Board Meeting

Minutes of the meeting held at 6 Brewery Square, London SE1 2LF on Wednesday 28th February 2024 at 2pm

Present:	Mark Grzegorczyk – Chair	Andy McLeish
	Rick McCluggage	John Moakes
	Alison Thornton-Sykes	Karen Rogers
	Nigel Thorne – Hon Treas.	Aled Rees
	Sumita Singha	Sangeeta Shenoy
	Richard Brindley	

In attendance: Richard Beer (Development Manager)
Katie Vivian (Operations Manager)
Tricia Johnstone (Chief Financial Officer)
Mark Hodgkinson (recommended for appointment as trustee)
Jonathan Aikens present for item

1. Apologies for absence

1.1 Robert Ball

2. Introduction and Welcome

2.1. Mark Grzegorczyk welcomed Tricia Johnstone (CFO) to her first Board meeting and introduced Mark Hodgkinson as proposed trustee.

2.2. All attendees at the meeting introduced themselves.

3. Declaration of Interest

3.1 There were none.

4. Minutes of the last meeting

4.1 The minutes of the last meeting were approved and signed by the Chair.

5. Matters arising from the minutes

5.1 Richard Beer to send the Fundraising Strategy to the Board.

6. Board

6.1. **Annual Audit and Draft Accounts**

6.1.1 Jonathan Aikens, Partner at Moore Kingston Smith, joined the meeting by Zoom to give a summary of the audit of accounts for 2022-23.

6.1.2 There are two outstanding issues before the accounts can be signed off; a valuation of 43 Portland place and a decision on writing off the outstanding balance of programme related investments (interest free loans).

6.1.3 It was confirmed that a valuation had been requested.

6.1.4 It was the opinion of the auditors that the balance of interest free loans, after the provision of 75% should be written off as there is no legal commitment for these to repaid. This will reduce reserves brought forward in 2022-23 by circa £200k, which bring the level of reserves slightly below the £550k stated in our reserves policy statement.

6.1.5 The Board agreed the proposal to write off the outstanding balance of interest free loans.

6.1.6 Jonathan Aikens talked through the post audit management letter, highlighting a few recommendations. He concluded that ABS has adequate financial systems and controls.

6.1.7 It was acknowledged by the auditors and the Board that the audit is not as far along as it should be by this stage for various reasons. The next audit will need to stick to the agreed timetable.

6.1.8 The new format and design of the annual trustees report was well received by the Board and as such can be used as a marketing tool.

6.1.9 It was agreed that trustees would send any comments on the annual report to Katie Vivian by email.

6.1.10 A meeting to review the final accounts would be schedule for week commencing 18th March.

6.2. **Vote for the appointment of Mark Hodginkson as Trustee on the Finance, Audit & Risk Committee** (item 5.5.2 brought forward)

6.2.1 Mark Hodgkinson left the meeting for the vote to appoint him as a trustee.

6.2.2 The Board voted unanimously to appoint Mark Hodgkinson.

6.2.3 Mark rejoined the meeting and was congratulated on his appointment.

6.3 **ABS Operations Update**

6.3.1. The Nominations & Remunerations Committee proposed a temporary staff team structure to keep operations running smoothly in the absence of the CEO.

6.3.2 The temporary changes consisted of: Acting CEO position (to be filled by current Operations Manager), distribution of Operations Manager responsibilities to the Welfare Lead and Development Manager, with the Welfare Lead becoming part of the Management Team.

6.3.2 Two temporary posts would be recruited; an Executive Assistant to support the Acting CEO and Management Team, and a Welfare Assistant to increase capacity for the Welfare Team. It was highlighted the need for a Welfare Assistant was not related to the long-term absence of the CEO, but resulted from an increase in beneficiary requests for support.

6.3.3 Staff present left the meeting for a trustee discussion and vote for the proposal.

6.3.4 The proposal was approved by the Board, subject to cost calculations confirming that the temporary structure aligns with the budget.

6.3.5 The temporary structure will be in place from 1st March, and contract variations for The Operations Manager, Welfare Lead and Development Manager will be discussed with ABS' HR consultant.

6.4 **Wellbeing Programme Business Plan**

6.4.1 The business plan for the programme was presented, and an update on activity was given, including a new workshop currently in development to add to the programme, and successful marketing of the programme through membership organisations and a professional feature in the RIBA journal.

6.4.2. The sponsorship proposal was nearing completion and potential sponsors (suppliers to the architectural industry) would be approached soon. A meeting with the RIBA President had taken place and a follow up meeting with relevant department directors to discuss a financial contribution to the programme is the next step.

6.5 **Q1 Management Accounts**

6.5.1 Prior year figures will be added to the management accounts in future.

6.5.2 Legacy income was discussed and there are plans to become more proactive with generating legacy income as part of the Fundraising strategy.

6.5.3 A discussion about the most appropriate way to budget for legacy income was had, and it was agreed that the FAR Committee would discuss this at their next meeting.

6.6 **Succession Planning**

6.6.1 Expression of Interest and Skills Audit forms
All trustees were asked to complete Expression of Interest in Committees forms and Skills Audit forms to inform the Nominations and Remuneration Committee focus on succession planning. These will be sent by email after the meeting.

6.6.2 Proposal from Nominations and Remuneration Committee

6.6.3 A proposal was put to the Board for Karen Rogers to remain on the Nominations and Remuneration Committee as a committee member for up to a year, after standing down as a trustee from June 2024.

6.6.4 The Board voted unanimously in favour of the proposal.

6.7 **Business Planning Key Decisions**

6.7.1 A trustees meeting was held on 28th February prior to the Board meeting to discuss and agree key decisions to inform the business planning process.

6.7.2 Decisions made are recorded below.

Question	Decision	Actions
Is ABS to exist in perpetuity?	Yes (unanimous)	
Should ABS maintain the current asset structure of c.65% in property or move to an alternative, more liquid asset structure which would involve selling properties?	ABS should *consider* selling the properties.	Trustees would like to see options for the potential return on investments if the properties were sold and money invested elsewhere. Financial advice will be sought as to how the money could be invested if properties were sold.
What is an appropriate investment risk level/total return target?	CPI + 3% (unanimous)	Investment Managers and the financial advisor on the FAR Committee have suggested this is a sensible target. It may be appropriate to consider different risk levels for long-term or short-term investments if ABS moves to a more liquid asset structure.

6.7.3 The Board agreed to delegate the next stage of the modelling and planning process to the Business Planning Working Group and FAR Committee.

6.8 **Risk Policy**

6.8.1 The updated Risk Policy and Register was circulated to the Board prior to the meeting. Committees had reviewed the register since the last Board meeting, and amendments had been made.

6.8.2 Trustees were asked to send any further comments to John Moakes.

6.9 **Routine Approvals**

6.9.1 The Board approved amending the Hoare & Co. Bank Mandate to remove Sarah Gartshore and add Tricia Johnstone as a signatory and Richard Beer as a signatory and online approver.

6.9.2 Credit cards for Welfare Caseworkers Deirdre Anthony and Ruth Dawson, and Development Manager Richard Beer.

7 Report of the Welfare Committee

7.1 The number of enquiries for support has remained consistently high, and the amount of time spent on individual casework has become more intensive due to the reduction of grant terms introduced in October 2023. The economic climate has impacted on the architectural industry, which has led to an increased number of redundancies and subsequently more enquiries.

7.2 The Student Hardship Fund has received nearly 70 enquiries, a much higher number than expected, which is putting additional pressure on Welfare Team capacity.

7.3 Welfare beneficiary spend is within budget to date. A reduction in monthly grants is expected in April as the end of March is the end of the first 6 month maximum grant term following implementation in October 2023, and a number of cases will be closed.

8 Report of the Finance, Audit & Risk Committee

8.1 A review of Investment Managers has been postponed but is still intended for the future.

8.2 It was reported that Simon Still, financial consultant who sits on the FAR Committee is recovering well from a major operation. It was agreed that a get well gift should be sent from ABS.

8.3 The Reserves Policy needs to be updated and this will be a focus for the Committee.

8.4 Offers have been received from two parties interested in the third and fourth floors at 43 Portland Place

9 Report of the Nominations and Remuneration Committee

9.1 The Committee had meet three times since the last Board meeting, with a focus on trustee recruitment, policy review, succession planning and the temporary staff structure.

9.2 Notice periods for senior ABS staff will be revisited at the next Committee meeting, following a discussion by the Board about the length of notice for senior members of the team.

10 Report of the Development and Engagement Committee

10.1 Richard Beer, Development Manager, provided an update as Aled Rees, Chair of the Committee had left the meeting.

10.2 Time had been spent on reviewing financial processes internally to capture more accurate data and monitor success of different income streams.

10.3 There is a focus on re-engaging Corporate Partners, and restructuring the scheme to provide different opportunities for supporting ABS e.g. event sponsorship, annual donation, charity of the year, sponsorship of running kit. This is intended to make the current scheme more inclusive and more accessible to all practice sizes.

10.4 The partnership with Run for Charity will be launched in the next quarter, leading to growth in event income from challenge events.

10.5 It is hoped that the Presidents of RIBA, CIAT and LI will take part in the Chicken Run this year. Liaison with all three Presidents is ongoing.

11 Any other business

11.1 Nigel Thorne reported that he had secured a meeting with the new CEO of the Landscape Institute to talk about supporting ABS.

11.2 It was agreed that the June Board meeting would take place in Edinburgh and will be hosted by Smith Scott Mullan practice (Rick McCluggage is a Director at the practice).

11.3 The use of trustee work email addresses was discussed, and it was agreed that it was more secure and confidential to use personal email addresses.

12 Dates of future meetings

12.1 Wednesday 5 June 2024 - Edinburgh

Wednesday 25 September 2024 - hybrid

Actions

Agenda item	Action	Tasked to
6.1.9	Send comments regarding trustees annual report to Katie Vivian by email.	All trustees
6.1.10	A meeting to review and sign off the annual accounts will be arranged for week commencing 18th March 2024.	KV
6.2.3	Mark Hodgkinson will be inducted as a new trustee.	KV
6.3.5	Contract variations for Operations Manager, Welfare Lead and Development Manager will be progressed with effect from 1st March.	KR
6.5.1.	Prior year figures will be added to the management accounts.	TJ
6.5.3.	A review of how legacy income is included in the budget will be discussed and agreed by the FAR committee.	FAR Committee
6.6.1	Expressions of Interest and Skills Audit forms to be completed.	All trustees
6.7.3	The Business Planning Working Group (BPWG) will proceed with exploring options and modelling scenarios to inform the business planning process.	BPWG
6.8.2.	Comments regarding the Risk Policy and Register should be forwarded to John Moakes.	All trustees
8.2	Gift to be sent to Simon Still from ABS.	KV
9.2	Notice periods for senior staff will be reviewed.	N&R Committee
11.3	Personal email addresses will be used for ABS business going forward.	All trustees

Item 6.1

DRAFT

Architects Benevolent Society

Post-Audit Management Report
Year Ended 30 September 2023

MOORE Kingston Smith

Post-Audit Management Report – Architects Benevolent Society

We have completed the audit of Architects Benevolent Society for the year ended 30 September 2023 and we expect to issue an unqualified audit opinion.

This report covers the findings from our audit, the scope of which was communicated to you prior to commencing the work in the scoping report. It follows through on the points raised in the prior year as well as highlighting some future developments that may be of interest to the board.

We hope that the recommendations are practical and are able to be implemented. Please extend our thanks to Tricia Johnstone and Katie Vivian for all their help with the audit.

If you have any concerns or questions arising from this report, please contact Jonathan Aikens.

Yours faithfully,

Moore Kingston Smith LLP.

Moore Kingston Smith LLP

Date: 23 February 2024

Contents

1. Audit Approach - Risks

As outlined in our audit scoping report dated 2nd January 2024 our audit approach is based on an assessment of the audit risk relevant to the individual financial statement areas. Areas of risk are categorised according to their susceptibility to material misstatement, whether through complexity of transactions or accounting treatment. For each area we calculated a level of testing and review sufficient to give comfort that the financial statements are free from material misstatement.

The following table lists any risks identified at the planning stage and during the course of the audit, our approach to mitigate the risk and our conclusions from completing this work.

Risk Area	Audit Approach	Conclusion
Income recognition **(significant risk)**	We: • substantively tested, documented and assessed income for all material income streams of the charity. • examined income records and documentation and assessed the recognition of income against the SORP criteria and verified that it has been recognised in the correct period and is not materially misstated. • selected a sample of accrued and deferred income and traced to supporting documentation; • reviewed the income recognition policies in the financial statements and ensured these are being adhered to; • documented the systems and controls relating to income and observed for potential weaknesses in controls. We performed walkthroughs to corroborate whether the controls in place are adhered to; • performed legacy cut-off testing on a sample basis and reviewed post period end legacy receipts along with legacy correspondence files for the period; • tested transactions around the financial year-end to determine whether cut-off had been treated correctly.	From the sample testing performed on voluntary income and legacy income we have gained reasonable assurance that income is not materially misstated and has been included within the correct period. For the sample of the tenants reviewed in our rental income substantive testing, income had been recognised correctly in line with the lease and any subsequent amendment to the lease terms. Based upon the audit work undertaken, there were no errors identified in the treatment of cut off of income during the year. We have gained reasonable assurance that revenue streams are not understated and have been recognised within the correct period.

Audit approach – Risks (continued)

Risk	Audit Approach	Conclusion
Management override of controls **(significant risk)**	We: • documented and evaluated the systems and control processes in place; • reviewed a sample of miscellaneous bank payments to ensure that payments were valid expenses of the charity and that the controls in place over payments are being adhered to; • reviewed a sample of journal entries to ensure these represent valid accounting adjustments; • critically reviewed any areas of estimation or judgement for evidence of management bias; and • carried out a review and an evaluation of controls over payments, supplier set up/amendments and approval, and processing of payments.	Our sample testing did not identify and instances of deliberate management override of controls. All samples selected indicated that they were for valid purposes in line with the objectives of the charity and company. No other significant deficiencies in control were discovered in our audit work in this area, but please note we have not completed a controls based audit engagement.
Opening balances **(significant risk)**	We: • reviewed the working papers prepared by the previous auditors (Saffery Champness LLP) and considered the extent and appropriateness of their audit • confirmed that the opening balances at 1 October 2022 are in line with the audited financial statements for the year ended 30 September 2022 (and the audit work thereon).	Based on the review of the prior auditors file and the work undertaken in the current year, we have gained assurance that the opening balances are not materially misstated and that the opening balances agree to the underlying accounting records.

Audit approach – Risks (continued)

Risk	Audit Approach	Conclusion
Listed investments and investment properties	We: • obtained independent 3rd party confirmation of the investment balances from the investment managers, checked that the required disclosures are included in the financial statements and that they are valued in accordance with FRS 102; • Obtained systems and internal controls reports (AAF01/06 or equivalent) directly from your investment managers to provide further assurance over the figures they provide to us; • reviewed the controls and procedures over any instructions given by the Trustees to effect changes to the investment portfolio and sample check that transactions have been made in accordance with the instructions; • agreed ownership of investment properties to land registry records; and • agreed valuations to third party surveyor reports and available supporting evidence. As part of this we assessed the qualifications of the surveyor and vouch the assumptions used to third party data.	Investment portfolio valuations have been agreed to reports provided directly to us by Investec and Cazenove. We have also obtained an unqualified internal controls report for Investec and Cazenove, allowing us to place reliance on the figures they have provided. Ownership of investment properties held have been agreed to land registry records. *Work on valuation of investment properties will be concluded after receipt of final audit information.*
Classification of funds	We: • substantively tested both unrestricted and restricted income back to supporting documentation, to ensure that any restricted income had been treated in line with the expression of the donor; • substantively tested restricted expenditure to ensure it met with the requirements of the restriction placed by the donor; • reviewed any transfers between funds to determine the reason for the movement.	From the testing performed we have gained reasonable assurance that income and expenditure have been accounted for within the correct fund.

Audit approach – Risks (continued)

Risk	Audit Approach	Conclusion
Allocation and valuation of interest free loans	We: • review the nature of new loans granted in the year to confirm our understanding of the process in place with regard to granting of new loans; • review the movement in interest free loans in the year ended 30/09/2023; • obtain from management an update as to the security provided against these loans in the financial statements and the recovery of these loans during the year end post year end; and • assess the appropriateness of the provision against the current level of provision against the loans	Our audit testing highlighted that there was no formal commitment for loanees to repay the unsecured interest free loans element of the programme related investments. Give the lack of formal commitment, these loans are considered grants to individuals rather than loans and as such we have highlighted the associated misstatement and proposed prior year adjustment to the accounts.
Grant expenditure	We: • tested a sample of grant expenditure to ensure they had been recognised in the correct financial period; • reviewed the agreements in place with grantees and reviewed award dates to award letters and whether an acknowledgement of receipt had been retained, where appropriate; • reviewed board minutes for any commitments not recognised; • tested a sample of payments after the period end to ensure cut-off had been treated appropriately; and • checked if follow up reports were received and reviewed in line with grant awards.	From the sample-based testing performed we have gained reasonable assurance that grant expenditure is not materially misstated. Reasonable assurance has been gained over grants payable at year end.

Significant findings from the audit

We are required under International Standards on Auditing to request you to correct all misstatements identified during our audit, with the exception of those that are clearly trivial.

Corrected material misstatements and reclassifications

Included on page 12 are the corrected material misstatements identified during the course of our audit work which have been discussed and agreed with you.

Included on page 13 are the disclosure misstatements identified during the course of our audit work which have been discussed and agreed with you.

Uncorrected immaterial misstatements and reclassifications

Included on page 14 - 15 are the uncorrected misstatements or reclassifications that are not trivial and are not material, both in isolation and in aggregate, which we identified during the audit work and which you do not propose to adjust in the financial statements.

Observations concerning the operation of the accounting and control systems

We detail in the next section other matters concerning the operation of the accounting and control systems that we consider should be brought to your attention. We have also included an assessment of the extent to which our previous recommendations have been implemented. .

We look forward to receiving your responses on the points raised.

Due to the nature of an audit, we may not have identified all weaknesses within the accounting and internal control systems which may exist, and the contents of this section of our letter and any items disclosed in this report should not therefore be taken as a comprehensive list of such weaknesses.

Significant issues identified

There was inevitable disruption caused to the audit given the changes to key staff during the audit process.

Although this caused some delay to the process, we are comfortable that we will be able to obtain adequate evidence to support our audit opinion before sign off .

Management Representation Letter

A draft of our proposed management representation letter has been sent to you under separate cover. All of the matters included in this letter on which we seek the Trustees' formal confirmation are in respect of routine matters.

Operating of the accounting and internal control system

We are required to report to you in writing~~,~~ significant deficiencies in the internal control environment that we have identified during the course of our audit. These matters are limited to those which we have concluded are of sufficient importance to be reported to you. Our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist. As part of our work, we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

We have categorised the internal deficiencies noted via a colour-scale rating system, the key to which is as follows:

	We consider this to be of critical importance and would recommend that it is addressed as a matter of urgent priority
	The control should be strengthened to enhance operational efficiency but we do not consider this to be an urgent priority
	This is provided for either information only or we do not consider there to be a risk of material loss

3. Operating of the accounting and internal control system

Current year observation	Recommendation	Management Response
Sage postings During our income testing and income credit note testing, it was noted that the credit note routine in the accounting system was not being used and that invoices had been deleted from the accounting system. This means that there is an incomplete audit trail and an incomplete record of income in the accounting system. On further investigation, there are no controls in place to prevent staff deleting transactions in the accounting system and no review of deleted transactions.	This process should be stopped to ensure that the audit trail is complete. We would recommend that the controls around correction of errors is reviewed and that rights to be able to delete data in the accounting system restricted to key staff.	This practice was picked up by the new CFO and immediately stopped. No deletion of transactions is now allowed under procedures (although cannot be prevented on Sage itself). New financial procedures will be produced within the current Financial Year.
Investment reconciliation Investment movements, including additions, disposals and gains and losses have not been reconciled to investment manager reports at the year end. There are differences between the amounts recorded in the accounting system and the recalculations at the year end for unrealised and realised gains and losses.	We would recommend that investments are reconciled on a monthly basis using the transaction report provided by the investment manager and that the movement is reflected in the accounting system.	This was picked up by the new CFO upon accounting for the first quarter. Quarterly reconciliations should suffice with investments at current levels and new systems & processes will be put in place to ensure accurate recording.

3. Operating of the accounting and internal control system

	Current year observation	Recommendation	Management Response
	Employment contracts During our review of staff contracts, we noted that not all variations to contracts were signed by both parties and that some contracts were not dated. The risk is that the final approved contracts are not held on file, which could lead to employment disputes.	We would recommend that a review of staff contracts is undertaken and that signed and dated copies of all employment contracts and variations to contracts are available. A periodic review of employment contracts, especially new starters should be undertaken to ensure that all contracts are signed and dated.	Noted and a review of existing contracts and procedures will be carried out.
	Trustee declarations Not all of the SMT have been able to provide conflict of interest forms. Declaration of interest forms should be completed on an annual basis. Declarations should be considered as a standing point when trustees and members of senior management team join the charity as part of their induction process.	It is recommended that all trustees and SMT state their interest on a yearly basis so that related party transactions can be more easily identified by the charity when creating the disclosure for the accounts. We recommend declarations are requested from all trustees and senior management team as a standing point each year in conjunction with trustee meetings.	It is currently practice for only trustees to complete declaration of interest forms annually. We will consider whether we require the SMT to do the same.
	Key management personnel disclosure Disclosure error for salaries for key management personnel. The 22/23 calculation omitted the ER NI. This was corrected in the final version of the financial statements.	Ensure that the wages and salaries for key management personnel are disclosed correctly in line with FRS 102 and the charity SORP.	Noted

4. Corrected misstatements and reclassifications

	Balance Sheet		SOFA		Effect on Funds
	Dr	Cr	Dr	Cr	
Unrestricted Funds – Current fund				168,701	
Unrestricted Funds – Long term fund			168,701		
Being adjustment to funds in line with reserves policty					
Net effect of corrected misstatements					**-**

4A. Corrected disclosure misstatement

Note 13 - Debtors

	2023 £	Updated:-	2023 £
Trade debtors	-		19,850
Other debtors	97,242		21,488
Prepayments and accrued income	206,937		262,841
Service charge account	6,251		6,251
	310,430		**310,430**

Being correction of split between trade and other debtors

SOFA

Other Income	CR 13,700
Gain on disposal of fixed asset	DR 13,700

Being correction of fixed assets which form part of other income - currently below net income / (expenditure)

Note 9 - Staff costs

The key management personnel of the charity consist of the Chief Executive Officer and Operations Manager. The total employee benefits of the key management personnel were £164,868 for two employees (2022: 173,366).

Corrected:-

The key management personnel of the charity consist of the Chief Executive Officer and Operations Manager. The total employee benefits of the key management personnel were £183,564 for two employees (2022: 173,366).

Being correction of KMP disclosure to include NI ER's

5. Uncorrected immaterial misstatements and reclassifications

	Balance Sheet		SOFA		Effect on Funds
	Dr	Cr	Dr	Cr	
Creditors Control Account	1,908				
Expenditure				1,908	1,908
Being correcton of old invoices accounted for twice					
Accruals	4,000				
Accrued income		4,000			
Being reversal of accrual for legacy					
Investment properties - 9 Weymouth Mews	150,000				
Revaluation gain on Investment properties				150,000	150,000
Being the revaluation of Weymouth Mew Investment Property					
Investment properties - 43 Portland Place	TBC				
Revaluation gain on Investment properties				TBC	TBC
Being the revaluation of Portland Place Investment Property					
Market value of listed investments		1,082			
Market value of listed investments - cash	9,249				
Gains / (losses) on investments				4,097	4,097
Investment income				4,070	4,070
Being correction of listed investments to investment manager valuations					
Programme related investments		200,233			
Unrestricted reserves – current fund	206,385				
Donation income				6,152	6,152
Being update to treatment of programme related investments					

5. Uncorrected immaterial misstatements and reclassifications

	Balance Sheet		SOFA		Effect on Funds
	Dr	Cr	Dr	Cr	
Accrued Income	2,093				
Legacy Income				2,093	2,093
Being the adjustment to H coffin accrued income					
Service charge account	17,577				
Other income – management fee / rebates				17,577	17,577
Being Correction to service charge account in line with service charge statement					
Net effect of immaterial unadjusted misstatements					**185,897**

6. Sector update

THE CHARITY SORP

The next iteration of the Charities Statement of Recommended Practice (SORP) is expected to be implemented from 1 January 2025, so for most charities this will be applicable for the first time in the year ended 31 December 2025 or 31 March 2026. Feels like a long way away, but when a new SORP is applied for the first time it is "retrospectively applied" so this will require restatements for the comparative period and an opening balance sheet as at the start of the prior year (so 1 January 2024 or 1 April 2024). Suddenly, not so far away.

Back in January 2022, the SORP Committee (the body responsible for developing the next iteration) issued an overview document that introduced four drafting aims as "themes" for the next SORP, as follows:

- Considering key readers and explaining social purpose
- Compliance with FRC requirements and changes since the last SORP
- Promoting consistency across the Sector
- Relevant to charities and their socioeconomic context

and then provided more detailed context on eight drafting principles to underpin the next SORP:-

Principle 1 - the majority of preparers using the SORP are volunteers, advisors or practitioners assisting smaller charities and so in writing the SORP we will keep the needs of smaller charities in mind and seek to provide clarity to enable practitioners to understand the requirements of, and good practice recommendations made by, the SORP. As far as practicable and to the extent that accounting standards permit the SORP will be written with language and terminology that is clear and not overly technical to a practitioner who is otherwise familiar with basic accounting concepts and terms.

Principle 2 - to provide guidance to assist practitioners to prepare accounts that give a 'true and fair' view in accordance with current GAAP including addressing any charity specific matters not addressed by GAAP.

Principle 3 - when making changes to the reporting and accounting requirements to have regard to the potential impact of those changes on the public's continuing support for the legitimate charitable endeavour and to the practical challenges of addressing public perception of charities' reporting and accounting practices.

Principle 4 – to ensure that the narrative reporting requirements address the interests of the main users of the report and accounts.

Principle 5 - to innovate by introducing or changing reporting requirements where this is necessary to either assist practitioners or meet the needs of the main users of the report and accounts and to reduce the need for additional bespoke requirements by any charity law jurisdiction adopting the SORP.

Principle 6 - to disseminate good practice reporting where the SORP Committee recommends that this is in the best interests of the sector as a means of helping the wider charity sector and practitioners to meet the needs of the main users of the report and accounts.

Principle 7- to reflect the requirements of charity law and company law as they apply to reporting and accounting by charities in those jurisdictions adopting the SORP.

THE CHARITY SORP

Principle 8 - to take account in our decision-making on any changes to the reporting and accounting requirements and recommendations of the SORP of both the potential value of the information to the user and the demands placed on the preparer of making those changes or recommendations.

As we move into the period of time where a new draft SORP will be issued for consultation it appears areas such as “a further tiering of charitable organisations by size for reporting” (where smaller Charities could see reduced disclosure, whilst larger entities could experience more PLC type reporting requirements), “future proofing the SORP for ESG, sustainability and digital innovations” and considering “comparability” (will the discussions around a “one page key facts statement for all charities” remain) will all need to come to the forefront and be concluded upon.

FRS 102 and FRED 82

The financial reporting exposure draft (“FRED”) 82 from the FRC has just completed its consultation period, closing on 30 April 2023, in relation to its proposed changes to the UK accounting framework including FRS 102.

Underlying the Charities SORP is the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The SORP provides guidance for charities on how to apply FRS 102 in order to ensure that charity accounts are ‘true and fair’. FRS 102 also takes precedence over the Charity SORP.

In relation to Charities,it appears the proposed changes will have three key considerations for the future of the annual Financial Statements:-

•Incoming resources - FRED 82 proposes the introduction of a five-step model for revenue recognition in FRS 102. The model will be based on the requirements of IFRS 15 'Revenue from Contracts with Customers', but with simplifications aimed at ensuring the requirements remain cost-effective to apply. Many charities have diverse sources of funding, including income from charitable activities, donations and legacies, where funds are given freely. However, some transactions such as contracts and sales in the financial statements could be impacted by the FRED 82 updates. It is hoped that any update here will be accompanied with sector specific guidance for Charities, alongside the SORP.

•Leases - Leasing requirements in FRS 102 are set to change significantly. An IFRS 16 'leases'-based model has been proposed, requiring lessees to recognise all leases on the balance sheet, subject to limited exemptions. This change could be very onerous, with an on-balance sheet “right to use asset” which will then be amortised over the length of the operating lease being the likely outcome here for all Charities to consider.

•Other feedback - The FRED 82 consultation also notes that there may be changes to the length, complexity and detailed nature of the notes to the financial statements (further exemptions may be provided from drafting comparative notes in certain areas for example). This would be welcome news for many Charities (including conversations we have had with many clients regarding the ever increasing length of the financial statements) and particularly those with complex fund structures including unrestricted, designated, restricted and endowment funds.

FUNDRAISING AND GOVERNANCE UPDATES

Gift acceptance issues for fundraising charities

Charities are obliged to accept donations unless they have a very strong reason not to. This was an issue with the President's Club furore, where it was difficult for some of the charities involved to return donations, even when public opinion believed they should do so.

This can be an issue with ESG considerations in fundraising. A number of Trusts and Foundations have chosen to declare a climate emergency, which will have implications for the types of organisations they will accept donations from and additionally provide donations and grants to. This list of exclusions moves beyond previous exemptions of tobacco and the arms industry. If an oil or gas giant, for example, wished to make a sizeable donation with naming rights, how would the charity deal with the issue? These and other issues relating to gift acceptance can be picked up during one of our Code of Fundraising Practice compliance reviews. We can also work with you to resolve the governance challenges these issues create.

Addressing ESG challenges

"ESG", Environment Social and Governance, are three letters with growing significance for the corporate sector and this is starting to be seen across the statutory and nonprofit sectors too. Consumers and employees are increasingly expecting that companies consider purpose as well as profit. These same individuals may be donors of charities and will start to apply the same views to their giving. The Social Value Act already imposes ESG principles into how statutory commissioners contract with providers, so many charities who may also look to provide services under these agreements will already be thinking about ESG matters. Charities also need to start to consider their greenhouse gas emissions in more detail beyond SECR, including scope 3 emissions that are created through third parties as a result of charitable activities, such as donors driving to a fundraising event, rather than using public transport or cycling.

Next Steps for the Charity Governance Code ("CGC")

The Charity Governance Code is a practical tool to help charities and their trustees develop high standards of governance and we, at Moore Kingston Smith, have worked with a number of Charities in order to use this Code as a framework for a full external governance review of the organisation.

The Charity Governance Code steering group has had a new Chair since the middle of 2022, Radjoka Miljevic. She has recently shared her first blog, where she reflected on the future of the Code. In the blog, she talks about the importance of frameworks, and the value of hearing from a wide range of voices.

Radojka also looks at the future of the Code, which will be reviewed in 2023. She shares her thoughts on key governance challenges, including:

- digital and cyber concerns
- our wider environment
- our engagement with nature and the climate
- social changes from power dynamics to wellbeing.

It would be an excellent governance development if more charities in the sector embraced the CGC and referring to their work (and any changes as a result of the reviews completed) in their trustees annual report.

6. Sector update (continued)

Regulation: Code of Fundraising Practice

The Fundraising Regulator is reviewing the Code of Fundraising Practice during 2023 and 2024 and will begin a 12-week public consultation from autumn 2023. Unlike previous reviews, the Regulator is taking a digital first approach, enabling contributors to comment just on sections of the Code pertinent to them. An updated Code will then be produced in 2024 for a further consultation, with a view to it finalising it and creating a timetable for implementation by the end of 2024 or early 2025.

In the meantime, changes in the Charities Act 2022 related to failed appeals and refunding donations has meant that sections 2.3 and 2.7 of the Code have been revised.

6. Sector update (continued)

Cyber Crime

The charity and non-profit sector is recognised as one of the top 5 in terms of cyber attack risk and level of impact. So much so, that the National Cyber Security Centre (NCSC) convened a special threat report in January 2023, specifically focused on the UK charity sector. The report can be found here - Small Charity Guide - NCSC.GOV.UK

Within the report, Helen Stephenson said, "All charities ultimately rely on public trust and continued public generosity." The impact of any cyber attack on a charity can therefore be devastating, not just for the organisation and those who rely on its services, but also in undermining public confidence and support.

There are 169,029 registered charities in England and Wales with an annual sector revenue value of £99.7 billion. All of these charities collect huge volumes of data from donors through to beneficiaries, and a significant number of these share data with external organisations such as marketing companies or donor management providers. It is therefore quite easy to see the motives for direct attacks on charities and cyber criminals aim to access charities' networks and/or information through the supply chain.

The Department for Science, Technology and Innovation reported some alarming statistics in 2023:

- 24% of charities had been victims of cyber breaches or attacks in the last 12 months
- Higher income charities were significantly more likely to record breaches or attacks: 56% for those with annual revenue of £500K, or more, and 76% for those with revenues of £5m, or more.
- 785,000 known cyber attacks on charities in the last 12 months

Furthermore, the 2022 NCSC Security Breaches Survey found that, in terms of prioritization of cyber security as a core area of focus, charities are 5-6 years behind private businesses. On that basis, it is essential for the sector to increase its commitment and awareness of cyber threats, and to ensure that, going forwards, adequate risk measures, training and technical controls are implemented.

Charities must factor in the responsibilities of trustees, in respect of their heightened data privacy and security responsibilities. Currently, per the NCSC Survey, only 33% of charities have trustees taking responsibility for cyber security.

The Board is ultimately responsible for making sure a charity is taking appropriate measures to protect itself from a cyber attack (***not*** the IT team) and taking steps to stay secure online is deemed to be a core component of good governance. Trustees don't need to be technical experts but they do need to know enough about the importance of cyber security, to facilitate educated discussions and collaboration with key staff, volunteers and stakeholders.

In summary, the risks to all charities from cyber-crime are increasing in terms of impact, significance, cost and repercussions. The nature of the sector model and its reliance on financial donations (often processed by a third-party), means that all organisations need to be aware of (and guard against) the cyber threat.

Further information on the role of trustees can be found here: DATA PRIVACY: Understanding the responsibilities of the Trustee - MOORE ClearComm

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6. Sector update (continued)

Fraud in the Charity Sector

According to the latest BDO Charity Fraud Report, the level of financial fraud at charities is up 36% with almost half of all frauds being committed by staff members, volunteers or trustees.

Detecting fraud is considered very challenging but with the introduction of the Economic Crime and Corporate Transparency Act it is becoming all the more important that the Charites have robust systems procedures and controls in place to demonstrate they have done their level best to mitigate against this risk.

According to the BDO report, Charities that experienced losses of £10,000 or more, in 2023, doubled according to 43% of charities. Respondents who lost between £100,000 and £1m accounted for 12% of these, with 2% reporting over £1m lost due to fraud.

The most common fraud, according to the report, was the misappropriation of cash or assets with 42% of charities suffering from theft in 2023, followed by expense and subsistence fraud at 35%.

Alongside our own Moore Kingston Smith specialists in this area, the sector has developed a suite of tools, guides and blogs which are worth a visit. The Charity Commission, with the Fraud Advisory Panel, also run a campaign called Charity Fraud Awareness Week. All are designed to ensure you are aware of the vulnerabilities that exist and provide help.

This area is notoriously fast moving, with new areas of attempted fraud arising daily, but some of the prevalent current frauds and potential controls to protect your charity from these, include:

"Supplier mandate fraud"

Contact is made from a "supplier" employee who is noting (either by phone or official headed notepaper) a change of bank details. The bank details are fraudulent.

Control to mitigate the risk – review and approval of all standing data supplier changes and calls to confirm BEFORE updates processed.

"Batch supplier duplication"

An example of an internal fraud – the details of a supplier are duplicated onto the system and the duplicate given the fraudulent parties bank details. "Real invoices" are paid twice, hidden in the batch run, once real and once fraudulent.

Controls to mitigate the risk – Approval of new suppliers and monthly management accounts reviews. The additional payment debit will need to be either to a balance sheet code or will be seen through an inflated expense code on the SOFA.

"Fraudulent staff/temp staff costs"

The fraudulent party continues to pay staff after they have left (using updated fraudulent bank details), enrols ghost employees for payment or processes fake invoices through "busy" nominal codes such as temp staff costs.

6. Sector update (continued)

Controls to mitigate the risk - This fraud is almost always discovered through a review of management accounts vs budgets. Preventive controls would include approval of staff detail changes and “lock down” on leavers details in a timely fashion.

“Email takeover”

An internet-based fraud that is expanding rapidly (and becoming more sophisticated). The finance team receive an email “from” the FD/CEO usually late afternoon, indicating they have forgotten to pay a key supplier and it should be paid immediately.

The email is fraudulent and so are the bank details given.

Controls to mitigate the risk – Communication by phone or face to face to confirm details. Do not allow payments to supplier details that do not match those saved on the standing data.

Further information can be found at the following:

The Fraud Advisory Panel (a registered charity and independent voice of the anti-fraud community) - https://www.fraudadvisorypanel.org/

10 questions every Trustee should ask about Fraud and suggested policies - https://www.gov.uk/guidance/protect-your-charity-from-fraud

The National Cyber Security Centre - https://www.ncsc.gov.uk/news/advice-thwart-devastating-cyber-attacks-small-charities

Action Fraud for reporting - https://www.actionfraud.police.uk/

BDO Prevent Charity Fraud report: Home Page - Prevent Charity Fraud

6. Sector update (continued)

Does your Charity have a Social Media Policy?

The Charity Commission published new guidance for Charities on 18 September 2023, discussing the need for charities to have a social media policy.

Most charities are active on social media as it is a very effective fundraising and education tool. However, it does come with its own set of risks. As a minimum it is important to ensure that any policy on social media:

- is clear to everyone at the charity.
- is regularly reviewed to check it is working effectively and fits your charity's needs.
- helps you achieve your purpose and objectives and in a way that is in your charity's best interests.
- compliant with relevant laws and regulations, for example, UK GDPR, privacy laws, defamation law, equality and human rights.
- Complies with the rules on political activity and campaigning.
- helps you keep people safe online, including any extra considerations when dealing with vulnerable users.

Social media policies should be created with the help of those who are managing the social media channels the charity engages through and be communicated to everyone from trustees to employees and to volunteers.

Of significant important in an age of cyber-crime is to be aware of others creating fake accounts for your charity, which can happen whether you are using social media, or not. The commission points out that charities should adopt processes that help it manage access to social media accounts and manage your social media security, including what to do if someone gains access to the charity's accounts.

Further information can be found here: [Charities and social media - GOV.UK (www.gov.uk)]

CC8 – Internal Controls

The Charity Commission has recently updated its guidance on internal controls, known as CC8. This is a longstanding piece of guidance which had not been updated since it was first published in 2012. It provides invaluable guidance to trustees and senior management teams around the operation of a charity's internal controls. Whilst the existing guidance covered many relevant areas, the regulator has acknowledged that there are a number of new issues and threats which were not relevant when the previous guidance was published. The guidance also includes a refreshed checklist which can be used to benchmark systems and processes.

What has changed?

The guidance includes a new section on donations of cryptoassets, such as bitcoin and NFTs. It sets out a number of risks associated with cryptocurrencies, and emphasises the importance of charities understanding those risks before accepting donations of cryptoassets. If such donations are accepted, there are a range of recommendations including having a policy in place on the acceptance of cryptoassets, the need to ensure that any platform used is compliant with UK regulations, the requirement to keep accurate records of donations and the importance of following HMRC guidance around the taxation of cryptoassets.

A further new area addressed is around the risk of cybercrime, an area which become significantly more prominent in recent years. The guidance focuses on the need to ensure there are suitable policies in place, for example in relation to storage and processing of electronic data. As in a number of areas, it cross-refers to more detailed guidance on this topic issued by the Charity Commission.

The guidance has also been updated for other areas which have become relevant since 2012, such as the use of mobile payment systems (for example Google Pay or Apple Pay). In addition to the new areas, the guidance also includes a refresh on advice for more traditional risks – for example, those around fundraising and holding public collections, making payments to related parties and operating internationally. A number of these have been recent areas of focus for the Charity Commission.

What should you do?

We recommend that relevant individuals utilise CC8 to assess how your charity's policies, systems and processes compare to the guidance. The guidance is most relevant for senior members of the finance team and the charity's treasurer, but an awareness of the guidance will be helpful for a range of individuals involved in charity finance. The guidance can also form helpful reading as part of an induction pack.

We suggest using the internal controls checklist to benchmark processes at least annually. Completing the checklist periodically can be a helpful way of focusing on systems and processes; but note the checklist does not assess the underlying quality of the controls in place. However, it is a helpful way to review the core controls in place and an excellent starting point to benchmark what is in place.

6. Sector Update

Minimum standard for Audit Committees Published

The FRC has published a minimum standard for Audit Committees and the External Audit. The need for a standard was highlighted through the Government's Restoring Trust in Audit and Corporate Governance. When the FRC becomes ARGA (Audit, Reporting and Governance Authority), they will be given the statutory powers to mandate minimum standards for audit committees. Whilst the standard will apply to FTSE 350 companies we would recommend that Audit Committees should refer to the guidelines, consider if they should adopt any or a modified form of any of the requirements, as examples of good governance. The standard will be voluntary until ARGA has been established. The standard can be found Audit Committee Minimum Standard (frc.org.uk)

FRC launched a consultation on revisions to the UK Corporate Governance Code

On 13 September 2023, the FRC closed its consultation covering its review of the UK Corporate Governance code (Consultations | Financial Reporting Council (frc.org.uk). The five priority areas of focus were:

- Aligning the code with the changes to the legal and regulatory requirements, including strengthening reporting on directors' remuneration on malus and clawback arrangements.
- Revising the parts of the Code which cover the framework for prudent and effective controls to provide a stronger basis for reporting and evidencing their effectiveness.
- Including responsibilities for sustainability and ESG reporting and appropriate assurance.
- Reflecting the Minimum Standard for Audit Committees.
- Improving comply or explain functioning where reporting is currently weaker.

Since the closure, the FRC has prioritised revisions to the Code with a focus on internal controls and either dropped or given little attention to the other areas highlighted above. The FRC is expecting Boards to "determine what should comprise its material Internal Controls" and declare in their annual reports how internal controls have been implemented and the outcomes. This declaration will be expected to come in a year after the rest of the updated Code comes into effect on 1 January 2025.

6. Sector Update

Proposed reforms for filing accounts at Companies House

Companies House expects it will be given new powers when the Economic Crime and Corporate Transparency Bill is passed. Companies House has announced a number of changes it will be making. No timetable has been announced for their proposals, and we will keep you up to date with developments. The key proposals include:

- Only electronic filing of accounts using iXBRL. (A small category of companies will continue to be able to file paper accounts).

Proposals within the Economic Crime and Corporate Transparency Bill will have a large impact on our smaller clients. These include:

- The abridged accounts filing option will be removed.
- All companies will have to file their profit and loss account.
- Additional confirmation statement, by the directors, when audit exemption is adopted

A factsheet on the Bill can be found at Factsheet: company accounts - GOV.UK (www.gov.uk)

FRC publishes outcome of FRS 101 2022/23 Annual Review

The Financial Reporting Council (FRC) has published the outcome of the 2022/23 Annual Review into FRS 101 Reduced Disclosure Framework. The good news is that no amendments were identified as being required. The FRC's notification can be found 01 Amends to FRS 101-title 1..2 (frc.org.uk)

7. Other matters

Engagement & Independence

Our engagement objective was the audit of Architects Benevolent Society. We have implemented policies and procedures to meet the requirements of the Financial Reporting Council's (FRC) Ethical Standards. To this end we considered our independence and objectivity in respect of the audit for the period under review before commencing planning our audit and communicated with you on these matters in our Audit scoping letter.

No other matters have come to our attention during the audit which we are required to communicate to you and the safeguards adopted were as described in our audit scoping report.

Qualitative aspects of accounting practices, accounting policies and financial reporting

Based on our audit work performed, we believe that the Strategic Report, Directors' Report and financial statements for the period under review comply with United Kingdom Accounting Standards and the Companies Act 2006.

During the course of our audit of the financial statements for the period under review, we did not identify any inappropriate accounting policies or practices.

Matters specifically required by other Auditing Standards to be communicated to those charged with governance

Other than as already explained in our Engagement Letter, Audit Scoping Report and this Post-Audit Management Report, there are no other specific matters to communicate as a result of our audit of the financial statements under review.

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Quarter 1 2023-24 ABS Management Accounts (complete accounts reissued for item 6.5)

Architects Benevolent Society
Draft Management Accounts
31 December 2023
Month 3

INCOME & EXPENDITURE	MTH Oct-23	MTH Nov-23	MTH Dec-23	MTH Jan-24	MTH Feb-24	MTH Mar-24	MTH Apr-24	MTH May-24	MTH Jun-24	MTH Jul-24	MTH Aug-24	MTH Sep-24	YTD Total	MTH Actual	MTD Budget	Variance	YTD Actual	YTD Budget	Variance
Income																			
Fundraising	5,090	13,142	7,562	-	-	-	-	-	-	-	-	-	25,794	7,562	12,846	(5,284)	25,794	42,270	(16,476)
Legacies	3,538	-	5,000	-	-	-	-	-	-	-	-	-	8,538	5,000	15,000	(10,000)	8,538	50,000	(41,462)
Commercial rent	119,745	16,467	61,729	-	-	-	-	-	-	-	-	-	197,940	61,729	52,283	9,446	197,940	156,848	41,093
Investment income	-	-	60,841	-	-	-	-	-	-	-	-	-	60,841	60,841	15,705	45,136	60,841	47,118	13,723
Wellbeing programme income	2,250	2,071	147	-	-	-	-	-	-	-	-	-	4,467	147	2,235	(2,088)	4,467	9,705	(5,238)
Student hardship fund income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	**130,624**	**31,679**	**135,278**	-	-	-	-	-	-	-	-	-	**297,581**	**135,278**	**98,069**	**37,209**	**297,581**	**305,941**	**(8,360)**
Expenditure																			
Welfare beneficiary spend	(97,778)	(100,840)	(130,077)	-	-	-	-	-	-	-	-	-	(328,694)	(130,077)	(113,204)	(16,873)	(328,694)	(327,725)	(970)
Wellbeing programme costs	1,708	(28)	(6,193)	-	-	-	-	-	-	-	-	-	(4,513)	(6,193)	(5,597)	(596)	(4,513)	(19,390)	14,877
Staff costs	(66,875)	(53,455)	(64,708)	-	-	-	-	-	-	-	-	-	(185,038)	(64,708)	(56,685)	(8,023)	(185,038)	(180,428)	(4,611)
Office costs	(24,711)	(1,997)	(856)	-	-	-	-	-	-	-	-	-	(27,563)	(856)	(2,988)	2,132	(27,563)	(28,682)	1,119
Insurance	(7,950)	-	-	-	-	-	-	-	-	-	-	-	(7,950)	-	-	-	(7,950)	(11,348)	3,397
Commercial property costs	(2,066)	(11,111)	(1,180)	-	-	-	-	-	-	-	-	-	(14,357)	(1,180)	(10,252)	9,072	(14,357)	(17,460)	3,103
Service charge rebate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Governance costs	(116)	(11)	-	-	-	-	-	-	-	-	-	-	(127)	-	(170)	170	(127)	(510)	383
Marketing costs	(77)	(1,394)	(110)	-	-	-	-	-	-	-	-	-	(1,582)	(110)	(3,234)	3,123	(1,582)	(9,701)	8,119
Event costs	(1,027)	(1,126)	(120)	-	-	-	-	-	-	-	-	-	(2,273)	(120)	(146)	26	(2,273)	(438)	(1,835)
IT costs	(3,321)	(2,755)	(7,658)	-	-	-	-	-	-	-	-	-	(13,735)	(7,658)	(9,036)	1,378	(13,735)	(21,094)	7,359
Professional fees	(4,900)	(7,547)	(1,668)	-	-	-	-	-	-	-	-	-	(14,115)	(1,668)	(11,467)	9,799	(14,115)	(22,424)	8,309
Investment management fees	-	-	(16,741)	-	-	-	-	-	-	-	-	-	(16,741)	(16,741)	(5,262)	(11,479)	(16,741)	(15,793)	(948)
Loan interest & Bank charges	(139)	(162)	(30)	-	-	-	-	-	-	-	-	-	(331)	(30)	(30)	-	(331)	(90)	(241)
Property Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditure	**(207,252)**	**(180,426)**	**(229,341)**	-	-	-	-	-	-	-	-	-	**(617,019)**	**(229,341)**	**(218,069)**	**(11,272)**	**(617,019)**	**(655,081)**	**38,062**
Net profit / (loss) before investment gains / (losses)	**(76,628)**	**(148,746)**	**(94,063)**	-	-	-	-	-	-	-	-	-	**(319,438)**	**(94,063)**	**(120,001)**	**25,937**	**(319,438)**	**(349,141)**	**29,703**
Realised loss on investments	-	-	355,185	-	-	-	-	-	-	-	-	-	355,185	355,185	-	355,185	355,185	-	355,185
Unrealised gain on investments	-	-	60,426	-	-	-	-	-	-	-	-	-	60,426	60,426	-	60,426	60,426	-	60,426
Gain on sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
														-	-	-	-	-	-
Net profit /(loss) after investment gains / (losses)	**(76,628)**	**(148,746)**	**321,547**	-	-	-	-	-	-	-	-	-	**96,173**	**321,547**	**(120,001)**	**441,548**	**96,173**	**(349,141)**	**445,313**