

NAS UWT BENEVOLENT FUNDS

England & Wales · Charity number 285793

Details

Other names NAS/UWT BENEVOLENT FUNDS

Status Registered

Legal form Other

Registered 1983-01-04

Register [View on the Charity Commission register](#)

Contact

Address Nasuwt
Hillscourt Education Centre
Rose Hill
Rednal
Birmingham
B45 8RS

Phone 01214536150

Email legalandcasework@mail.nasuwt.org.uk

Website www.nasuwt.org.uk

Activities

Objects: THE RELIEF OF POVERTY AMONGST FULL MEMBERS, NON FULL MEMBERS AND RETIRED MEMBERS OF THE ASSOCIATION AND THEIR DEPENDANTS AND THE DEPENDANTS OF DECEASED MEMBERS, AND TO PROVIDE FOR THE FURTHER EDUCATION OF THE NEEDY CHILDREN OF MEMBERS OR DECEASED MEMBERS OF THE ASSOCIATION.

Activities: Relief of hardship amongst members, former members, dependants of members and former members and dependants of deceased members.

Classification

- **How:** Makes Grants To Individuals, Provides Services, Provides Advocacy/advice/information
- **What:** The Prevention Or Relief Of Poverty
- **Who:** Children/young People, Elderly/old People, People With Disabilities

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£585,761	£508,036	£3,131,345	0
2023-12-31	£862,616	£481,797	£2,919,006	0
2022-12-31	£493,298	£373,530	-	-
2021-12-31	£482,406	£364,831	-	-
2020-12-31	£470,184	£399,222	-	-

Trustees

Name	Role	Appointed
Mike Leigh	Chair	2018-05-04
Fiona Hawksley-Cartwright		2022-09-02
Helen Johns		2022-06-10
Omolo Johnson		2024-05-03
Rachel Knight		2023-10-06

NAS UWT BENEVOLENT FUNDS

England & Wales - Charity number 285793

Accounts

**NASUWT – The Teachers’ Union
CENTRAL BENEVOLENT FUND**

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
INCOME AND EXPENDITURE			
Incoming Resources:			
Incoming resources from generated funds:			
Donation from NASUWT		226,685	230,025
Donated services from NASUWT	4	205,201	194,187
Donations, legacies and sundry income		62,335	361,934
Investment income	5	91,540	76,470
Total incoming resources		585,761	862,616
Resources expended:			
Raising funds:			
Investment and property management fees		12,908	10,959
Investment property costs		21,498	11,249
Finance costs		-	28
Charitable activities:			
General grants	6	253,045	254,236
Staff costs		198,655	186,118
Premises costs		6,547	8,068
Legal and Professional		15,383	11,138
Total resources expended		508,036	481,797
Net income before revaluations		77,725	380,818
Gains on investment assets		109,613	42,572
Revaluation of investment property		25,000	-
Net movement in funds for the year		212,338	423,391
Fund balances brought forward at 1 January 2024		2,919,008	2,495,617
Fund balances carried forward at 31 December 2024	10	3,131,345	2,919,008

All of above income and expenditure relates to unrestricted funds.

Notes 1 to 12 form part of these accounts

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
BALANCE SHEET 31 DECEMBER 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Investments	7	2,567,331	2,442,765
DEBTORS:			
Due after more than one year			
Benevolent loans	8	55,320	57,951
CURRENT ASSETS			
Sundry debtors		16,911	14,954
Benevolent loans	8	840	900
Cash at bank		522,028	428,162
		<u>539,779</u>	<u>444,016</u>
CURRENT LIABILITIES			
Sundry creditors	9	(31,085)	(25,726)
		<u>508,694</u>	<u>418,290</u>
NET CURRENT ASSETS			
		<u>3,131,345</u>	<u>2,919,007</u>
NET ASSETS			
		<u>3,131,345</u>	<u>2,919,007</u>
FUNDS			
General - Unrestricted	10	<u>3,131,345</u>	<u>2,919,007</u>

Approved by the Trustees on and signed on their behalf:

Mike Leigh
Trustee

Notes 1 to 12 form part of these accounts

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
STATEMENT OF CASHFLOWS
31 DECEMBER 2024

	2024	2023
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(expenditure) for the reporting period	212,338	423,391
Interest received	(6,769)	(5,809)
Rent from investments	(18,360)	(16,830)
Dividends received	(66,411)	(53,831)
Gains on investments	(109,613)	(42,572)
Investment management fees	9,977	7,305
Gains on revaluation of investment property	(25,000)	-
Decrease in debtors	737	17,847
Increase/(decrease) in creditors	5,359	(18,188)
Net cash provided by/(used in) operating activities	2,258	311,312
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	6,769	5,809
Rent from investments	18,360	16,830
Dividends received	66,411	53,831
Invested funds	-	(890,000)
Investment income reinvested	70	(325)
Net cash provided by/(used in) investing activities	91,610	(813,855)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR		
	93,868	(502,543)
Cash and cash equivalents at the beginning of the year	428,160	930,703
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	522,028	428,160

Notes 1 to 12 form part of these accounts

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. CHARITY INFORMATION

The Central Benevolent Fund (the Charity) is set aside for general benevolent purposes of the NASUWT in alleviating hardship to members. The fund is managed as a separate entity from the NASUWT.

2. ACCOUNTING POLICIES

a. Basis of preparation of financial statements

The accounts (financial statements) have been prepared under the historical cost convention, with the exception of investments which are stated at market valuation. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Central Benevolent Fund constitutes a public benefit entity as defined by FRS 102. The Trustees have given due consideration to the Charity's Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

The trustees consider that there are no material uncertainties about the Central Benevolent Fund's ability to continue as a going concern.

b.

Funds structure

General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objects of the Charity and that have not been designated for specific purposes.

c. Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to donations received under Gift Aid or deed of covenant is recognised at the time of the donation.

d. Resources expended

All resources expended are accounted for on an accruals basis. Charitable activities include costs of services and of grants including support costs.

Liabilities are recognised where there is a legal or constructive obligation committing the Charity to the obligation.

Resources expended include irrecoverable VAT.

e. Financial instruments

Fixed asset Investments

Investments are stated at market value.

Gains and losses representing the movement in market values during the period are credited or charged to the SOFA in the period of gain or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price.

There are no complex financial instruments.

**NASUWT – The Teachers’ Union
CENTRAL BENEVOLENT FUND**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

f. Donated services

Donated services are included for staff costs and premises costs at the value the Charity would have paid for them in the open market.

e. Benevolent loans

Benevolent loans are considered to meet the criteria of concessionary loans under FRS 102. They are recorded in the financial statements at face value.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made may include:

Revaluation of Investment properties

The Charity carries its investment property at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The Charity has used a professional valuation carried out in January 2023 by Kennington’s Chartered Surveyors, RICS registered valuers, to determine the current market value of the property.

Donated services from NASUWT

The Charity receives donated services which are analysed in note 4. The staff costs are calculated based on the percentage of each staff members’ time spent on providing administration services to the Charity. Premises costs are calculated by apportioning the total property costs over the proportion of staff costs donated.

4. DONATED SERVICES FROM NASUWT

	2024	2023
	£	£
Staff costs	198,654	186,118
Premises costs	6,547	8,068
	<u>205,201</u>	<u>194,187</u>

Governance costs incurred by Central Benevolent Fund consist only of auditors’ remuneration of £9,275 (2023: £8,900).

5. INVESTMENT INCOME

	2024	2023
	£	£
Dividends	66,411	53,831
Rental income	18,360	16,830
Bank deposit interest	6,769	5,809
	<u>91,540</u>	<u>76,470</u>

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
(continued)

6. GRANTS PAYABLE

	2024	2023
	£	£
Benevolent loans converted to grants		
To individuals 534 (2023: 594)	209,507	226,780
To NASUWT Federations 67 (2023: 64)	23,196	22,374
Legal and management expenses	20,342	5,081
	253,045	254,236

The ultimate beneficiaries of NASUWT Federations Grants are individuals.

7. INVESTMENTS

Investments are stated at market value.

	2024	2023
	£	£
MARKET VALUE:		
At 1 January 2024	2,017,765	1,092,173
Income Account Movement	(70)	325
New investment funds	-	890,000
Investment management fees	(9,977)	(7,305)
Revaluation to fair value	109,613	42,572
At 31 December 2024	2,117,331	2,017,765

	2024	2023
	£	£
Market value made up as follows:		
UK Fixed Interest	182,565	187,097
Emerging Market Government Bonds	55,660	211,827
Overseas Fixed interest	16,899	17,074
UK Equities	738,948	702,930
Overseas Equities	973,490	620,509
Alternatives	123,324	155,388
Broker account	26,445	122,940
Total listed investments	2,117,331	2,017,765

Property		
At 1 January 2024	425,000	425,000
Revaluation	25,000	-
At 31 December 2024	450,000	425,000
Total investments	2,567,331	2,442,765

Material investments		
Property – Genesta Road	450,000	425,000
Alphabet	60,460	-
Shell plc	51,996	54,002
Pershing Square Holdings Limited	57,070	54,597
Treasury 0% T-Bill 2/01/2024	-	150,000
Treasury 4.25% Gilt 7/12/2040	55,660	61,827
Historic cost of investments	675,186	745,426

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
(continued)**

8. DEBTORS

	2024	2023
	£	£
Benevolent loans		
Due under 1 year	<u>840</u>	<u>900</u>
Due over 1 year	<u>55,320</u>	<u>57,951</u>

Benevolent loans are interest free and are repayable by monthly instalments or in a lump sum triggered by a specified event.

9. CREDITORS

	2024	2023
	£	£
Amounts owed to group undertakings	1,971	120
Accruals and deferred income	<u>29,114</u>	<u>25,606</u>
	<u>31,085</u>	<u>25,726</u>

10. ANALYSIS OF CHARITABLE FUNDS

	Fund balances 1 January 2024	Income	Expenditure	Gains	Fund balances 31 December 2024
Central benevolent fund	<u>2,919,007</u>	<u>585,761</u>	<u>(508,036)</u>	<u>134,613</u>	<u>3,131,345</u>

	Fund balances 1 January 2023	Income	Expenditure	Gains	Fund balances 31 December 2023
Central benevolent fund	<u>2,495,617</u>	<u>862,616</u>	<u>(481,797)</u>	<u>42,572</u>	<u>2,919,007</u>

All charitable funds are unrestricted.

NASUWT – The Teachers’ Union
CENTRAL BENEVOLENT FUND
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
(continued)

11. RELATED PARTY TRANSACTIONS

Only Trustees are considered key management personnel.

During the year, no Trustees received any remuneration or reimbursed expenses (2023: Nil).

There are no other related party transactions during the year (2023: Nil).

12. FINANCIAL INSTRUMENTS

	2024	2023
	£	£
Financial assets		
Financial assets measured at fair value	2,117,331	2,017,765
Financial assets that are debt instruments measured at amortised cost	<u>595,100</u>	<u>501,967</u>
	2024	2023
	£	£
Financial Liabilities		
Financial liabilities measured at amortised cost	<u>31,085</u>	<u>25,726</u>

Financial assets measured at fair value through income and expenditure comprises investments in listed securities.

Financial assets measured at amortised cost comprise benevolent loans and sundry debtors.

Financial liabilities measured at amortised cost comprise sundry creditors.

The entity’s income, expense, gains and losses in respect of financial instruments are summarised below:

	2024	2023
	£	£
Total investment income for financial assets measured at fair value through income and expenditure	66,411	53,831
Net losses on financial assets measured at fair value through income and expenditure	(109,613)	(42,572)
Total interest income for financial assets measured at amortised cost through income and expenditure	<u>6,769</u>	<u>5,809</u>

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Legal and administrative

The Central Benevolent Fund is governed under the Fund Rules dated April 2004.

Charity Number: 285793

Registered Name: NASUWT Benevolent Fund

Trustees: Chris Holland (resigned 03 May 2024)
Mike Leigh (Chair 03 May 2024)
Omolo Johnson (appointed 03 May 2024)
Rachel Knight
Helen Johns
Fiona Hawksley-Cartwright (Vice-Chair 03 May 2024)
Mark Burns

The power of appointment of new trustees is vested in the National Executive.

National Treasurer: Chris Holland

Principal Office: Hillscourt
Rose Hill
Rednal
Birmingham B45 8RS

Bankers: Unity Trust Bank Plc
Nine Brindley place
Birmingham
B1 2HB

Investment Managers: Rathbone Investment Management
159 new Bond Street
London
WS1 2UD

Solicitors: Thompsons
New Union House
2 Harbour Avenue
Plymouth
Devon
PL4 0BJ

Auditors: Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury West Midlands
B69 2DG

Investment powers: The Fund Rules empower the trustees to invest at their absolute discretion.

NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Objectives and Activities

Under the Rules, the objective of the Benevolent Fund is the relief of poverty amongst members, former members, the dependants of members and former members and the dependants of deceased members. This remained the central objective of the Charity for 2024. The public benefit aims of the Charity are fulfilled in meeting its objective.

During 2024, new applications for benevolence assistance were carefully considered on a daily basis by the Legal and Casework Team. Benevolent Fund monies in the form of non-repayable grants were awarded as appropriate to applicants who were considered to be in financial hardship, thereby fulfilling the objective of the Fund. In addition, existing benevolent cases were reviewed throughout the year and the Legal and Casework Team authorised further financial support in circumstances where the beneficiary continued to suffer financial hardship.

NASUWT Central Benevolent Fund continues to rely on the support of lay members to fulfil the functions of a 'benevolence visitor'. Benevolence visitors are volunteers, some of whom hold other lay official posts within the Union and some who have been elected with specific responsibility for benevolence casework in their area. The role of the visitor is to meet with applicants and complete the application form on their behalf. The contribution of benevolence visitors is very significant and valuable in ensuring that the current application process can be completed. Whilst it is not possible to quantify the number of hours of work undertaken by benevolence visitors, 322 new applications were received in 2024, with a further 91 cases from applicants who had previously applied to The Fund.

Achievements and Performance

Funding continues to be received in the form of a donation from the Union's General Fund in accordance with the number of subscribing members. The available funding enabled the Trustees to fulfil the objective of relieving poverty amongst members, former members, the dependants of members and former members and the dependants of deceased members who apply for benevolence assistance or continue to require financial support from the Union.

The Trustees recognise the important additional contribution donated by the Union via the donated service to support the smooth running of the fund.

Of the £380,560 available for distribution (after administration expenses) for the period from the General Fund, the trustees approved charitable expenditure amounting to £302,834 resulting in a surplus of £77,726.

As always, we are indebted to all those who have supported the Benevolent Fund during the year. Particular thanks going to our committed team of volunteers. There are approximately 179 volunteers undertaking benevolence visits and performing other duties in the local federations and their involvement is a crucial part of both the charity and the Union's work.

A number of courses will be rolled out during 2024 to gain a greater number of visitors and to improve the geographical spread, following the retirement of many of our visitors.

The investments (excluding property) are managed by Rathbone Investment Management subject to certain restrictions over the type of investment and with the objective of obtaining reasonable long-term overall growth at moderate risk.

The investment decrease in the year based on average investments held is 5.3% (2023: 2.74% increase).

The investment income return for the year based on average investments held is 3.21% (2023: 3.46%).

The Trustees are satisfied with this performance.

NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Benevolence

The Benevolent Team considered 413 applications during the year, with 322 new applications.

It is envisaged with the continued cost of living crisis, high energy bills and mortgage rates, the number of applicants to the Fund will remain consistent.

A total of £253,045 was paid out from the Central Benevolent Fund in the form of grants to applicants. Of this total:

- £105,106 was for single-payment grants to applicants who were facing financial hardship for a whole variety of reasons;
- £47,700 was for convalescence grants to aid applicants during a time of physical or emotional illness;
- £24,700 was for holiday grants;
- £6,118 was for monthly grants;
- £16,850 was for education grants; and
- £9,033 was for grants for rent and mortgage payments.

In total, the Benevolent Federations received £23,196 into their imprest accounts to provide grant aid at a local level.

The Central Benevolent Committee recovered £2,691 from recipients repaying loans awarded to them from the Fund. No loans were written off or converted to grants this year. The loan book for the Fund stands at £56,160 at the end of the year.

In the latter part of 2024, the various grant types provided to applicants were increased in value, to ensure they met the increased costs of day to day living.

Applicants continued to be regularly referred to Payplan and Citizen Advice Bureau for money and debt management services, at no cost to the member or the Union.

Financial Review

The Trustees consider that in the case of the Benevolent Fund, the assets are sufficient and adequate to fulfil the obligations of the fund, in the foreseeable future.

Unrestricted funds amount to £3,131,345 of which, after deducting Benevolent loans, £3,075,185 is freely available. The Trustees consider the current level of free reserves comfortable, without being excessive. This places them in the fortunate position of being able to meet their policies of funding members of the NASUWT and having funds available to fulfil the objects of the Benevolent Fund when called upon.

The reserves policy ensures that all Benevolent Federations are funded on an equal basis and avoids unused reserves being carried forward each year.

NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

Financial Review (continued)

The Trustees have identified and assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity. A formal risk assessment statement is in place which, amongst other things, reflects the changes in the administration of the Fund. This will continue to be reviewed annually. The Trustees are satisfied that the risks have been identified and that controls are in place to manage them as far as possible. It is recognised that systems can only provide reasonable and not absolute assurance that risks have been adequately managed.

Structure Governance and Management

The NASUWT Benevolent Fund Rules, which were adopted at Special Rules Conference in November 1996 and amended at Conference 2004, govern the operation of the Benevolent Fund.

Whilst NASUWT Benevolent Fund is a separate, charitable fund, it is considered to be an asset of the Union. The Benevolent Funds are managed as a separate entity but both the Fund and the Union are deemed to be under common control.

The Trustees of the Central Benevolent Fund are appointed by a resolution of the National Executive for a term of one year commencing on the date of appointment. The six appointed Trustees form the Central Benevolent Fund Committee and are charged with responsibility for the Benevolent Fund. The Trustees of the Central Benevolent Fund concentrate on the strategic and governance issues relating to the management of the Fund.

The day to day operation of the Fund is managed by the Legal and Casework team, who have responsibility for the administration of the Fund. Delegated staff within the Legal and Casework Team work under clear guidelines and criteria agreed by Trustees. They determine eligibility for assistance from the Fund and the most appropriate form of assistance, according to the applicant's financial circumstances and individual needs. This information is gathered by a benevolence visitor who may make a recommendation. Further grants may be made following receipt of a financial update form as part of the periodic case review process.

The Rules provide for the formation of Benevolent Federations which are comprised of Local Associations. There are nine Benevolent Federations in operation. The Rules further provide that the Committee may publish model rules for the conduct of Benevolent Federation business which must be adopted by each Benevolent Federation.

The Charity and the NASUWT are under common control. The majority of the income of the Charity is donations from the NASUWT.

Fundraising

The Charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Charities Governance Code

The Trustees are aware of the new guidance and during the coming year plan to undertake a review to produce recommendations and an action plan to ensure that the Charity takes positive steps towards working in line with the Code in all ways where it is practicable to do so.

Approved by the Trustees on

Mike Leigh
Trustee

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF NASUWT – *The Teachers' Union* CENTRAL BENEVOLENT FUND

The purpose of this statement is to distinguish the Trustees of the NASUWT Central Benevolent Fund's responsibilities for the financial statements from those of the auditors as stated in their report.

The United Kingdom Charities Act 2011 requires the Trustees to keep proper books of account with respect to the affairs of the Charity, and to prepare statements of account for each accounting period consisting of an income and expenditure account and balance sheet. The Trustees are also responsible for safeguarding the Charity's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

In preparing the financial statements the Trustees of the NASUWT Central Benevolent Fund are expected to:

- select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent;
- follow the recommendations of the Charity Commission and of the accounting profession with regard to form and content of the financial statements, or to disclose and explain any departures therefrom;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue to meet its objectives;
- the maintenance and integrity of the NASUWT website is the responsibility of the Honorary Treasurer; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the financial statements since they were initially presented on the website;
- legislation in the United Kingdom governing the preparation and dissemination of the financial statements and the other information included in annual reports may differ from legislation in other jurisdictions.

Opinion

We have audited the financial statements of NASUWT Central Benevolent Fund for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Charity's affairs as at 31 December 2024 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 Charities Act 2011.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
(continued)**

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
(continued)**

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records 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 set out on page 51, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
(continued)**

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Charity for fraud. The laws and regulations we considered in this context for the UK operations were Charity Commission regulations, General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
(continued)**

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

Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date:

NAS UWT BENEVOLENT FUNDS

England & Wales - Charity number 285793

Accounts

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
INCOME AND EXPENDITURE			
Incoming Resources:			
Incoming resources from generated funds:			
Donation from NASUWT		230,025	250,484
Donated services from NASUWT	4	194,187	179,641
Donations, legacies and sundry income		361,934	3,529
Investment income	5	76,470	59,644
Total incoming resources		862,616	493,298
Resources expended:			
Raising funds:			
Investment and property management fees		10,959	8,216
Investment property costs		11,249	2,063
Finance costs		28	-
Charitable activities:			
General grants	6	254,236	169,100
Staff costs		186,118	171,158
Premises costs		8,068	8,483
Benevolent loans written off		-	1,295
Legal and Professional		11,138	13,215
Total resources expended		481,797	373,530
Net income before revaluations		380,818	119,768
Gains/(losses) on investment assets		42,572	(143,814)
Revaluation of investment property		-	(52,848)
Net movement in funds for the year		423,391	(76,894)
Fund balances brought forward at 1 January 2023		2,495,617	2,572,511
Fund balances carried forward at 31 December 2023	10	2,919,008	2,495,617

All of above income and expenditure relates to unrestricted funds.

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
BALANCE SHEET 31 DECEMBER 2023**

	Notes	2023 £	2022 £
FIXED ASSETS			
Investments	7	2,442,765	1,517,173
DEBTORS:			
Due after more than one year			
Benevolent loans	8	57,951	59,056
CURRENT ASSETS			
Sundry debtors		14,954	31,579
Benevolent loans	8	900	1,020
Cash at bank		428,162	930,703
		<u>444,016</u>	<u>963,302</u>
CURRENT LIABILITIES			
Sundry creditors	9	(25,726)	(43,914)
NET CURRENT ASSETS			
		<u>418,290</u>	<u>919,388</u>
NET ASSETS			
		<u>2,919,007</u>	<u>2,495,617</u>
FUNDS			
General - Unrestricted	10	<u>2,919,007</u>	<u>2,495,617</u>

Approved by the Trustees on 29 February 2024
and signed on their behalf:

Chris Holland

Chris Holland
Trustee

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
STATEMENT OF CASHFLOWS
31 DECEMBER 2023**

	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(expenditure) for the reporting period	423,391	(76,894)
Interest received	(5,809)	(1,490)
Rent from investments	(16,830)	(18,360)
Dividends received	(53,831)	(39,794)
(Gains)/losses on investments	(42,572)	(143,814)
Investment management fees	7,305	5,222
(Gains)/losses on revaluation of investment property	-	52,848
(Increase)/ decrease in debtors	17,847	254,008
Increase/(decrease) in creditors	(18,188)	4,714
Net cash provided by/(used in) operating activities	311,312	324,068
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	5,809	1,490
Rent from investments	16,830	18,360
Dividends received	53,831	39,794
Invested funds	(890,000)	276
Investment income reinvested	(325)	(515)
Net cash provided by/(used in) investing activities	(813,855)	59,405
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR	(502,543)	383,473
Cash and cash equivalents at the beginning of the year	930,703	547,230
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	428,160	930,703

Notes 1 to 12 form part of these accounts

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. CHARITY INFORMATION

The Central Benevolent Fund (the charity) is set aside for general benevolent purposes of the NASUWT in alleviating hardship to members. The fund is managed as a separate entity from the NASUWT.

2. ACCOUNTING POLICIES

a. Basis of preparation of financial statements

The accounts (financial statements) have been prepared under the historical cost convention, with the exception of investments which are stated at market valuation. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Central Benevolent Fund constitutes a public benefit entity as defined by FRS 102. The Trustees have given due consideration to the Charity's Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The trustees consider that there are no material uncertainties about the Central Benevolent Fund's ability to continue as a going concern.

b. Funds structure

General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objects of the charity and that have not been designated for specific purposes.

c. Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to donations received under Gift Aid or deed of covenant is recognised at the time of the donation.

d. Resources expended

All resources expended are accounted for on an accruals basis. Charitable activities include costs of services and of grants including support costs.

Liabilities are recognised where there is a legal or constructive obligation committing the charity to the obligation.

Resources expended include irrecoverable VAT.

e. Financial instruments

Fixed asset Investments

Investments are stated at market value.

Gains and losses representing the movement in market values during the period are credited or charged to the SOFA in the period of gain or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price.

**NASUWT – The Teachers’ Union
CENTRAL BENEVOLENT FUND**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

e. Financial instruments (continued)
There are no complex financial instruments.

f. Donated services

Donated services are included for staff costs and premises costs at the value the charity would have paid for them in the open market.

g. Benevolent loans

Benevolent loans are considered to meet the criteria of concessionary loans under FRS 102. They are recorded in the financial statements at face value.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made may include:

Revaluation of Investment properties

The charity carries its investment property at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The Trustees use a professional valuation to determine the current market value of the property at regular intervals as deemed appropriate. In intervening years the Trustees review market information and update the valuation based on their estimate of market movement since the previous professional valuation.

Donated services from NASUWT

The charity receives donated services which are analysed in note 4. The staff costs are calculated based on the percentage of each staff members’ time spent on providing administration services to the charity. Premises costs are calculated by apportioning the total property costs over the proportion of staff costs donated.

4. DONATED SERVICES FROM NASUWT

	2023 £	2022 £
Staff costs	186,118	171,158
Premises costs	8,068	8,483
	194,187	179,641

Governance costs incurred by Central Benevolent Fund consist only of auditors’ remuneration of £8,900 (2022: £10,260)

5. INVESTMENT INCOME

	2023 £	2022 £
Dividends	53,831	39,794
Rental income	16,830	18,360
Bank deposit interest	5,809	1,490
	76,470	59,644

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
(continued)**

6. GRANTS PAYABLE

	2023 £	2022 £
Benevolent loans converted to grants		
To individuals 594 (2022: 396)	226,780	150,886
To NASUWT Federations 64 (2022: 43)	22,374	15,823
Legal and management expenses	5,081	2,391
	254,236	169,100

The ultimate beneficiaries of NASUWT Federations Grants are individuals.

7. INVESTMENTS

Investments are stated at market value.

	2023 £	2022 £
MARKET VALUE:		
At 1 January 2023	1,092,173	1,240,970
Income Account Movement	325	239
New investment funds	890,000	-
Investment management fees	(7,305)	(5,222)
Revaluation to fair value	42,572	(143,814)
At 31 December 2023	2,017,765	1,092,173

	2023 £	2022 £
Market value made up as follows:		
UK Fixed Interest	187,097	87,787
Emerging Market Government Bonds	211,827	-
Overseas Fixed interest	17,074	17,287
UK Equities	702,930	562,611
Overseas Equities	620,509	270,250
Alternatives	155,388	116,890
Broker account	122,940	37,348
Total listed investments	2,017,765	1,092,173

Property		
At 1 January 2023	425,000	477,848
Revaluation	-	(52,848)
At 31 December 2023	425,000	425,000
Total investments	2,442,765	1,517,173

Material investments		
Property – Genesta Road	425,000	425,000
S4 Capital Plc	-	16,271
Edinburgh Dragon Trust	-	12,360
Royal Dutch Shell	54,002	48,846
Astrazeneca Plc	43,460	52,725
Experian	32,020	28,130
Barclays Bank Plc	33,458	37,532
BP Plc	30,300	30,869

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
(continued)**

7. INVESTMENTS (CONTINUED)

Berkshire Hathaway Inc	44,764	-
Diageo Plc	45,696	-
Merck & Co Inc	32,070	-
Novo-Nordisk AS	40,574	16,787
Pershing Square Holdings Limited	54,597	-
Rathbones Unit Trust Management	44,340	21,098
Relx Plc	37,320	22,880
Standard Chartered Plc	33,330	8,714
Treasury 0% T-Bill 2/01/2024	150,000	-
Treasury 4.25% Gilt 7/12/2040	61,827	-
Historic cost of investments	<u>1,773,235</u>	<u>888,419</u>

8. DEBTORS

	2023 £	2022 £
Benevolent loans		
Due under 1 year	<u>900</u>	<u>1,020</u>
Due over 1 year	<u>57,951</u>	<u>59,056</u>

Benevolent loans are interest free and are repayable by monthly instalments or in a lump sum triggered by a specified event.

9. CREDITORS

	2023 £	2022 £
Dividends	120	-
Rental income	<u>25,606</u>	<u>43,914</u>
	<u>25,726</u>	<u>43,914</u>

10. ANALYSIS OF CHARITABLE FUNDS

	Fund balances 1 January 2023	Income	Expenditure	Gains and (losses)	Fund balances 31 December 2023
Central benevolent fund	<u>2,548,465</u>	<u>862,616</u>	<u>(481,797)</u>	<u>(42,572)</u>	<u>2,881,856</u>
	Fund balances 1 January 2022	Income	Expenditure	Gains and (losses)	Fund balances 31 December 2022
Central benevolent fund	<u>2,572,511</u>	<u>493,298</u>	<u>(373,530)</u>	<u>(143,814)</u>	<u>2,548,465</u>

All charitable funds are unrestricted.

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
(continued)**

11. RELATED PARTY TRANSACTIONS

Only Trustees are considered key management personnel.

During the year, no Trustees received any remuneration or reimbursed expenses.

There are no other related party transactions during the year.

12. FINANCIAL INSTRUMENTS

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value	2,017,765	1,092,174
Financial assets that are debt instruments measured at amortised cost	<u>501,967</u>	<u>91,655</u>
	2023 £	2022 £
Financial Liabilities		
Financial liabilities measured at amortised cost	<u>25,726</u>	<u>43,914</u>

Financial assets measured at fair value through income and expenditure comprises investments in listed securities.

Financial assets measured at amortised cost comprise benevolent loans and sundry debtors.

Financial liabilities measured at amortised cost comprise sundry creditors.

The entity's income, expense, gains and losses in respect of financial instruments are summarised below:

	2023 £	2022 £
Total investment income for financial assets measured at fair value through income and expenditure	53,831	39,794
Net gains/(losses) on financial assets measured at fair value through income and expenditure	(42,572)	(143,814)
Total interest income for financial assets measured at amortised cost through income and expenditure	<u>5,809</u>	<u>1,490</u>

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Objectives and Activities

Under the Rules, the objective of the Benevolent Fund is the relief of poverty amongst members, former members, the dependants of members and former members and the dependants of deceased members. This remained the central objective of the charity for 2023. The public benefit aims of the charity are fulfilled in meeting its objective.

During 2023, new applications for benevolence assistance were carefully considered on a daily basis by the Legal and Casework Team. Benevolent Fund monies in the form of non-repayable grants were awarded as appropriate to applicants who were considered to be in financial hardship, thereby fulfilling the objective of the Fund. In addition, existing benevolent cases were reviewed throughout the year and the Legal and Casework Team authorised further financial support in circumstances where the beneficiary continued to suffer financial hardship.

NASUWT Central Benevolent Fund continues to rely on the support of lay members to fulfil the functions of a 'benevolence visitor'. Benevolence visitors are volunteers, some of whom hold other lay official posts within the Union and some who have been elected with specific responsibility for benevolence casework in their area. The role of the visitor is to meet with applicants and complete the application form on their behalf. The contribution of benevolence visitors is very significant and valuable in ensuring that the current application process can be completed. Whilst it is not possible to quantify the number of hours of work undertaken by benevolence visitors, 441 new applications were received in 2023.

Achievements and Performance

Funding continues to be received in the form of a donation from the Union's General Fund in accordance with the number of subscribing members. The available funding enabled the Trustees to fulfil the objective of relieving poverty amongst members, former members, the dependants of members and former members and the dependants of deceased members who apply for benevolence assistance or continue to require financial support from the Union.

The Trustees recognise the important additional contribution donated by the Union via the donated service to support the smooth running of the fund.

Of the £654,263 available for distribution (after administration expenses) for the period from the General Fund, the trustees approved charitable expenditure amounting to £254,236 resulting in a surplus of £384,474.

As always, we are indebted to all those who have supported the Benevolent Fund during the year. Particular thanks going to our committed team of volunteers. There are approximately 110 volunteers undertaking benevolence visits and performing other duties in the local federations and their involvement is a crucial part of both the charity and the Union's work.

A number of courses will be rolled out during 2024 to gain a greater number of visitors and to improve the geographical spread, following the retirement of many of our visitors.

The investments (excluding property) are managed by Rathbone Investment Management subject to certain restrictions over the type of investment and with the objective of obtaining reasonable long-term overall growth at moderate risk.

The investment increase in the year based on average investments held is 1.40% (2022: 12.33% decrease).

The investment income return for the year based on average investments held is 3.46% (2022: 3.41%).

The Trustees are satisfied with this performance.

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Benevolence

The Benevolent Team considered 441 new applications during the year. This is an increase of 79 cases from the previous year.

It is envisaged with the continued cost of living crisis, high energy bills and mortgage rates, the number of applicants to the Fund will remain consistent and may increase further the following year.

A total of £254,236 was paid out from the Central Benevolent Fund in the form of grants to applicants. Of this total:

- £130,528 was for single-payment grants to applicants who were facing financial hardship for a whole variety of reasons;
- £61,100 was for convalescence grants to aid applicants during a time of physical or emotional illness;
- £18,550 was for holiday grants;
- £7,052 was for monthly grants;
- £7,600 was for education grants; and
- £1,950 was for grants for rent and mortgage payments.

In total, the Benevolent Federations received £22,374 into their imprest accounts to provide grant aid at a local level.

The Central Benevolent Committee recovered £1,225 from recipients repaying loans awarded to them from the Fund. No loans were written off or converted to grants this year. The loan book for the Fund stands at £58,851 at the end of the year.

Applicants continued to be regularly referred to Payplan and Citizen Advice Bureau for money and debt management services, at no cost to the member or the Union.

Financial Review

The Trustees consider that in the case of the Benevolent Fund, the assets are sufficient and adequate to fulfil the obligations of the fund, in the foreseeable future.

Unrestricted funds amount to £2,919,007 of which, after deducting Benevolent loans, £2,860,156 is freely available. The Trustees consider the current level of free reserves comfortable, without being excessive. This places them in the fortunate position of being able to meet their policies of funding members of the NASUWT and having funds available to fulfil the objects of the Benevolent Fund when called upon.

The reserves policy ensures that all Benevolent Federations are funded on an equal basis and avoids unused reserves being carried forward each year.

The Trustees have identified and assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity. A formal risk assessment statement is in place which, amongst other things, reflects the changes in the administration of the Fund. This will continue to be reviewed annually. The Trustees are satisfied that the risks have been identified and that controls are in place to manage them as far as possible. It is recognised that systems can only provide reasonable and not absolute assurance that risks have been adequately managed.

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND**

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

Structure Governance and Management

The NASUWT Benevolent Fund Rules, which were adopted at Special Rules Conference in November 1996 and amended at Conference 2004, govern the operation of the Benevolent Fund.

Whilst NASUWT Benevolent Fund is a separate, charitable fund, it is considered to be an asset of the Union. The Benevolent Funds are managed as a separate entity but both the Fund and the Union are deemed to be under common control.

The Trustees of the Central Benevolent Fund are appointed by a resolution of the National Executive for a term of one year commencing on the date of appointment. The six appointed Trustees form the Central Benevolent Fund Committee and are charged with responsibility for the Benevolent Fund. The Trustees of the Central Benevolent Fund concentrate on the strategic and governance issues relating to the management of the Fund.

The day to day operation of the Fund is managed by the Legal and Casework team, who have responsibility for the administration of the Fund. Delegated staff within the Legal and Casework Team work under clear guidelines and criteria agreed by Trustees. They determine eligibility for assistance from the Fund and the most appropriate form of assistance, according to the applicant's financial circumstances and individual needs. This information is gathered by a benevolence visitor who may make a recommendation. Further grants may be made following receipt of a financial update form as part of the periodic case review process.

The Rules provide for the formation of Benevolent Federations which are comprised of Local Associations. There are nine Benevolent Federations in operation. The Rules further provide that the Committee may publish model rules for the conduct of Benevolent Federation business which must be adopted by each Benevolent Federation.

The charity and the NASUWT are under common control. The majority of the income of the charity is donations from the NASUWT.

Fundraising

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Charities Governance Code

The Trustees are aware of the new guidance and during the coming year plan to undertake a review to produce recommendations and an action plan to ensure that the charity takes positive steps towards working in line with the Code in all ways where it is practicable to do so.

Approved by the Trustees on 29 February 2024

Chris Holland

**Chris Holland
Trustee**

NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The purpose of this statement is to distinguish the Trustees of the NASUWT Central Benevolent Fund's responsibilities for the financial statements from those of the auditors as stated in their report.

The United Kingdom Charities Act 2011 requires the Trustees to keep proper books of account with respect to the affairs of the charity, and to prepare statements of account for each accounting period consisting of an income and expenditure account and balance sheet. The Trustees are also responsible for safeguarding the charity's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

In preparing the financial statements the Trustees of the NASUWT Central Benevolent Fund are expected to:

- select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent;
- follow the recommendations of the Charity Commission and of the accounting profession with regard to form and content of the financial statements, or to disclose and explain any departures therefrom;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue to meet its objectives;
- the maintenance and integrity of the NASUWT website is the responsibility of the Honorary Treasurer; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the financial statements since they were initially presented on the website;
- legislation in the United Kingdom governing the preparation and dissemination of the financial statements and the other information included in annual reports may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND**

Opinion

We have audited the financial statements of NASUWT Central Benevolent Fund for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charity's affairs as at 31 December 2023 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
(continued)**

Other information (continued)

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.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records 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 set out on page 51, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL 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:

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were Charity Commission regulations, General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
(continued)**

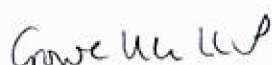
**Extent to which the audit was considered capable of detecting irregularities, including fraud
(continued)**

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of donation income and the override of controls by management. Our audit procedures to respond to these risks included a review of the income recognition accounting policy, gaining an understanding of the relevant income systems and controls, sample testing on other donations, enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP
Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 4 March 2024

NAS UWT BENEVOLENT FUNDS

England & Wales - Charity number 285793

Accounts

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
INCOME AND EXPENDITURE			
Incoming Resources:			
Incoming resources from generated funds:			
Donation from NASUWT		250,484	253,127
Donated services from NASUWT	4	179,641	166,635
Donations, legacies and sundry income		3,529	730
Investment income	5	<u>59,644</u>	<u>61,914</u>
Total incoming resources		493,298	482,406
Resources expended:			
Raising funds:			
Investment and property management fees		8,216	8,694
Investment property costs		2,063	1,491
Finance costs		-	1
Charitable activities:			
General grants	6	169,100	178,106
Staff costs		171,158	161,695
Premises costs		8,483	4,940
Benevolent loans written off		1,295	-
Legal and Professional		<u>13,215</u>	<u>9,904</u>
Total resources expended		<u>373,530</u>	<u>364,831</u>
Net income before revaluations		119,768	117,575
Gains/(losses) on investment assets		(143,814)	123,074
Revaluation of investment property		<u>(52,848)</u>	<u>-</u>
Net movement in funds for the year		(76,894)	240,649
Fund balances brought forward at 1 January 2022		<u>2,572,511</u>	<u>2,331,862</u>
Fund balances carried forward at 31 December 2022	10	<u>2,495,617</u>	<u>2,572,511</u>

All of above income and expenditure relates to unrestricted funds.

Notes 1 to 12 form part of these accounts

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
BALANCE SHEET 31 DECEMBER 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Investments	7	1,517,173	1,718,818
DEBTORS:			
Due after more than one year			
Benevolent loans	8	59,056	61,391
CURRENT ASSETS			
Sundry debtors		31,579	283,252
Benevolent loans	8	1,020	1,020
Cash at bank		930,703	547,230
		<u>963,302</u>	<u>831,502</u>
CURRENT LIABILITIES			
Sundry creditors	9	(43,914)	(39,200)
NET CURRENT ASSETS			
		<u>919,388</u>	<u>792,302</u>
NET ASSETS			
		<u>2,495,617</u>	<u>2,572,511</u>
FUNDS			
General - Unrestricted	10	<u>2,495,617</u>	<u>2,572,511</u>

Approved by the Trustees on 27 March 2023
and signed on their behalf:

Chris Holland

Chris Holland
Trustee

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
STATEMENT OF CASHFLOWS
31 DECEMBER 2022**

	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(expenditure) for the reporting period	(76,894)	240,649
Interest received	(1,490)	(38)
Rent from investments	(18,360)	(18,360)
Dividends received	(39,794)	(43,516)
(Gains)/losses on investments	143,814	(123,074)
Investment management fees	5,222	5,587
(Gains)/losses on revaluation of investment property	52,848	-
(Increase)/ decrease in debtors	254,008	(269,680)
Increase/(decrease) in creditors	4,714	28,675
Net cash provided by/(used in) operating activities	324,068	(179,757)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,490	38
Rent from investments	18,360	18,360
Dividends received	39,794	43,516
Invested funds	276	4,677
Investment income reinvested	(515)	(4,937)
Net cash provided by/(used in) investing activities	59,405	61,654
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR	383,473	(118,103)
Cash and cash equivalents at the beginning of the year	547,230	665,333
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	930,703	547,230

Notes 1 to 12 form part of these accounts

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND

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

1. CHARITY INFORMATION

The Central Benevolent Fund (the charity) is set aside for general benevolent purposes of the NASUWT in alleviating hardship to members. The fund is managed as a separate entity from the NASUWT.

2. ACCOUNTING POLICIES

a. Basis of preparation of financial statements

The accounts (financial statements) have been prepared under the historical cost convention, with the exception of investments which are stated at market valuation. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Central Benevolent Fund constitutes a public benefit entity as defined by FRS 102. The Trustees have given due consideration to the Charity's Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The global pandemic of Covid-19 has had no significant impact on the Charity's ability to continue as a going concern. The trustees consider that there are no material uncertainties about the Central Benevolent Fund's ability to continue as a going concern.

b. Funds structure

General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objects of the charity and that have not been designated for specific purposes.

c. Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to donations received under Gift Aid or deed of covenant is recognised at the time of the donation.

d. Resources expended

All resources expended are accounted for on an accruals basis. Charitable activities include costs of services and of grants including support costs.

Liabilities are recognised where there is a legal or constructive obligation committing the charity to the obligation.

Resources expended include irrecoverable VAT.

e. Financial instruments

Fixed asset Investments

Investments are stated at market value.

Gains and losses representing the movement in market values during the period are credited or charged to the SOFA in the period of gain or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price.

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND**

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

e. Financial instruments (continued)

There are no complex financial instruments.

f. Donated services

Donated services are included for staff costs and premises costs at the value the charity would have paid for them in the open market.

g. Benevolent loans

Benevolent loans are considered to meet the criteria of concessionary loans under FRS 102. They are recorded in the financial statements at face value.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made may include:

Revaluation of Investment properties

The charity carries its investment property at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The charity has used a professional valuation carried out in January 2023 by Kennigton's Chartered Surveyors, RICS registered valuers, to determine the current market value of the property.

Donated services from NASUWT

The charity receives donated services which are analysed in note 4. The staff costs are calculated based on the percentage of each staff members' time spent on providing administration services to the charity. Premises costs are calculated by apportioning the total property costs over the proportion of staff costs donated.

4. DONATED SERVICES FROM NASUWT

	2022	2021
	£	£
Staff costs	171,158	161,695
Premises costs	<u>8,483</u>	<u>4,940</u>
	<u>179,641</u>	<u>166,635</u>

Governance costs incurred by Central Benevolent Fund consist only of auditors' remuneration of £10,260 (2021: £9,240)

5. INVESTMENT INCOME

	2022	2021
	£	£
Dividends	39,794	43,516
Rental income	18,360	18,360
Bank deposit interest	<u>1,490</u>	<u>38</u>
	<u>59,644</u>	<u>61,914</u>

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(continued)**

6. GRANTS PAYABLE

	2022 £	2021 £
Benevolent loans converted to grants		
To individuals 396 (2021: 446)	150,886	158,977
To NASUWT Federations 43 (2021: 52)	15,823	18,875
Legal and management expenses	2,391	254
	169,100	178,106

The ultimate beneficiaries of NASUWT Federations Grants are individuals.

7. INVESTMENTS

Investments are stated at market value.

	2022 £	2021 £
MARKET VALUE:		
At 1 January 2022	1,240,970	1,123,223
Income Account Movement	239	260
Investment management fees	(5,222)	(5,587)
Revaluation to fair value	(143,814)	123,074
At 31 December 2022	1,092,173	1,240,970

	2022 £	2021 £
Market value made up as follows:		
UK Fixed Interest	87,787	89,547
Overseas Fixed Interest	17,287	18,721
UK Equities	562,611	599,247
Overseas Equities	270,250	356,320
Alternatives	116,890	135,512
Broker account	37,348	41,623
Total listed investments	1,092,173	1,240,970
Property		
At 1 January 2022	477,848	477,848
Revaluation	(52,848)	-
At 31 December 2022	425,000	477,848
Total investments	1,517,173	1,718,818

Material investments		
Property – Genesta Road	425,000	477,848
S4 Capital Plc	16,271	54,524
Edinburgh Dragon Trust	12,360	34,636
Royal Dutch Shell	48,846	28,570
Astrazeneca Plc	52,725	40,787
Experian	28,130	36,320
BP Plc	30,869	-
Historic cost of investments	888,419	875,371

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(continued)

8. DEBTORS

	2022 £	2021 £
Benevolent loans		
Due under 1 year	<u>1,020</u>	<u>1,020</u>
Due over 1 year	<u>59,056</u>	<u>61,391</u>

Benevolent loans are interest free and are repayable by monthly instalments or in a lump sum triggered by a specified event.

9. CREDITORS

	2022 £	2021 £
Accruals and deferred income	<u>43,914</u>	<u>39,200</u>

10. ANALYSIS OF CHARITABLE FUNDS

	Fund balances 1 January 2022	Income	Expenditure	Gains and (losses)	Fund balances 31 December 2022
Central benevolent fund	<u>2,572,511</u>	<u>493,298</u>	<u>(373,530)</u>	<u>(143,814)</u>	<u>2,548,465</u>

	Fund balances 1 January 2021	Income	Expenditure	Gains and (losses)	Fund balances 31 December 2021
Central benevolent fund	<u>2,331,862</u>	<u>482,406</u>	<u>(364,831)</u>	<u>123,074</u>	<u>2,572,511</u>

All charitable funds are unrestricted.

11. RELATED PARTY TRANSACTIONS

Only Trustees are considered key management personnel.

During the year, no Trustees received any remuneration or reimbursed expenses.

There are no other related party transactions during the year.

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(continued)

12. FINANCIAL INSTRUMENTS

	2022	2021
	£	£
Financial assets		
Financial assets measured at fair value	1,092,174	1,240,970
Financial assets that are debt instruments measured at amortised cost	<u>91,655</u>	<u>345,663</u>
Financial Liabilities		
Financial liabilities measured at amortised cost	<u>43,914</u>	<u>39,200</u>

Financial assets measured at fair value through income and expenditure comprises investments in listed securities.

Financial assets measured at amortised cost comprise benevolent loans and sundry debtors.

Financial liabilities measured at amortised cost comprise sundry creditors.

The entity's income, expense, gains and losses in respect of financial instruments are summarised below:

	2022	2021
	£	£
Total investment income for financial assets measured at fair value through income and expenditure	39,794	43,516
Net gains/(losses) on financial assets measured at fair value through income and expenditure	(143,814)	123,074
Total interest income for financial assets measured at amortised cost through income and expenditure	<u>1,490</u>	<u>38</u>

NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Objectives and Activities

Under the Rules, the objective of the Benevolent Fund is the relief of poverty amongst members, former members, the dependants of members and former members and the dependants of deceased members. This remained the central objective of the charity for 2022. The public benefit aims of the charity are fulfilled in meeting its objective.

During 2022, new applications for benevolence assistance were carefully considered on a daily basis by the Legal and Casework Team. Benevolent Fund monies in the form of non-repayable grants were awarded as appropriate to applicants who were considered to be in financial hardship, thereby fulfilling the objective of the Fund. In addition, existing benevolent cases were reviewed throughout the year and the Legal and Casework Team authorised further financial support in circumstances where the beneficiary continued to suffer financial hardship.

NASUWT Central Benevolent Fund continues to rely on the support of lay members to fulfil the functions of a 'benevolence visitor'. Benevolence visitors are volunteers, some of whom hold other lay official posts within the Union and some who have been elected with specific responsibility for benevolence casework in their area. The role of the visitor is to meet with applicants and complete the application form on their behalf. However, the pandemic brought new challenges to our visitors who could no longer visit members at their homes and have adjusted to telephone and online contact. The contribution of benevolence visitors is very significant and valuable in ensuring that the current application process can be completed. Whilst it is not possible to quantify the number of hours of work undertaken by benevolence visitors, 362 new applications were received in 2022.

Achievements and Performance

Funding continues to be received in the form of a donation from the Union's General Fund in accordance with the number of subscribing members. The available funding enabled the Trustees to fulfil the objective of relieving poverty amongst members, former members, the dependants of members and former members and the dependants of deceased members who apply for benevolence assistance or continue to require financial support from the Union.

The Trustees recognise the important additional contribution donated by the Union via the donated service to support the smooth running of the fund.

Of the £299,147 available for distribution (after administration expenses) for the period from the General Fund, the trustees approved charitable expenditure amounting to £179,378 resulting in a surplus of £119,769.

As always, we are indebted to all those who have supported the Benevolent Fund during the year. Particular thanks going to our committed team of volunteers. There are approximately 205 volunteers undertaking benevolence visits and performing other duties in the local federations and their involvement is a crucial part of both the charity and the Union's work.

The investments (excluding property) are managed by Rathbone Investment Management subject to certain restrictions over the type of investment and with the objective of obtaining reasonable long-term overall growth at moderate risk.

The investment decrease in the year based on average investments held is 12.33% (2021: 10.41% increase).

The investment income return for the year based on average investments held is 3.4% (2021: 3.7%).

The Trustees are satisfied with this performance.

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Benevolence

The Benevolent Team considered 362 new applications during the year. This is a decrease of 18 cases from the previous year.

It is difficult to say with any degree of certainty as to why there was a decrease in new applicants and thus the reduction in grants issued. What we can say with confidence is that throughout this period, we continued to publicise the availability of benevolence assistance for members in financial difficulties. This was part of our key priorities during [and indeed] after the pandemic. With the pandemic gradually subsiding, our members could eventually return to work and some form of normality.

Additionally, there was a decrease in the level of grant assistance required by those applicants, as some of the applicants required more specific or short term help when compared to the previous year.

A total of £169,099 was paid out from the Central Benevolent Fund in the form of grants to applicants. Of this total:

- £80,036 was for single-payment grants to applicants who were facing financial hardship for a whole variety of reasons;
- £43,300 was for convalescence grants to aid applicants during a time of physical or emotional illness;
- £14,500 was for holiday grants;
- £2,150 was for monthly grants;
- £8,300 was for education grants; and
- £2,600 was for grants for rent and mortgage payments.

In total, the Benevolent Federations received £18,213 into their imprest accounts to provide grant aid at a local level.

The Central Benevolent Committee recovered £2,335 from recipients repaying loans awarded to them from the Fund. The Central Benevolent Committee agreed to write off two loans deemed unrecoverable as bad debts during the year totalling £1,295. No loans were converted to grants this year. The loan book for the Fund stands at £60,076 at the end of the year.

Applicants continued to be regularly referred to Payplan and Citizen Advice Bureau for money and debt management services, at no cost to the member or the Union.

Financial Review

The Trustees consider that in the case of the Benevolent Fund, the assets are sufficient and adequate to fulfil the obligations of the fund, in the foreseeable future.

Unrestricted funds amount to £2,548,465 of which, after deducting Benevolent loans, £2,488,388 is freely available. The Trustees consider the current level of free reserves comfortable, without being excessive. This places them in the fortunate position of being able to meet their policies of funding benevolent loans to members of the NASUWT and of having funds available to fulfil the objects of the Benevolent Fund when called upon.

The reserves policy ensures that all Benevolent Federations are funded on an equal basis and avoids unused reserves being carried forward each year.

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND**

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

Financial Review (continued)

The Trustees have identified and assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity. A formal risk assessment statement is in place which, amongst other things, reflects the changes in the administration of the Fund. This will continue to be reviewed annually. The Trustees are satisfied that the risks have been identified and that controls are in place to manage them as far as possible. It is recognised that systems can only provide reasonable and not absolute assurance that risks have been adequately managed.

Structure Governance and Management

The NASUWT Benevolent Fund Rules, which were adopted at Special Rules Conference in November 1996 and amended at Conference 2004, govern the operation of the Benevolent Fund.

Whilst NASUWT Benevolent Fund is a separate, charitable fund, it is considered to be an asset of the Union. The Benevolent Funds are managed as a separate entity but both the Fund and the Union are deemed to be under common control.

The Trustees of the Central Benevolent Fund are appointed by a resolution of the National Executive for a term of one year commencing on the date of appointment. The six appointed Trustees form the Central Benevolent Fund Committee and are charged with responsibility for the Benevolent Fund. The Trustees of the Central Benevolent Fund concentrate on the strategic and governance issues relating to the management of the Fund.

The day to day operation of the Fund is managed by the Legal and Casework team, who have responsibility for the administration of the Fund. Delegated staff within the Legal and Casework Team work under clear guidelines and criteria agreed by Trustees. They determine eligibility for assistance from the Fund and the most appropriate form of assistance, according to the applicant's financial circumstances and individual needs. This information is gathered by a benevolence visitor who may make a recommendation. Further grants or loans may be made following receipt of a financial update form as part of the periodic case review process.

The Rules provide for the formation of Benevolent Federations which are comprised of Local Associations. There are nine Benevolent Federations in operation. The Rules further provide that the Committee may publish model rules for the conduct of Benevolent Federation business which must be adopted by each Benevolent Federation.

The charity and the NASUWT are under common control. The majority of the income of the charity is donations from the NASUWT.

Fundraising

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Charities Governance Code

The Trustees are aware of the new guidance and during the coming year plan to undertake a review to produce recommendations and an action plan to ensure that the charity takes positive steps towards working in line with the Code in all ways where it is practicable to do so.

Approved by the Trustees on 27 March 2023

Chris Holland

**Chris Holland
Trustee**

NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The purpose of this statement is to distinguish the Trustees of the NASUWT Central Benevolent Fund's responsibilities for the financial statements from those of the auditors as stated in their report.

The United Kingdom Charities Act 2011 requires the Trustees to keep proper books of account with respect to the affairs of the charity, and to prepare statements of account for each accounting period consisting of an income and expenditure account and balance sheet. The Trustees are also responsible for safeguarding the charity's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

In preparing the financial statements the Trustees of the NASUWT Central Benevolent Fund are expected to:

- select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent;
- follow the recommendations of the Charity Commission and of the accounting profession with regard to form and content of the financial statements, or to disclose and explain any departures therefrom;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue to meet its objectives;
- the maintenance and integrity of the NASUWT website is the responsibility of the Honorary Treasurer; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the financial statements since they were initially presented on the website;
- legislation in the United Kingdom governing the preparation and dissemination of the financial statements and the other information included in annual reports may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND**

Opinion

We have audited the financial statements of NASUWT Central Benevolent Fund for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charity's affairs as at 31 December 2022 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
(continued)**

Other information (continued)

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.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records 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 set out on page 51, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL 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:

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were Charity Commission regulations, General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
(continued)**

**Extent to which the audit was considered capable of detecting irregularities, including fraud
(continued)**

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 27 March 2023

NAS UWT BENEVOLENT FUNDS

England & Wales - Charity number 285793

Accounts

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND**

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
INCOME AND EXPENDITURE			
Incoming Resources:			
Incoming resources from generated funds:			
Donation from NASUWT		253,127	252,878
Donated services from NASUWT	4	166,635	163,696
Donations, legacies and sundry income		730	225
Investment income	5	<u>61,914</u>	<u>53,385</u>
Total incoming resources		482,406	470,184
Resources expended:			
Raising funds:			
Investment and property management fees		8,694	7,888
Investment property costs		1,491	2,683
Finance costs		1	162
Charitable activities:			
General grants	6	178,106	215,306
Staff costs		161,695	158,316
Premises costs		4,940	5,380
Legal and Professional		<u>9,904</u>	<u>9,487</u>
Total resources expended		<u>364,831</u>	<u>399,222</u>
Net income before revaluations		117,575	70,962
Gains/(losses) on investment assets		123,074	(3,857)
Revaluation of investment property		<u>-</u>	<u>17,848</u>
Net movement in funds for the year		240,649	84,953
Fund balances brought forward at 1 January 2021		<u>2,331,862</u>	<u>2,246,909</u>
Fund balances carried forward at 31 December 2021	10	<u>2,572,511</u>	<u>2,331,862</u>

All of above income and expenditure relates to unrestricted funds.

Notes 1 to 12 form part of these accounts

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
BALANCE SHEET 31 DECEMBER 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Investments	7	1,718,818	1,601,071
DEBTORS:			
Due after more than one year			
Benevolent loans	8	61,391	72,271
CURRENT ASSETS			
Sundry debtors		283,252	2,332
Benevolent loans	8	1,020	1,380
Cash at bank		547,230	665,333
		831,502	669,045
CURRENT LIABILITIES			
Sundry creditors	9	(39,200)	(10,525)
		792,302	658,520
NET CURRENT ASSETS			
		2,572,511	2,331,862
FUNDS			
General - Unrestricted	10	2,572,511	2,331,862

Approved by the Trustees on 4 March 2022
and signed on their behalf:

Chris Holland
Trustee

Notes 1 to 12 form part of these accounts

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
STATEMENT OF CASHFLOWS
31 DECEMBER 2021**

	2021	2020
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(expenditure) for the reporting period	240,649	84,953
Interest received	(38)	(629)
Rent from investments	(18,360)	(18,300)
Dividends received	(43,516)	(34,456)
(Gains)/losses on investments	(123,074)	3,857
Investment management fees	5,587	4,993
(Gains)/losses on revaluation of investment property	-	(17,848)
(Increase)/ decrease in debtors	(269,680)	3,408
Increase/(decrease) in creditors	28,675	(1,832)
Net cash provided by/(used in) operating activities	(179,757)	24,146
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	38	629
Rent from investments	18,360	18,300
Dividends received	43,516	34,456
Invested funds	4,677	-
Investment income reinvested	(4,937)	738
Net cash provided by/(used in) investing activities	61,654	54,123
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR	(118,103)	78,269
Cash and cash equivalents at the beginning of the year	665,333	587,064
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	547,230	665,333

Notes 1 to 12 form part of these accounts

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. CHARITY INFORMATION

The Central Benevolent Fund (the charity) is set aside for general benevolent purposes of the NASUWT in alleviating hardship to members. The fund is managed as a separate entity from the NASUWT.

2. ACCOUNTING POLICIES

a. Basis of preparation of financial statements

The accounts (financial statements) have been prepared under the historical cost convention, with the exception of investments which are stated at market valuation. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Central Benevolent Fund constitutes a public benefit entity as defined by FRS 102. The Trustees have given due consideration to the Charity's Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The global pandemic of Covid-19 has had no significant impact on the Charity's ability to continue as a going concern. The trustees consider that there are no material uncertainties about the Central Benevolent Fund's ability to continue as a going concern.

b. Funds structure

General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objects of the charity and that have not been designated for specific purposes.

c. Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to donations received under Gift Aid or deed of covenant is recognised at the time of the donation.

d. Resources expended

All resources expended are accounted for on an accruals basis. Charitable activities include costs of services and of grants including support costs.

Liabilities are recognised where there is a legal or constructive obligation committing the charity to the obligation.

Resources expended include irrecoverable VAT.

e. Financial instruments

Fixed asset Investments

Investments are stated at market value.

Gains and losses representing the movement in market values during the period are credited or charged to the SOFA in the period of gain or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price.

NASUWT – The Teachers' Union

CENTRAL BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

e. Financial instruments (continued)

There are no complex financial instruments.

f. Donated services

Donated services are included for staff costs and premises costs at the value the charity would have paid for them in the open market.

g. Benevolent loans

Benevolent loans are considered to meet the criteria of concessionary loans under FRS 102. They are recorded in the financial statements at face value.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made may include:

Revaluation of Investment properties

The charity carries its investment property at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The charity has used a professional valuation in January 2020 by Kenington's Chartered Surveyors, RICS registered valuers, to determine the current market value of the property, this has been reviewed as at 31 December 2021 using market value data with the valuation remaining the same as in the previous year.

Donated services from NASUWT

The charity receives donated services which are analysed in note 4. The staff costs are calculated based on the percentage of each staff members' time spent on providing administration services to the charity. Premises costs are calculated by apportioning the total property costs over the proportion of staff costs donated.

4. DONATED SERVICES FROM NASUWT

	2021	2020
	£	£
Staff costs	161,695	158,316
Premises costs	4,940	5,380
	166,635	163,696

Governance costs incurred by Central Benevolent Fund consist only of auditors' remuneration of £9,240 (2020: £9,035)

5. INVESTMENT INCOME

	2021	2020
	£	£
Dividends	43,516	34,456
Rental income	18,360	18,300
Bank deposit interest	38	629
	61,914	53,385

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(continued)**

6. GRANTS PAYABLE

	2021 £	2020 £
Benevolent loans converted to grants		
To individuals 446 (2020: 567)	158,977	186,803
To NASUWT Federations 52 (2020: 19)	18,875	19,721
Legal and management expenses	254	8,782
	178,106	215,306

The ultimate beneficiaries of NASUWT Federations Grants are individuals.

7. INVESTMENTS

Investments are stated at market value.

	2021 £	2020 £
MARKET VALUE:		
At 1 January 2021	1,123,223	1,132,811
Income Account Movement	260	(738)
Investment management fees	(5,587)	(4,993)
Revaluation to fair value	123,074	(3,857)
At 31 December 2021	1,240,970	1,123,223

	2021 £	2020 £
Market value made up as follows:		
UK Fixed Interest	89,547	102,801
Overseas Fixed Interest	18,721	45,950
UK Equities	599,247	564,973
Overseas Equities	356,320	296,568
Alternatives	135,512	102,285
Broker account	41,623	10,646
Total listed investments	1,240,970	1,123,223
Property		
At 1 January 2021	477,848	460,000
Revaluation	-	17,848
At 31 December 2021	477,848	477,848
Total investments	1,718,818	1,601,071

Material investments

Property – Genesta Road	477,848	477,848
S4 Capital Plc	54,524	62,500
Edinburgh Dragon Trust	34,636	36,142
Royal Dutch Shell	28,570	22,178
Astrazeneca Plc	40,787	-
Experian	36,320	-
Findlay Park Funds plc	-	15,898

Historic cost of investments

	875,371	853,371
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NASUWT – The Teachers' Union

CENTRAL BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(continued)

8. DEBTORS

	2021 £		2020 £
Benevolent loans			
Due under 1 year	<u>1,020</u>	=	<u>1,380</u>
Due over 1 year	<u>61,391</u>	=	<u>72,271</u>

Benevolent loans are interest free and are repayable by monthly instalments or in a lump sum triggered by a specified event.

9. CREDITORS

	2021 £		2020 £
Accruals and deferred income	<u>39,200</u>		<u>10,525</u>

10. ANALYSIS OF CHARITABLE FUNDS

	Fund balances 1 January 2021	Income	Expenditure	Gains and (losses)	Fund balances 31 December 2021
Central benevolent fund =	<u>2,331,862</u>	<u>482,406</u>	<u>(364,831)</u>	<u>123,074</u>	<u>2,572,511</u>

	Fund balances 1 January 2020	Income	Expenditure	Gains and (losses)	Fund balances 31 December 2020
Central benevolent fund =	<u>2,246,909</u>	<u>470,184</u>	<u>(399,222)</u>	<u>13,991</u>	<u>2,331,862</u>

All charitable funds are unrestricted.

11. RELATED PARTY TRANSACTIONS

Only Trustees are considered key management personnel.

During the year, no Trustees received any remuneration or reimbursed expenses.

There are no other related party transactions during the year.

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(continued)**

12. FINANCIAL INSTRUMENTS

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value	1,240,970	1,123,223
Financial assets that are debt instruments measured at amortised cost	<u>345,663</u>	<u>75,983</u>
Financial Liabilities		
Financial liabilities measured at amortised cost	<u>39,200</u>	<u>10,525</u>

Financial assets measured at fair value through income and expenditure comprises investments in listed securities.

Financial assets measured at amortised cost comprise benevolent loans and sundry debtors.

Financial liabilities measured at amortised cost comprise sundry creditors.

The entity's income, expense, gains and losses in respect of financial instruments are summarised below:

	2021 £	2020 £
Total investment income for financial assets measured at fair value through income and expenditure	43,516	34,456
Net gains/(losses) on financial assets measured at fair value through income and expenditure	123,074	(3,857)
Total interest income for financial assets measured at amortised cost through income and expenditure	= <u>38</u>	<u>629</u>

13. POST BALANCE SHEET EVENTS

Since the year end investment markets have fallen mainly due to the uncertainty surrounding the conflict in Ukraine. The impact in the CBF investments specifically hasn't been measured but for context a 5% movement in the value of investments would amount to approximately £62,000.

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and Activities

Under the Rules, the objective of the Benevolent Fund is the relief of poverty amongst members, former members, the dependants of members and former members and the dependants of deceased members. This remained the central objective of the charity for 2021. The public benefit aims of the charity are fulfilled in meeting its objective.

During 2021, new applications for benevolence assistance were carefully considered on a daily basis by the Legal and Casework Team. Benevolent Fund monies in the form of non-repayable grants were awarded as appropriate to applicants who were considered to be in financial hardship, thereby fulfilling the objective of the Fund. In addition, existing benevolent cases were reviewed throughout the year and the Legal and Casework Team authorised further financial support in circumstances where the beneficiary continued to suffer financial hardship.

NASUWT Central Benevolent Fund continues to rely on the support of lay members to fulfil the functions of a 'benevolence visitor'. Benevolence visitors are volunteers, some of whom hold other lay official posts within the Union and some who have been elected with specific responsibility for benevolence casework in their area. The role of the visitor is to meet with applicants and complete the application form on their behalf. However, the pandemic brought new challenges to our visitors who could no longer visit members at their homes and have adjusted to telephone and online contact. The contribution of benevolence visitors is very significant and valuable in ensuring that the current application process can be completed. Whilst it is not possible to quantify the number of hours of work undertaken by benevolence visitors, 380 new applications were received in 2021.

Achievements and Performance

Funding continues to be received in the form of a donation from the Union's General Fund in accordance with the number of subscribing members. The available funding enabled the Trustees to fulfil the objective of relieving poverty amongst members, former members, the dependants of members and former members and the dependants of deceased members who apply for benevolence assistance or continue to require financial support from the Union.

The Trustees recognise the important additional contribution donated by the Union via the donated service to support the smooth running of the fund.

Of the £315,771 available for distribution (after administration expenses) for the period from the General Fund, the trustees approved charitable expenditure amounting to £198,196 resulting in a surplus of £117,575.

As always, we are indebted to all those who have supported the Benevolent Fund during the year. Particular thanks going to our committed team of volunteers. There are approximately 238 volunteers undertaking benevolence visits and performing other duties in the local federations and their involvement is a crucial part of both the charity and the Union's work.

The investments (excluding property) are managed by Rathbone Investment Management subject to certain restrictions over the type of investment and with the objective of obtaining reasonable long-term overall growth at moderate risk.

The investment increase in the year based on average investments held is 10.4% (2020: 0.4% decrease).

The investment income return for the year based on average investments held is 3.5% (2020: 3.1%).

The Trustees are satisfied with this performance.

NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Benevolence

The Benevolent Team considered 380 new applications during the year. This is a decrease of 149 cases on last year.

It is difficult to say with any degree of certainty as to why there was a decrease in new applicants and thus the reduction in grants issued. What we can say with confidence is that throughout this period, we continued to publicise the availability of benevolence assistance for members in financial difficulties. This was part of our key priorities during [and indeed] after the pandemic. It may be the case that the continuation of the Government's Furlough Scheme until the end of September 2021 continued to assist some of those teachers who remained affected by the lack of work and/or were able to obtain some temporary work.

Additionally, there was a decrease in the level of grant assistance required by those applicants, as some of the applicants required more specific or short term help when compared to the previous year

A total of £158,977 was paid out from the Central Benevolent Fund in the form of grants to applicants. Of this total:

- £100,014 was for single-payment grants to applicants who were facing financial hardship for a whole variety of reasons;
- £29,800 was for convalescence grants to aid applicants during a time of physical or emotional illness;
- £9,850 was for holiday grants;
- £5,676 was for monthly grants;
- £5,450 was for education grants; and
- £8,187 was for grants for rent and mortgage payments.

In total, the Benevolent Federations received £18,875 into their imprest accounts to provide grant aid at a local level.

The Central Benevolent Committee recovered £11,240 from recipients repaying loans awarded to them from the Fund. No loans were converted to grants or written off as bad debts this year. The loan book for the Fund stands at £62,411 at the end of the year.

Applicants continued to be regularly referred to Payplan and Citizen Advice Bureau for money and debt management services, at no cost to the member or the Union.

Although training courses for Benevolence Visitors could not be held in the usual way, there was development in remote training.

The Annual Meeting for Benevolence Representatives was postponed in 2021.

Financial Review

The Trustees consider that in the case of the Benevolent Fund, the assets are sufficient and adequate to fulfil the obligations of the fund, in the foreseeable future.

Unrestricted funds amount to £2,572,511 of which, after deducting Benevolent loans, £2,510,100 is freely available. The Trustees consider the current level of free reserves comfortable, without being excessive. This places them in the fortunate position of being able to meet their policies of funding benevolent loans to members of the NASUWT and of having funds available to fulfil the objects of the Benevolent Fund when called upon.

The reserves policy ensures that all Benevolent Federations are funded on an equal basis and avoids unused reserves being carried forward each year.

CENTRAL BENEVOLENT FUND

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Financial Review (continued)

The Trustees have identified and assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity. A formal risk assessment statement is in place which, amongst other things, reflects the changes in the administration of the Fund. This will continue to be reviewed annually. The Trustees are satisfied that the risks have been identified and that controls are in place to manage them as far as possible. It is recognised that systems can only provide reasonable and not absolute assurance that risks have been adequately managed.

Structure Governance and Management

The NASUWT Benevolent Fund Rules, which were adopted at Special Rules Conference in November 1996 and amended at Conference 2004, govern the operation of the Benevolent Fund.

Whilst NASUWT Benevolent Fund is a separate, charitable fund, it is considered to be an asset of the Union. The Benevolent Funds are managed as a separate entity but both the Fund and the Union are deemed to be under common control.

The Trustees of the Central Benevolent Fund are appointed by a resolution of the National Executive for a term of one year commencing on the date of appointment. The six appointed Trustees form the Central Benevolent Fund Committee and are charged with responsibility for the Benevolent Fund. The Trustees of the Central Benevolent Fund concentrate on the strategic and governance issues relating to the management of the Fund.

The day to day operation of the Fund is managed by the Legal and Casework team, who have responsibility for the administration of the Fund. Delegated staff within the Legal and Casework Team work under clear guidelines and criteria agreed by Trustees. They determine eligibility for assistance from the Fund and the most appropriate form of assistance, according to the applicant's financial circumstances and individual needs. This information is gathered by a benevolence visitor who may make a recommendation. Further grants or loans may be made following receipt of a financial update form as part of the periodic case review process.

The Rules provide for the formation of Benevolent Federations which are comprised of Local Associations. There are nine Benevolent Federations in operation. The Rules further provide that the Committee may publish model rules for the conduct of Benevolent Federation business which must be adopted by each Benevolent Federation.

The charity and the NASUWT are under common control. The majority of the income of the charity is donations from the NASUWT.

Fundraising

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Charities Governance Code

The Trustees are aware of the new guidance and during the coming year plan to undertake a review to produce recommendations and an action plan to ensure that the charity takes positive steps towards working in line with the Code in all ways where it is practicable to do so.

Approved by the Trustees on 4 March 2022

Chris Holland
Trustee

CENTRAL BENEVOLENT FUND
STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS
NASUWT – *The Teachers' Union*

The purpose of this statement is to distinguish the Trustees of the NASUWT Central Benevolent Fund's responsibilities for the financial statements from those of the auditors as stated in their report.

The United Kingdom Charities Act 2011 requires the Trustees to keep proper books of account with respect to the affairs of the charity, and to prepare statements of account for each accounting period consisting of an income and expenditure account and balance sheet. The Trustees are also responsible for safeguarding the charity's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

In preparing the financial statements the Trustees of the NASUWT Central Benevolent Fund are expected to:

- select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent;
- follow the recommendations of the Charity Commission and of the accounting profession with regard to form and content of the financial statements, or to disclose and explain any departures therefrom;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue to meet its objectives;
- the maintenance and integrity of the NASUWT website is the responsibility of the Honorary Treasurer; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the financial statements since they were initially presented on the website;
- legislation in the United Kingdom governing the preparation and dissemination of the financial statements and the other information included in annual reports may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND**

Opinion

We have audited the financial statements of NASUWT Central Benevolent Fund for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows 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 charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
(continued)**

Other information (continued)

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records 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 and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were Charity Commission regulations, General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NASUWT – *The Teachers' Union*
CENTRAL BENEVOLENT FUND
(continued)**

would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Dave Darlaston

for and on behalf of

Crowe U.K. LLP

Senior Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 7 March 2022

NAS UWT BENEVOLENT FUNDS

England & Wales - Charity number 285793

Accounts

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
INCOME AND EXPENDITURE			
Incoming Resources:			
Incoming resources from generated funds:			
Donation from NASUWT		252,878	249,351
Donated services from NASUWT	4	163,696	166,602
Donations, legacies and sundry income		225	3,003
Investment income	5	<u>53,385</u>	<u>57,483</u>
Total incoming resources		470,184	476,439
Resources expended:			
Raising funds:			
Investment and property management fees		7,888	10,943
Investment property costs		2,683	2,241
Finance costs		162	(1,159)
Charitable activities:			
General grants	6	215,306	266,954
Staff costs		158,316	159,632
Premises costs		5,380	6,970
Legal and Professional		<u>9,487</u>	<u>9,075</u>
Total resources expended		<u>399,222</u>	<u>454,656</u>
Net income before revaluations		70,962	21,783
Gains/(losses) on investment assets		(3,857)	110,982
Revaluation of investment property		<u>17,848</u>	<u>(98,005)</u>
Net movement in funds for the year		84,953	34,760
Fund balances brought forward at 1 January 2020		<u>2,246,909</u>	<u>2,212,149</u>
Fund balances carried forward at 31 December 2020	10	<u>2,331,862</u>	<u>2,246,909</u>

All of above income and expenditure relates to unrestricted funds.

Notes 1 to 12 form part of these accounts

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
BALANCE SHEET 31 DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Investments	7	1,601,071	1,592,811
DEBTORS:			
Due after more than one year			
Benevolent loans	8	72,271	75,639
CURRENT ASSETS			
Sundry debtors		2,332	2,572
Benevolent loans	8	1,380	1,180
Cash at bank		665,333	587,064
		<u>669,045</u>	<u>590,816</u>
CURRENT LIABILITIES			
Sundry creditors	9	(10,525)	(12,357)
		<u>658,520</u>	<u>578,459</u>
NET CURRENT ASSETS			
		<u>2,331,862</u>	<u>2,246,909</u>
NET ASSETS			
		<u>2,331,862</u>	<u>2,246,909</u>
FUNDS			
General - Unrestricted	10	<u>2,331,862</u>	<u>2,246,909</u>

Approved by the Trustees on 3 March 2021
and signed on their behalf:

Chris Holland
Trustee

Notes 1 to 12 form part of these accounts

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
STATEMENT OF CASHFLOWS
31 DECEMBER 2020

	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(expenditure) for the reporting period	84,953	34,760
Interest received	(629)	(2,320)
Rent from investments	(18,300)	(18,000)
Dividends received	(34,456)	(37,163)
(Gains)/losses on investments	3,857	(110,982)
Investment management fees	4,993	4,255
(Gains)/losses on revaluation of investment property	(17,848)	98,005
(Increase)/ decrease in debtors	3,408	(770)
Increase/(decrease) in creditors	(1,832)	2,716
Net cash provided by/(used in) operating activities	(24,146)	(29,499)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	629	2,320
Rent from investments	18,300	18,000
Dividends received	34,456	37,163
Invested funds	-	(189,000)
Investment income reinvested	738	(247)
Net cash provided by/(used in) investing activities	54,123	(131,764)
INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR	78,269	(161,263)
Cash and cash equivalents at the beginning of the year	587,064	748,327
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	665,333	587,064

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. CHARITY INFORMATION

The Central Benevolent Fund (the charity) is set aside for general benevolent purposes of the NASUWT in alleviating hardship to members. The fund is managed as a separate entity from the NASUWT.

2. ACCOUNTING POLICIES

a. Basis of preparation of financial statements

The accounts (financial statements) have been prepared under the historical cost convention, with the exception of investments which are stated at market valuation. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Central Benevolent Fund constitutes a public benefit entity as defined by FRS 102. The Trustees have given due consideration to the Charity's Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The global pandemic of Covid-19 has had no significant impact on the Charity's ability to continue as a going concern. The trustees consider that there are no material uncertainties about the Central Benevolent Fund's ability to continue as a going concern.

b. Funds structure

General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objects of the charity and that have not been designated for specific purposes.

c. Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to donations received under Gift Aid or deed of covenant is recognised at the time of the donation.

d. Resources expended

All resources expended are accounted for on an accruals basis. Charitable activities include costs of services and of grants including support costs.

Liabilities are recognised where there is a legal or constructive obligation committing the charity to the obligation.

Resources expended include irrecoverable VAT.

e. Financial instruments

Fixed asset Investments

Investments are stated at market value.

Gains and losses representing the movement in market values during the period are credited or charged to the SOFA in the period of gain or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price.

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

e. Financial instruments (continued)

There are no complex financial instruments.

f. Donated services

Donated services are included for staff costs and premises costs at the value the charity would have paid for them in the open market.

g. Benevolent loans

Benevolent loans are considered to meet the criteria of concessionary loans under FRS 102. They are recorded in the financial statements at face value.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made may include:

Revaluation of Investment properties

The charity carries its investment property at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The charity has used a professional valuation in January 2020 by Kenington's Chartered Surveyors, RICS registered valuers, to determine the current market value of the property, this has been updated to 31 December 2020 using market value data.

Donated services from NASUWT

The charity receives donated services which are analysed in note 4. The staff costs are calculated based on the percentage of each staff members' time spent on providing administration services to the charity. Premises costs are calculated by apportioning the total property costs over the proportion of staff costs donated.

4. DONATED SERVICES FROM NASUWT

	2020 £	2019 £
Staff costs	158,316	159,632
Premises costs	5,380	6,970
	163,696	166,602

Governance costs incurred by Central Benevolent Fund consist only of auditors' remuneration of £9,035 (2019: £7,400)

5. INVESTMENT INCOME

	2020 £	2019 £
Dividends	34,456	37,163
Rental income	18,300	18,000
Bank deposit interest	629	2,320
	53,385	57,483

**NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
(continued)**

6. GRANTS PAYABLE

	2020 £	2019 £
Benevolent loans converted to grants	-	-
To individuals 567 (2019: 673)	186,803	230,448
To NASUWT Federations 19 (2019: 26)	19,721	11,350
Legal and management expenses	8,782	25,156
	215,306	266,954

The ultimate beneficiaries of NASUWT Federations Grants are individuals.

7. INVESTMENTS

Investments are stated at market value.

	2020 £	2019 £
MARKET VALUE:		
At 1 January 2020	1,132,811	836,837
Income Account Movement	(738)	247
Withdrawals	-	-
New investment funds	-	189,000
Investment management fees	(4,993)	(4,255)
Revaluation to fair value	(3,857)	110,982
At 31 December 2020	1,123,223	1,132,811

	2020 £	2019 £
Market value made up as follows:		
UK Fixed Interest	102,801	86,491
Overseas Fixed Interest	45,950	49,331
UK Equities	564,973	616,820
Overseas Equities	296,568	235,432
Alternatives	102,285	92,903
Broker account	10,634	51,834
Total listed investments	1,123,211	1,132,811
Property		
At 1 January 2020	460,000	558,005
Revaluation	17,848	(98,005)
At 31 December 2020	477,848	460,000
Total investments	1,601,071	1,592,811
Material investments		
Property – Genesta Road	477,848	460,000
S4 Capital Plc	62,500	-
Edinburgh Dragon Trust	36,142	-
Royal Dutch Shell	22,178	39,438
Findlay Park Funds plc	15,898	74,658
	853,371	830,240
Historic cost of investments	853,371	830,240

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
(continued)

8. DEBTORS

	2020 £	2019 £
Benevolent loans		
Due under 1 year	<u>1,380</u>	<u>1,180</u>
Due over 1 year	<u>72,271</u>	<u>75,639</u>

Benevolent loans are interest free and are repayable by monthly instalments or in a lump sum triggered by a specified event.

9. CREDITORS

	2020 £	2019 £
Accruals and deferred income	<u>10,525</u>	<u>12,357</u>

10. ANALYSIS OF CHARITABLE FUNDS

	Fund balances 1 January 2020	Income	Expenditure	Gains and (losses)	Fund balances 31 December 2020
Central benevolent fund	<u>2,246,909</u>	<u>470,184</u>	<u>(399,222)</u>	<u>13,991</u>	<u>2,331,862</u>
	Fund balances 1 January 2019	Income	Expenditure	Gains and (losses)	Fund balances 31 December 2019
Central benevolent fund	<u>2,212,149</u>	<u>476,438</u>	<u>(454,655)</u>	<u>12,977</u>	<u>2,246,909</u>

All charitable funds are unrestricted.

11. RELATED PARTY TRANSACTIONS

Only Trustees are considered key management personnel.

During the year, no Trustees received any remuneration or reimbursed expenses.

There are no other related party transactions during the year.

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
(continued)

12. FINANCIAL INSTRUMENTS

	2020	2019
	£	£
Financial assets		
Financial assets measured at fair value	1,123,223	1,132,811
Financial assets that are debt instruments measured at amortised cost	<u>75,983</u>	<u>79,391</u>
Financial Liabilities	2020	2019
	£	£
Financial liabilities measured at amortised cost	<u>10,525</u>	<u>12,357</u>

Financial assets measured at fair value through income and expenditure comprises investments in listed securities.

Financial assets measured at amortised cost comprise benevolent loans and sundry debtors.

Financial liabilities measured at amortised cost comprise sundry creditors.

The entity's income, expense, gains and losses in respect of financial instruments are summarised below:

	2020	2019
	£	£
Total investment income for financial assets measured at fair value through income and expenditure	34,456	37,163
Net gains/(losses) on financial assets measured at fair value through income and expenditure	(3,857)	110,982
Total interest income for financial assets measured at amortised cost through income and expenditure	<u>629</u>	<u>2,320</u>

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and Activities

Under the Rules, the objective of the Benevolent Fund is the relief of poverty amongst members, former members, the dependants of members and former members and the dependants of deceased members. This remained the central objective of the charity for 2020. The public benefit aims of the charity are fulfilled in meeting its objective.

During 2020, new applications for benevolence assistance were carefully considered on a daily basis by the Legal and Casework Team. Benevolent Fund monies in the form of non-repayable grants were awarded as appropriate to applicants who were considered to be in financial hardship, thereby fulfilling the objective of the Fund. In addition, existing benevolent cases were reviewed throughout the year and the Legal and Casework Team authorised further financial support in circumstances where the beneficiary continued to suffer financial hardship.

NASUWT Central Benevolent Fund continues to rely on the support of lay members to fulfil the functions of a 'benevolence visitor'. Benevolence visitors are volunteers, some of whom hold other lay official posts within the Union and some who have been elected with specific responsibility for benevolence casework in their area. The role of the visitor is to meet with applicants and complete the application form on their behalf. However, the pandemic brought new challenges to our visitors who could no longer visit members at their homes and have adjusted to telephone and online contact. The contribution of benevolence visitors is very significant and valuable in ensuring that the current application process can be completed. Whilst it is not possible to quantify the number of hours of work undertaken by benevolence visitors, 529 new applications were received in 2020.

Achievements and Performance

Funding continues to be received in the form of a donation from the Union's General Fund in accordance with the number of subscribing members. The available funding enabled the Trustees to fulfil the objective of relieving poverty amongst members, former members, the dependants of members and former members and the dependants of deceased members who apply for benevolence assistance or continue to require financial support from the Union.

The Trustees recognise the important additional contribution donated by the Union via the donated service to support the smooth running of the fund.

Of the £306,488 available for distribution (after administration expenses) for the period from the General Fund, the trustees approved charitable expenditure amounting to £399,222 resulting in a surplus of £70,962.

As always, we are indebted to all those who have supported the Benevolent Fund during the year. Particular thanks going to our committed team of volunteers. There are approximately 238 volunteers undertaking benevolence visits and performing other duties in the local federations and their involvement is a crucial part of both the charity and the Union's work.

The investments (excluding property) are managed by Rathbone Investment Management subject to certain restrictions over the type of investment and with the objective of obtaining reasonable long-term overall growth at moderate risk.

The investment decrease in the year based on average investments held is 0.34% (2019: 11.3% increase).

The investment income return for the year based on average investments held is 3.05% (2019: 3.8%).

The Trustees are satisfied with this performance.

NASUWT – The Teachers' Union
CENTRAL BENEVOLENT FUND
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Benevolence

The Benevolent Team considered 529 new applications during the year. This is an increase of 89 cases on last year and reflects the unprecedented year of 2020. Requests for assistance from the Union's Benevolent Fund remained consistently high with the pandemic increasing this need for many others. Applicants encountered financial difficulties with mortgage and rent arrears and unmanageable loans and credit card debts.

The Benevolent Team adapted the way payments were made during the initial lockdown. There was a high increase of requests and financial update forms sent electronically with many one off grants given out to assist short term.

Whilst many teachers did remain working throughout 2020, those who worked as a supply teacher were hit the hardest with employment opportunities diminished.

With new Government schemes put in place during the year, including rapid responses on claims for benefits and housing, holiday breaks from mortgages, loans and credit card debts the Fund was able to direct members to meet these entitlements.

Furlough was also introduced and after a delay extended to some supply teachers through their agencies.

A total of £286,803 was paid out from the Central Benevolent Fund in the form of grants to applicants. Of this total:

- £119,150 was for single-payment grants to applicants who were facing financial hardship for a whole variety of reasons;
- £31,750 was for convalescence grants to aid applicants during a time of physical or emotional illness;
- £7,400 was for holiday grants;
- £7,138 was for monthly grants;
- £7,250 was for education grants; and
- £114,115 was for grants for rent and mortgage payments.

In total, the Benevolent Federations received £19,721 into their imprest accounts to provide grant aid at a local level.

The Central Benevolent Committee recovered £3,168 from recipients repaying loans awarded to them from the Fund. No loans were converted to grants or written off as bad debts this year. The loan book for the Fund stands at £73,651 at the end of the year.

Applicants continued to be regularly referred to Payplan and Citizen Advice Bureau for money and debt management services, at no cost to the member or the Union.

Although training courses for Benevolence Visitors could not be held in the usual way, there was development in remote training.

The Annual Meeting for Benevolence Representatives was postponed in 2020.

Financial Review

The Trustees consider that in the case of the Benevolent Fund, the assets are sufficient and adequate to fulfil the obligations of that fund, in the foreseeable future.

Unrestricted funds amount to £2,331,862 of which, after deducting Benevolent loans, £2,258,211 is freely available.

The majority of the income received by the charity is from one donor, in order to ensure the charity would be able to slowly reduce its support, should the main contributor cease their annual contribution. Trustees consider the current level of free reserves comfortable, without being excessive.

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The current reserves place the charity in the fortunate position of being able to meet their policies of funding any benevolent requests from members of the NASUWT and fulfil the objects of the Benevolent Fund when called upon.

Principal Risks

The Trustees have identified and assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity. A formal risk assessment statement is in place which, amongst other things, reflects the changes in the administration of the Fund. The principal risks are:

Reduction in annual donations

The charity is largely financed by one annual donation from the NASUWT, the Trustees have adopted a conservative policy regarding reserve retention to ensure that a short term interruption of this donation would have no immediate impact on the funds ability to support claimants.

Availability of Key Personnel

The charity is aware of the impact of key personnel being suddenly unavailable and mitigate this risk by:

- Ensuring at least two members of the committee have received accredited trustee training and aspire to train the entire committee as soon as possible
- NASUWT committee recruitment policy aims to ensure the committee has adequate members.
- Introducing a benevolent visitor training programme

Claimants claiming more than once for the same need

The committee are aware of this risk and are continually seeking to improve communication to reduce this risk wherever possible.

The risks will continue to be reviewed annually. The Trustees are satisfied that the risks have been identified and that controls are in place to manage them as far as possible. It is recognised that systems can only provide reasonable and not absolute assurance that risks have been adequately managed.

Structure Governance and Management

The NASUWT Benevolent Fund Rules, which were adopted at Special Rules Conference in November 1996 and amended at Conference 2004, govern the operation of the Benevolent Fund.

Whilst NASUWT Benevolent Fund is a separate, charitable fund, it is considered to be an asset of the Union. The Benevolent Funds are managed as a separate entity but both the Fund and the Union are deemed to be under common control.

The Trustees of the Central Benevolent Fund are appointed by a resolution of the National Executive for a term of one year commencing on the date of appointment. The six appointed Trustees form the Central Benevolent Fund Committee and are charged with responsibility for the Benevolent Fund. The Trustees of the Central Benevolent Fund concentrate on the strategic and governance issues relating to the management of the Fund.

Trustee induction is an ongoing programme of support primarily from the chair of the committee, that includes shadowing and constant guidance.

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The day to day operation of the Fund is managed by the Legal and Casework team, who have responsibility for the administration of the Fund. Delegated staff within the Legal and Casework Team work under clear guidelines and criteria agreed by Trustees. They determine eligibility for assistance from the Fund and the most appropriate form of assistance, according to the applicant's financial circumstances and individual needs. This information is gathered by a benevolence visitor who may make a recommendation. Further grants or loans may be made following receipt of a financial update form as part of the periodic case review process.

The Rules provide for the formation of Benevolent Federations which are comprised of Local Associations. There are nine Benevolent Federations in operation. The Rules further provide that the Committee may publish model rules for the conduct of Benevolent Federation business which must be adopted by each Benevolent Federation.

The charity and the NASUWT are under common control. The majority of the income of the charity is donations from the NASUWT.

Fundraising

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Charities Governance Code

The Trustees are aware of the new guidance and during the coming year plan to undertake a review to produce recommendations and an action plan to ensure that the charity takes positive steps towards working in line with the Code in all ways where it is practicable to do so.

Future Plans

The Trustees intend to review and improve training and training materials for benevolent visitors and ensure that the NASUWT training for representatives ensures they have the confidence and ability to identify need and sign post members requiring support.

The Union will increase the profile of the fund within the internal communication, Teaching today.

Approved by the Trustees on 5 March 2021

Chris Holland

Trustee

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STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The purpose of this statement is to distinguish the Trustees of the NASUWT Central Benevolent Fund's responsibilities for the financial statements from those of the auditors as stated in their report.

The United Kingdom Charities Act 2011 requires the Trustees to keep proper books of account with respect to the affairs of the charity, and to prepare statements of account for each accounting period consisting of an income and expenditure account and balance sheet. The Trustees are also responsible for safeguarding the charity's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

In preparing the financial statements the Trustees of the NASUWT Central Benevolent Fund are expected to:

- select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent;
- follow the recommendations of the Charity Commission and of the accounting profession with regard to form and content of the financial statements, or to disclose and explain any departures therefrom;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue to meet its objectives;
- the maintenance and integrity of the NASUWT website is the responsibility of the Honorary Treasurer; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the financial statements since they were initially presented on the website;
- legislation in the United Kingdom governing the preparation and dissemination of the financial statements and the other information included in annual reports may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
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Opinion

We have audited the financial statements of NASUWT Central Benevolent Fund for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows 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 charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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(continued)**

Other information (continued)

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records 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 and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
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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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were Charity Commission regulations, General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
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(continued)**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP
Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 5 March 2021