

PROSPECT BENEVOLENT FUND
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

**LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31st DECEMBER 2020**

Trustees	P Kemball C Marshall N Hope-Collins E Wade C Danniell
Charity number	1100630
Principal address	New Prospect House 8 Leake Street London SE1 7NN
Auditors	HW Fisher LLP Acre House 11 - 15 William Road London NW1 3ER
Bankers	Unity Trust Bank plc Nine Brindleyplace 4 Oozells Square Birmingham B1 2HB
Investment advisors	Sarasin & Partners Associates 4 Chiswell Street Finsbury Square London EC1Y 4UP

PROSPECT BENEVOLENT FUND

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**PROSPECT BENEVOLENT FUND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2020**

The trustees present their report and financial statements for the year ending 31st December 2020 of the Prospect Benevolent Fund. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 "FRS102" applicable in the UK and Republic of Ireland (as amended for accounting periods beginning on or after 1 January 2016).

Objectives of the charity

The charity's objects are to assist in the relief of financial hardship suffered by members, former members, employees or former employees and their dependents, either of Prospect and their dependants or an unincorporated Association or other organisation which shall succeed or replace Prospect; and other Organisations, Charitable Trusts or other Associations that provide for the relief of financial hardship suffered by persons engaged or formerly engaged in professional, scientific, technical, managerial or allied work.

Review of Activities and Achievements & Performance

Incoming resources were from a variety of sources including, general donations of £4,112 (2019: £1,497), a transfer from Prospect Disaster Fund of £28,959 (2019: nil) and T.U.U.T Donation of £15,000 (2019:nil), totalling £70,724 in 2020, £46,665 more than in 2019 (£24,059). Investment income increased to £22,653 in 2020 from £22,562 in 2019.

A total of £34,914 was paid out in the year (up from £23,748 in 2019) mainly on welfare activities in line with the objectives of the Fund. The market value of the Fund's fixed asset investments increased from £715,777 at the beginning of the year to £759,108 at the end of the year.

During 2020 a total of 37 grants were made to individuals, compared with 17 in 2019. These were all in response to requests for financial assistance from individuals who were either members or members of staff or their dependents, either of Prospect or its predecessor organisations.

Plans for the Future

To continue to maximise income in order to assist in the relief of financial hardship suffered by individuals in line with the objects of the Benevolent Fund.

Public Benefit

The Trustees have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

Structure, Governance and Management

The charity was established by a charitable trust deed on 28 October 2003. The fund is a registered charity under the Charities Act 1993 and its registration number is 1100630.

The body of trustees consists of 5 persons being: 3 ex officio trustees (being the presidential team of Prospect); 1 trustee (Prospect member) nominated by the Prospect National Executive Committee and 1 trustee nominated by the Prospect Trustees.

Whilst no formal training is given to the Trustees, they have a long history within Prospect and are specialists in their own fields. New trustees are given a thorough grounding in the operations of the charity and its objectives and all relevant documentation covering the operation of the charity, the current financial position, including the last published set of accounts.

**PROSPECT BENEVOLENT FUND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31st DECEMBER 2020**

The charity exists mainly to process and agree grants in accordance with the objectives of the scheme. A formal application is submitted for consideration by a minimum of two trustees. Decisions are then ratified at the next formal trustees meeting.

Trustees

The trustees who served during the year were:

A Jones – retired 26th November 2020

P Kemball

C Marshall

E Wade

N Hope-Collins

C Danniell – appointed 16th December 2020

Review of financial position

The surplus before investment gains for the year amounted to £35,810 (surplus in 2019: £311). The total value of the fund at 31st December 2020 was £813,991 (2019: £734,848) due mainly to an increase in the market value of investments of £43,332 and increased income of £46,666.

Reserves Policy

The trustees have reviewed the level of the charity's reserves and have concluded that these are sufficient for the charity's objectives.

Investment Policy

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price (where applicable). The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Benevolent Fund does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the fund is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

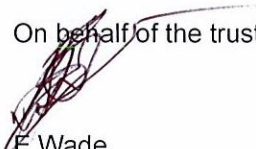
Risk Factors

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. Funding risks are carefully appraised to ensure that all future commitments can be met from existing resources and an ongoing process of diversifying the funding base is in operation.

Impact of Covid 19

As stated in note 7 to the accounts, the Trustees have taken into consideration the Covid-19 outbreak that has been spreading throughout the world since 2020 and the effect it may have on the Charity's activities. The Trustees have planned to take reasonable steps to mitigate against this situation and consider that this outbreak is unlikely to cause a significant disruption to the charity's operations and that the charity can continue in operation for the foreseeable future.

On behalf of the trustees



E Wade

Trustee

17 March 2021

PROSPECT BENEVOLENT FUND
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31st DECEMBER 2020

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these accounts, 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 accounts; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROPECT BENEVOLENT FUND

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF PROSPECT BENEVOLENT FUND

Opinion

We have audited the financial statements of Prospect Benevolent Fund (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

PROPECT BENEVOLENT FUND
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF PROSPECT BENEVOLENT FUND

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP, FRS 102 and Charities Act 2011.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

PROPECT BENEVOLENT FUND

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF PROSPECT BENEVOLENT FUND

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted, designated and restricted funds.
- Obtaining third-party confirmation of material bank balances and investment valuations.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the charity board minutes, correspondence with solicitors, for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER

HW Fisher LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

PROSPECT BENEVOLENT FUND

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st DECEMBER 2020

	Notes	2020 Total £	2019 Total £
<u>INCOME</u>			
Donations and legacies	2	48,072	1,497
Income from investments		22,653	22,562
TOTAL INCOME		70,725	24,059
<u>EXPENDITURE</u>			
Charitable welfare activities	3	34,914	23,748
TOTAL EXPENDITURE		34,914	23,748
Net gains on investments		43,332	97,509
NET SURPLUS INCOME		79,143	97,820
NET MOVEMENT FUNDS		79,143	97,820
RECONCILIATION OF FUNDS:			
TOTAL FUNDS BROUGHT FORWARD		734,848	637,028
TOTAL FUNDS CARRIED FORWARD		813,991	734,848

PROSPECT BENEVOLENT FUND

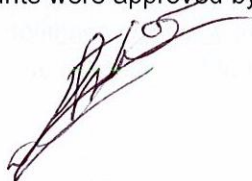
BALANCE SHEET

AS AT 31st DECEMBER 2020

	Notes	2020	2019
		£	£
FIXED ASSETS			
Investments	6	759,108	715,777
CURRENT ASSETS			
Cash at Bank and on Deposit		54,883	19,071
		<u>54,883</u>	<u>19,071</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		-	-
		<u>-</u>	<u>-</u>
NET CURRENT ASSETS		54,883	19,071
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>813,991</u>	<u>734,848</u>
Represented by:			
FUNDS			
Unrestricted funds		813,991	734,848
		<u>813,991</u>	<u>734,848</u>

The accounts were approved by the Trustees on 17 March 2021 and signed on their behalf by:

E Wade



Trustee

N Hope-Collins



Trustee

PROSPECT BENEVOLENT FUND

NOTES TO THE ACCOUNTS AS AT 31st DECEMBER 2020

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention modified to include the revaluation of investments at market value.

The financial statements have been prepared in accordance with the Charities Act 2011 and the Statement of Recommended Practice "Accounting and Reporting by Charities" preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") (as amended for accounting periods beginning on or after 1 January 2016).

The financial statements have been prepared in sterling, which is the functional currency of the Charity. Monetary amounts of these financial statements are rounded to the nearest pound.

The charity constitutes a public benefit entity as defined by FRS102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. As stated in note 7, the Trustees have considered the effect of the Covid 19 outbreak. The Trustees consider that the outbreak is unlikely to have a significant impact on the charity or its activities.

1.2 Income

Donations are recognised when received.

Investment income is accounted for in the year for which the charity is entitled to receive.

1.3 Expenditure

Expenditure is recognised on an accruals basis.

Charitable expenditure comprises all expenditure directly relating to the objectives of the charity.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

The administration and management costs of the Charity were fully met by Prospect. Prospect is a Trade Union registered in the United Kingdom under the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended).

PROSPECT BENEVOLENT FUND

NOTES TO THE ACCOUNTS AS AT 31st DECEMBER 2020

1.4 Fixed asset Investments

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

1.5 Realised and unrealised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Unrealised gains and losses on investments are calculated as the difference between the fair value at the year end and the fair value at the start of the year. If the asset is purchased during the year, the unrealised gain or loss is calculated as the difference between the fair value at the year end and the purchase price. Realised gains are calculated as the difference between the proceeds on sale and the carrying value of the asset. Realised gains and losses are combined in the Statement of Financial Activities.

1.6 Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at the transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term investments with original maturities of three months or less and bank overdrafts.

1.8 Fund Accounting

All of the charity's funds are unrestricted. Unrestricted funds are available to spend on activities to further any of the purposes of the charity.

2	Voluntary Income	2020	2019
		£	£
	Donations	4,112	1,497
	T.U.U.T.	15,000	-
	Disaster Fund	28,959	-
		48,072	1,497
3	Welfare		
	Grants to individuals (2020: 37 grants, 2019: 17 grants)	34,914	23,748
		34,914	23,748

4 Trustees

The key management personnel of the charity comprise of the trustees only.

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2019: nil).

PROSPECT BENEVOLENT FUND

NOTES TO THE ACCOUNTS AS AT 31st DECEMBER 2020

5 Employees

There were no employees during the year.

6 Fixed asset investments	2020 £	2019 £
Market value at 1 January 2020	715,777	628,268
Addition at cost	-	-
Disposals	-	(10,000)
Change in value in the year	43,332	97,509
Market value at 31 December 2020	759,108	715,777

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2020 Managed by Sarasin & Partners

	HISTORIC COST £	MARKET VALUE £
Sarasin Endowments Fund	556,840	759,108

7 Impact of COVID-19

Number of grants to individuals has increased in the year, growing from 17 grants in 2019, to 37 grants in 2020. This is in the main due to the impact of COVID-19. The charity received significantly more donations this year than in 2019, a total of £48,072 in 2020 (2019: £1,497), with income and resources covering the increased outgoing expenditure.

8 Related Party Transactions

As mentioned in note 2, during the year ended 31 December 2020, Prospect donated £28,959 (2019: nil) to the Charity