

**REGISTERED COMPANY NUMBER: 00319970 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 219666**

**Trustees' Report and**  
**Financial Statements for the Year Ended 5 April 2021**  
**for**  
**The Incorporated Benevolent Association**  
**of the Chartered Institute of Patent**  
**Attorneys**

Sawin & Edwards LLP Statutory Auditors  
Studio 16  
Cloisters House  
8 Battersea Park Road  
London  
SW8 4BG

**The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys**

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for the Year Ended 5 April 2021**

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**The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys**

**Reference and Administrative Details  
for the Year Ended 5 April 2021**

**TRUSTEES**

J D Brown  
Dr C T Eyles (Treasurer)  
M A Lynd (Chairman)  
S J Mohun  
P D Eke  
L M Davies  
S J Funnell (Secretary)  
C A Arnold  
C R Clark (appointed 10.12.2020)  
J P Dean (appointed 10.12.2020)

**COMPANY SECRETARY**

S J Funnell

**REGISTERED OFFICE**

2nd Floor, Halton House 20-23 Holborn  
London  
EC1N 2JD

**REGISTERED COMPANY  
NUMBER**

00319970 (England and Wales)

**REGISTERED CHARITY  
NUMBER**

219666

**SENIOR STATUTORY  
AUDITOR**

Keeley Edwards

**AUDITORS**

Sawin & Edwards LLP Statutory Auditors  
Studio 16  
Cloisters House  
8 Battersea Park Road  
London  
SW8 4BG

**BANKERS**

HSBC  
110 High Street  
Godalming  
Surrey  
GU7 1DP

**The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys**

**Trustees' Report  
for the Year Ended 5 April 2021**

The trustees present their Annual Report and Financial Statements for the year ended 5 April 2021. This report also represents the Directors' Report which is required to be prepared under Section 417 of the Companies Act 2006. Legal information set out on page 1 forms part of this report.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements, comply with the Memorandum and Articles of Association and the Companies Act 2006 and 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 (the "Charities SORP").

**OBJECTIVES AND ACTIVITIES**

**Objectives and activities for the public benefit**

The Association's objects and its principal activity as defined by the Memorandum of Association continue to be that of providing assistance to certain past and present members of the Chartered Institute of Patent Attorneys and their dependants. The Company operates within the scope of its charitable objects as a Benevolent Fund.

The trustees confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission when reviewing the Association's aims and objectives and in planning future activities and setting the grant making policy for the year.

The Association's objects are met by continually making known its existence and activities to the present members of the Chartered Institute of Patent Attorneys and receipt of donations and subscriptions.

The significant activity in the year was the provision of grants and loans to past and present members of the Institute and their dependants. There have been no policy changes in the year.

**Providing Assistance**

All requests for assistance are made in writing to the Secretary, who then reviews the request with the Board of Trustees. Grants and loans are made purely at the discretion of the trustees and the Association has established its assistance policy to achieve the Association's object for the public benefit of providing assistance to certain past and present members of the Chartered Institute of Patent Attorneys and their dependants. Wherever possible, assistance is provided via a third party, e.g. school or other charitable organisation, rather than directly to the family concerned, to ensure that the assistance is appropriately applied.

**Volunteers**

The day to day administration of the charity is organised by volunteers from the trustees. It is estimated that a total of 40 hours per annum are worked by two volunteers.

**ACHIEVEMENT AND PERFORMANCE**

**Achievements**

Grants have been provided to three former and current members of the Institute and their dependants. There have been no policy changes in the year.

**The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys**

**Trustees' Report  
for the Year Ended 5 April 2021**

**ACHIEVEMENT AND PERFORMANCE**

**Performance**

The trustees consider that the performance of the Charity this year has been satisfactory; all applicants eligible for assistance have received sufficient relief. No decisions have been made to significantly change the scope or level of activities. The present level of funding is considered adequate for future requirements.

**Investment performance**

All investments held are in Charifund - Equities Investment Fund for Charities, whose performance is considered by the trustees to be appropriate for the needs of the charity.

**FINANCIAL REVIEW**

**Financial Review**

Details of Income and Expenditure are given at page 11 of the Financial Statements. The charity's principal funding sources are investment income, donations and subscriptions. Total income decreased to £55,175 (2020: £66,311). Assistance was provided during the year, to past and present members of the Institute and their dependants for the relief of poverty. Total grants payable decreased to £38,418 from £46,682 in the previous year. During the year, a loan made to a beneficiary has been written off and treated as general assistance amounting to £12,500. The deficit of income over expenditure before revaluation of investments was £2,243 (2020: surplus £13,338). The unrealised gain on investments amounted to £200,002 (2020: unrealised loss £258,760), giving a net increase in funds for the year of £197,759 (2020: decrease £245,419).

**Investment Authority**

All moneys representing donations or the proceeds of realisation of donations, devises, or bequests of property in kind shall (except if and so far as authorised to be applied and applied in granting of relief) be invested by the Committee, and any income of the Association not for the time being applied in or required for meeting current costs, charges, and expenses, or granting relief, may be invested by the Committee in its discretion upon any of the investments as set out by the Articles of Association and may be released or varied from time to time.

**Reserves policy**

The frequency and size of new calls on our funds cannot be predicted, as a single case can require large sums at short notice. We see no reason to limit our funds, particularly as a fall in the Stock Market can reduce our revenue and capital. When the Management Committee sees the need, new funds can be raised from our members, but this takes time. Legacies and other donations contribute significant amounts but these are infrequent in their occurrence. At 5 April 2021, unrestricted funds amount to £1,018,625 (2020: £820,866). The present level of funding is considered adequate for future requirements.

**Trustees insurance policy**

The charity has in place a trustee's insurance policy to cover professional and financial risks.

**FUTURE PLANS**

The Charity will continue to make known its existence and activities to the present members of the Chartered Institute of Patent Attorneys and seek receipt of donations, subscriptions and covenants. The Charity will continue to remind present members to be alert to the needs of retired and former members in case hardship occurs.

**The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys**

**Trustees' Report  
for the Year Ended 5 April 2021**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The Incorporated Benevolent Association of the Chartered Institute of Patent Attorneys is registered as a charity with the Charity Commission, number 219666 and a company limited by guarantee number 00319970, having been incorporated on 26th October 1936. The Association changed its name from The Chartered Institute of Patent Agents to The Chartered Institute of Patent Attorneys. The name change was registered at Companies House and the Charity Commission on 18 June 2009 and 3 November 2009 respectively. Its governing instrument is the Memorandum and Articles of Association under the Companies Act.

The company does not have a Share Capital, but its members, in the event of a winding up, have guaranteed to contribute to the assets of the company a sum not exceeding £0.50 each.

**Appointment of trustees**

The trustees are appointed by the Board in General Meeting. Annually, one fifth of the Board shall retire by rotation.

**Organisation**

The Board of Trustees, known as the Committee of Management ("the Committee"), which can have up to ten members, is responsible for the management of the charity. These ten members comprise no less than five ordinary members and no more than five ex-officio members. The ex-officio members comprise the President, Honorary Secretary and Secretary of the Chartered Institute of Patent Attorneys as they consent to act and the Treasurer and Secretary of the Association as they consent to act.

The Board meets and consults regularly throughout the year, to manage its affairs. There are no full-time employees. The day-to-day administration of the Association is organised by volunteers from the trustees.

**Induction and training of trustees**

All trustees are existing members or officers of the Chartered Institute of Patent Attorneys and are therefore conversant in the activities of the Association. Trustees are also familiar with their legal obligations under charity and company law. New trustees are expected to familiarise themselves with the charitable company's Memorandum and Articles of Association and attendance at meetings of the Committee of Management is encouraged in order to understand the decision making processes and recent financial performance of the charity.

**The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys**

**Trustees' Report  
for the Year Ended 5 April 2021**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

The charity trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

The principal risk faced by the charity lies in the performance of investments. The trustees consider variability of the investment returns and fall in the market value of the investment held to constitute the charity's major financial risk. This is mitigated by investing in Charifund - Equities Investment Fund for Charities.

The Fund is designed to provide a high and growing income for charities, while at the same time protecting their capital from the erosive effects of inflation over a rolling 10 year period. Charifund's portfolio comprises approximately 100 stocks. The fund invests mainly in a well-diversified portfolio of high yielding UK stocks with the objective of generating a high income and increasing the annual distribution.

The aim is to provide a level of income that is significantly higher than that of the FTSE All-Share Index. The high yield premium attached to the fund generally means that there is a bias towards good value, out-of-favour stocks. The emphasis on yield helps to identify shares that are cheap and to avoid those that are expensive. Good quality companies with attractive dividend growth prospects are identified from the available universe of high yielding stocks as those that exhibit a strong business franchise, competitiveness and good turnover and dividend growth.

**AUDITORS**

**Auditors**

A resolution will be proposed at the Annual General Meeting that Sawin & Edwards LLP be re-appointed as auditors to the charity in accordance with Section 485 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 16 December 2021 and signed on its behalf by:

A handwritten signature in blue ink, appearing to read 'S J Funnell', written in a cursive style.

S J Funnell - Trustee

**The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys**

**Statement of Trustees' Responsibilities  
for the Year Ended 5 April 2021**

The trustees (who are also the directors for the purpose of company law) are responsible for preparing the Annual 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 must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgments and accounting estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.



**Report of the Independent Auditors to the Members of  
The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys**

**Opinion**

We have audited the financial statements of The Incorporated Benevolent Association of the Chartered Institute of Patent Attorneys (the 'charitable company') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 5 April 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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.

**Report of the Independent Auditors to the Members of  
The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys**

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report which includes the directors' report prepared for company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company'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 liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditors to the Members of  
The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys**

**Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors 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:

- Discussions were held with the trustees with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

- The following laws and regulations were identified as being of significance to the charity:

Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Companies and Charities Act.

It is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity.

- Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

- No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of**  
**The Incorporated Benevolent Association**  
**of the Chartered Institute of Patent**  
**Attorneys**

**Use of our report**

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 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 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.

*Sawin & Edwards LLP.*

Keeley Edwards (Senior Statutory Auditor)  
for and on behalf of Sawin & Edwards LLP Statutory Auditors  
Studio 16  
Cloisters House  
8 Battersea Park Road  
London  
SW8 4BG

16 December 2021

**The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 5 April 2021**

		<b>2021 Unrestricted funds £</b>	<b>2020 Total funds £</b>
<b>INCOME AND ENDOWMENTS FROM</b>	Notes		
Donations and legacies	2	<b>15,472</b>	14,857
Investment income	3	<b>39,703</b>	51,454
<b>Total income</b>		<b>55,175</b>	66,311
<b>EXPENDITURE ON Charitable activities</b>	4		
General assistance		<b>57,418</b>	52,973
<b>Total expenditure</b>		<b>57,418</b>	52,973
<b>NET (EXPENDITURE)/INCOME BEFORE GAINS/(LOSSES) ON INVESTMENTS</b>		<b>(2,243)</b>	13,338
<b>NET GAINS/(LOSSES) ON INVESTMENTS</b>			
Net unrealised gains/(losses) on investments		<b>200,002</b>	(258,760)
<b>NET INCOME/(EXPENDITURE)</b>		<b>197,759</b>	(245,422)
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		<b>820,866</b>	1,066,288
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>1,018,625</u></b>	<u>820,866</u>

The notes form part of these financial statements

**The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys (Registered number: 00319970)**

**Balance Sheet  
5 April 2021**

	Notes	2021 Unrestricted funds £	2020 Total funds £
<b>FIXED ASSETS</b>			
Investments	9	956,135	706,133
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	10	191	12,500
Debtors: amounts falling due after more than one year	10	30,000	30,000
Cash at bank		37,748	77,741
		<b>67,939</b>	120,241
<b>CREDITORS</b>			
Amounts falling due within one year	11	(5,449)	(5,508)
<b>NET CURRENT ASSETS</b>		<b>62,490</b>	114,733
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,018,625</b>	820,866
<b>NET ASSETS</b>		<b>1,018,625</b>	820,866
<b>FUNDS</b>	12		
Unrestricted funds:			
Fund A		182,612	146,836
Fund B		836,013	674,030
		<b>1,018,625</b>	820,866
<b>TOTAL FUNDS</b>		<b>1,018,625</b>	820,866

The notes form part of these financial statements

**The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys (Registered number: 00319970)**

**Balance Sheet - continued**  
**5 April 2021**

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 16 December 2021 and were signed on its behalf by:

A handwritten signature in blue ink, appearing to read 'S J Funnell', written in a cursive style.

S J Funnell - Trustee

**The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys**

**Notes to the Financial Statements  
for the Year Ended 5 April 2021**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. In forming their opinion, the trustees have considered a period of one year from the date of signing the financial statements.

The financial statements cover the individual entity. The functional and presentation currency is Sterling.

With respect to the next reporting period, 2022, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Income is categorised as follows:

- Donations and legacies comprise gross amounts received by way of subscriptions, donations and bequests. These are accounted for on a cash basis.
- Investment income comprises of gross amounts received by way of dividends and interest. It is accounted for on an accruals basis and forms part of the unrestricted income account.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis, inclusive of VAT and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities comprises those costs incurred by the charity, in the delivery of its activities. It include costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.



**The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys**

**Notes to the Financial Statements - continued  
for the Year Ended 5 April 2021**

**1. ACCOUNTING POLICIES - continued**

**Grants payable**

Grants are made in order to assist applicants with the cost of education and general assistance in furtherance of the charitable objectives of the charity. The liability for grants payable is recognised in the year in which the offer is made. The amount charged to the Statement of Financial Activities for the year comprises both grants paid in the year and payable within one year. The commitment in respect of grants payable within one year is included in creditors, where the commitment has been communicated in writing prior to the balance sheet date.

**Allocation of governance and support costs**

Support costs consist entirely of governance costs.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit fees, together with overhead costs.

**Taxation**

No provision for taxation has been made as the Company is a charity as defined by Section 467 of the Corporation Taxes Act 2010 and as such is exempt from taxation of its income and gains to the extent that they are applied for its charitable purposes. Where income tax has been deducted or tax credits relating to interest is recoverable, these amounts are included in income in the accounting periods during which it is recoverable.

**Fund accounting**

Funds held by the charity are treated as unrestricted and are divided into two parts. Division of funds into Parts 'A' and 'B' was made in 1978. The Association's objects were changed to allow assistance to British Members of the Institute generally instead of Fellows only, with dependants in either case.

The funds are managed unitarily, investment income (including interest on cash holdings) and the profits less losses of any sales, being apportioned yearly according to the proportion of total funds represented by parts 'A' and 'B' at the beginning of the year. Subscription income, after running expenses, is added to Part 'B'.

Assistance, if eligible to call on Part 'A', is apportioned to Parts 'A' and 'B' on the same basis as the investment income and met from that income, if sufficient, with any resulting deficit in Part 'A' met from subscriptions by transfer from Part 'B'.

**Fixed asset - investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair values at the balance sheet date, using the closing quoted market price. The unrealised gains and losses, arising as a result, are included in the Statement of Financial Activities, together with any realised gains and losses on investments disposed of in the year. Investment income is credited to income on an accruals basis, using dates of payment for dividends and daily accrual for interest.

**Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise and form part of the unrestricted funds.

**The Incorporated Benevolent Association  
of the Chartered Institute of Patent  
Attorneys**

**Notes to the Financial Statements - continued  
for the Year Ended 5 April 2021**

**1. ACCOUNTING POLICIES - continued**

**Realised gains and losses**

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value, or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and the carrying value.

**Debtors**

Other debtors are recognised at the settlement amount due.

**Concessionary loans**

Concessionary loans are interest free loans made to beneficiaries to further the charity's objectives. The loans can be converted into grants depending on the terms of the loan agreement. The loans are recognised at the amount paid and adjusted for impairment if necessary. The long term loan is not discounted.

**Cash and cash equivalent**

Cash and cash equivalent includes cash at bank and short term deposits.

**Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors are normally recognised at their settlement amount.

**Financial instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of investments which are subsequently measured at the quoted market value ruling at the balance sheet date.

**2. DONATIONS AND LEGACIES**

	<b>2021 Unrestricted funds £ <u>15,472</u></b>	<b>2020 Total funds £ <u>14,857</u></b>
Subscriptions and donations		

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**Notes to the Financial Statements - continued  
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**3. INVESTMENT INCOME**

	<b>2021 Unrestricted funds £</b>	<b>2020 Total funds £</b>
Income from investments traded on the UK Stock Exchange	<b>39,681</b>	51,371
Deposit account interest	<u>22</u>	<u>83</u>
	<b><u>39,703</u></b>	<b><u>51,454</u></b>

**4. CHARITABLE ACTIVITIES COSTS**

	<b>Grant funding of activities (See note 5) £</b>	<b>Support costs (See note 6) £</b>	<b>Totals £</b>	<b>2020 £</b>
General assistance	<b><u>50,918</u></b>	<b><u>6,500</u></b>	<b><u>57,418</u></b>	<b><u>52,973</u></b>

**5. GRANTS PAYABLE**

	<b>2021 £</b>	<b>2020 £</b>
General assistance	<b><u>50,918</u></b>	<b><u>46,682</u></b>

  

	<b>2021 £</b>	<b>2020 £</b>
Loan to beneficiary written off	12,500	-
Grants paid in year	<u>38,418</u>	<u>46,682</u>
General assistance	<b><u>50,918</u></b>	<b><u>46,682</u></b>

All grants were individual grants and were provided during the year, to past and present members of the Institute and their dependants for the relief of poverty. The basis of allocating the general assistance made was on an actual basis.

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**Notes to the Financial Statements - continued  
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**6. SUPPORT COSTS**

	<b>Governance costs - 2021 £</b>	<b>Governance costs - 2020 £</b>
General assistance	<b><u>6,500</u></b>	<b><u>6,291</u></b>

<b>Activity</b>	<b>Basis of allocation</b>
General assistance	<b>100%</b>

Support costs, included in the above, are as follows:

	<b>2021 General assistance £</b>	<b>2020 General assistance £</b>
Auditors' remuneration	<b>1,308</b>	1,296
Auditors' remuneration for non audit work	<b>4,080</b>	4,332
Trustee insurance	<b>514</b>	469
Subscriptions	<b><u>598</u></b>	<u>194</u>
	<b><u>6,500</u></b>	<b><u>6,291</u></b>

**7. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	<b>2021 £</b>	<b>2020 £</b>
Auditors' remuneration	<b>1,308</b>	1,296
Auditors' remuneration for non audit work	<b><u>4,080</u></b>	<u>4,332</u>

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**Notes to the Financial Statements - continued  
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**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 5 April 2021 nor for the year ended 5 April 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 5 April 2021 nor for the year ended 5 April 2020.

**9. FIXED ASSET INVESTMENTS**

	Listed investments £
<b>MARKET VALUE</b>	
At 6 April 2020	<b>706,133</b>
Additions	<b>50,000</b>
Unrealised (losses)/gains on investments	<b><u>200,002</u></b>
At 5 April 2021	<b><u>956,135</u></b>
<b>NET BOOK VALUE</b>	
At 5 April 2021	<b><u>956,135</u></b>
At 5 April 2020	<b><u>706,133</u></b>

There were no investment assets outside the UK.

Investments held are all in the Charifund - Equities Investment Fund for Charities. As at 5 April 2021, the total number of units held was 64,956 (2020: 61,522) and the total cost of the investments held amounted to £489,791 (2020: £439,791)

Investments are held primarily to provide an investment return for the charity.

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**Notes to the Financial Statements - continued  
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**10. DEBTORS**

	<b>2021</b>	2020
	<b>£</b>	£
Amounts falling due within one year:		
Loan made to beneficiary	-	12,500
Prepayments and accrued income	<u>191</u>	<u>-</u>
	<u><b>191</b></u>	<u><b>12,500</b></u>
Amounts falling due after more than one year:		
Loan to beneficiary	<u><b>30,000</b></u>	<u><b>30,000</b></u>
Aggregate amounts	<u><b>30,191</b></u>	<u><b>42,500</b></u>

The loan made to a beneficiary amounting to £12,500 and included in debtors falling due within one year as at 5 April 2020, was unsecured, interest free and with no fixed repayment terms. The loan was a concessionary loan to further the objectives of the charity. During the year, the trustees agreed to write off the loan and treat the amount written off as general assistance.

The loan made to a beneficiary amounting to £30,000 and included in debtors falling due after more than one year as at 5 April 2021 and 2020, is unsecured, interest free and repayable on or before 16 February 2024. The loan can be converted into a grant and the repayment date can be deferred. The loan is a concessionary loan to further the objectives of the charity and has not been discounted.

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	2020
	<b>£</b>	£
Accruals	<u><b>5,449</b></u>	<u><b>5,508</b></u>

**12. MOVEMENT IN FUNDS**

	At 6.4.20	Net	Transfers	At
	£	movement	between	5.4.21
		in funds	funds	£
		£	£	
<b>Unrestricted funds</b>				
Fund A	<b>146,836</b>	<b>(8,040)</b>	<b>43,816</b>	<b>182,612</b>
Fund B	<u><b>674,030</b></u>	<u><b>205,799</b></u>	<u><b>(43,816)</b></u>	<u><b>836,013</b></u>
	<u><b>820,866</b></u>	<u><b>197,759</b></u>	<u><b>-</b></u>	<u><b>1,018,625</b></u>
<b>TOTAL FUNDS</b>	<u><b>820,866</b></u>	<u><b>197,759</b></u>	<u><b>-</b></u>	<u><b>1,018,625</b></u>

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**Notes to the Financial Statements - continued  
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**12. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Fund A	7,102	(50,918)	35,776	(8,040)
Fund B	<u>48,073</u>	<u>(6,500)</u>	<u>164,226</u>	<u>205,799</u>
	<u>55,175</u>	<u>(57,418)</u>	<u>200,002</u>	<u>197,759</u>
<b>TOTAL FUNDS</b>	<u>55,175</u>	<u>(57,418)</u>	<u>200,002</u>	<u>197,759</u>

**Comparatives for movement in funds**

	At 6.4.19 £	Net movement in funds £	Transfers between funds £	At 5.4.20 £
<b>Unrestricted funds</b>				
Fund A	193,888	(84,378)	37,326	146,836
Fund B	<u>872,400</u>	<u>(161,044)</u>	<u>(37,326)</u>	<u>674,030</u>
	<u>1,066,288</u>	<u>(245,422)</u>	-	<u>820,866</u>
<b>TOTAL FUNDS</b>	<u>1,066,288</u>	<u>(245,422)</u>	-	<u>820,866</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Fund A	9,356	(46,682)	(47,052)	(84,378)
Fund B	<u>56,955</u>	<u>(6,291)</u>	<u>(211,708)</u>	<u>(161,044)</u>
	<u>66,311</u>	<u>(52,973)</u>	<u>(258,760)</u>	<u>(245,422)</u>
<b>TOTAL FUNDS</b>	<u>66,311</u>	<u>(52,973)</u>	<u>(258,760)</u>	<u>(245,422)</u>

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**Notes to the Financial Statements - continued  
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**12. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined position is as follows:

	At 6.4.19 £	Net movement in funds £	Transfers between funds £	At 5.4.21 £
<b>Unrestricted funds</b>				
Fund A	193,888	(92,418)	81,142	182,612
Fund B	<u>872,400</u>	<u>44,755</u>	<u>(81,142)</u>	<u>836,013</u>
	1,066,288	(47,663)	-	1,018,625
<b>TOTAL FUNDS</b>	<u>1,066,288</u>	<u>(47,663)</u>	<u>-</u>	<u>1,018,625</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Fund A	16,458	(97,600)	(11,276)	(92,418)
Fund B	<u>105,028</u>	<u>(12,791)</u>	<u>(47,482)</u>	<u>44,755</u>
	121,486	(110,391)	(58,758)	(47,663)
<b>TOTAL FUNDS</b>	<u>121,486</u>	<u>(110,391)</u>	<u>(58,758)</u>	<u>(47,663)</u>

Unrestricted funds include a revaluation reserve of £466,345 (2020: £266,342).

**13. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 5 April 2021.



**Notes to the Financial Statements - continued  
for the Year Ended 5 April 2021**

**14. COMPANY STATUS**

The company is limited by guarantee and therefore there is no issued share capital. Its members in the event of winding up have guaranteed to contribute to the assets of the company a sum not exceeding £0.50 each.

**15. FINANCIAL INSTRUMENTS**

The charity's principal financial instruments comprise cash, short term deposits and listed investments, the main purpose of which is to finance the charity's operations and activities.

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

The main risks arising from the charity's financial instruments are interest rate risk, market risk and liquidity risk. The trustees review and agree policies for managing each of these risks and these are summarised below.

**Interest rate risks**

The charity manages its liquidity through the use of cash deposits at variable rates of interest for a variety of short term periods, depending on cash requirements. The rates are reviewed regularly and the best rate obtained in the context of the charity's need.

**Market risk**

The main market risk the charity is exposed to is the fall in the market value of the investments and volatility in yield, due to uncertain investment markets. To mitigate this risk the funds are in a well-diversified portfolio and the trustees regularly review the performance and the value of the investments.

**Liquidity risks**

The charity's policy throughout the year has been to ensure that it has adequate liquidity by careful management of its working capital.