

The Catenian Association Benevolent and Children's Fund

Trustees' report and financial statements

for the year ended 31 March 2016

Charity number: 214244

The Catenian Association Benevolent and Children's Fund

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The Catenian Association Benevolent and Children's Fund

Reference and administrative details

Charity number	214244	
Registered and principal office	2nd Floor, 1 Park House Station Square, COVENTRY CV1 2FL	
Trustees	M. O'Malley D. Rowley R.M.S. Allanson P. Astill R. W. Butler D. Cawdery P. Devine J. Fry J. Hogan	(Chairman) (Vice Chairman)
Clerk to the managing trustees	P. Roberts	
Members of the investment sub-committee	R.M.S. Allanson G. Aldridge (retired on 1 February 2016) D. Cawdery J. Fry T. Ryan	(Chairman), Trustee, Retired Investment Manager Retired Stockbroker Trustee Trustee Stockbroker
Independent auditors	Cocke, Vellacott & Hill Unit 3 Dock Offices Surrey Quays Road LONDON SE16 2XU	
Bankers	The Co-operative Bank p.l.c P.O. Box 101 3rd Floor, 1 Balloon Street Manchester M60 4EP	
Investment brokers	BRI Wealth Management PLC BRI House Elm Court Meriden Business Park COVENTRY CV5 9RL	
Solicitors	Shakespeare Martineau LLP Solicitors Two Colton Square Leicester LE1 1QH	

The Catenian Association Benevolent and Children's Fund

Trustees' report

for the year ended 31 March 2016

The trustees present their annual report and the audited financial statements for the year ended 31 March 2016 which comply with the Charities Act 2011, the Scheme approved and established by the Charity Commissioners on 29th May 1991 as amended under an Order of the Charity Commissioners dated 18 February 2015 and the "Charities SORP (FRS 102)".

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing instruments

The Catenian Association Benevolent and Children's Fund (the Fund) is a charity, registered with the Charity Commission, registration number 214244 and is governed by the Scheme approved and established by the Charity Commissioners on 29th May 1991 as amended aforesaid.

Trustee recruitment

Trustees are appointed by the Grand Council of The Catenian Association from a list of Catenian applicants.

Trustee induction and training

New trustees are appointed by Grand Council, initially for a period of five years, bearing in mind their experience with other charities and their general professional background. Each receives a copy of the Scheme document, copies of the minutes of the last two meetings and a copy of an application form, followed by explanations of the procedures at subsequent meetings of the Board of Trustees.

Organisation Structure

The trustees meet at least four times in a year and have a mechanism for urgent consideration outside scheduled meetings and are assisted with investment policies by the Investment sub-committee. The Investment sub-committee is formed under the authority of the Trustees of The Catenian Association Benevolent and Children's Fund and its membership comprises of Trustees of that Fund together with a number of non-trustees with specialist knowledge and experience as shown on page 1.

The function of the sub-committee is the management of the investment portfolio, undertaking sales and purchases as deemed necessary, with the overreaching intent of safeguarding investments, while seeking balanced capital growth and income. The sub-committee meets at least four times per year and has a mechanism for urgent consideration outside scheduled meetings.

The Fund's investments and bank accounts are administered by Catena Trustees Limited, a company limited by guarantee and without a share capital. See note 11 for more details and related party transactions.

Trustees are appointed for a five year period unless they are appointed to fill a casual vacancy when they complete the term of office of the trustee they are replacing.

The trustees who served during the year are:

R.M.S. Allanson	J. Fry	
P. Astill	B. A. Guilfoyle	(resigned on 29 May 2015)
R. W. Butler	J. Hogan	(appointed on 29 May 2015)
D. Cawdery	M. O'Malley	
P. Devine	D. Rowley	

Risk review

The trustees have conducted their own risk review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

OBJECTIVES AND ACTIVITIES

Objects

The Catenian Association Benevolent and Children's Fund provides monetary assistance to members of the Catenian Association and their dependants including dependants of deceased members of the Catenian Association who are in need.

As part of the fulfilment of its charitable objectives, the charity makes some long term loans to members of the Catenian Association or their dependants on a secured basis. Such loans are made according to the merits of individual applicants. See note 7 (b) for more details.

The Catenian Association Benevolent and Children's Fund

Trustees' report

for the year ended 31 March 2016

OBJECTIVES AND ACTIVITIES (continued)

Strategies

The availability of monetary assistance to members of the Catenian Association of the charity is advertised throughout the Catenian Association, on the internet, through provinces and circles and by leaflet.

Activities

During the year, the charity has continued to provide monetary assistance to members of the Catenian Association and their dependants who are in financial difficulties and who have applied to the charity for assistance.

Public Benefit

We have referred to the guidance in the Charity Commissioner's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

The paragraphs in this report show the aims and objectives of this charity and activities of the year.

Income is received by personal donation from members of the Catenian Association together with investment proceeds. Claims are made by members of the Association or their dependants or dependants of deceased members or former members after due local process. Meetings of the trustees are held at least four times a year to consider the cases and payment is made to or on behalf of the claimant, by grant or loan. In special emergency cases a representative committee is employed.

ACHIEVEMENTS AND PERFORMANCE

The Catenian Association Benevolent and Children's Fund has made grants to forty seven (47) individual beneficiaries (2015 - thirty (30)) totalling £69,220 during the year (2015 - £85,623). In addition to the grants, the charity has provided monetary assistance to thirty four (34) (2015 - forty two (42)) members in difficulty or need in the form of promissory note loans and second charge loans amounting to £746,395 (2015 - £1,061,480).

During the year, no first charge loan was made (2015 - one (1) to the value of £115,369) which was secured on the recipients' property, one (1) existing first charge loan value was increased by £20,000 (2015 - four (4) totalling £41,249), three (3) unsecured loans totalling £48,176 were converted to first charge loans (2015 - none) and one repaid his first charge loan in full amounting to £117,370 (2015 - two repaid £63,743), three secured loans were partly paid (2015 - four). At the year end there were thirty two (32) first charge loans (2015 - thirty (30)) shown in the accounts amounting to £836,777 (2015 - £888,296) and are shown in note 7 (b) to the accounts.

The trustees consider the investment performance achieved against the investment growth objectives to be satisfactory.

Financial review

Results for the year

Details of the income and expenditure for the year are shown in the statement of financial activities on page 6. Donations and legacies of £66,470 (2015 - £72,765) and investment income totalling £277,450 (2015 - £285,972) were received during the year. Investment brokers' fee came to £10,902 (2015 - £11,780).

Grants and non-secured loans given to individuals during the year amounted to £815,615 (2015 - £1,147,103). Recoveries of non-secured loans amounted to £285,954 (2015 - £476,531). Other charitable support and governance costs came to £43,185 (2015 - £58,134).

Net expenditure amounted to £206,319 (2015 - net expenditure of £442,779) in the year under review after taking into account realised gains on investments of £33,509 (2015 - realised losses of £61,031). Net movement in funds transferred from the accumulated fund totalled £445,262 (2015 - transferred from - £18,148) after including unrealised losses on investments of £238,943 (2015 - unrealised gains of £424,631).

Investments policy and performance

Investments are held with a view to providing a balanced capital growth and income. Investment income amounted to £277,450 (2015 - £285,972). All investments held by the charity have been acquired in accordance with the powers available to the trustees. Movements in fixed asset investments are shown in note 7(a) to the financial statements. The market value of shares held decreased by 6.02% to £7,238,193 (2015 - £7,702,510) as a result of net disposals during the year of £225,374 (2015 - net disposals of £586,982) and net losses on revaluation of £238,943 (2015 - net gains of £424,631).

The Catenian Association Benevolent and Children's Fund

Trustees' report

for the year ended 31 March 2016

ACHIEVEMENTS AND PERFORMANCE (continued)

Reserves and grant and loan making policies

The reserves policy has been developed to give the Fund sufficient resources to meet variations in the level of longer term requirements and was agreed to be £7 million to cover the following:

1. To give long term and unsecured loans;
2. To give grants to Members in difficulty or need;
3. To assimilate losses on loans not repaid;
4. To meet the needs of an ageing Membership, elderly widows and dependants of deceased members or former members;
5. To alleviate the difficulties being experienced by members in overseas countries which are politically and/or financially unstable;
6. To provide domestic assistance to members who have suffered from failed business ventures or redundancies;
7. To provide assistance to those members who are victims of pension failures;
8. To provide help for those members who have been unable to secure a reasonable occupational pension;
9. To withstand the perceived volatility of the Stock Market;
10. To take advantage of any strategic development opportunities.

Available reserves in the General Fund currently stand at £5,353,250 (2015 - £5,759,960). The trustees are of the opinion that the charity is able to meet the needs of applicants. Grants and loans are awarded according to the merits of each individual application.

PLANS FOR THE FUTURE

The charity will continue to provide assistance to members and their dependants in a similar manner in the ensuing year.

TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which are sufficient to show and explain the charity's transactions and to disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the "Charities SORP (FRS 102)". They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors have signified their willingness to continue and a resolution proposing the re-appointment of Cocke, Vellacott & Hill as auditors of the charity, will be put to the Annual General Meeting.

This report was approved by the trustees on 28 July 2016 and signed on its behalf by:

M. O'Malley (Trustee)

The Catenian Association Benevolent and Children's Fund
Independent auditor's report to the trustees of The Catenian Association Benevolent and Children's Fund

We have audited the financial statements of The Catenian Association Benevolent and Children's Fund set out on pages 6 to 13 for the year ended 31 March 2016. The financial reporting framework that has been applied in their preparation is applicable law and in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)" and the accounting policies set out on page 8.

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditor

The trustees' responsibilities for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of trustees' responsibilities on page 4.

We have been appointed as auditors under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the methods and principles of the "Charities SORP (FRS 102).

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Cocke, Vellacott & Hill
Statutory Auditor

Unit 3 Dock Offices
Surrey Quays Road
LONDON SE16 2XU
Date:31 August 2016

The Catenian Association Benevolent and Children's Fund

Statement of financial activities

for the year ended 31 March 2016

	Notes	2016 Total £	2015 Total £
Income from:			
Donations and legacies	3	66,470	72,765
Investment income	4	277,450	285,972
Total		<u>343,920</u>	<u>358,737</u>
Expenditure on:			
Raising funds		10,902	11,780
Charitable activities	5	572,846	728,706
Total		<u>583,748</u>	<u>740,486</u>
Net gains/(losses) on disposal of investments at book cost		33,509	(61,030)
Net income/(expenditure)	2	(206,319)	(442,779)
Other recognised gains and losses			
Unrealised gains/ (losses) on investments	7	(238,943)	424,631
Net movement in funds		(445,262)	(18,148)
Reconciliation of funds			
Total funds brought forward	10	8,610,653	8,628,801
Total funds carried forward	10	<u>8,165,391</u>	<u>8,610,653</u>

All of the operations undertaken by the charity during the current and preceding year are continuing operations and there were no other recognised gains and losses other than the above.

The net expenditure for the year including realised gains (losses) on the disposal of investments is £206,319 (2015 - net expenditure £442,779).

Based on the historic cost equivalent net expenditure is £182,448 (2015 - net income £314,434).

The notes on pages 8 to 13 form an integral part of these financial statements.

The Catenian Association Benevolent and Children's Fund

Balance sheet

as at 31 March 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Investments					
Investments	7 (a)		7,238,193		7,702,510
Programme related investments	7 (b)		836,777		888,296
Total fixed assets			8,074,970		8,590,806
Debtors	8	5,642		52,980	
Cash at bank and in hand		123,165		30,629	
Total current assets		128,807		83,609	
Liabilities					
Creditors: amounts falling due within one year	9	(38,386)		(63,762)	
Net current assets			90,421		19,847
Total assets less current liabilities			8,165,391		8,610,653
Funds					
Unrestricted income funds:					
General reserves	10		5,222,321		5,353,250
Revaluation reserve	10		2,106,293		2,369,107
Long term loans reserve	10		836,777		888,296
Total charity funds			8,165,391		8,610,653

The financial statements were approved by the board of trustees on 28 July 2016 and signed on its behalf by:

M. O'Malley
Trustee

J. Fry
Trustee

The notes on pages 8 to 13 form an integral part of these financial statements.

Notes to financial statements

for the year ended 31 March 2016

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments. They are also prepared in accordance with applicable accounting standards and the recommendations of the Charity Commission in "Charities SORP (FRS 102)".

Income

All income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and gifts are included in full in the statement of financial activities when receivable. Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Income from investments is included in the year in which it is receivable.

Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of raising funds comprise of investment management costs and those costs incurred in attracting donations and legacies.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These include costs related to audit, trustee expenses and legal fees.

Expenditure, which involves more than one cost category, is apportioned on a reasonable, justifiable and consistent basis to the cost categories involved.

Taxation

Provision for taxation is not necessary, as the Fund is a registered charity and has no trading activities. No deferred tax provision is required.

Programme related investments

These include loans to beneficiaries in accordance with the objectives of the charity. The loans secured by a first charge on a recipient's assets are expected to be recovered in due course. In the event that the loan or part of the loan becomes non-repayable it will be written off in the statement of financial activities.

Funds

- (i) Investment revaluation reserve - represents unrealised gains on the listed securities as a result of their market values being higher than their cost.
- (ii) General fund - represents the net surplus made by the company during its operations.
- (ii) Long term loans reserve - represents an amount equivalent to the secured loans recoverable to ensure that adequate funds are earmarked to meet any potential non-recoveries.

The Catenian Association Benevolent and Children's Fund

Notes to financial statements (continued)

for the year ended 31 March 2016

2. Net income/(expenditure)	2016	<i>2015</i>
Net income/(expenditure) is stated after charging:	£	£
Auditors' remuneration from audit work	4,000	4,000
Auditors' remuneration from non-audit work	800	800
	<u><u> </u></u>	<u><u> </u></u>
3. Donations and legacies	2016	<i>2015</i>
	£	£
Donations from circles and provinces	1,070	110
Donations from members	53,828	55,007
Tax recoverable under members' gift aid	11,322	11,648
Legacies	250	6,000
	<u><u> </u></u>	<u><u> </u></u>
	66,470	72,765
4. Investment income	2016	<i>2015</i>
	£	£
Income from UK listed investments	276,449	283,607
Bank interest receivable	1,001	2,365
	<u><u> </u></u>	<u><u> </u></u>
	277,450	285,972
5. Analysis of charitable activities		
(a) Grants and loans	2016	<i>2015</i>
	Total	<i>Total</i>
	£	£
Grants and non-secured loans payable to individuals:		
Grants made	69,220	85,623
Non-secured loans made	746,395	1,061,480
	<u><u> </u></u>	<u><u> </u></u>
	815,615	1,147,103
Less: recovered during the year	(285,954)	(476,531)
	<u><u> </u></u>	<u><u> </u></u>
Total net grants and loans	529,661	670,572
	<u><u> </u></u>	<u><u> </u></u>
	Number	<i>Number</i>
Recipients of grants only (all to individuals)	47	30
	<u><u> </u></u>	<u><u> </u></u>
(b) Analysis of support costs	2016	<i>2015</i>
	£	£
Staff costs	20,337	19,938
Insurance	48	47
Telephone	230	217
Office expenses	10,000	10,000
Bank charges and general expenses	2,370	2,800
	<u><u> </u></u>	<u><u> </u></u>
	32,985	33,002

The Catenian Association Benevolent and Children's Fund

Notes to financial statements (continued)

for the year ended 31 March 2016

5. Analysis of charitable activities (continued)

(c) Analysis of governance costs	2016	<i>2015</i>
	£	£
Auditors' remuneration - non audit work	800	800
Auditors' remuneration - audit work	4,000	4,000
Committee expenses	4,503	3,753
Professional fees - legal fees	897	16,579
	10,200	25,131
Total charitable activities expenses	572,846	728,706

6. Trustees and employees

Staff costs were as follows:	2016	<i>2015</i>
	£	£
Wages and salaries	18,855	18,485
Social security costs	1,482	1,453
	20,337	19,938

Staff costs represent amounts recharged by The Catenian Association Limited (see note 11) for the position of clerk to the Trustees of The Catenian Association Benevolent and Children's Fund.

No trustees received any remuneration from the charity in the year (2015 - £nil). Eight trustees received reimbursement of £4,028 for travelling expenses during the year (2015 - nine trustees - £2,986). No employee received emoluments of more than £60,000 (2015 : None).

7. (a) Fixed asset investments

Valuation	Investments portfolio
	£
<i>At 1 April 2015</i>	7,702,510
Disposals	(268,849)
Net movements in cash held by brokers for investment	43,475
Unrealised gains/(losses) on revaluation of investments	(238,943)
At 31 March 2016	7,238,193
Historical cost as at 31 March 2016.	5,131,900
<i>Historical cost as at 31 March 2015</i>	5,333,403

All fixed asset investments are held within the United Kingdom.

The Catenian Association Benevolent and Children's Fund

Notes to financial statements (continued)

for the year ended 31 March 2016

7. (a) Fixed asset investments (continued)

The investments of the charity at 31 March 2016 were as follows:

Holdings	Description		Cost £	Market value £
38,000	Aviva plc	Ord. 25p	220,721	173,071
12,000	BHP Billiton plc	Ord. USD 0.50	69,722	94,068
30,000	BP plc	Ord. USD 0.25	120,740	105,232
52,000	BT Group plc	Ord. 5p	98,895	229,190
15,000	Diageo plc	Ord. 28 101/108p	38,082	281,813
30,000	Experian plc	* Ord. USD 0.10	152,496	373,200
21,500	GlaxoSmithKline plc	Ord. 25p	47,387	303,043
28,333	HSBC Holdings plc	Ord. USD 0.50	168,138	123,001
144,142	Lloyds Banking Group plc	Ord. 10p	148,371	98,153
982,654	M & G Charibond Inc	*	1,259,773	1,236,376
50,000	Morrison (WM) Supermarket plc	Ord. 10p	109,107	99,325
18,000	Pearson plc	Ord. 25p	136,108	157,680
6,000	Persimmon plc	Ord. 10p	68,182	124,920
60,000	Polar Capital Technology Trust plc	Ord. 25p	60,040	346,650
19,500	Prudential plc	Ord. 5p	76,703	253,744
2,500	Reckitt Benckiser Group plc	Ord. 10p	87,209	168,350
27,000	RELX plc	Ord. 14 51/116p	160,829	348,705
32,231	Rexam plc	Ord. 80 5/14p	100,732	204,264
6,100	Rio Tinto plc	Ord. (Reg) 10p	56,480	119,347
26,459	Royal Bank of Scotland Group plc	Ord. £1	142,922	58,990
11,000	Royal Dutch Shel plc B	Ord. Euro 0.07	251,210	187,330
5,333	Severn Trent plc	Ord. 97 17/19p	43,698	115,779
1,072,868	The Charities Property Fund	*	1,104,627	1,276,712
11,250	Unilever plc	Ord. 3 1/9p	16,088	354,403
54,545	Vodafone Group plc	Ord. USD 0.20 20/21	109,692	120,899
	Investments listed on the UK Stock Exchange		4,847,952	6,954,245
	Cash held as part of the investment portfolio		283,948	283,948
	Total investments as at 31 March 2016		5,131,900	7,238,193

* These items represent material investments that are over 5% by value of the portfolio.

The Catenian Association Benevolent and Children's Fund

Notes to financial statements (continued)

for the year ended 31 March 2016

7. (b) Programme related investments	2016	<i>2015</i>
	£	£
Secured recoverable loans supporting the charitable objectives (see below)	836,777	888,296
	<u> </u>	<u> </u>
<i>Analysis of movements in secured recoverable loans is as below:</i>	£	£
Loans recoverable brought forward	888,296	796,020
Transfers (to)/ from non-secured loans	48,176	-
New loans made during the year	20,000	156,619
Repayments received during the year	(119,695)	(64,343)
	<u> </u>	<u> </u>
Loans recoverable carried forward	836,777	888,296
	<u> </u>	<u> </u>

8. Debtors	2016	<i>2015</i>
	£	£
Amounts owed by related company *	1,811	1,184
Income tax recoverable	3,812	4,796
Loan pending first charge security	-	47,000
Other debtors	19	-
	<u> </u>	<u> </u>
	5,642	52,980
	<u> </u>	<u> </u>

* The related company referred to above is The Catenian Association Bursary Fund Limited (see note 11 for more details).

9. Creditors: amounts falling due within one year	2016	<i>2015</i>
	£	£
Amounts owed to related companies *	30,886	55,242
Accruals and deferred income	7,500	8,520
	<u> </u>	<u> </u>
	38,386	63,762
	<u> </u>	<u> </u>

* The related company referred to above is The Catenian Association Limited (see note 11 for more details).

The Catenian Association Benevolent and Children's Fund

Notes to financial statements (continued)

for the year ended 31 March 2016

10. Unrestricted funds	At					At
	1 April 2015 £	Incoming resources £	Outgoing resources £	Gains and losses £	Transfers £	31 March 2016 £
General purpose income fund	5,353,250	343,920	(583,748)	33,509	75,390	5,222,321
Investment revaluation reserve	2,369,107	-	(238,943)	-	(23,871)	2,106,293
Long term loans reserve	888,296	-	-	-	(51,519)	836,777
	<u>8,610,653</u>	<u>343,920</u>	<u>(822,691)</u>	<u>33,509</u>	<u>-</u>	<u>8,165,391</u>

Purposes of unrestricted funds

General purpose income fund - represents funds available at the discretion of the trustees to further expand the activities of the charity. The fund arises from donated income and income arising on an annual basis from amounts held by way of capital and unutilised funds less costs of generating funds, charitable expenses and governance costs. It also includes realised gains less losses on investments.

The investment revaluation reserve represents unrealised gains on the listed investments as a result of their market value being higher than their cost.

The board of trustees have approved the setting up of a designated fund called the long term loans reserve equivalent to the secured loans recoverable (see note 7 b). The purpose of this designation is to ensure that adequate funds are earmarked to meet any potential non-recoveries.

11. Related party transactions

The charity's investments and bank accounts are administered by Catena Trustees Limited as Custodian Trustee. The Directors of Catena Trustees Limited are appointed by virtue of their appointment as Trustees of the charity. The Trustees of the charity and the Directors of The Catenian Association Bursary Fund Limited are appointed by the Grand Council of the Catenian Association. Therefore the charities and companies are related companies.

During the year to 31 March 2016 administration expenses were recharged to the charity by The Catenian Association Limited as follows:

	2016 £	2015 £
Office Expenses	10,000	10,000
Salaries	20,337	19,938
	<u>30,337</u>	<u>29,938</u>

The charity shares the services of the administrative staff and the premises of The Catenian Association Limited. In return for these facilities, the above expenses are recharged to the charity.

At the balance sheet date an amount of £30,886 was due to The Catenian Association Limited (2015 - £55,242) and £1,811 was due from The Catenian Association Bursary Fund Limited to the charity (2015 - £1,184).