



**PAG**

Professionals Aid Guild

# Annual Review and Report

# 2016



## PROFESSIONALS AID GUILD

*Patrons:*

His Eminence the Cardinal Archbishop of Westminster  
Master of the Queen's Music: Judith Weir CBE  
The Free Churches Moderator  
President of the Royal Academy of Arts: Christopher Le Brun  
The Rt Hon the Lord Mayor of London  
President of the Royal College of Physicians  
President of the Royal Society: Sir Venki Ramakrishnan  
Lady Solti

*President:*

C H D Everett CBE

10 St Christopher's Place  
London W1U 1HZ

Tel: 020 7935 0641

Email: [admin@professionalsaid.org.uk](mailto:admin@professionalsaid.org.uk)

Website: [www.professionalsaid.org.uk](http://www.professionalsaid.org.uk)

Registered under the Charities Act 1960 No: 207292  
Company No: 00174262

## MEMBERS OF COUNCIL

Actors' Benevolent Fund – Mr S Crozier  
Mr J Aisher  
Mrs J Anderson  
Architects' Benevolent Society – Mr K Bingham  
Artists' General Benevolent Institution – Mr B Feltham  
Association of Chartered Certified Accountants – Dr M Kedslie  
Association of Teachers' and Lecturers' Trust Fund – Mr A Brown  
Mrs L Carmichael  
Catholic Education Service – Mr P Barber  
Chartered Accountants Benevolent Association – Ms K Haines  
Mr R J Caton  
Chartered Institute of Journalists – Mr D Cooper  
Chartered Society of Physiotherapy Charitable Trust – Miss B Davis  
Chemists' Community Fund – Ms S-L Tomlin  
College of Podiatry – Mr P Bennett  
Mrs P Crosthwaite  
Mr C H D Everett  
Free Churches Group – Revd P Rochester  
Friends of the Elderly – Mrs R Lomas  
Futures for Women – Ms J Murray  
Mrs B Greenslade  
Headmasters' and Headmistresses' Conference – Dr W Richardson  
Help Musicians – Mr R Robinson  
ICE Connect – Mrs K L Barnett  
IET Connect – Miss C Hobden  
Incorporated Society of Musicians Members' Fund – Mrs C Aldred  
Institute and Faculty of Actuaries – Mr D Cribb  
Institution of Structural Engineers Benevolent Fund – Mr S Craddy  
Mrs L Keenan  
Mrs A Legge  
Mrs A Lewis  
Lionheart – Ms D Goodchild  
Mary Feilding Guild – Ms M McGloin  
Medical Women's Federation – Dr C Gerada  
Officers' Association – Mr N Hare  
Royal Aeronautical Society – Mr S C Luxmoore  
Royal College of Midwives' Benevolent Fund – Mrs C Tiernan  
Royal College of Nursing – Mr L Allett  
Royal College of Physicians – Mr I Bullock  
Royal Medical Benevolent Fund – Mrs C Bogle  
Royal Naval Officers Charity – Commander M Goldthorpe  
Royal Society of Musicians of Great Britain – Ms C Penton-Smith  
Schoolmistresses and Governesses Benevolent Institution – Mr B Puddicombe  
Seafarers UK – Mrs R Whitehorn  
Society of Authors – Ms S Baxter  
Society of Schoolmasters and Schoolmistresses – Mr J A Davison  
Solicitors' Benevolent Association – Mr T Martin  
Dr M G Springham

Support Network – Ms A Broadhead  
The Chartered Secretaries' Charitable Trust – Mr R C Grigg  
The Edridge Fund of Napo – Ms C Dunkley  
The Guild of Aid  
The Law Society – Mr A Dobson  
The Members' Benevolent Trust – Dr B Rickinson  
Vetlife – Mr G Little  
Mr P C R Young



## **PAC EXECUTIVE COMMITTEE**

In November 2015, the boards of the Professionals Aid Council (PAC) and its associated charity, The Guild of Aid, began to consider merging the two funds for the practical advantages that would accrue to the administration and ultimately for the benefit of applicants.

The final decision to enter into the process was taken in March 2016. Following legal advice, the model was to transfer the major part of the Guild's assets from the Guild to PAC, leaving a small balance in the Guild. This would ensure the continued existence of the Guild as a legal entity to facilitate collection of any future donations to the Guild.

The process was completed on October 31, 2016, when the Deed of Transfer of Charitable Undertaking between the Professionals Aid Council and The Guild of Aid was signed by the chairmen of both charities.

The boards agreed to change the name of the Professionals Aid Council (PAC) to the Professionals Aid Guild (PAG). However, the Professionals Aid Council retains its original company name on the register at Companies House. Hence, the Report and Financial Statements will continue to use the name PAC.

## **ANNUAL GENERAL MEETING 2016**

The Chairman, Mr Christopher Everett, opened the meeting by welcoming members of Council, guests and friends to the 93<sup>rd</sup> AGM of the Professionals Aid Council. He said that even a small charity like PAC could offer hope to individuals and families – and he felt that this was the real meaning of charity. He quoted some figures from the 2015 annual review. PAC had supported 186 beneficiaries in 2015 by means of direct financial help or gifts to purchase much-needed items, like insurances or white goods. He was delighted that the charity, with over one hundred years of giving, continued to do good works.

Mr Everett expressed his thanks to members of all the committees – Executive, Investment, Case and Education – who voluntarily gave their time to the work of the charity. He wanted to thank the Honorary Treasurer, Dr Springham, who kept the charity in such good financial order. He also mentioned that PAC had a small team of staff and he was indebted to them for the service they gave beneficiaries and committees.

## **THE BEGINNING**

At its founding in 1914, the aim of the Professionals Aid Guild was to help members of various professions and their dependents, for whom such help was not otherwise available. Then, as now, there were many occupational funds offering advice and financial aid to their members. PAG differs in that it has a more “open” policy and is able to assist individuals and families from any professional background who hold a degree or equivalent qualification, rather than being restricted to a particular profession.

PAG continues to help professionals and graduates throughout the UK. The charity can make a real difference to those affected by redundancy, illness, disability, family breakdown or poverty in retirement. Where appropriate, PAG advises applicants to contact their own professional body. However, there are still many applicants who are regarded as professionals, but who do not qualify for help from a specific professional fund. For these individuals, PAG can frequently offer advice and support – and may be the only organisation which can help at a time of financial hardship.

PAG works closely with other charities. Its associated charity, The Guild of Aid (the Guild), has broadly similar objectives and many of PAG's beneficiaries receive grants and gifts from both charities. The two charities share staff, office accommodation and expenses, including staff costs.

## **CURRENT WORK**

PAG and its specialist committees consider each case in detail. Grants and gifts are tailored to individual needs. PAG is able to help in a number of ways, for example:

- a weekly grant to assist with living expenses
- a contribution towards essential household furniture
- help with the cost of school uniforms, stationery or travel costs
- grants for university students towards fees, books or dissertation costs
- assistance towards the cost of essential repairs to the home
- a contribution towards care home fees, in partnership with other charities.

Whilst grants are often quite small, they frequently make a substantial difference to the person involved. In 2016, the average amount PAG awarded per beneficiary increased to £658, compared to £546 in 2015. PAG collaborates with a number of organisations and professional bodies to achieve a more satisfactory result. On occasions, applicants may be referred to other agencies for more specialist advice.



## PAG ANNUAL REVIEW 2016

In 2016, the number of enquiries for assistance increased by about 70% on the previous year. Some of the factors contributing towards this include:

- the economic climate, redundancies and increased cost of living
- PAG website listed on a greater number of “search” engines
- more extensive marketing of the charity to other organisations
- the rise in university fees, with more students chasing fewer resources
- closer co-operation with other funds, who refer applicants to PAG for support
- fewer funds offering weekly grants
- other charities limiting support to a fixed period of one or two years
- wider use of the internet by applicants

One of PAG’s major strengths is its ability to network with a number of similar funds to achieve a better result for the beneficiary. Funds which no longer give weekly grants frequently refer eligible applicants to PAG. In other situations, like care home fees, PAG can work in partnership with other charities to contribute towards these costs.

Help given by PAG may include financial support for children at school, or enable university students to complete their studies. It may involve either short-term assistance for someone temporarily unemployed, or continuing support for those with long term illness. Many of the beneficiaries are in regular contact with the charity and below we give a brief account of how the support from PAG has affected some of those individuals.

### **In 2016, the Professionals Aid Guild helped a number of beneficiaries including:**

Mr A, 40, lives with his wife and daughter (aged 17). Both the PAG Case and Education Committees have been helping the family since 2012. Mr A’s wife suffers from an inoperable brain tumour and is unable to work. Mr A was a teaching assistant, but gave up employment to become his wife’s full time carer. He has since returned to study through the Open University and has obtained his degree and MA. In 2016, PAG increased the family’s weekly grant to £30 per week and awarded gifts of TV licence, monetary gift and contents insurance. PAG Education Committee granted a one-off monetary gift of £300 towards their daughter’s school expenses.

Mr A wrote on several occasions “Thank you so much for all the kind help that you have organised this year. The PAC has truly changed our life for the better. May I wish you a Happy Christmas and wonderful new year”.

“Thank you so much for helping towards our daughter’s school expenses. This is her most important year and with your help she now has a really good chance of pursuing her dream of going to university”.

Miss B, aged 49, lives with her son aged 14. Her partner left their home when her son was a few months' old, after incidents of domestic violence. Miss B's father died in 2015 and her mother is in poor health. Miss B has been a school teacher since 2008 and has been training to become an examiner. She has recently been offered a new job. PAG awarded her a one-off monetary gift towards new clothing.

Miss B wrote "I would like to thank you for your generous gift towards the cost of clothing in preparation for taking up my new position. My acceptance as an examiner has just been confirmed. I would like the committee members to know how appreciative I am for their gift at this time".

Miss C is single, aged 39, and suffers from anxiety and depression. She is unable to work at present and receives Employment and Support Allowance. Miss C has had many short term jobs and has worked in various roles within the retail industry. PAG awarded her a weekly grant of £30 per week, a TV licence gift and monetary gift.

Miss C wrote "I would like to say a sincere thank you for all the financial support that has been awarded to me. After an incredibly difficult year, this has provided me with the fresh start I have been praying for. Have a wonderful Christmas and a brilliant New Year".

Miss D, 23, is a 5<sup>th</sup> year medical student. Her mother was widowed in 2012 and is unable to offer financial support. Miss D's course fees are covered by a student loan. She can no longer undertake part-time employment because of her course commitment. PAG Education Committee granted her £400 towards living expenses for the final year of her degree course - BMBS (Bachelor of Medicine, Bachelor of Surgery).

Miss D wrote "Thank you for your contribution to my final year of academic study. I have recently passed my medicine finals and I am a newly qualified doctor. Due to your contribution I was able to focus on my studies and achieve my potential. I can finally call myself a doctor and I am now able to live my lifelong dream and hopefully contribute to changing the world. I will be contributing to your charity in the future when I am financially stable".

Mr E aged 46 is serving a 10-year prison sentence. He is due to be released in 2019 and is considering bookkeeping as an alternative career on his release. He is pursuing a distance learning course leading to an Institute of Certified Bookkeepers certificate. Another charity paid the course fees. PAG Education Committee granted £115 to Mr E towards the registration cost and exam fees.



Mr E wrote "Thank you very much for funding my bookkeeping exam. I received the results today and was pleased to find that I had passed part two of the exam (having passed part one in December), so I have now earned the Level 2 Certificate from the ICB".

Miss F is 34 and has a history of being sexually abused. As a result she became homeless and suffers from mental health issues. Miss F earns a modest salary as a gallery assistant. She recently moved into a new council flat and requested help to get back on her feet. PAG awarded her a one-off monetary gift of £150.

Miss F wrote "I am incredibly happy for the award. Thank you so much. I will now be able to install needed curtains as with my mental problems I am struggling with feeling safe when I sleep".

Miss G, aged 41, has been suffering from poor health for a year. As a result, she has been unable to work as a teacher. She lives alone and struggled with household bills and furnishing her flat. She receives financial assistance from education charities, including one which helps her manage her debts. PAG awarded her a grant of £25 per week and a monetary gift of £300.

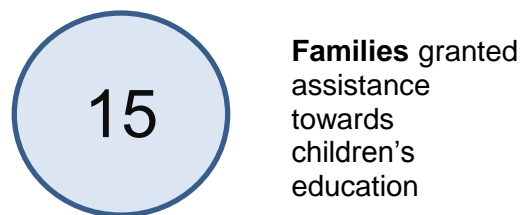
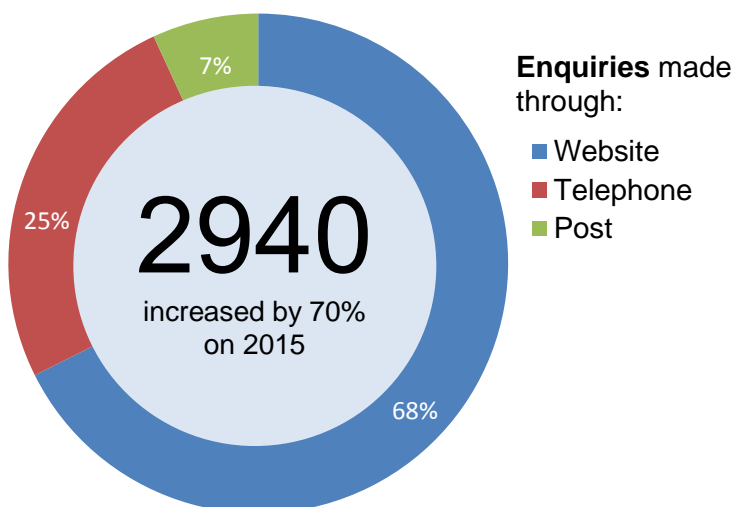
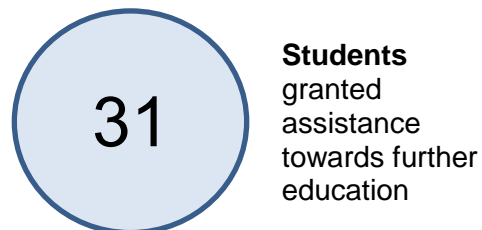
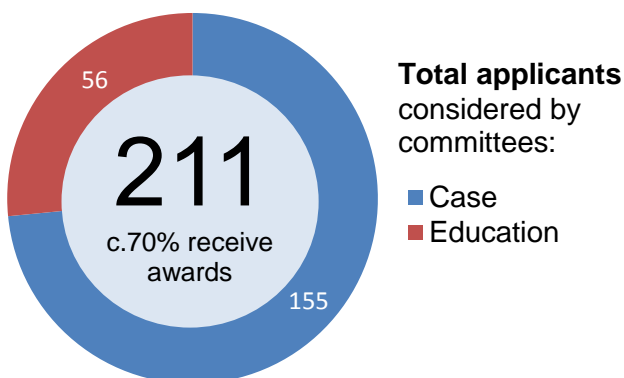
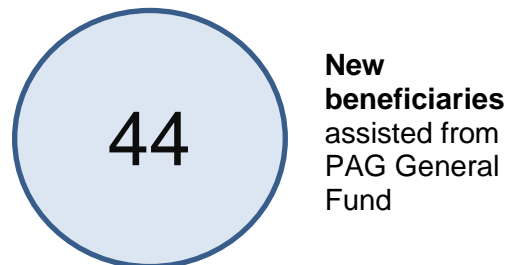
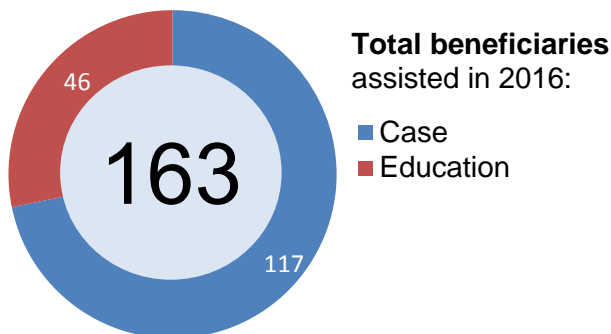
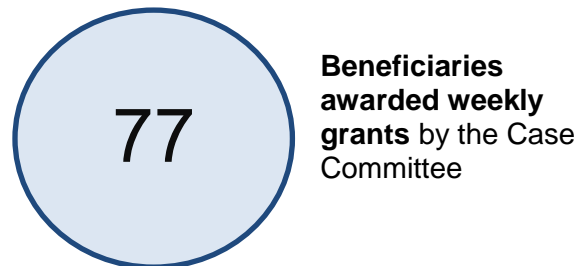
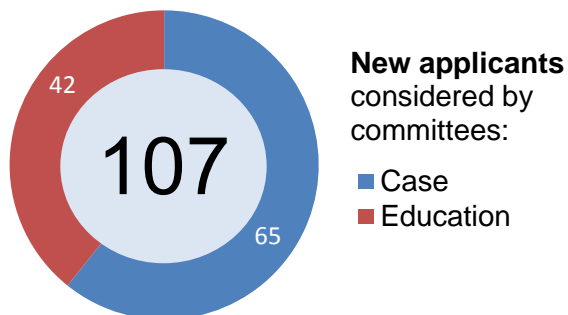
Miss G wrote "Thank you for all the help and support you are giving me. It is making a huge difference. Thank you for the lovely surprise of the Christmas gift".

Mrs H, aged 33 is separated from her husband and lives with her daughter aged 6. She is studying for a PhD. Due to illness in the family, her parents can no longer support her financially. Mrs H works at several part-time jobs, in order to support herself and her daughter. The Education Committee granted her £500 towards tuition fees and thesis expenses for the second year of her PhD.

Mrs H wrote "My heart was filled with joy and gratitude for the kindness your organisation has shown to me. Thank you for your generous grant. I greatly appreciate it and I wish to express my gratitude toward your kindness and confidence shown towards me. I wish your organisation many more years of endless resources, of greater impact and resounding successes. I am very happy to be of any help to your organisation and to support your cause in any way possible in the near future. I will not fail to send you a copy of my thesis and some of the outcomes of my study at the end of my programme".

# THE PROFESSIONALS AID GUILD 2016

In 2016, PAG provided advice, information and financial support to a range of professionals in need.



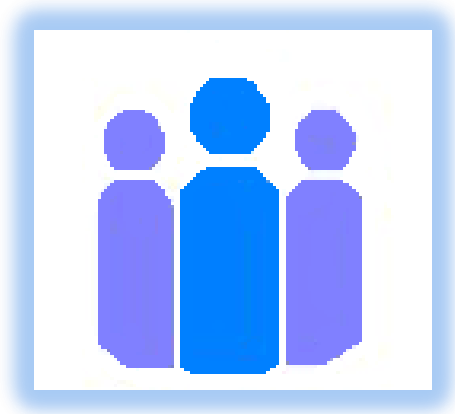
**£107,297\***

**Total amount awarded in 2016**

\*this figure includes amounts awarded both for general assistance and education

## WITH GRATEFUL THANKS

Throughout the year, a number of individuals and organisations have supported the work of the Professionals Aid Guild. We would like to express our gratitude to them and to committee members and staff.



In 2016, PAG spent over £107,000 in supporting beneficiaries. You can help PAG to continue this work through a donation, legacy or Gift Aid - see website [www.professionalsaid.org.uk](http://www.professionalsaid.org.uk) for full details or contact the charity at [admin@professionalsaid.org.uk](mailto:admin@professionalsaid.org.uk)

**PROFESSIONALS AID COUNCIL**  
**(A Company Limited by Guarantee not having a Share Capital)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

Company no. 00174262

Registered Charity no. 207292

**PROFESSIONALS AID COUNCIL**  
**(A Company Limited by Guarantee not having a Share Capital)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**REGISTERED OFFICE**

10 St Christopher's Place  
London  
W1U 1HZ

Company no. 00174262  
Registered Charity no. 207292

**BANKERS**

Coutts & Co.  
440 Strand  
London  
WC2R 0QS

Cater Allen Private Bank  
9 Nelson Street  
Bradford  
BD1 5AN

Santander Commercial Bank  
Bootle  
Merseyside  
G1R 0AA

**INVESTMENT ADVISORS**

Rathbone Investment Management Ltd  
1 Curzon Street  
London  
W1J 5ED

**AUDITORS**

haysmacintyre  
26 Red Lion Square  
London  
WC1R 4AG

**SOLICITORS**

RadcliffesLeBrasseur  
85 Fleet Street  
London  
EC4Y 1AE

**PROFESSIONALS AID COUNCIL**  
**(A Company Limited by Guarantee not having a Share Capital)**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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The Board presents the report and financial statements of the Professionals Aid Council (PAC) for the year ended 31 December 2016. The Statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) - Charities SORP FRS102 (effective 1 January 2015). The Report and Statements also comply with the Companies Act 2006 as the Professionals Aid Council is a Company limited by guarantee and has no share capital (No. 00174262). It is a Registered Charity (No. 207292). PAC is governed by its Articles of Association.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

During the year, it was agreed by the Board of PAC to accept the transfer by deed of the assets and liabilities of The Guild of Aid (the Guild), save for £250. The transfer was effected on 31 October 2016. PAC has undertaken to continue the activity of the Guild unchanged. £250 is held in trust by PAC for the Guild, which is now dormant.

PAC is a membership organisation whose members are collectively known as the Council. The Members of the Council are as listed in the Annual Review obtainable from the registered office.

**EXECUTIVE COMMITTEE AND DIRECTORS**

PAC's strategic activities are managed by the Executive Committee, whose members are the directors of the charitable company and act as the trustees for the charitable activities of the charitable company, and which may empower other Committees to act. Members of the Executive Committee are elected from members of Council. Members of the Executive Committee serve for a term of three years and may be appointed to serve for further terms. The Executive Committee meets four times during the year and may hold additional meetings if necessary.

In fulfilling their activities the Executive Committee are assisted by the staff team, headed by the Chief Executive Officer. A scheme of delegation is in place and day-to-day responsibility for management of the organisation is delegated to the Chief Executive Officer and in her absence, the Grants and Information Manager.

Members of the Executive Committee are all volunteers, those serving for the year were:

|                              |   |
|------------------------------|---|
| Mr C H D Everett, CBE        | Chairman until 17/11/2016   |
| Mrs A Lewis                  | Deputy Chairman (resigned 24/03/2016; re-appointed 01/11/2016)              |
| Dr M G Springham, BSc, FCA   | Honorary Treasurer  |
| Mrs J Anderson               |   |
| Mrs L Carmichael             | (resigned 24/03/2016; re-appointed 01/11/2016)                              |
| Mr R J Caton, RD, FAIA, FIAM | (resigned 24/03/2016)   |
| Mr P C R Young, FCA          | (resigned 24/03/2016)   |
| Mrs Lara Keenan              | (resigned 24/03/2016; re-appointed 01/11/2016)                              |
| Mr Johnny Aisher             | (resigned 24/03/2016; re-appointed 01/11/2016;<br>Chairman from 17/11/2016) |

Staff in attendance:

|                |                         |
|----------------|-------------------------|
| Ms F McNicholl | Chief Executive Officer |
|----------------|-------------------------|

The Executive Committee empowers other Committees to act. Each Committee has its own Terms of Reference. Investment matters are dealt with by the Investment Committee which meets twice yearly and its reports are presented to the subsequent Executive Committee meeting. Welfare matters are dealt with by the Case Committee and the Education Committee. The Chairmen present the respective Committee reports to the Executive Committee meetings.

All Committee members are volunteers and attend meetings regularly throughout the year. Trustees commit a combined total of approximately 604 hours per annum to administer the charity; other volunteers devote a combined total of approximately 424 hours each year to the work of the Professionals Aid Council.

**PROFESSIONALS AID COUNCIL**  
**(A Company Limited by Guarantee not having a Share Capital)**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**INVESTMENT COMMITTEE**

Members of the Investment Committee met twice during the year to oversee the management of the investments to ensure that funds are available to maintain the charity and provide financial support to beneficiaries.

Those Committee members serving for the year were:

|                              |                       |
|------------------------------|-----------------------|
| Dr M G Springham, BSc, FCA   | Chairman              |
| Mr J Aisher                  |                       |
| Mrs J Anderson               |                       |
| Mr R J Caton, RD, FAIA, FIAM | (resigned 24/03/2016) |
| Mr C H D Everett, CBE        |                       |
| Mrs L Keenan                 |                       |
| Mrs A Legge                  |                       |
| Mrs A Lewis                  |                       |
| Mr P C R Young, FCA          | (resigned 24/03/2016) |

**CASE COMMITTEE**

Members of the Case Committee met eight times during the year. Members decide upon requests for financial assistance and where applicants are not eligible for help from PAC, every effort is made to refer them to alternative sources of help. Where applicants are eligible for support, the Committee members agree on the help to be awarded, which could be in the form of a regular grant or one-off gift.

Those given regular help are subject to an annual review and their situation is monitored throughout the year.

Case Committee members serving for the year were:

|                              |                 |
|------------------------------|-----------------|
| Mrs L Carmichael             | Chairman        |
| Mrs R Whitehorn              | Deputy Chairman |
| Mrs V Barrow                 |                 |
| Mr R J Caton, RD, FAIA, FIAM |                 |
| Mrs P Crosthwaite            |                 |
| Mrs A Legge                  |                 |
| Mrs A Lewis                  |                 |

**EDUCATION COMMITTEE**

Members of the Education Committee met four times during the year. Members decide on requests for financial help from students and families to support certain educational costs.

The Committee supports Further Education students by offering grants to those whose expected funding has broken down since starting essential courses. The Committee usually assists students towards the completion of their course. However, they sometimes help throughout the course if the family is receiving help from PAC. The Education Committee can contribute towards course fees, course expenses, dissertation costs etc.

PAC provides support to children from low income families. This is done primarily by offering termly grants. The Committee will sometimes consider helping towards school uniform expenses or meeting the cost of essential school trips, or a combination of these.

Those given regular help are subject to an annual review.

**PROFESSIONALS AID COUNCIL**  
**(A Company Limited by Guarantee not having a Share Capital)**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**EDUCATION COMMITTEE**

Education Committee members serving for the year were:

|                   |                        |
|-------------------|------------------------|
| Mrs J Anderson    | Chairman               |
| Mrs B Greenslade  | Deputy Chairman        |
| Mrs C Bogle       |                        |
| Mrs S Chen Cooper | (appointed 12/05/2016) |
| Mr J A Davison    |                        |
| Mrs A Legge       |                        |
| Mrs A Lewis       |                        |

**SELECTION OF DIRECTORS AND INDUCTION TRAINING**

Induction and training of new committee members is implemented by the Chief Executive Officer through informal meetings and the provision of relevant documents including PAC's Articles of Association and the Charity Commission publication 'The Essential Trustee'. Opportunities exist for new members to meet with staff members to familiarise themselves with the day to day operation of the charity. Committee members are kept informed, by email and at meetings, of new relevant information and legislation, and of opportunities for further training,

PAC's Articles of Association do not prescribe an age limit or term of office for membership of the Executive Committee.

**RISK MANAGEMENT**

During the year the Executive Committee reviewed the major strategic, business and operational risks that the charity faces. The Executive Committee has assessed the key risks which may impact on the charity and is ensuring that systems and procedures exist to minimise these risks. The Executive Committee reviews risks on an annual basis, to ensure that risk management is kept up to date.

**RESERVES POLICY AND PERFORMANCE**

The Executive Committee regularly reviews the charity's reserves policy. The level of reserves held is influenced by the annual budget, grant commitments, economic factors and investment returns. The policy is to maintain sufficient reserves to cover anticipated net expenditure for a 15 year period and this equates to approximately £4.5 million. At 31 December 2016, the general funds were just over £5.0 million. These funds were held mainly as investments in order to guarantee a sustainable continuation of the charity's work. These funds should allow the charity to continue its current activities and ensure a sound financial basis for the future.

**INVESTMENT POLICY**

The investment objectives are to achieve long-term capital appreciation at least sufficient to offset the impact of inflation, to generate a reasonable income yield and to ensure that an appropriate level of accessible funds is maintained.

Discretionary investment powers, subject to certain conditions, have been granted to PAC's stockbrokers, Rathbone Investment Management Ltd. The Investment Committee meets twice a year with its stockbrokers and the performance and policy are reviewed annually.



**PROFESSIONALS AID COUNCIL**  
**(A Company Limited by Guarantee not having a Share Capital)**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**OBJECTIVES, STRATEGIES, ACHIEVEMENTS AND FUTURE DEVELOPMENTS**

**OBJECTIVES AND ACTIVITIES**

The Professionals Aid Council is a charity, founded in 1914 to help members of the various professions and their dependants, for whom such help was not otherwise available. More than one hundred years later, PAC continues to offer advice and financial support to individuals and families in need.

The Professionals Aid Council also sets aside a budget for educational purposes and this is aimed at helping children and students. With effect from 1 November 2016, PAC has an additional fund, "The Guild of Aid", the objects of which are: the relief of poverty in those of good educational background.

These aims remained the same in 2016.

**PUBLIC BENEFIT**

The Executive Committee confirms that it has complied with the duty in section 17 of the Charities Act 2011 to have due regard to Public Benefit Guidance published by the Charity Commission in determining the activities undertaken by the charity. The Executive Committee confirms that in planning the activities of the Professionals Aid Council it has given careful consideration to how the charity has fulfilled its charitable objectives. The Aims and Achievements sections of this report clearly set out the activities which the charity undertakes for the public benefit.

The policy of the Professionals Aid Council is to support residents of the United Kingdom from a professional background who are in genuine need, irrespective of age. Where appropriate, applicants are referred to other occupational funds.

Benefits are in the form of regular monthly grants, and/or gifts towards day-to-day living expenses, and/or single grants for specific immediate needs.

PAC does not exclude or give priority to applicants on the basis of their gender, nationality, religious or ethnic background and maintains formal equalities monitoring.

PAC welcomes applications from professionals living in the United Kingdom. The charity advertises on its own website and other charity websites and search engines. PAC distributes leaflets to individuals and organisations and makes presentations on its charity work at appropriate events.

**STRATEGIES**

**General Advice and Financial Help**

General Funds including Annual Grant Funds and Restricted Funds including the Guild funds: PAC provides support to applicants by offering advice as appropriate. This may be by referring individuals to occupational or other benevolent funds or to other agencies that can meet their needs more appropriately.

Applicants whose needs are not met by their own trade or professional fund, or do not have one to call on and who meet the criteria for PAC, will have their request considered by the Case Committee.

The Case Committee decides the level of assistance to be awarded. This could be a regular grant, regular gifts, one-off gifts or a combination of these payable to the applicant. PAC also works with other funds and pays grants and/or gifts for an applicant via other organisations.

**Educational Advice and Financial Help**

Education Funds: PAC supports children from low income families who come within scope of the fund, mainly by the provision of termly grants. The Education Committee will sometimes consider helping towards school uniform expenses or meeting the cost of essential school trips, or a combination of these.

**PROFESSIONALS AID COUNCIL**  
**(A Company Limited by Guarantee not having a Share Capital)**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**STRATEGIES (continued)**

**Educational Advice and Financial Help (continued)**

The Education Committee also supports students by providing information and advice. This may include referring applicants to appropriate sources of help, including other funds. The Education Committee normally assists students towards the completion of their course by offering grants to those whose expected funding has broken down since starting their course. However they sometimes help students throughout their course if the family is receiving help from PAC. The Education Committee can contribute towards fees, course expenses, dissertation costs, etc.

It is the opinion of the trustees/directors that visiting applicants and beneficiaries is not practical (except in special circumstances) given the fact that beneficiaries are spread throughout the United Kingdom.

**ACHIEVEMENTS**

During the year PAC received 2940 (2015: 1731) initial enquiries for financial help for general assistance and for costs towards education. There were 83 new beneficiaries, the charity continued to assist 80 existing beneficiaries, total beneficiaries 163 (2015: 186). In addition, PAC dealt with a substantial number of re-applications, requests for further help from beneficiaries, and enquiries that resulted in referrals to other funds or organisations.

|  | <b>Enquiries</b> | <b>New Applicants</b> | <b>New Beneficiaries</b> |
|--|------------------|-----------------------|--------------------------|
| General Fund<br>(including Annual Grant Funds<br>and Restricted Funds) | 1898             | 65                    | 44                       |
| Further Education  | 893              | 34                    | 31                       |
| Children's Education   | 149              | 8                     | 8                        |
| Total  | <u>2940</u>      | <u>107</u>            | <u>83</u>                |

The total amount awarded during the year was £107,297 (General assistance £91,068; Education £16,229).

During the year, help was awarded as follows:

The Case Committee gave weekly grants to 77 beneficiaries. Other beneficiaries received help towards TV licences, household insurance, road tax and car insurance, and one-off grants, which included help towards the purchase of clothing, beds, cookers, household items, travel and central heating.

These grants significantly improved the quality of life for PAC's beneficiaries.

The Education Committee awarded grants and gifts towards children's education to 15 families and one-off grants to 31 Higher/Further Education students.

**FUTURE DEVELOPMENTS**

The charity intends to continue offering support and financial assistance to eligible individuals in need.

PAC seeks beneficiaries by advertising appropriately in the media, on its website and by circulating leaflets about the charity to organisations and at appropriate events.

**PROFESSIONALS AID COUNCIL**  
**(A Company Limited by Guarantee not having a Share Capital)**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**RELATED CHARITY AND TRANSFER OF ASSETS**

PAC is associated with The Guild of Aid (the Guild), with which it shared office accommodation and expenses, including staff costs. Further details are given above and in Note 14 to the accounts. The Guild is a Friendly Society and Exempt Charity (No. FS 31/BEN) and its principal aims are similar to those of PAC. The Guild's registered address is 10 St Christopher's Place, London W1U 1HZ.

Following an extended review process, agreement was reached with the Guild to transfer the operations of the Guild into those of PAC with effect from 31 October 2016. Although the Guild has very similar objects to PAC, its funds are being kept separate as restricted funds for the time being as the objects differ slightly. PAC carries out the charitable activities of the Guild which is now dormant. The two months of activity included in the 2016 results of PAC are reflected in the financial results discussed below.

**FINANCIAL REVIEW**

The charity had income in the year of £211,393 after net realised and unrealised gains on investments in the year of £316,009. A deficit is expected in 2017 unless there are further significant investment gains.

During the year PAC received income from various sources totalling £117,823 (2015: £108,369). Expenditure during the year was £222,529 (2015: £185,239), comprising Charitable Activities of £206,509 (2015: £172,857), General Advice and Financial Help £175,574 (2015: £139,558), Education Advice and Financial Help £31,235 (2015: £33,299), and Raising Funds (cost of generating donations and legacies and Investment Manager's fees) £16,020 (2015: £12,382). The charity's net expenditure was £104,706 (2015: £76,870), before taking into account net gains on investments of £316,099 (2015: loss of £29,224).

The assets are available and adequate to fulfil the obligations of the charity, with net current assets of £33,818 (2015: net current liabilities £1,283) and fixed assets (including investments) of £5,256,949 (2015: £2,135,170). It should be noted that, in accordance with the requirements of Charities SORP FRS102, investments are quoted at fair value at the balance sheet date and their value may fluctuate.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors who served on the Executive Committee during the year are shown in the preceding section headed 'Executive Committee and Directors'.

The directors (who are also trustees of the Professionals Aid Council for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP FRS102;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

**PROFESSIONALS AID COUNCIL**  
**(A Company Limited by Guarantee not having a Share Capital)**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**AUDITORS**

A resolution to reappoint haysmacintyre as auditors will be proposed at the next Annual General Meeting.

By order of the Executive Committee

F McNicholl  
Company Secretary  
16 March 2017

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
PROFESSIONALS AID COUNCIL  
(A Company Limited by Guarantee not having a Share Capital)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROFESSIONALS AID COUNCIL**

We have audited the financial statements of the Professionals Aid Council for the year ended 31 December 2016, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Standards including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of trustees, directors and auditors**

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its net movement in funds, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

- The information given in the Trustees' Annual Report (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Annual Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

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

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

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

Murtaza Jessa  
Senior Statutory Auditor  
for and on behalf of haysmacintyre  
Chartered Accountants and Statutory Auditors

26 Red Lion Square  
London  
WC1R 4AG

16 March 2017

**PROFESSIONALS AID COUNCIL**  
**(A Company Limited by Guarantee not having a Share Capital)**

**STATEMENT OF FINANCIAL ACTIVITIES (including an Income and Expenditure Account)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

|   | Notes  | Unrestricted funds |                    | Restricted Funds |              | Total Funds      | Total Funds      |
|---|--------|--------------------|--------------------|------------------|--------------|------------------|------------------|
|   |        | General Funds      | Annual Grant Funds | Guild Funds      | Other Funds  | 2016             | 2015             |
|   |        | £                  | £                  | £                | £            | £                | £                |
| <b>INCOME AND ENDOWMENTS FROM:</b>                      |        |                    |                    |                  |              |                  |                  |
| Donations and legacies:                                 | 1(b)   |                    |                    |                  |              |                  |                  |
| Donations and Gifts                                     |        | 5,012              | -                  | 50               |              | 5,062            | 4,769            |
| Legacies  |        | 2,000              | -                  | -                |              | 2,000            | 10,617           |
| Other Trading Activities:                               |        |                    |                    |                  |              |                  |                  |
| Rent receivable   |        | 15,000             | -                  | -                |              | 15,000           | 17,000           |
| Investments   | 1(g)/2 | 72,247             | 3,194              | 20,320           |              | 95,761           | 75,983           |
| <b>Total income and endowments</b>                      |        | <u>94,259</u>      | <u>3,194</u>       | <u>20,370</u>    | <u>-</u>     | <u>117,823</u>   | <u>108,369</u>   |
| <b>EXPENDITURE ON:</b>                                  |        |                    |                    |                  |              |                  |                  |
| Raising Funds   |        |                    |                    |                  |              |                  |                  |
| Cost of generating donations and legacies               | 3      | 3,844              | -                  | -                |              | 3,844            | 3,158            |
| Investment managers' fees                               |        | 9,614              | 476                | 2,086            |              | 12,176           | 9,224            |
| Charitable Activities:                                  | 4      |                    |                    |                  |              |                  |                  |
| General advice and financial help                       |        | 150,047            | 6,148              | 19,079           |              | 175,274          | 139,558          |
| Educational advice and financial help                   |        | 31,235             | -                  | -                |              | 31,235           | 33,299           |
| <b>Total expenditure</b>                                |        | <u>194,740</u>     | <u>6,624</u>       | <u>21,165</u>    | <u>-</u>     | <u>222,529</u>   | <u>185,239</u>   |
| <b>Net expenditure before investment gains/(losses)</b> | 6      | (100,481)          | (3,430)            | (795)            |              | (104,706)        | (76,870)         |
| Net investment gains/(losses):                          |        |                    |                    |                  |              |                  |                  |
| Realised gains/(losses)                                 |        | (5,243)            | 5                  | 292              |              | (4,946)          | 12,700           |
| Unrealised (losses)/gains                               | 9      | 245,181            | 18,196             | 57,668           |              | 321,045          | (41,924)         |
| <b>Net income/(expenditure) before transfers</b>        |        | <u>139,457</u>     | <u>14,771</u>      | <u>57,165</u>    | <u>-</u>     | <u>211,393</u>   | <u>(106,094)</u> |
| Transfers of funds                                      |        | (470)              | 470                | 2,945,487        |              | 2,945,487        | -                |
| <b>Net movement in funds</b>                            |        | <u>138,987</u>     | <u>15,241</u>      | <u>3,002,652</u> | <u>-</u>     | <u>3,156,880</u> | <u>(106,094)</u> |
| <b>Reconciliation of Funds:</b>                         |        |                    |                    |                  |              |                  |                  |
| Funds as at 1 January 2016                              |        | 2,030,099          | 97,813             |                  | 5,975        | 2,133,887        | 2,239,981        |
| Funds at 31 December 2016                               | 13     | <u>2,169,086</u>   | <u>113,054</u>     | <u>3,002,652</u> | <u>5,975</u> | <u>5,290,767</u> | <u>2,133,887</u> |

All amounts relate to continuing operations.

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

The 2015 comparative funds were all unrestricted except for £5,975 of restricted funds brought forward and carried forward to 2016.

**PROFESSIONALS AID COUNCIL (Company registered no. 00174262)**  
**(A Company Limited by Guarantee not having a Share Capital)**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2016**

|                                     | Notes    | 2016           |                         | 2015          |                         |
|-------------------------------------|----------|----------------|-------------------------|---------------|-------------------------|
|                                     |          | £              | £                       | £             | £                       |
| <b>FIXED ASSETS</b>                 |          |                |                         |               |                         |
| Tangible assets                     | 8        |                | 4,917                   |               | 7,530                   |
| Investments                         | 9        |                | 5,252,032               |               | 2,127,640               |
|                                     |          |                | <u>5,256,949</u>        |               | <u>2,135,170</u>        |
| <b>CURRENT ASSETS</b>               |          |                |                         |               |                         |
| Debtors                             | 10       | 10,252         |                         | 3,503         |                         |
| Cash at bank and in hand            |          | 53,231         |                         | 11,541        |                         |
| Short term deposits                 |          | 49,472         |                         | 27,497        |                         |
|                                     |          | <u>112,955</u> |                         | <u>42,541</u> |                         |
| <b>CREDITORS</b>                    |          |                |                         |               |                         |
| Amounts falling due within one year | 11       | (79,137)       |                         | (43,824)      |                         |
| <b>NET CURRENT ASSETS</b>           |          |                |                         |               |                         |
|                                     |          |                | <u>33,818</u>           |               | <u>(1,283)</u>          |
| <b>NET ASSETS</b>                   |          |                |                         |               |                         |
|                                     |          |                | <u><u>5,290,767</u></u> |               | <u><u>2,133,887</u></u> |
| <b>FUNDS</b>                        |          |                |                         |               |                         |
| <b>Unrestricted funds:</b>          |          |                |                         |               |                         |
| General Funds                       | 12&13    |                | 2,169,086               |               | 2,030,099               |
| Annual Grant Funds                  | 12&13    |                | 113,054                 |               | 97,813                  |
| <b>Restricted funds:</b>            |          |                |                         |               |                         |
| Guild Funds                         | 12,13&14 |                | 3,002,652               |               | -                       |
| Other Restricted Funds              | 12&13    |                | 5,975                   |               | 5,975                   |
|                                     |          |                | <u>5,290,767</u>        |               | <u>2,133,887</u>        |

The financial statements were approved and authorised for issue by the Executive Committee on 16 March 2017 and were signed below on its behalf by:

J Aisher  
Chairman

M G Springham  
Honorary Treasurer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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1. ACCOUNTING POLICIES

(a) Basis of Accounting

These accounts are prepared under the historic cost convention. The accounts 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 (FRS102) effective 1 January 2015 (Charities SORP FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Professionals Aid Council (PAC) is a public benefit entity under FRS102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). As a smaller charity, exemption has been taken not to produce a statement of cash flows.

The directors consider there are no material uncertainties about PAC's ability to continue as a going concern. In the directors' opinion, the main financial uncertainties facing PAC are the uncertainty of investment return and the volatility of equity markets affecting the carrying value of investments.

(b) Income

Income is included in the Statement of Financial Activities when the charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably. The following specific policies are applied to specific categories of income:

- Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.
- Legacies are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy with the title of the asset having been transferred to the charity.
- Investment income is credited to income when it is receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.



**1. ACCOUNTING POLICIES (continued)**

**(c) Expenditure**

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

Charitable activities comprise mainly the provision of grants given out in respect of general advice and financial help and educational advice and financial help. Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside the control of the charity.

Support costs have been allocated to charitable activities. Governance activities comprise organisational administration and compliance with constitutional and statutory requirements. Costs include direct costs of external audit, legal fees and other professional advice.

The charity makes certain grants to beneficiaries on the understanding that they are repaid without interest out of the estate on death or if the beneficiary comes into money or moves house. These grants are written off when paid and any repayment received is deducted from grants made in the year of receipt. Grants are accounted for when approved and notified to the beneficiary.

**(d) Depreciation and Fixed Assets**

Depreciation is calculated to write off the cost of leasehold improvements, office furniture, software and equipment over its estimated useful life. In the case of owned equipment, furniture and software this is at the rate of 25% of cost. Leased items are depreciated over the initial lease term. For leasehold improvements it is at the rate of 10% of the reducing balance. Purchases of items costing less than £200 are expensed in the year of purchase.

**(e) Finance leases**

Assets obtained under finance leases are capitalised as tangible fixed assets. These assets are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charges allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligations outstanding in each period.

**(f) Investment gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and the opening market value (or purchased date if later).

**1. ACCOUNTING POLICIES (Continued)**

**(g) Investments**

Investments are a form of basic financial instrument. They are initially recognised at their transaction value and subsequently valued at their fair value at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

**(h) Financial Instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**(i) Significant judgments and sources of estimation uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- Accrued expenses, where bills have not been received before the accounts were finalised;
- Specifically, the anticipated charges for external repairs, which are under the control of the freeholder of the office premises, are periodically recharged to the charity.

**(j) Debtors**

Other debtors are recognised at the settlement amount due less provision for doubtful amounts. They comprise prepayments and repayable grants. The repayable grants were made to certain individuals on the understanding that they would be repaid when a condition was met in the future, for example sale of the beneficiary's house. These repayable grants are not recognised at full value and instead are fully amortised, because of the uncertainty of recovery of the debt at an unknown future date.

**(k) Cash at bank and in hand**

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

**(l) Creditors and provisions**

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

**(m) Pension Scheme**

The company uses NEST for those staff for whom pension contributions are made through auto-enrolment.

**PROFESSIONALS AID COUNCIL**  
**(A Company Limited by Guarantee not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**1. ACCOUNTING POLICIES (continued)**

**(n) Fund Accounting**

The charitable company's unrestricted funds consist of those funds which may be used to meet any of the charity's objectives. These consist of a General Fund and an Annual Grant Fund.

The charitable company administers funds on behalf of other parties and under a scheme approved by the Charity Commissioners. These funds are therefore regarded as restricted. The fund arising from the transfer of net assets from the Guild is also regarded as restricted.

**(o) Cash Flow Statement**

The Trustees have taken advantage of the provision set out in the Charities SORP (FRS 102) Update Bulletin 1 in which smaller charities are no longer required to prepare a cash flow statement, and therefore no cash flow statement is included within the financial statements.

**2. INVESTMENT INCOME**

|  | <b>2016</b>   | <b>2015</b>   |
|--|---------------|---------------|
|  | <b>£</b>      | <b>£</b>      |
| Bank interest                          | 56            | 37            |
| Dividends and interest from securities | 95,705        | 75,946        |
|  | <u>95,761</u> | <u>75,983</u> |

**3. COST OF GENERATING DONATIONS AND LEGACIES**

|                 | <b>2016</b>  | <b>2015</b>  |
|-----------------|--------------|--------------|
|                 | <b>£</b>     | <b>£</b>     |
| Staff costs     | 3,001        | 2,444        |
| Fund raising    | -            | -            |
| Office expenses | 843          | 714          |
|                 | <u>3,844</u> | <u>3,158</u> |

**PROFESSIONALS AID COUNCIL**  
**(A Company Limited by Guarantee not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**4. CHARITABLE ACTIVITIES**

|   | <b>General<br/>Fund<br/>£</b> | <b>Annual<br/>Grant<br/>fund<br/>£</b> | <b>Guild<br/>Fund<br/>£</b> | <b>Restri-<br/>cted<br/>Fund<br/>£</b> | <b>Educ-<br/>ation<br/>Fund<br/>£</b> | <b>Total<br/>Funds<br/>2016<br/>£</b> | <b>Total<br/>Funds<br/>2015<br/>£</b> |
|---|-------------------------------|--|-----------------------------|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Grants to Individuals                   | 77,961                        | 3,194                                  | 9,913                       | -                                      | 16,229                                | 107,297                               | 101,588                               |
| Staff costs*                            | 41,426                        | 1,697                                  | 5,267                       | -                                      | 8,624                                 | 57,014                                | 46,438                                |
| Office expenses                         | 12,241                        | 502                                    | 1,557                       | -                                      | 2,548                                 | 16,848                                | 14,463                                |
| Governance costs                        | 18,419                        | 755                                    | 2,342                       | -                                      | 3,834                                 | 25,350                                | 10,368                                |
| <b>Total charitable<br/>Expenditure</b> | <b>150,047</b>                | <b>6,148</b>                           | <b>19,079</b>               | <b>-</b>                               | <b>31,235</b>                         | <b>206,509</b>                        | <b>172,857</b>                        |

\*Staff costs include time spent on the extensive enquiry and research work needed to support individual applicants and beneficiaries.

**5. GOVERNANCE COSTS  
included in charitable activities**

|                             | <b>2016<br/>£</b> | <b>2015<br/>£</b> |
|-----------------------------|-------------------|-------------------|
| Audit                       | 6,073             | 5,520             |
| Accountancy fees            | 4,087             | 3,262             |
| Legal costs                 | 14,021            | 706               |
| Directors' expenses         | 274               | 124               |
| Trustee indemnity insurance | 895               | 756               |
|                             | <b>25,350</b>     | <b>10,368</b>     |

**6. NET INCOME  
is stated after charging:**

|                                   | <b>2016<br/>£</b> | <b>2015<br/>£</b> |
|-----------------------------------|-------------------|-------------------|
| Auditors remuneration             | 6,073             | 5,520             |
| Depreciation                      | 3,382             | 4,011             |
| Bank interest and similar charges | 536               | 492               |

**7. TOTAL STAFF COSTS**

Average staff numbers during 2016 were 3 (2015: 3). These employees are shared between PAC and its associated charity, the Guild of Aid. These costs were shared in the ratio 50:50 until the transfer and thereafter borne entirely by PAC. The figures below represent PAC's portion of the costs.

Directors received no remuneration in the year (2015: nil). Four directors were reimbursed travel expenses of £274 (2015: £124). No employees earned over £60,000 in the year (2015: nil). Total employment benefits of Key Management Personnel amounted to £58,642 (2015: £44,293).

|                       | <b>2016<br/>£</b> | <b>2015<br/>£</b> |
|-----------------------|-------------------|-------------------|
| Salaries              | 55,293            | 45,442            |
| Social security costs | 4,038             | 3,441             |
| Pension costs         | 81                | -                 |
|                       | <b>59,412</b>     | <b>48,883</b>     |

**PROFESSIONALS AID COUNCIL**  
**(A Company Limited by Guarantee not having a Share Capital)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**8. TANGIBLE FIXED ASSETS**

|                       | Leasehold<br>improvements<br>£ | Office<br>furniture,<br>equipment<br>and software<br>£ | Total<br>£    |
|-----------------------|--------------------------------|--|---------------|
| <b>Cost</b>           |                                |  |               |
| At 1 January 2016     | 19,015                         | 28,413   | 47,428        |
| Additions             | -                              | 769  | 769           |
| Disposals             | -                              | -  | -             |
| At 31 December 2016   | <u>19,015</u>                  | <u>29,182</u>  | <u>48,197</u> |
| <b>Depreciation</b>   |                                |  |               |
| At 1 January 2016     | 16,248                         | 23,650   | 39,898        |
| Charge for the year   | 277                            | 3,105  | 3,382         |
| Disposals             | -                              | -  | -             |
| At 31 December 2016   | <u>16,525</u>                  | <u>26,755</u>  | <u>43,280</u> |
| <b>Net Book Value</b> |                                |  |               |
| At 31 December 2016   | <u>2,490</u>                   | <u>2,427</u>   | <u>4,917</u>  |
| At 31 December 2015   | <u>2,767</u>                   | <u>4,763</u>   | <u>7,530</u>  |

The above fixed assets are all used for direct charitable purposes.

The freehold property, 10 St. Christopher's Place, London W1U 1HZ, was sold by the charitable company on 18 October 1978. The charitable company retained a leasehold interest in the property for a term of 125 years free of rent.

**9. FIXED ASSET INVESTMENTS**

|   | General<br>Funds<br>£ | Annual<br>grant<br>Funds<br>£ | Guild<br>funds<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|---|-----------------------|-------------------------------|---------------------|--------------------|--------------------|
| <b>Analysis of movements in the year</b>                      |                       |                               |                     |                    |                    |
| Market value at 1 January 2016                                | 2,034,963             | 92,677                        | -                   | 2,127,640          | 2,221,064          |
| Transfer from the Guild of Aid                                |                       |                               | 2,937,498           | 2,937,498          | -                  |
| Additions   | 307,600               | -                             | 51,744              | 359,344            | 404,874            |
| Disposals   | (401,885)             | -                             | (91,610)            | (493,495)          | (456,374)          |
| Net (losses)/gains on revaluation<br>at 31 December 2016      | <u>245,181</u>        | <u>18,196</u>                 | <u>57,668</u>       | <u>321,045</u>     | <u>(41,924)</u>    |
| Market value at 31 December 2016                              | <u>2,185,859</u>      | <u>110,873</u>                | <u>2,955,300</u>    | <u>5,252,032</u>   | <u>2,127,640</u>   |
| Historic cost at 31 December 2016                             | <u>1,646,137</u>      | <u>81,658</u>                 | <u>2,085,091</u>    | <u>3,812,886</u>   | <u>1,661,486</u>   |
| The investments at fair value comprise:                       |                       |                               |                     |                    |                    |
| UK Government stock and other interest<br>bearing investments | 246,050               | 7,687                         | 683,419             | 937,156            | 204,252            |
| Quoted equity investments                                     | <u>1,939,809</u>      | <u>103,186</u>                | <u>2,271,881</u>    | <u>4,314,876</u>   | <u>1,923,388</u>   |
| Market value at 31 December 2016                              | <u>2,185,859</u>      | <u>110,873</u>                | <u>2,955,300</u>    | <u>5,252,032</u>   | <u>2,127,640</u>   |

At 31 December 2016, 18% was invested in Government and Corporate bonds (2% relates to United Kingdom Government stock and 16% to other Corporate and other bonds) and 82% in equities (55% relates to United Kingdom equities and 27% to foreign equities). Net realised and unrealised gains in the year were 8.6%, compared with a rise of 12.5% in the FTSE All Share Index.

Dividends and interest from securities totalled £95,705, which is satisfactory, given that the Guild investments were only held by PAC for 2 months of the year.

**PROFESSIONALS AID COUNCIL**

**(A Company Limited by Guarantee not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

|                                       |               |              |
|---------------------------------------|---------------|--------------|
| <b>10. DEBTORS</b>                    | <b>2016</b>   | <b>2015</b>  |
|                                       | <b>£</b>      | <b>£</b>     |
| Prepayments and accrued income        | 10,252        | 3,503        |
| Repayable grants, net of amortisation | -             | -            |
|                                       | <u>10,252</u> | <u>3,503</u> |
| Repayable grants are fully amortised. |               |              |

|  |               |               |
|--|---------------|---------------|
| <b>11. CREDITORS:</b>                                | <b>2016</b>   | <b>2015</b>   |
|  | <b>£</b>      | <b>£</b>      |
| <b>Amounts falling due within one year:</b>          |               |               |
| Tax and social security payable                      | 3,919         | 2,867         |
| Owed to the Guild of Aid                             | 250           | 88            |
| Accruals   | 19,746        | 11,012        |
| Trade creditors                                      | 427           | 953           |
| Allocated and unpaid grants                          | 54,795        | 28,904        |
|  | <u>79,137</u> | <u>43,824</u> |
| Unclaimed allocated and unpaid grants are cancelled. |               |               |

**12. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|   | General<br>Funds | Annual<br>Grant<br>Funds | Restricted<br>Funds* | Total<br>Funds<br>2016 | Total<br>Funds<br>2015 |
|---|------------------|--------------------------|----------------------|------------------------|------------------------|
|   | £                | £                        | £                    | £                      | £                      |
| Fund balances at 31 December 2016 represented by: |                  |                          |                      |                        |                        |
| Tangible fixed assets                             | 4,917            | -                        | -                    | 4,917                  | 7,530                  |
| Fixed asset investments                           | 2,179,884        | 110,873                  | 2,961,275            | 5,252,032              | 2,127,640              |
| Net current assets / (liabilities)                | (15,715)         | 2,181                    | 47,352               | 33,818                 | (1,283)                |
| <b>Total net assets</b>                           | <u>2,169,086</u> | <u>113,054</u>           | <u>3,008,627</u>     | <u>5,290,767</u>       | <u>2,133,887</u>       |

\*Non-Guild restricted were £5,975

**13. MOVEMENT IN FUNDS**

|                       | At<br>1 January<br>2016 | Income         | Expend-<br>iture | Investment<br>Gains | Transfers        | At<br>31 December<br>2016 |
|-----------------------|-------------------------|----------------|------------------|---------------------|------------------|---------------------------|
|                       | £                       | £              | £                | £                   | £                | £                         |
| Restricted funds      | 5,975                   | -              | -                | -                   | -                | 5,975                     |
| - Guild – see Note 14 | -                       | 20,370         | (21,165)         | 57,960              | 2,945,487        | 3,002,652                 |
| Unrestricted funds    |                         |                |                  |                     |                  |                           |
| - General             | 2,030,099               | 94,259         | (194,740)        | 239,938             | (470)            | 2,169,086                 |
| - Annual grant funds  | 97,813                  | 3,194          | (6,624)          | 18,201              | 470              | 113,054                   |
| <b>Total funds</b>    | <u>2,133,887</u>        | <u>117,823</u> | <u>(222,529)</u> | <u>316,099</u>      | <u>2,945,487</u> | <u>5,290,767</u>          |

The purposes of the restricted funds are to distribute funds contributed by other charities in accordance with their wishes. The transfer of £2,945,487 reflects the transfer of funds from the Guild of Aid. The transfer of £470 partly covers the excess of expenditure (other than investment management fees) over income for the Annual Grant Funds.

**PROFESSIONALS AID COUNCIL**  
**(A Company Limited by Guarantee not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**14. RELATED CHARITY**

The charitable company is associated with The Guild of Aid (the Guild), with which it shared office accommodation and expenses, including staff costs. The Guild's share of these items in the year was £53,165 (2015: £63,836) up to 31 October 2016. Rental income of £15,000 (2015: £17,000) has been received from the Guild for the use of office premises.

At 31 October 2016, the assets and liabilities of the Guild (save for £250) were transferred to PAC and the Guild became dormant. PAC has undertaken to continue the charitable activity of the Guild unchanged. Accordingly, the activities formerly carried out by the Guild have been carried out by PAC since the beginning of November and so have been included in PAC's financial records for the final two months of 2016.

Assets transferred from the Guild net of liabilities and reserves on 31 October 2016 were as follows

**Transferred from the Guild:**

|                                    | £                           |
|------------------------------------|-----------------------------|
| Investments                        | 2,937,498                   |
| Prepayments and accrued income     | 3,637                       |
| Cash in bank                       | 54,894                      |
| Less: Commitments to beneficiaries | (44,673)                    |
| Accruals                           | (5,869)                     |
| Reserves                           | (2,945,487)                 |
|                                    | <u>                    </u> |
|                                    | -                           |
|                                    | <u>                    </u> |

At the year-end, £250 was held in trust by PAC for the Guild (2015: £88).

**15. FINANCIAL INSTRUMENTS**

|  | 2016      | 2015      |
|--|-----------|-----------|
|  | £         | £         |
| Financial assets measured by fair value          | 5,252,032 | 2,127,640 |
| Financial liabilities measured by amortised cost | 55,222    | 29,857    |

Financial assets measured at fair value include investments.

Financial liabilities include trade and other creditors including unpaid grants.

