

## **THE GUILD OF BENEVOLENCE OF THE IMAREST**

Minutes of the 86<sup>th</sup> Annual General Meeting  
held at 10:30 on Thursday 19<sup>th</sup> March 2020  
by teleconference

Chairman Eur Ing Simon Rickaby in the Chair  
(10 Members present)

The Chairman opened the meeting by welcoming those members present to the Guild's AGM by teleconference in light of the Covid-19 situation and hoped that the remote attendance conference call would be acceptable to all that had called in and the AGM was quorate. The Chairman reminded the members that under the 2013 Rules, the AGM Minutes were approved by the Guild Trustees at their April Committee meeting and not at this AGM. However, a copy of last year's AGM minutes were circulated for the sake of good order and openness. Also, the business of the AGM does not include 'Any Other Business' but the Chairman hoped to have a Question and Answer session with feedback from attendees at the end of the AGM.

### **ANNUAL REPORT OF THE TRUSTEES**

The Chairman presented the Annual Report of the Trustees for 2019, which had been made available to members prior to the meeting. As required, the Annual Report and Financial Statements had been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015).

The Guild is unique among UK Maritime charities in being able to respond quickly to applications for relief, this is achieved by the Relief Sub-Committee on behalf of the Board of Trustees and works remotely by electronic communications in between the Trustee Committee meetings.

During the past 12 months the Trustees have been proactive in looking at the challenges that likely face the Guild in the 2020's, such as its "market" in the form of the likely numbers and likely types of claimants that might be coming our way, these now have to be reviewed in light of the effect the pandemic will have globally.

The Trustees have in the past 12 months been very aware of the Guild's reliance on the investment income and the stock market, recognising the share market could not continue giving the "reliable" returns of the past 10 years, this is highlighted by the very serious crash in the global stock markets in the past 2 weeks and the overdue correction that financiers had been warning of, but did not see the virus happening.

In light of seeing the effectiveness of the Relief Sub-Committee and how it operates quickly and effectively, the Guild Trustees established 4 further sub committees each reporting to the Board of Trustees, these are:-

Finance Committee, chaired by the Honorary Treasurer, Ken Ridley

Fund raising Committee, chaired by a Trustee, Ken McLean

Communications Committee, chaired by a Trustee, Ken Mclean

Governance and Audit Committee, chaired by the Deputy Chairman, Wyn Williams

Subsequently, the Trustees held a strategy day with David Loosley as an excellent facilitator. We were very fortunate to have Graham Hockley, the Chairman of the Marine Charities Group come along and give the Trustees an insight into the Maritime Charities "market" or goldfish bowl that the Guild was swimming in seeking donations and support. The Guild is up against some very big sharks, and we will need Guild members and IMarEST Branches help in the times ahead.

In undertaking the strategy day, there were various matters raised that required consideration and the Chairman promised no stone would be left unturned in considering the pros and cons of various options.

These options range from whether the Guild stays exactly as it is and how it operates, with about 80% investment income and 20% donations, and a ratio of spending more on operating the Guild than giving out to beneficiaries, the Chairman called this the 'acid ratio'. Then there is the other extreme of merging with another maritime charity so that the Guild's funds can be utilised more fully to help more maritime professionals. With a midway house of the Guild becoming more proactive in fund raising which can entail employing more staff on a fixed term and budgeted project that could take 3 – 5 years to see a return on the investment monies used to fund the project.

In light of the virus pandemic and the uncertainties of the social, economic and global political future post Corvid-19, our considerations and thoughts on future parameters will now have to be reconsidered. In the meantime the Trustees are determined to reduce and ultimately reverse the 'acid ratio', historically it has been inverted the wrong way round, even back in the 1920's and 30's.

Whatever the Trustees operationally do or strategically consider, these will always be in the best interests of the current beneficiaries and future beneficiaries, but we are duty bound to the Charity Commission to look at the Guild and its operation in all reasonable scenarios to improve it or consolidate its position for the future as best as practically and feasibly possible.

Every year the Guild calls for new trustees for the Guild of Benevolence Committee. If you or someone you know would be prepared to stand for election or be co-opted to the Board, we would be pleased to hear from you, as the Guild Trustees recognise there are specialities such as charity fund raising, media and social communications that would be beneficial to have on the Board.

In the past year we were able to co-opt a recently retired Chartered Accountant who had been a highly regarded Finance Director in a Maritime Plc group of companies. His knowledge helped us significantly with the Annual Report and the resolution of a perceived ongoing beneficiary's liability. More of this in the Honorary Treasurers report.

During the last financial year a total of 76 cases were considered, this included 24 new applications, the remainder included existing beneficiaries who were either receiving a regular grant or had previously received a one-off payment. We have been moving more to one off "life changing" grants rather than new regular weekly grants. 8% of the Guild's beneficiaries who receive a regular grant are overseas citizens.

The Chairman asked that those attending the AGM take back the following information to their respective IMarEST Branches and to spread the word amongst their work colleagues, that Certificated marine engineer and marine electrical engineers do **not** have to be present or past members of the IMarEST to apply.

Applications can come from certificated marine engineer and marine electrical engineers from the UK Merchant Navy and UK Fishing fleet, Global Mercantile Marine Ships and Commonwealth Naval Services, or their dependents, as well as all past and present members of the Guild, past members of the IMarE and past and present members of the IMarEST, will also be considered. The Chairman highlighted the fact that the Guild needs more applications and that those present should spread the word of the Guild and he called upon the overseas IMarEST Branches to assist with case work. He advised that the Guild requires assistance in Europe, South Africa, USA, Nigeria, Malaysia, Singapore, India, Pakistan, Sri Lanka, Australia and New Zealand. The Guild would be pleased to learn of any members or Branches in the mentioned countries to assist in case work.

The Guild needs and receives donations from Guild members, IMarEST members and IMarEST Branches. The Guild does not seek third party or general public donations. The Chairman asked the Members if they could help with encouraging donations to the Guild. These would be gratefully received. The Chairman went on to say that there is one method that can be very beneficial to the Guild and that is leaving a legacy to the Guild.

During the past year, following feedback from one of the “younger” Trustees, the Guild became part of the AmazonSmile scheme <https://smile.amazon.co.uk/> . You can become part of the scheme when you purchase items through the AmazonSmile portal and select the Guild of Benevolence of the IMarEST as your chosen charity. Amazon will donate a percentage of the item to the Guild at no extra cost to the consumer. This will be monitored and the Guild will give Members feedback as to its progress.

The Chairman thanked the Trustees, in particular the Honorary Treasurer, Ken Ridley, Deputy Chairman, Wyn Williams and Ken McLean for listening to his ideas and working with him, and for their help on starting to prepare the Guild for the 2020's challenges and the aftermath of Covid-19.

The Chairman gave his personal thanks to Karen Lendor for her support and to the Board of Trustees. He went on to say that Karen and the Trustees pragmatic, open minded and engaging approach over the past 12 months has produced an excellent team that he was very proud to be part of and speak on their behalf.

### **FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018**

This year, new Auditors were appointed by the Institute and the Guild now has an Independent Examiner, Mr Edward Finch of chartered accountants Buzzacott LLP, who had examined the Guild's Annual Report and Accounts for the year ending 30 September 2019. In addition, the Trustees have established a Finance Sub-Committee which includes a new co-opted Trustee, Neil Darby, who is a recently retired chartered accountant. This has enabled the Guild to undertake a review of the accounts and as a result some substantial changes in presentation of

the figures. The Honorary Treasurer was particularly grateful to Neil Darby for taking the lead in this respect.

The Honorary Treasurer confirmed that in reviewing the accounts, the Independent Examiner found no matters that gave him cause to believe that accounting records were not kept by the Guild as required by the Charities Act 2011. In addition, he signaled that he had no concerns and had not come across anything to which attention should be drawn to enabling a proper understanding of the accounts. The Trustees agreed that there were no material uncertainties over the charity's ability to continue as a going concern.

It is important to note that the Guild continues to operate for public benefit and has two charitable purposes as defined by the Charities Act 2011, namely 'The prevention and relief of poverty' and 'The relief of those in need by reason of youth, age, ill-health, financial hardship or other disadvantage'. Furthermore, the Trustees confirmed that they had complied with the requirements of The Charities Act 2011 with regard to public benefit, having due regard to the guidance on public benefit published by the Charity Commission.

The Honorary Treasurer advised that Sarasin and Partners continue to be the Guild's investment manager and the Trustees remain content with their performance. The principle investment vehicle for the Guild's funds is a Charity Authorised Investment Fund and in the period under report the Fund has continued to meet the Guild's long term objectives, providing growth within an acceptable level of volatility. The total value of the Guild's funds at the end of the year was £3,169,592, an increase of 4.3% on the previous year. Overall, the portfolio achieved an investment performance of 7.8% and outperformed the benchmark of 6.8%. It was worthy of note that Investment Income for the year was £102,888 as compared to £96,409 in 2018/19.

Taking into account donations, the Total Income for the year was £122,037, a small decrease on the previous years total of £123,478.

This year, expenditure had been a centre of focus for the Trustees and significant efforts had been made to reduce costs. It was pleasing to note that as a result Total Expenditure had been reduced over the year by £8k to £131,620. Grants had been reduced by £11K to £56,171, which was mostly as a result of a reduction in the number of regular grants. Trustees are very conscious of the significant proportion of support and administration costs expended in relation to the funds available for charitable purposes. Whilst the principle aim of the charity is to disburse funds to those in need, the Trustees were keen to point out that much good work is also done to advise and assist clients in difficulty and the Guild's effectiveness should not only be measured purely in terms of the financial assistance provided.

A significant review of the accounts had been undertaken with the Independent Examiner. Much of the changes are in the fine detail but the most notable change has been in the provisions of liabilities for future grants. Legally, the Guild does not have a liability to pay regular grants and in extreme circumstances these could be stopped at any time. In previous years a significant notional liability had been shown in the accounts which significantly reduced the true value of the Guild. In the last financial year this was shown as a liability of approximately £568K. The Trustees decided that in future this figure should reflect the true position and have agreed the notional liability figure of £31,892, which reflects 12 months' notice to regular beneficiaries of the stoppage of grants.

The Guilds Reserve Policy is described in the Annual Report. Funds are required to cover the ongoing aim of paying regular grants for the foreseeable future, as well as supporting new applicants. With this in mind it is important that the level of reserves should be sufficient to

provide the major parts of the Guilds income over the longer term. For many years the Guild's expenditure has significantly exceeded income. This is only acceptable when, over a reasonable period, the investment portfolio achieves a balancing capital growth to provide additional income to balance the books. With stock markets unable to supply the income the Guild needs with the current low to medium risk investments, it is clear that fundraising is the only real solution to securing an increase in income. In the past, efforts have been made within the limited capacity and experience of the Board of Trustees but the Trustees now need to look more closely at professional help and consider whether making a significant investment in fundraising is the most cost effective way to maintain the future viability of the charity.

In conclusion, the Honorary Treasurer thanked all those who freely give their time and effort to the Guild including Neil Darby. He thanked the IMarEST Finance Team, Tracey Sheehan and Samuel Mamphey who greatly assist the Guild. He also thanked the Guild's Administrator, Karen Lendor, for all her hard work, good humour and unflagging commitment to the Guild's beneficiaries.

The Honorary Treasurer then advised the Members that he had contacted Sarasins, the Guilds Fund Managers, and they are advising that the Guild's income for this year will be around the same as last year. The Fund enables them to hold money in reserve and when required they will use the reserves. The Honorary Treasurer advised that year end last year the valuation of the portfolio was £ 3.2 million, in preparation for the AGM he had spoken with the Fund Managers yesterday and had been told that the fund was currently at £ 2.75 million, the Honorary Treasurer was surprised that the Guild had done so well and he was happy with this figure.

The Honorary Treasurer commended the Annual Report to the meeting.

### **REPORT OF THE INDEPENDENT EXAMINER**

Mr Edward Finch of Buzzacott LLP gave the Report of the Independent Examiner.

The Chairman asked if, before the motion of adoption of the Annual Report and Financial Statements for the year ended 2019 were put to the meeting, the members had any questions:

There being no questions, the adoption of the Annual Report and Financial Statements was moved by the Chairman, Eur Ing P S Rickaby, and seconded by the Honorary Treasurer, Cdr W K Ridley. The Chairman put the motion for the adoption of the Annual Report and Financial Statements to the meeting and declared the motion carried without opposition.

### **APPOINTMENT OF THE INDEPENDENT EXAMINER**

The following motion was put to the meeting by the Chairman, Eur Ing P S Rickaby and seconded by Mr R S Clench, "that Buzzacott LLP be re-appointed to hold office as Independent Examiner until the conclusion of the next Annual General Meeting and that the Committee be authorised to fix their remuneration".

The motion was carried without opposition.

### **ELECTION OF TRUSTEES**

Item 3 on the Notice of Meeting required the election of Members of the Guild to serve as Trustees on the Committee of Management to fill the vacancies arising from those Trustees retiring at the meeting, namely:

W K Ridley, Honorary Treasurer (the post of Hon Treasurer is elected annually)T Aston, not eligible for re-election until the 2021 AGM  
M J C Crabbe, not eligible for re-election until the 2021 AGM

Standing as Treasurer and Trustee:

W K Ridley,

Trustees:

P J Blacklock  
N Darby  
B McDearmid  
A S White

The Chairman thanked the retiring Trustees for their unstinting work on behalf of the Guild then announced the result of the ballot. Those elected were:

Honorary Treasurer:

K Ridley (deemed to be elected unopposed in accordance with Rule 6.3.2)

Trustees:

N Darby  
B McDearmid

**Secretary's Note:**

(Mr M Murphy, who was elected unopposed as Honorary Treasurer of the IMarEST for 2020-2021 and took office at the Institute's Annual General Meeting held on the 2<sup>nd</sup> April 2020 was automatically appointed an ex-officio member of the Committee of Management under the terms of Rule 6.2.1 of the Guild Rules 2013.

Mr D Loosley, Secretary and Chief Executive IMarEST, automatically assumed the ex-officio office of Honorary Secretary to the Guild.)

The Chairman then gave the members of the meeting the opportunity to raise questions. A question had been received by email from the Guild Life Member Sajid Hussain, Commandant, Bangladesh Marine Academy, he asked how the dependants of a deceased member of the Guild can be considered for a benefit. The Chairman answered that if the deceased was a member of the Guild, or the IMarE or IMarEST or was a UK certificated Marine Engineer or a global mercantile shipping certificated Marine Engineer or was a certificated Marine Electrical Engineer then the dependants can apply for assistance by contacting the Guild office. The dependants will then be asked to complete an Application for Financial Assistance form. The Trustees will then consider the application and make a decision on what assistance to be granted. The Chairman went on to say that the Guild is actively looking for those people that need the Guild's assistance. He felt that the younger generation in particular are falling on hard times and he believed the Guild will be receiving more applications from this spectrum.

Wyn William's, Guild Trustee, thanked the Chairman and Honorary Treasurer for their reports. He then mentioned that in considering the options for the Guild's future operation then he believed that the Guild should move forwards from where it was at present to look at increased fundraising, but merger with another charity was an option which could not be taken off the table.

The Chairman thanked Dr Williams for this feedback, and as there were no further questions or comments, he concluded the business of the meeting.

The Chairman thanked all the Members present for their attendance and wished them and their families all the best in the difficult times ahead with facing the Covid-19 virus. The Chairman then declared the 86<sup>th</sup> Annual General Meeting of the Guild closed.

CHAIRMAN.....

DATE.....