

THE STOCK EXCHANGE BENEVOLENT FUND

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

THE STOCK EXCHANGE BENEVOLENT FUND

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 8
Independent Auditor's Report on the Financial Statements	9 - 11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes to the Financial Statements	15 - 30

THE STOCK EXCHANGE BENEVOLENT FUND

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees	Patrick J A Burgess, Chairman Julian S Palfreyman, Deputy Chairman Christopher Holdsworth-Hunt, Trustee (resigned 31 December 2022) Richard Killingbeck, Trustee Michael R I Lilwall, Trustee Jamie G Matheson, Trustee Geoffrey Mark Powell, Trustee Andrew H Scott, Trustee David M F Scott, Trustee Andrew M Impey, Trustee (appointed 1 January 2023)
Charity registered number	245430
Principal office	Salisbury House London Wall London EC2M 5QQ
Committee for the year 2022	Patrick J A Burgess, Chairman Shaun M Allison Nicholas W Bagshawe Joanna Bunkham Colin G Climie Spencer O Crooks Sarah Danes Andrew M Impey David M Leslie Timothy R Macdonald David J Macnamara Philip C Nathan, MBE Richard Noel Julian S Palfreyman David M F Scott Desmond A Shine (died 7 October 2022) Daniel J Southgate Mark A Vaughan
Secretary	Robert G Chambers
Assistant secretary	Jennifer M Golan
Independent auditor	MHA Statutory Auditors Maidstone United Kingdom
Bankers	Bank of Scotland PO Box 1984 Andover SP10 9GZ

THE STOCK EXCHANGE BENEVOLENT FUND

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Solicitors	Ashfords LLP 1 New Fetter Lane London EC2M 7AZ
Investment managers	Rathbone Investment Management Ltd 8 Finsbury Circus London EC2M 7AZ

THE STOCK EXCHANGE BENEVOLENT FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 January 2022 to 31 December 2022.

Objectives and activities

a. Policies and objectives

The principal objects of the Benevolent Fund during the year are the relief of cases of need or distress among former Members of the Stock Exchange and their dependents, also working along with any charity which supports anyone who was a member of or was directly employed by or worked for a member firm of any United Kingdom Stock Exchange or their dependents.

It shall be permissible to provide for the relief of any such former members or their dependents by making payments direct to institutions or schools that undertake to provide services for such persons.

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

The Benevolent Fund carries out these objectives by:

Providing grants to individuals in need, to prevent or relieve poverty in the form of:

- Grants on a one or two year basis
- Donations to those requiring temporary help
- Disregard payments
- Emergency grants for one-off payments e.g. motor repairs and replacement of everyday equipment
- Providing debt and money management advice to those supported by the Fund.
- Giving extra help to those that are also sick or with disabilities, such as medical equipment and carers.

b. Legacies and donations

The Fund received no donations (2021: £Nil) and £5,000 of legacies (2021: £Nil) during the year.

A further legacy of £307,256, which had not been received in the year, has been recognised as income in this period as it meets the recognition requirements of the Charities SORP (FRS 102).

c. Grant-making policies

The Fund has established its grant making policy to achieve its objects for the public benefit to help former individual members of The Stock Exchange and their dependents in the prevention or relief of poverty.

No actual limits are set, but applicants are treated on an individual basis depending on their needs and requirements. More details on the grant making policy of the Fund can be found in its Rules, which are available from the Fund's office.

THE STOCK EXCHANGE BENEVOLENT FUND

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Strategic report

Achievements and performance

a. Review of activities

The financial statements are found on pages 12 to 30.

b. Material investments policy

The investment policy is designed to fulfil the Trustees' policy of prudence with regard to the maintenance of their reserves and their ability to meet the needs of current and future beneficiaries. As such, the objective is to secure by responsible investment the maximum returns for both capital and income.

Financial review

a. Key performance indicators

The result for the year is shown on page 12 and the position at the end of the year is shown on page 13. The market value of the investments and investments classified as cash of the Fund on 31 December 2022 was as follows:

	£
General Fund	24,670,843
KD Cochrane Fund	560,774
Cecil Russell Nye Trust Fund	11,741
Louis Sanders Holiday Fund	9,899

Of these investments, 7% are in fixed interest stocks, 82% in equity funds, 7% in infrastructure funds, 2% in closed ended property funds and 2% in cash deposits.

Investments have decreased by 10% over the last 12 months which is not unreasonable given the current market caused by a number of factors. Investment income increased by 4% over the last 12 months, which was in line with expectations given the current market.

The objects of the separate endowment funds are listed in Note 19 to these accounts.

THE STOCK EXCHANGE BENEVOLENT FUND

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

b. Reserves policy

The Trustees have reviewed the reserves of the Charity. This review encompassed the nature of the major income and expenditure streams, the need to match income and expenditure and the nature of the Charity's reserves. The Charity's principle source of funds is the income from the investment portfolio. The Trustees also considered the nature of the Charity's assets, which include the investment portfolio, investment property and the assets used directly for charitable purposes.

Resulting from this review, the Trustees have come to the conclusion that to enable the Charity to continue to meet its objectives, to operate efficiently, to carry out its future plans and to provide a buffer for unexpected costs, an unrestricted general reserve, of approximately £10,000,000 should currently be maintained. Any charitable grants made and any costs relating to the management and administration of the Charity, should, as far as possible, be funded by the income from the investments held by the Charity and by any donations or legacies that may from time to time arise. No specific measures to encourage donations are currently envisaged. The nature of investments held are reviewed as necessary. Investment capital is spent to meet the needs of beneficiaries if investment income is insufficient.

The Charity also has endowment funds that are represented by investments. The purposes of these funds are detailed in Note 19 of the financial statements.

Structure, governance and management

a. Constitution

The Benevolent Fund was founded in 1801 and is an unincorporated Charity (Registered Charity No. 245430).

The address of its principal office is: Salisbury House, Office 787, London Wall, London, EC2M 5QQ.

A copy of the Rules can be seen at the office of the Fund. These are subject to the revised governing document adopted on 1 December 2015 and a minor rule change in 2018 to allow 10 rather than 7 trustees.

b. Methods of appointment or election of Trustees

The names of the Trustees who have held office during the year are listed on page 1. New trustees are elected by the current trustees.

Candidates for election to the General Committee must be nominated by two Fund members, entitled to vote, and the nominations lodged with the Secretary at least four days before the day of election. Each Fund member desiring to vote for such number of candidates as shall secure a Committee of not more than thirty including the Trustees in office.

At the first meeting after their election, the General Committee shall elect from amongst themselves, a Chairman and one or more Deputy Chairman, who shall respectively hold office until the next general election.

The Trustees shall hold office until they retire at the age of 75 years, resign, die or are removed by resolution of the other nine trustees. If the Trustees agree, the term of a Trustee who had reached the age of 75 years may be extended for 12 months at a time but such extension may be made no more than five times.

All Trustees give of their time freely and no trustee remuneration was paid in the year. Details of any Trustee expenses and related party transactions are disclosed in Note 11 and Note 26 to the accounts.

THE STOCK EXCHANGE BENEVOLENT FUND

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The Trustees are responsible for the overall governance and management of the Fund, including the appointment of professional advisors and staff, holding periodic meetings as required. The awarding of grants to beneficiaries is vested by the Trustees to the General Committee, the members of which are listed on page 1. General Committee Meetings are held quarterly. The day to day management of the Fund offices is the responsibility of the Secretary and the Assistant Secretary who report directly to the General Committee and Trustees.

d. Policies adopted for the induction and training of Trustees

All our Trustees have served in very senior positions in City companies; they are not therefore given further formal training by the Fund. Any new information regarding Trusteeship published by the Charity Commission is circulated to the Trustees.

e. Risk management

The Trustees regularly review the major risks which the Charity may be exposed to and in particular those relating to the operation and finances of the Fund. The Trustees are satisfied that maintaining the unrestricted general reserves at the level stated in the reserves policy below will provide sufficient resources for the foreseeable future.

Plans for future periods

The Trustees detail the future plans for the Charity including its aims and objectives and any activities planned to achieve them.

Future developments

The Fund will continue to operate in accordance with the guidelines laid down in the Rules. These can be seen at the office of the Fund.

The Trustees of the Stock Exchange Benevolent Fund agreed to make an annual contribution of £100,000 to the Stock Exchange Clerks Fund, reviewed every three years. This is towards the aim of the fund which is solely for the relief of poverty for its beneficiaries.

THE STOCK EXCHANGE BENEVOLENT FUND

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Notes from the chairman

I would like to thank Alex Turnbull of Rathbone Investment Management Limited and his team for their service and their management of our investment portfolio in difficult market conditions. I would also like to thank the team at MHA for auditing the accounts. I would also like to thank Jaswant Golan for his invaluable support on the security and IT side. I would like to thank Robert Chambers and Jennifer Golan for their continued work in administering the Fund.

We are saying goodbye to Christopher Holdsworth-Hunt as a trustee of the Fund after 25 years of invaluable service and we wish him well for the future. We welcome Andrew Impey as a new trustee who also serves on the SEBF committee. I must report the sad death of one of our committee members, Desmond Shine in October of this year. His contributions will be greatly missed.

The SEBF moved offices this year as the London Stock Exchange was no longer able to offer us office premises. I am pleased to say that a new office was found in Salisbury House where Robert and Jennifer are now working.

Beneficiary numbers have remained constant through 2022 as deaths have coincided with new cases. The cost of living crisis brought on by inflationary increases in energy prices, food and services have meant that average grants have been increased to allow our beneficiaries to counter these pressures. The committee voted for a one off payment of £500 to all our beneficiaries in September to help with energy price rises. It was agreed that in difficult years it was important to increase the financial support to our beneficiaries.

I look forward to another year of support for our Stock Exchange members and their dependents. The Fund is indebted to the contributions made by our trustees and members of the committee.

THE STOCK EXCHANGE BENEVOLENT FUND

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Trustees' responsibilities

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).

The law applicable to charities in England & 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 its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements 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.

Remuneration to staff is agreed by the Chairman and Deputy Chairman in consultation with the Trustees, and after agreement is presented to the Committee.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charity's auditor is unaware, and
- that a Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Auditor

Following a rebranding exercise on 15 May 2023 the trading name of the Charity's independent auditor changed from MHA MacIntyre Hudson to MHA. The auditor, MHA, has indicated its willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....

Patrick J A Burgess

Chairman

Date:

12th July 2023.

THE STOCK EXCHANGE BENEVOLENT FUND

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE STOCK EXCHANGE BENEVOLENT FUND

Opinion

We have audited the financial statements of The Stock Exchange Benevolent Fund (the 'Charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) 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 been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2022 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 United Kingdom, including the Financial Reporting Council'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.

THE STOCK EXCHANGE BENEVOLENT FUND

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE STOCK EXCHANGE BENEVOLENT FUND (CONTINUED)

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, except to the extent otherwise explicitly stated in our report, 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.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which 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 liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

THE STOCK EXCHANGE BENEVOLENT FUND

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE STOCK EXCHANGE BENEVOLENT FUND (CONTINUED)

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.

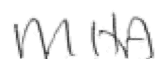
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting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

- Reviewing minutes of meetings of those charged with governance;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

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 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 Charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



MHA
Statutory Auditors
Maidstone
United Kingdom

Date: 06 September 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

MHA are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE STOCK EXCHANGE BENEVOLENT FUND

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Endowment funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:					
Donations and legacies	4	-	312,256	312,256	(1,698)
Investments	5	13,477	741,801	755,278	726,916
Total income and endowments		13,477	1,054,057	1,067,534	725,218
Expenditure on:					
Raising funds	6	2,924	116,203	119,127	125,206
Charitable activities	7	-	1,150,286	1,150,286	1,091,521
Total expenditure		2,924	1,266,489	1,269,413	1,216,727
Net income/(expenditure) before net (losses)/gains on investments		10,553	(212,432)	(201,879)	(491,509)
Net (losses)/gains on investments		(85,496)	(2,326,182)	(2,411,678)	3,724,180
Net movement in funds		(74,943)	(2,538,614)	(2,613,557)	3,232,671
Reconciliation of funds:					
Total funds brought forward		657,357	27,209,457	27,866,814	24,634,143
Net movement in funds		(74,943)	(2,538,614)	(2,613,557)	3,232,671
Total funds carried forward		582,414	24,670,843	25,253,257	27,866,814

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 30 form part of these financial statements.

THE STOCK EXCHANGE BENEVOLENT FUND

BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	5,712	1,048
Investments	15	23,857,174	26,575,539
Investment property	14	485,000	485,000
		<u>24,347,886</u>	<u>27,061,587</u>
Current assets			
Debtors	16	373,934	71,040
Investments	17	529,903	692,571
Cash at bank and in hand		277,398	317,805
		<u>1,181,235</u>	<u>1,081,416</u>
Creditors: amounts falling due within one year	18	(53,864)	(52,189)
Net current assets		<u>1,127,371</u>	<u>1,029,227</u>
Total assets less current liabilities		<u>25,475,257</u>	<u>28,090,814</u>
Provisions for liabilities		(222,000)	(224,000)
Total net assets		<u>25,253,257</u>	<u>27,866,814</u>
Charity funds			
Endowment funds	20	582,414	657,357
Restricted funds	20	-	-
Unrestricted funds	20	24,670,843	27,209,457
Total funds		<u>25,253,257</u>	<u>27,866,814</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Patrick J A Burgess
 Chairman

Date: 17 July 2023

The notes on pages 15 to 30 form part of these financial statements.

THE STOCK EXCHANGE BENEVOLENT FUND

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities (see note 23)	(503,559)	(468,225)
Cash flows from investing activities		
Purchase of tangible fixed assets	(6,202)	(776)
Proceeds from sale of investments	3,967,219	15,476,473
Purchase of investments	(3,660,533)	(15,064,984)
Net cash provided by investing activities	300,484	410,713
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(203,075)	(57,512)
Cash and cash equivalents at the beginning of the year	1,010,376	1,067,888
Cash and cash equivalents at the end of the year	807,301	1,010,376

The notes on pages 15 to 30 form part of these financial statements

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

The Charity is registered in England and Wales as an unincorporated charity.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Stock Exchange Benevolent Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have made this assessment based on the liquid investments held and strong cash position of the Charity. The Trustees have considered the impact of subsequent events in this decision.

Based on these assessments and having regard to the resources available to the entity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching 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.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Fixtures and fittings	- Held over 5 years
Office equipment	- Held over 5 years

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Investment property

Where investment property has been purchased, they are initially recognised at cost. After recognition, investment property is revalued to the estimated market value when the trustees are aware of indications of material changes in market value.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.12 Financial instruments

The Charity only has financial assets and financial 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 bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The Charity contributes to personal pension plans of the employees and the pension charge represents the amounts payable by the Charity to the plans in respect of the year.

The Charity also has a commitment to former employees to pay unfunded pensions. Provisions for these liabilities are set out in note 18.

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pension provision

The Charity has a commitment to former employees to pay unfunded pensions. The provision comprises the unfunded pension liability for two ex employees. Assumptions have been made regarding the former employees life expectancy and the impact of inflation over the long term.

Critical areas of judgement:

No critical judgements were made by the trustees in the process of applying the Charity's accounting policies.

4. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Legacies	312,256	312,256	(1,698)
Total 2021	(1,698)	(1,698)	

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Investment income

	Endowment funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rents received	-	8,400	8,400	8,250
Dividends - UK equities	13,359	526,251	539,610	588,055
Dividends - Overseas equities	-	168,322	168,322	95,273
Interest - UK fixed interest equities	-	38,828	38,828	35,311
Interest on cash deposits	118	-	118	27
	<u>13,477</u>	<u>741,801</u>	<u>755,278</u>	<u>726,916</u>
<i>Total 2021</i>	<u>11,690</u>	<u>715,226</u>	<u>726,916</u>	

6. Investment management costs

	Endowment funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment management fees	2,924	116,203	119,127	125,206
	<u>3,190</u>	<u>122,016</u>	<u>125,206</u>	
<i>Total 2021</i>	<u>3,190</u>	<u>122,016</u>	<u>125,206</u>	

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £	Total 2021 £
Support costs	296,888	296,888	279,891
Grants payable	853,398	853,398	811,630
Total 2022	<u>1,150,286</u>	<u>1,150,286</u>	<u>1,091,521</u>
<i>Total 2021</i>	<u>1,091,521</u>	<u>1,091,521</u>	

Summary by expenditure type

	Staff costs 2022 £	Depreciation 2022 £	Other costs 2022 £	Total 2022 £	Total 2021 £
Staff costs	153,138	1,538	142,212	296,888	279,891
Grants payable	-	-	853,398	853,398	811,630
	<u>153,138</u>	<u>1,538</u>	<u>995,610</u>	<u>1,150,286</u>	<u>1,091,521</u>
<i>Total 2021</i>	<u>144,211</u>	<u>297</u>	<u>947,013</u>	<u>1,091,521</u>	

8. Analysis of grants

	Grants to individuals 2022 £	Grants to individuals 2021 £
Regular grants	638,469	610,470
Capped and emergency grants	108,269	98,960
Welfare organisations	450	2,200
Clerks fund	100,000	100,000
	<u>847,188</u>	<u>811,630</u>

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. Analysis of expenditure by activities

	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Support costs	-	296,888	296,888	279,891
Grants payable	853,398	-	853,398	811,630
	<u>853,398</u>	<u>296,888</u>	<u>1,150,286</u>	<u>1,091,521</u>
<i>Total 2021</i>	<u>811,630</u>	<u>279,891</u>	<u>1,091,521</u>	

Analysis of support costs

	Activities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	153,138	153,138	144,211
Depreciation	1,538	1,538	297
Discount charge on pension provision	28,697	28,697	31,347
Charitable expenditure	44,906	44,906	73,310
Expenses visiting beneficiaries	848	848	83
Postage, printing and stationery	1,405	1,405	1,457
New office expenses	30,070	30,070	-
Bank charges	404	404	373
Differences on foreign exchange	(3,048)	(3,048)	517
Luncheon expenses	670	670	-
Mobile phones	844	844	1,021
Computer costs	-	-	105
Property expenses	126	126	244
Governance costs	37,290	37,290	26,926
	<u>296,888</u>	<u>296,888</u>	<u>279,891</u>
<i>Total 2021</i>	<u>279,891</u>	<u>279,891</u>	

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	10,235	11,940
Fees payable to the Charity's auditor in respect of: Other financial services	5,145	2,705

11. Staff costs

	2022 £	2021 £
Wages and salaries	129,348	122,575
Social security costs	13,292	11,735
Contribution to defined contribution pension schemes	10,498	9,901
	153,138	144,211

The average number of persons employed by the Charity during the year was as follows:

	2022 No.	2021 No.
Employees	2	2

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

The total amount of employee benefits received by key management personnel is £152,287 (2021 £132,148). The charity considers its key management personnel comprise the secretary and assistant secretary.

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

13. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2022	-	6,750	6,750
Additions	5,504	698	6,202
At 31 December 2022	5,504	7,448	12,952
Depreciation			
At 1 January 2022	-	5,702	5,702
Charge for the year	1,101	437	1,538
At 31 December 2022	1,101	6,139	7,240
Net book value			
At 31 December 2022	4,403	1,309	5,712
At 31 December 2021	-	1,048	1,048

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

14. Investment property

	Long term leasehold investment property £
Valuation	
At 1 January 2022	485,000
At 31 December 2022	<u>485,000</u>

The investment property was revalued by the Trustees at 31 December 2020 to bring it in line with local property prices at the time. It is the Trustees opinion that this value has not materially changed since that date.

15. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2022	26,575,539
Additions	3,660,533
Disposals	(3,967,219)
Revaluations	(2,411,679)
At 31 December 2022	<u>23,857,174</u>
Net book value	
At 31 December 2022	<u>23,857,174</u>
At 31 December 2021	<u>26,575,539</u>

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. Debtors

	2022 £	2021 £
Due within one year		
Other debtors	-	157
Accrued income	314,301	9,061
Prepayments	59,633	61,822
	<u>373,934</u>	<u>71,040</u>

17. Current asset investments

	2022 £	2021 £
Unlisted investments (liquid)	<u>529,903</u>	<u>692,571</u>

18. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	5,907	6,277
Other creditors	357	-
Accruals and deferred income	47,600	45,912
	<u>53,864</u>	<u>52,189</u>

19. Provisions

	Unfunded retirement provision £
At 1 January 2022	224,000
Amounts used	(30,697)
Discounted adjustments	28,697
	<u>222,000</u>

This provision comprises the unfunded pension liability for two ex employees.

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds					
General Funds - all funds	27,209,457	1,054,057	(1,266,489)	(2,326,182)	24,670,843
Endowment funds					
Louis Sanders Holiday Fund	11,180	230	(49)	(1,462)	9,899
Cecil Russell Nye Trust Fund	13,255	272	(59)	(1,727)	11,741
K D Cochrane Fund	632,922	12,975	(2,816)	(82,307)	560,774
	657,357	13,477	(2,924)	(85,496)	582,414
Total of funds	27,866,814	1,067,534	(1,269,413)	(2,411,678)	25,253,257

The Louis Sanders Holiday Fund contributes towards the cost of temporary visits to the seaside or elsewhere for distressed persons qualified to receive assistance from The Stock Exchange Benevolent Fund.

The Cecil Russell Nye Trust Fund was created in memory of the late Cecil Russell Nye, the income to be applied for charitable purposes.

The K D Cochrane Fund assists aged Members and former Members of The Stock Exchange and their wives.

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

20. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2021 £</i>
Unrestricted funds					
General Funds - all funds	24,066,886	713,528	(1,213,537)	3,642,580	27,209,457
Endowment funds					
Louis Sanders Holiday Fund	9,640	200	(50)	1,390	11,180
Cecil Russell Nye Trust Fund	11,434	236	(61)	1,646	13,255
K D Cochrane Fund	546,183	11,254	(3,079)	78,564	632,922
	<u>567,257</u>	<u>11,690</u>	<u>(3,190)</u>	<u>81,600</u>	<u>657,357</u>
Total of funds	<u>24,634,143</u>	<u>725,218</u>	<u>(1,216,727)</u>	<u>3,724,180</u>	<u>27,866,814</u>

21. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2022 £
General funds	27,209,457	1,054,057	(1,266,489)	(2,326,182)	24,670,843
Endowment funds	657,357	13,477	(2,924)	(85,496)	582,414
	<u>27,866,814</u>	<u>1,067,534</u>	<u>(1,269,413)</u>	<u>(2,411,678)</u>	<u>25,253,257</u>

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

21. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2021 £</i>
General funds	24,066,886	713,528	(1,213,537)	3,642,580	27,209,457
Endowment funds	567,257	11,690	(3,190)	81,600	657,357
	<u>24,634,143</u>	<u>725,218</u>	<u>(1,216,727)</u>	<u>3,724,180</u>	<u>27,866,814</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	5,712	5,712
Fixed asset investments	555,116	23,302,058	23,857,174
Investment property	-	485,000	485,000
Current assets	27,298	1,153,937	1,181,235
Creditors due within one year	-	(53,864)	(53,864)
Provisions for liabilities and charges	-	(222,000)	(222,000)
Total	<u>582,414</u>	<u>24,670,843</u>	<u>25,253,257</u>

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Endowment funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	1,048	1,048
Fixed asset investments	633,145	25,942,394	26,575,539
Investment property	-	485,000	485,000
Current assets	24,212	1,057,204	1,081,416
Creditors due within one year	-	(52,189)	(52,189)
Provisions for liabilities and charges	-	(224,000)	(224,000)
Total	657,357	27,209,457	27,866,814

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(2,613,557)	3,232,671
Adjustments for:		
Depreciation charges	1,538	297
(Gains)/losses on investments	2,411,679	(3,724,182)
Decrease/(increase) in debtors	(302,894)	25,133
Increase/(decrease) in creditors	1,675	(4,144)
(Decrease)/increase in provisions	(2,000)	2,000
Net cash used in operating activities	(503,559)	(468,225)

24. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	807,301	1,010,376
Total cash and cash equivalents	807,301	1,010,376

THE STOCK EXCHANGE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

25. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	317,805	(40,407)	277,398
Liquid investments	692,571	(162,668)	529,903
	<u>1,010,376</u>	<u>(203,075)</u>	<u>807,301</u>

26. Operating lease commitments

At 31 December 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	19,428	-
Later than 1 year and not later than 5 years	4,916	-
	<u>24,344</u>	<u>-</u>

27. Related party transactions

During the year, Jaswant Golan, the husband of Jennifer Golan (Assistant Secretary), provided IT support services totalling £3,050 (2021: £2,000) to the Charity. At the year end there was an outstanding balance due of £Nil (2021: £2,000).