many ways, including client satisfaction and the flexibility they have shown during difficult times, in adapting to a changing environment and new ways of working. Employees' performance is aligned to Charity goals and individual objectives. We are committed to training our staff in order to ensure that they are supported in achieving their objectives.

## **Financial Review**

The Charity's principal funding sources are income from investments, donations from members of the Institute and bequests received by the Association and transferred to the Charity. In July 2009, the final instalment of £13m was received for the sale of Peacock Farm to Redrow Persimmon in 2005. Income from investments at £1.1m (2008 - £1.0m) continues to be the Charity's principal source of income representing 67% (2008 - 68%) of income in the year. Donations from members of the Institute (£291k -17% of income) are lower than 2008 (£332k – 23% of income). As a result of receiving a large legacy in the year, bequests as a percentage of income rose from 3% in 2008 to 13% in 2009.

Resources expended, before exceptional items, total £2.7m in the year, compared with £2.8m in 2008. The additional services, introduced in the second quarter of 2008, have increased Charitable Activities costs by £226k. Costs of Generating Funds (£185k) and Governance Costs (£173k) have fallen in 2009, as a result of savings following a management restructure and bringing 'in house' the task of administering investment subscriptions and redemptions.

Overall there was a deficit for the year of £2.4m, (before accounting for losses on disposals and revaluation of fixed assets), which includes £1.4m for exceptional items. The exceptional items reflect the costs associated with the departure and replacement of the previous Chief Executive. £1.3m of this cost was due to the crystallisation of a S75 debt to The Institute of Chartered Accountants Staff Pensions Fund of which the former Chief Executive was the only remaining active CABA member. The debt reflects CABA's share of the Pension Fund deficit and relates to CABA's pensioners and deferred pensioners. Total funds at the end of the year were £74.9m (2008 - £70m).

## **Investments**

CABA's investment portfolio is managed by the Trustees through their investment committee, with advice from Cambridge Associates Ltd ('Cambridge'), the UK affiliate of an investment advisory firm based in Boston Massachusetts. Cambridge advises on asset allocation on a diversified basis across a number of investment categories, and on the selection of investments, primarily funds and

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other collective investment vehicles, to populate the agreed allocation. The investment committee is obliged by the Trustee Board not to act without or against the advice of Cambridge.

During 2009 we received the final tranche of consideration for the sale of land at Peacock Farm. We have continued to fill out the asset allocation with additional investments, as well as adjusting some existing holdings. We have done so at a measured pace in view of the continuing uncertainty of the economic climate. At 31st December, the investment portfolio, including cash deposits, valued at £72.7m, was positioned as follows:

	%
UK equities	20
Global equities	19
Emerging market equities	8
Alternative investment	10
Commodities	5
Commercial property	11
Index linked gilts	2
Fixed income	6
Cash	19

As is well known, although the year started with the markets in disarray, there has since been a very substantial recovery. The CABA portfolio delivered a total return of just over 19%, which we regard as more than satisfactory, capturing much of the upside without excessive exposure to equities. Most of our asset classes have delivered better performances than the relevant indices.

Our total return is somewhat ahead of the latest published average return for the WM Charity Universe in 2009: unconstrained: 18.4%, but lags the median return: 21.7%, reflecting what we understand to be the higher equity exposure of many smaller charity portfolios and the high cash weighting resulting from the gradual investment programme referred to above.

### Reserves

CABA holds reserves to enable it to maintain existing services, extend their availability to clients in the UK and overseas, and to introduce new services where research identifies needs which are not being met. Having reserves allows CABA to do this without the service interruptions and delays that might occur if the Charity were totally dependent on income generated during a particular financial year.

## **Chartered Accountants' Benevolent Association**

In 2005 CABA received significant funds from the sale of land which have been invested to provide an income for the Charity. As a consequence of this the Trustees decided to suspend active fund raising, although some members continue to make unsolicited donations and bequests. This support is welcome because it reaffirms the connection that has existed for many years between the community of chartered accountants and the users of CABA's services. CABA continues to encourage participation in its activities through volunteering and at the appropriate time will return to fund raising activities.

Around the time of this financial windfall the Charity undertook a full review of its services and carried out research into the needs of clients. As a result of this, new services have been introduced, changes are occurring to the methods of service provision and CABA is developing plans to extend the availability of services throughout the UK and overseas.

As a result there is a diminishing level of donations and bequests and CABA's only other income is from investments, which have been impacted by the recent recession. Income levels are now insufficient to cover annual outgoings. Reserves are needed in the short term to ensure that we can continue to support clients on a day to day basis.

We are in the process of updating our strategy, which will include a review of our cash requirements for the next five years. As a result of the change in our operations and development of our services, we expect to report an excess of outgoings over income for the next few years. Funds will be needed in the medium term to fund the developments that are already in progress.

In the light of the planned expansion programme we have also prepared long term projections of sources of income, and of client needs over the next 20 years. These projections are sensitive to variations in the assumptions on which they are based, and by their nature can only be indicative of likely trends. What they do indicate is that in the longer term CABA will need significant reserves if the planned developments are to be securely based. Current reserve levels give us confidence that CABA is well placed to meet this challenge. The model of running short term deficits cannot be continued indefinitely, however, and we shall review that and the longer term needs again as part of the strategy update referred to above.

The Charity's reserves at 31 December 2009 were £74.9m. Of this, £0.3m represents endowed and restricted funds. £1.7m has been designated to represent the net book value of the Charity's freehold property and other fixed assets. The remaining amount represents free reserves.

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This policy and the level of reserves are reviewed annually as part of the planning and budgeting process. The process involves both a strategic and operational approach, ensuring CABA's longer term business plan reflects the strategic vision of the Institute as well as a constant review of the demand for our services.

## **Related Parties**

Although the Charity was founded to serve the members of the Institute and their dependants, there is no direct financial support received by the Charity from the Institute. However, its sharing of members' data is a vital component in the Charity being able to deliver its objectives, but the Charity does not disclose information to the Institute without express permission. Technical and specialist skills amongst the Institute's staff are also available for the Charity to use and this is freely given.

## **Structure, Governance, Management and Risk**

### **Governing Document**

The organisation is a charitable company limited by guarantee. The company, referred to as the "Charity", was established under a Memorandum of Association, which established the objects and powers of the Charity and is governed under its Articles of Association (the "Articles"). In the event of the Charity being wound up members are required to contribute an amount not exceeding £1.

### **Board of Trustees**

The directors of the Charity, as defined in the Companies Act 2006, are also charity trustees for the purposes of charity law. Under the Charity's Articles they are known as Trustees. Eligibility for election to the Board of Trustees is governed by the Articles, a copy of which may be obtained from the Secretary. The applicable rules state that the Trustees may appoint members to fill casual vacancies. Any member so appointed shall retire at the Annual General Meeting following his / her appointment but shall be eligible for re-election. A Trustee is eligible to serve for three consecutive terms of office, after which he / she must take a break from office and may not be reappointed until the annual general meeting following the annual general meeting at which his / her break from office commenced.

The Charity uses a formal recruitment process in appointing Trustees. Formal training of Trustees is carried out at least once a year and a full day of induction training is given to all new Trustees.

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The Trustees who have served during 2009 are set out on page 1: there were no new appointments in the year. All of the Trustees have served for the whole of 2009 to the current date, unless otherwise stated. Mr Robin Fieth was appointed on 5 March 2010. The Trustees express their thanks to Mr Michael Izza and Mr Ron McCahill, who retired as trustees during the year.

No Trustees had any disclosable interests under the Companies Act 2006.

In accordance with the Articles, Mr Robin Fieth, the Trustee appointed since the last Annual General Meeting, retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election. Mr David Adams, Mr Derek Hall and Mr Paul McManus retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

## **Management**

The Board of Trustees, who meet quarterly, are responsible for the strategic direction and policy of the Charity. At present there are ten Trustees who are all Chartered Accountants.

To enable the Trustees to manage the Charity effectively a number of sub-committees have been established to oversee, advise and act on behalf of the Board of Trustees on specialist areas of the organisation. These are the Investment Committee, the Audit and Risk Committee, the Personnel Committee and the Support Services Committee. Each committee has its own terms of reference in regard to its duties, responsibilities and delegated authorities.

The day-to-day management of the Charity has been delegated to the Chief Executive, supported by the Senior Management team. Kathryn Haines was appointed Chief Executive on 4 August 2009, following the resignation of David Barker on 13 February 2009.

Reports on the activities of the Charity, including management accounts, are presented quarterly, at the Trustees meetings.

## **Principal risks and uncertainties facing the Charity**

### **Risk management**

The Trustees have conducted a review of the major risks to which the Charity is exposed. A risk register has been established and is updated at least annually. Where appropriate the Charity has introduced systems or procedures to mitigate the risks the Charity faces. Significant external risks to financial instruments have

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led to the development of a strategic investment plan with a view to minimising these risks.

## **Financial instruments**

The Charity's operations expose it to a variety of financial risks including the effects of changes in interest rates, foreign currency exchange rates and credit risk. The Charity's principal financial instruments comprise investments in managed funds and exchange traded funds in sterling, US dollars and euros, sterling cash and bank deposits, together with debtors and creditors that arise directly from its operations.

The main risk arising from the Charity's financial instruments is price risk. The Charity has a significant exposure to securities price risk. In order to contain this risk as far as possible, the Charity maintains a diversified portfolio.

## **Statement of Trustees' responsibilities for the financial statements**

The Trustees (who are also directors of Chartered Accountants' Benevolent Association for the purposes of company law) are responsible for preparing the Trustees' Report 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charitable group will continue in business.

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The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees is aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are 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.

The Trustees confirm that they have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the group's aims and objectives and in planning future activities and setting the grant making policy for the year.

## **Auditor**

The auditors, Grant Thornton UK LLP, are willing to continue in office, and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

## **Approval**

The Report of the Trustees was approved by the Board on 11 May 2010 and signed on its behalf by:

John Heskett  
**President**

# **Chartered Accountants' Benevolent Association**

## **Independent auditor's report to the members of Chartered Accountants' Benevolent Association**

We have audited the group and parent charitable company financial statements (the 'financial statements') of Chartered Accountants' Benevolent Association for the year ended 31 December 2009 which comprise the principal accounting policies, the group statement of financial activities, the group and charitable company balance sheets and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The Trustees' (who are also the directors of Chartered Accountants' Benevolent Association for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

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

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

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we

# **Chartered Accountants' Benevolent Association**

have not received all the information and explanations we require for our audit, or if certain disclosures of Trustees' remuneration specified by law are not made.

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

## **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable company's circumstances, consistently applied and adequately disclosed.

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

## **Opinion**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2009 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements for the year ended 31 December 2009.

Subarna Banerjee  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
13 May 2010

# Chartered Accountants' Benevolent Association

## *Consolidated Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 December 2009*

	Notes	Unrestricted Charity £'000	Endowment Funds £'000	Restricted Funds £'000	Total 2009 £'000	Total 2008 £'000
<b>Incoming Resources from Generated Funds</b>						
Voluntary Income	2	536.9	-	15.0	551.9	403.9
Investment Income	3	1,128.9	-	1.9	1,130.8	973.8
Other Income		17.7	-	-	17.7	58.9
<b>Total Incoming Resources</b>		<u>1,683.5</u>	<u>-</u>	<u>16.9</u>	<u>1,700.4</u>	<u>1,436.6</u>
<b>Resources Expended</b>						
CABA Housing	5	0.3	-	-	0.3	114.0
<b>Charitable Activities</b>						
Cost of Generating Funds	5 / 6	185.0	-	-	185.0	227.1
Charitable Activities	5 / 6	2,381.9	-	2.0	2,383.9	2,158.0
Governance Costs	5 / 6	173.2	-	-	173.2	253.6
Exceptional Items	4 / 5	1,361.9	-	-	1,361.9	-
<b>Total Resources Expended</b>	5	<u>4,102.3</u>	<u>-</u>	<u>2.0</u>	<u>4,104.3</u>	<u>2,752.7</u>
<b>Net (Outgoing) / Incoming Resources before other recognised Gains and Losses</b>						
	7	<u>(2,418.8)</u>	<u>-</u>	<u>14.9</u>	<u>(2,403.9)</u>	<u>(1,316.1)</u>
Gains and Losses on Revaluations and Disposals of Fixed Assets:						
realised	12 / 17	(3,556.9)	(15.2)	-	(3,572.1)	(1,655.2)
unrealised	12 / 17	13,917.1	33.5	-	13,950.6	(15,046.7)
<b>Net Movement in Funds</b>		<u>7,941.4</u>	<u>18.3</u>	<u>14.9</u>	<u>7,974.6</u>	<u>(18,018.0)</u>
<b>Funds brought forward</b>		66,741.7	189.8	29.6	66,961.1	84,979.1
<b>Total Funds carried forward at 31 December</b>	17 / 18	<u>74,683.1</u>	<u>208.1</u>	<u>44.5</u>	<u>74,935.7</u>	<u>66,961.1</u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

# Chartered Accountants' Benevolent Association

## Consolidated Balance Sheet as at 31 December 2009

		Group		Charity	
	Notes	2009 £'000	2008 £'000	2009 £'000	2008 £'000
<b>Fixed Assets</b>					
Tangible Fixed Assets	11	2,321.5	2,402.6	1,721.3	1,802.4
Investments	12	59,340.8	39,730.5	59,733.2	40,090.8
<b>Total Fixed Assets</b>		<u>61,662.3</u>	<u>42,133.1</u>	<u>61,454.5</u>	<u>41,893.2</u>
<b>Current Assets</b>					
Debtors					
Falling due within one year	13	1,170.0	13,209.2	1,169.2	13,208.4
Falling due after one year	13	-	-	-	-
Cash and cash equivalents	14	13,747.0	12,319.0	13,746.0	12,318.1
<b>Total Current Assets</b>		<u>14,917.0</u>	<u>25,528.2</u>	<u>14,915.2</u>	<u>25,526.5</u>
Creditors falling due within one year	15	1,435.3	460.9	1,433.6	458.3
<b>Net Current Assets</b>		<u>13,481.7</u>	<u>25,067.3</u>	<u>13,481.6</u>	<u>25,068.2</u>
<b>Total Assets less Current Liabilities</b>		75,144.0	67,200.4	74,936.1	66,961.4
Creditors falling due after more than one year	15	208.3	239.3	-	-
<b>Net Assets</b>		<u>74,935.7</u>	<u>66,961.1</u>	<u>74,936.1</u>	<u>66,961.4</u>
<b>Funds</b>					
Unrestricted Funds	16 / 17	74,683.1	66,741.7	74,683.5	66,742.0
Endowment Funds	16 / 18	208.1	189.8	208.1	189.8
Restricted Funds	16 / 18	44.5	29.6	44.5	29.6
<b>Total Funds</b>		<u>74,935.7</u>	<u>66,961.1</u>	<u>74,936.1</u>	<u>66,961.4</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board on 11 May 2010 and signed on its behalf by:

John Heskett  
President

Nicholas Brooks  
Chair of Audit and Risk Committee

# **Chartered Accountants' Benevolent Association**

## ***Accounting Policies***

### ***Accounting Convention***

The financial statements are prepared under the historical cost convention, except for investments which have been included at revalued amounts, and in accordance with the Companies Act 2006 and applicable accounting standards. In preparing the financial statements the Charity follows best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in April 2005.

### ***Basis of Consolidation***

The Financial Statements of the subsidiary CABA Housing Limited and the unincorporated Association have been consolidated within these accounts.

### ***Incoming Resources***

Income from Members is accounted for on a receipts basis. Legacies and donations, are taken into account on the basis of when receivable. Legacies are applied for the general use of the Charity unless directed otherwise. No account is taken of future contributions under deeds of covenant.

Equity investment income is recognised when the underlying investment is marked ex-dividend. Interest on fixed interest investments and deposits is accounted for on an accruals basis.

Gift Aid recoverable is accounted for in the same period as the related income is received.

### ***Resources Expended and Basis of Cost Allocation***

Grants and loans made by the Charity are charged against income in the year in which they are paid. Where appropriate, grants are made in the form of interest free loans, where a restriction or second charge may be placed on the associated asset of the beneficiary. In these cases the loans are repayable on realisation of the associated asset or out of the Estate on death. Loans recovered are taken into account in the Statement of Financial Activities in the year of receipt.

Where possible costs are directly attributable to specific activities. Certain shared costs, including staff costs, are apportioned to activities on the basis of individual duties and responsibilities. Office costs, including rent, rates and services, are apportioned to activities on a per capita basis. The principal activities are those of direct aid, support, fundraising and awareness and governance. Included within governance are the administrative, legal and professional costs of running the Charity.

### ***Investments***

Marketable investments are shown at market value. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Investment property is shown at market value based on existing use, as valued by the Trustees. The loan to CABA Housing Limited is shown net of a provision for possible future loss.

# Chartered Accountants' Benevolent Association

## ***Accounting Policies (continued)***

### ***Pensions***

The Group Personal Pension Scheme contributions under the defined contribution scheme are shown in the Statement of Financial Activities as incurred.

### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash in hand, balances with banks and investments in money market instruments representing short-term, highly liquid investments that are readily convertible to known amounts of cash.

### ***Residential Properties***

Residential properties for occupation by beneficiaries are shown at cost. The properties are fully maintained with a view to ensuring that the total residual values are not less than cost. Accordingly, depreciation has been calculated as immaterial and an impairment review held.

### ***Freehold Property***

The cost of the office building at Rugby, excluding the cost of the land, is depreciated over a twenty five year period using the straight line method.

### ***Furniture and Equipment***

All assets costing more than £500 are capitalised and are depreciated over a three year period using the straight line method.

### ***Unrestricted, Restricted and Endowment Funds***

Unrestricted general funds can be used in accordance with the charitable objects at the discretion of the Board.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment Funds are classified as permanent endowments and the capital of these funds is held in perpetuity.

Further explanation of the nature and purpose of each fund is included in the notes to the Financial Statements.

### ***Annuity Fund***

The consideration for the granting of each annuity is credited to the Annuity Fund. All relevant disbursements, including annuities paid, maintenance and insurance, are charged to the Fund. The outstanding liability for annuities is valued by the Company's actuaries at no longer than three yearly intervals and any surplus or deficit is taken to the Operating Account. The last such valuation was made at 31 December 2008.

# Chartered Accountants' Benevolent Association

## *Notes forming part of the Financial Statements for the year ended 31 December 2009*

### 1. Preparation of Accounts

These financial statements have been prepared for the year ended 31 December 2009 and present information about the Charity and its subsidiary undertakings.

The Charity has not shown its own statement of financial activities as advantage has been taken of Section 408 of the Companies Act 2006.

This is the first year the accounts have been consolidated, and 2008 comparatives have been adjusted.

### 2. Voluntary Income

	<b>Group</b>			
	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total 2009 £'000</b>	<b>Total 2008 £'000</b>
Subscriptions from Members	290.8	-	290.8	331.6
Other Donations	23.6	15.0	38.6	26.9
Legacies	222.5	-	222.5	45.4
	<u>536.9</u>	<u>15.0</u>	<u>551.9</u>	<u>403.9</u>

Other donations includes income from charitable trusts. No costs were incurred by the Charity in respect of these donations.

### 3. Investment Income

	<b>Group</b>			
	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total 2009 £'000</b>	<b>Total 2008 £'000</b>
Dividends and Interest				
on Quoted Investments	826.3	1.9	828.2	440.0
Other Interest	313.5	-	313.5	524.8
Net Property (Expenditure) / Income	(10.9)	-	(10.9)	9.0
	<u>1,128.9</u>	<u>1.9</u>	<u>1,130.8</u>	<u>973.8</u>

Income from Property is stated net of repairs and maintenance; during the year expenditure exceeded income.

# Chartered Accountants' Benevolent Association

## *Notes forming part of the Financial Statements for the year ended 31 December 2009 (continued)*

### 4. Exceptional Costs:

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Compensation for loss of office	40.0	-
Legal fees	11.4	-
Recruitment	50.5	-
Pension	1,260.0	-
	<u>1,361.9</u>	<u>-</u>

Exceptional costs arose from the departure of the Chief executive and include all termination fees, recruitment costs and the debt due to the pension fund under Section 75 of the Pension Act 1995 (see note 8 for further details).

### 5. Analysis of Resources Expended

	<b>Group</b>			
	<b>Direct Aid</b>	<b>Support Costs</b>	<b>Total 2009</b>	<b>Total 2008</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
CABA Housing	-	0.3	0.3	114.0
<b>Cost of Generating Funds</b>	<u>-</u>	<u>185.0</u>	<u>185.0</u>	<u>227.1</u>
<b>Direct Charitable Expenditure</b>				
Grants/Advice	1,295.1	662.3	1,957.4	1,774.4
Loans	138.4	69.1	207.5	172.0
Training and helpline	66.6	85.6	152.2	159.6
Volunteers	39.8	27.0	66.8	52.0
	<u>1,539.9</u>	<u>844.0</u>	<u>2,383.9</u>	<u>2,158.0</u>
<b>Governance Costs</b>	<u>-</u>	<u>173.2</u>	<u>173.2</u>	<u>253.6</u>
Exceptional Items (see note 4)	<u>-</u>	<u>1,361.9</u>	<u>1,361.9</u>	<u>-</u>
<b>Resources Expended 2009</b>	<u>1,539.9</u>	<u>2,564.4</u>	<u>4,104.3</u>	<u>2,752.7</u>

During the year there was a review of the allocation of costs between Direct Aid and Support Costs. As a result the costs of employees who deliver services to our clients has been re-allocated from Support Costs to Direct Aid.

During the year a total of 13 loans (2008 - 20) were made to new and existing borrowers. At 31 December 2009 the total of loans outstanding amounted to £791.8k loaned to 79 borrowers (2008 - £731.6k, 84 borrowers).

# Chartered Accountants' Benevolent Association

## *Notes forming part of the Financial Statements for the year ended 31 December 2009 (continued)*

6. Support Costs	2009			2008	
	Cost of Generating Funds £'000	Charitable Activities £'000	Governance Costs £'000	Total £'000	Total £'000
Employment costs	61.0	350.2	106.5	517.7	568.7
Other staff costs	6.0	106.7	19.1	131.8	98.1
Office costs	4.2	99.7	7.6	111.5	101.5
Training and seminars	-	0.3	0.2	0.5	1.2
Auditors' fees	-	-	14.8	14.8	24.7
Legal and professional fees	1.0	20.5	18.8	40.3	39.0
Investment and advisory fees for Fund Management	108.9	-	-	108.9	120.5
Fundraising and awareness	-	182.8	0.2	183.0	307.7
Depreciation	3.9	84.1	6.2	94.2	100.2
<b>Support Costs 2009</b>	<u>185.0</u>	<u>844.0</u>	<u>173.2</u>	<u>1,202.2</u>	<u>1,360.4</u>

Cost of generating funds largely relates to the cost of generating investment income. Costs are allocated specifically where appropriate and practical, and proportionate to use where resources are shared. Other staff costs include agency costs, recruitment costs, travel and staff training.

2008 comparatives for Employment costs, Other staff costs and Training and seminars have been adjusted in line with the change in treatment referred to in note 5.

Fund Management Fees relate to the services provided by the Charity's investment advisors, Cambridge Associates Limited and Royal London Cash Management.

### **7. Net (Outgoing) /Incoming Resources before other recognised Gains and Losses**

	2009 £'000	2008 £'000
These are stated after charging:		
Depreciation	94.2	100.2
Auditors' remuneration:		
Audit services	15.1	15.3
Technical advice	-	9.7

# Chartered Accountants' Benevolent Association

## *Notes forming part of the Financial Statements for the year ended 31 December 2009 (continued)*

### 8. Staff Costs and Numbers

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	591.0	549.0
Employers NIC	63.2	59.0
Pension Contributions	59.9	78.3
Other Benefits	38.6	35.8
Total Staff Costs	<u>752.7</u>	<u>722.1</u>
Less:		
Staff costs allocated to Direct Aid	<u>235.0</u>	<u>153.4</u>
Total Staff costs charged to Support (note 6)	<u>517.7</u>	<u>568.7</u>

The cost of compensation for loss of office are not included in Staff costs (note 4).

The average number of employees during the year was 22 (2008 - 17). The Group had one employee with emoluments in the band £90k to £100k during the year.

Staff are eligible to participate in the group personal pension scheme with Aegon Scottish Equitable.

### Group Personal Pension Scheme

The Charity operates a group personal pension scheme for employees. This scheme is managed by Aegon Scottish Equitable and provides benefits based upon contributions made and investment returns achieved. The scheme first received contributions in May 2008. The assets of the scheme are held in a separate trustee administered fund. The employees themselves contribute a minimum of 3%. The Charity contributes twice that of the employee up to a maximum of 10% of pensionable earnings for participating employees. The group personal pension scheme replaced the former stakeholder scheme which closed in April 2008.

The amount charged to the Statement of Financial Activities during the year in respect of the Group Personal Pension scheme and the former stakeholder scheme was £46.9k (2008 - £37.9k).

### Defined Benefit Scheme

The defined benefit scheme of the ICAEW provides participating members of staff with retirement benefits based on their final pensionable salary. The assets of the scheme are held by a separate trustee administered fund.

The one remaining employee of the Association left on 13 February 2009. Under the provisions of Section 75 of the Pensions Act 1995 and the Occupational Pension Schemes (Employer Debt) Regulations 2005, a Section 75 Debt is imposed on an employer participating in a defined benefit pension scheme at the time the employer ceases to have any employees in active membership while one or more other employers still have active members. As the Association has no assets, the Section 75 debt will be met by Chartered Accountants' Benevolent Association, the incorporated Charity.

The value of the Section 75 Debt was calculated by Hymans Robertson LLP as at 13 February 2009 to be £1.26m.

# Chartered Accountants' Benevolent Association

## *Notes forming part of the Financial Statements for the year ended 31 December 2009 (continued)*

### 8. Staff costs and numbers (continued)

#### Defined Benefit Scheme (continued)

The Association's pension costs for the period to 13 February 2009 for this scheme were £5.0k including contributions for past employees. (2008 : £40.5k - one employee).

### 9. Trustee Remuneration and Related Party Transactions

None of the trustees received any remuneration during the year (2008 - £ nil). Expenses were reimbursed to 7 (2008 - 10) trustees for travel and subsistence, totalling £4.4k (2008 - £3.0k).

A fee of £1.3k was paid to David H Adams Ltd of which David Adams is the Owner Director, for the service of running a workshop at the biannual Volunteers conference. No trustee or any person related to the Charity had any personal interest in any contract or transaction entered into by the Charity in the period, excluding the disclosure noted above.

### 10. Net Movement in Funds

The net movement in funds of the Charity amounted to £7,974.4k (2008: decrease £18,018.0k)

### 11. Tangible Fixed Assets - Group

	Freehold Offices £'000	Freehold Residential £'000	Furniture & Equipment £'000	Total £'000
<b>Cost</b>				
<b>At 1 January 2009</b>	1,659.0	790.0	205.6	2,654.6
Acquisitions in the year	-	-	13.1	13.1
<b>At 31 December 2009</b>	<u>1,659.0</u>	<u>790.0</u>	<u>218.7</u>	<u>2,667.7</u>
<b>Accumulated Depreciation</b>				
<b>At 1 January 2009</b>	98.0	-	154.0	252.0
Charge in the year	61.9	-	32.3	94.2
<b>At 31 December 2009</b>	<u>159.9</u>	<u>-</u>	<u>186.3</u>	<u>346.2</u>
<b>Net Book Value</b>				
<b>At 31 December 2009</b>	<u>1,499.1</u>	<u>790.0</u>	<u>32.4</u>	<u>2,321.5</u>
<b>At 31 December 2008</b>	<u>1,561.0</u>	<u>790.0</u>	<u>51.6</u>	<u>2,402.6</u>

# Chartered Accountants' Benevolent Association

## *Notes forming part of the Financial Statements for the year ended 31 December 2009 (continued)*

### 11(a). Tangible Fixed Assets - Charity

	Freehold Offices £'000	Freehold Residential £'000	Furniture & Equipment £'000	Total £'000
<b>Cost</b>				
<b>At 1 January 2009</b>	1,659.0	189.8	205.6	2,054.4
Acquisitions in the year	-	-	13.1	13.1
<b>At 31 December 2009</b>	<u>1,659.0</u>	<u>189.8</u>	<u>218.7</u>	<u>2,067.5</u>
<b>Accumulated Depreciation</b>				
<b>At 1 January 2009</b>	98.0	-	154.0	252.0
Charge in the year	61.9	-	32.3	94.2
<b>At 31 December 2009</b>	<u>159.9</u>	<u>-</u>	<u>186.3</u>	<u>346.2</u>
<b>Net Book Value</b>				
<b>At 31 December 2009</b>	<u>1,499.1</u>	<u>189.8</u>	<u>32.4</u>	<u>1,721.3</u>
<b>At 31 December 2008</b>	<u>1,561.0</u>	<u>189.8</u>	<u>51.6</u>	<u>1,802.4</u>

There are four freehold properties owned by the Charity with a net book value of £189.8k which represent the historical cost value.

CABA Housing owns one freehold property. Hewitt Bacon & Woodrow Limited, the Company's actuaries, assessed the value of the Company's interest in the property at 31 December 2008 as £600.2k. The value of the Property on the Historical Cost Basis is £310k.

# Chartered Accountants' Benevolent Association

## *Notes forming part of the Financial Statements for the year ended 31 December 2009 (continued)*

### 12. Investments - Group

	Listed Securities £'000	Investment Property £'000	Total £'000
<b>Unrestricted Funds</b>			
<b>Market Value at 1 January 2009</b>	39,564.2	21.0	39,585.2
Additions at cost	19,131.0	-	19,131.0
Disposals at Market Value	(9,963.6)	-	(9,963.6)
Net Investment Gains/(Losses):			
- Unrealised	13,965.4	-	13,965.4
- Realised	(3,536.4)	-	(3,536.4)
<b>Market Value at 31 December 2009</b>	<u>59,160.6</u>	<u>21.0</u>	<u>59,181.6</u>
<b>Cost at 31 December 2009</b>	<u>61,463.6</u>	<u>2.2</u>	<u>61,465.8</u>
<b>Cost at 31 December 2008</b>	<u>55,832.8</u>	<u>2.2</u>	<u>55,835.0</u>
<b>Endowment Funds</b>			
<b>Market Value at 1 January 2009</b>	145.2	-	145.2
Additions at cost	125.7	-	125.7
Disposals at Market Value	(130.0)	-	(130.0)
Net Investment Gains/(Losses):			
- Unrealised	33.5	-	33.5
- Realised	(15.2)	-	(15.2)
<b>Market Value at 31 December 2009</b>	<u>159.2</u>	<u>-</u>	<u>159.2</u>
<b>Cost at 31 December 2009</b>	<u>125.6</u>	<u>-</u>	<u>125.6</u>
<b>Cost at 31 December 2008</b>	<u>190.0</u>	<u>-</u>	<u>190.0</u>
<b>Totals</b>			
<b>Market Value at 31 December 2009</b>	<u>59,319.8</u>	<u>21.0</u>	<u>59,340.8</u>
<b>Market Value at 31 December 2008</b>	<u>39,709.5</u>	<u>21.0</u>	<u>39,730.5</u>
<b>Cost at 31 December 2009</b>	<u>61,589.2</u>	<u>2.2</u>	<u>61,591.4</u>
<b>Cost at 31 December 2008</b>	<u>56,022.8</u>	<u>2.2</u>	<u>56,025.0</u>

# Chartered Accountants' Benevolent Association

*Notes forming part of the Financial Statements for the year ended 31 December 2009 (continued)*

## 12(a). Investments - Charity

	Listed Securities £'000	CABA Housing Limited £'000	Investment Property £'000	Cash £'000	Total £'000
<b>Unrestricted Funds</b>					
<b>Market Value at 1 January 2009</b>	39,564.2	360.4	21.0	-	39,945.6
Transfer between categories	-	-	-	-	-
Additions at cost	19,131.0	91.8	-	-	19,222.8
Disposals at Market Value	(9,963.6)	-	-	-	(9,963.6)
Net Investment Gains/(Losses):					
- Unrealised	13,965.4	(59.8)	-	-	13,905.6
- Realised	(3,536.4)	-	-	-	(3,536.4)
<b>Market Value at 31 December 2009</b>	<u>59,160.6</u>	<u>392.4</u>	<u>21.0</u>	<u>-</u>	<u>59,574.0</u>
<b>Cost at 31 December 2009</b>	<u>61,463.6</u>	<u>1,264.5</u>	<u>2.2</u>	<u>-</u>	<u>62,730.3</u>
<b>Cost at 31 December 2008</b>	<u>55,832.8</u>	<u>1,173.7</u>	<u>2.2</u>	<u>-</u>	<u>57,008.7</u>
<b>Endowment Funds</b>					
<b>Market Value at 1 January 2009</b>	145.2	-	-	-	145.2
Additions at cost	125.7	-	-	-	125.7
Disposals at Market Value	(130.0)	-	-	-	(130.0)
Net Investment Gains/(Losses):					
- Unrealised	33.5	-	-	-	33.5
- Realised	(15.2)	-	-	-	(15.2)
<b>Market Value at 31 December 2009</b>	<u>159.2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159.2</u>
<b>Cost at 31 December 2009</b>	<u>125.6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125.6</u>
<b>Cost at 31 December 2008</b>	<u>190.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190.0</u>
<b>Totals</b>					
<b>Market Value at 31 December 2009</b>	<u>59,319.8</u>	<u>392.4</u>	<u>21.0</u>	<u>-</u>	<u>59,733.2</u>
<b>Market Value at 31 December 2008</b>	<u>39,709.5</u>	<u>360.4</u>	<u>21.0</u>	<u>-</u>	<u>40,090.9</u>
<b>Cost at 31 December 2009</b>	<u>61,589.2</u>	<u>1,264.5</u>	<u>2.2</u>	<u>-</u>	<u>62,855.9</u>
<b>Cost at 31 December 2008</b>	<u>56,022.8</u>	<u>1,173.7</u>	<u>2.2</u>	<u>-</u>	<u>57,198.7</u>

# Chartered Accountants' Benevolent Association

## *Notes forming part of the Financial Statements for the year ended 31 December 2009 (continued)*

### **12. Investments (continued)**

The following investments represent more than 5% of the value of the total investments portfolio at 31 December 2009:

Name of Fund	Investment focus	Percentage of portfolio %
Forester Capital	Marketable Alternatives	10.9
Aberdeen Emerging Markets	Emerging Markets	9.5
Schroder Alpha Plus U.K Equity	U.K. Equity	9.1
Acadian Global Equity	Global Equity	7.5
MSCI World iShares	Global Equity	6.5
Wellington Commodities	Inflation Hedging	6.4
Charities Property Fund	Inflation Hedging	6.4
GAM UK Opportunities	U.K. Equity	6.0
Pzena Global Value Fund	Global Equity	5.8
Psigma Income Fund	U.K. Equity	5.1

The Charity owns 100% of its subsidiary CABA Housing Limited. The Charity guarantees the obligations of CABA Housing, whose assets consist of an interest in one residential property, which was acquired in 1989 in exchange for the provision of an annuity, the payment of which amounted to £24.5k in the year.

The investment property represents 3 acres of land valued at £20.0k, which is let to Bracknell Forest Borough Council for use as allotments. 60 acres of land to be utilised as a country park for the benefit of the community will be leased to Bracknell Forest Borough Council at no cost and has been valued nominally at £1.0k.

# Chartered Accountants' Benevolent Association

## Notes forming part of the Financial Statements for the year ended 31 December 2009 (continued)

13. Debtors	Group		Charity	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Other Debtors	920.1	13,008.4	919.3	13,007.6
Falling due after one year	-	-	-	-
	920.1	13,008.4	919.3	13,007.6
Accrued Income	200.7	161.1	200.7	161.1
Prepayments	49.2	39.7	49.2	39.7
	<u>1,170.0</u>	<u>13,209.2</u>	<u>1,169.2</u>	<u>13,208.4</u>

14. Cash and Cash Equivalents	Group		Charity	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Cash at Bank	1,171.9	616.8	1,170.9	615.9
Short Term Investments	12,575.1	11,702.2	12,575.1	11,702.2
	<u>13,747.0</u>	<u>12,319.0</u>	<u>13,746.0</u>	<u>12,318.1</u>

15. Creditors	Group		Charity	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Creditors falling due within one year				
Trade Creditors	157.3	361.4	155.6	358.8
Section 75 debt (pension liability)	1,260.0	-	1,260.0	-
Accruals and deferred income	18.0	99.5	18.0	99.5
	<u>1,435.3</u>	<u>460.9</u>	<u>1,433.6</u>	<u>458.3</u>

Creditors falling due after more than one year

Annuity fund (CABA Housing)	208.3	239.3	-	-
	<u>208.3</u>	<u>239.3</u>	<u>-</u>	<u>-</u>

# Chartered Accountants' Benevolent Association

## *Notes forming part of the Financial Statements for the year ended 31 December 2009 (continued)*

### 16. Analysis of Net Assets between Funds - Group

	<b>Unrestricted Funds £'000</b>	<b>Endowment Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total £'000</b>
Tangible Fixed Assets	2,321.5	-	-	2,321.5
Investments	59,181.6	159.2	-	59,340.8
Cash and cash equivalents	13,653.6	48.9	44.5	13,747.0
Other Net Assets	(473.6)	-	-	(473.6)
	<u>74,683.1</u>	<u>208.1</u>	<u>44.5</u>	<u>74,935.7</u>

### 16(a). Analysis of Net Assets between Funds - Charity

	<b>Unrestricted Funds £'000</b>	<b>Endowment Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total £'000</b>
Tangible Fixed Assets	1,721.3	-	-	1,721.3
Investments	59,574.0	159.2	-	59,733.2
Cash and cash equivalents	13,652.6	48.9	44.5	13,746.0
Other Net Assets	(264.4)	-	-	(264.4)
	<u>74,683.5</u>	<u>208.1</u>	<u>44.5</u>	<u>74,936.1</u>

# Chartered Accountants' Benevolent Association

## *Notes forming part of the Financial Statements for the year ended 31 December 2009(continued)*

### 17. Unrestricted Funds - Group

	At 1 January 2009 £'000	Decrease in Resources £'000	Fixed assets and Investment Gains / (Losses)		At 31 December 2009 £'000
			Realised £'000	Unrealised £'000	
General Fund	83,332.3	(2,418.8)	(8,176.4)	-	72,737.1
Revaluation Fund	(16,590.6)	-	4,619.5	13,917.1	1,946.0
	<u>66,741.7</u>	<u>(2,418.8)</u>	<u>(3,556.9)</u>	<u>13,917.1</u>	<u>74,683.1</u>

Unrealised Gains are made up of:

Gains on Listed Securities (note 12)	13,965.4
Currency Conversion	(48.3)
	<u>13,917.1</u>

### 17(a). Unrestricted Funds - Charity

	At 1 January 2009 £'000	Decrease in Resources £'000	Fixed assets and Investment Gains / (Losses)		At 31 December 2009 £'000
			Realised £'000	Unrealised £'000	
General Fund	83,332.6	(2,358.9)	(8,176.4)	-	72,797.3
Revaluation Fund	(16,590.6)	-	4,619.5	13,857.3	1,886.2
	<u>66,742.0</u>	<u>(2,358.9)</u>	<u>(3,556.9)</u>	<u>13,857.3</u>	<u>74,683.5</u>

Unrealised Gains are made up of:

Gains on of Listed Securities (note 12a)	13,905.6
Currency Conversion	(48.3)
	<u>13,857.3</u>

# Chartered Accountants' Benevolent Association

## *Notes forming part of the Financial Statements for the year ended 31 December 2009(continued)*

### 18. Endowment and Restricted Funds

**The Special Fund** - Created in 1887 to assist former long serving unqualified employees of Chartered Accountants and their dependants.

**The Caspar and Sidney Van de Linde Memorial Fund** - Created in 1908 to contribute to administration expenses.

**W. B. Peat Memorial Scholarship Fund** - Created in 1936 to assist with the education of children of beneficiaries.

**The H. F. Holloway Memorial Fund** - Created in 1952 to contribute to the cost of gifts to beneficiaries.

**The General Fund** - Created in 1963, the income from which is applied to the general purposes of CABA.

**The Elkanah Mackintosh Sharp Fund** - Created in 1970, the income from which is applied to the general purposes of CABA.

### 18(a). Endowment Funds - Group and Charity

	At 1 January 2009 £'000	Investment Gains/(Losses)		At 31 December 2009 £'000
		Realised £'000	Unrealised £'000	
The Special Fund	12.1	(1.2)	2.7	13.6
The Caspar and Sidney Van de Linde Memorial Fund	122.9	(12.4)	26.8	137.3
The W. B. Peat Memorial Scholarship Fund	18.7	(1.6)	4.0	21.1
The H. F. Holloway Memorial Fund	1.1	-	-	1.1
The General Fund	1.0	-	-	1.0
The Elkanah Mackintosh Sharp Fund	34.0	-	-	34.0
	189.8	(15.2)	33.5	208.1

Endowment Funds are classified as permanent and the capital of these funds is held in perpetuity. Except as shown below all income is unrestricted.

# Chartered Accountants' Benevolent Association

**Notes forming part of the Financial Statements for the year ended 31 December 2009 (continued)**

## 18(b). Restricted Funds - Group and Charity

	At 1 January 2009 £'000	Transfer from Unrestricted funds £'000	Income £'000	Expenditure £'000	At 31 December 2009 £'000
The Special Fund	16.3	-	15.8	(2.0)	30.1
The W. B. Peat Memorial Scholarship Fund	13.3	-	1.1	-	14.4
	<u>29.6</u>	<u>-</u>	<u>16.9</u>	<u>(2.0)</u>	<u>44.5</u>

Income is restricted and is applied in accordance with the respective terms of the trust indicated.

## 19. Contingent Liabilities and Commitments

The Charity has committed to invest £3,687.2k in Schroder Private Equity Funds IV in unspecified instalments over the next 4 years.