

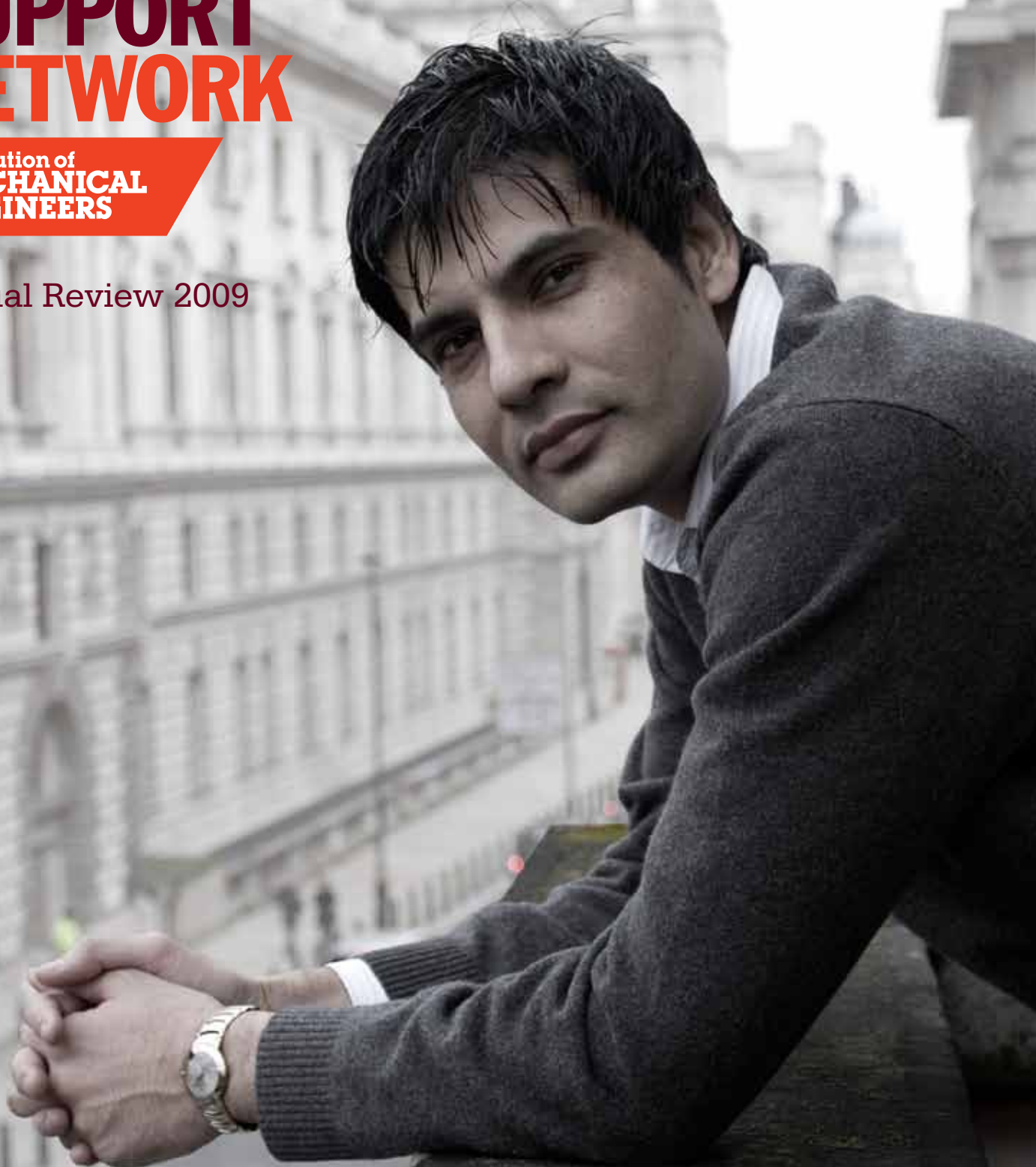
2009

AN EXCEPTIONAL YEAR

SUPPORT NETWORK

Institution of
**MECHANICAL
ENGINEERS**

Annual Review 2009



The Benevolent Fund

Support Network offers assistance and support to past and present IMechE Members, and their families, facing hardship or distress. Please contact us for an application form. A local volunteer will visit you to discuss how **Support Network** can help.

A WORD FROM THE CHAIRMAN

2009 was an exceptional year in many ways. Exceptional for the deepest economic recession for over 70 years, which affected all areas – not just the banks which led us into the crisis but also manufacturing, property, services and retail sales – no sector was immune. It was exceptional for the Universities, which felt the impact of a huge rush of applications as school-leavers realised that there were no jobs out there. Exceptional for the many redundancies and company closures as firms struggled to cut expenditure. Finally, it was exceptional for Support Network – the new working title adopted last year for the Benevolent Fund of the Institution of Mechanical Engineers – with a record number of enquiries and applications matched by a record take-up of all the different range of benefits.

A new Money Advice service was launched mid-year, in recognition of the huge rise in people trying to cope with high levels of debt. The main national debt advice services were almost overwhelmed in 2009 by the sheer number of calls for their assistance, and our web and telephone-based scheme is able to offer applicants a more individual and tailored service from professional advisors. Interestingly, the most-used option of the new Money Advice service has been the facility to download over 100 different financial factsheets covering everything from choosing a mortgage to cold-weather payments – thus confirming our view that professional mechanical engineers prefer to seek the necessary information to deal with problems themselves.

Continuing its exceptional nature, 2009 saw increased calls for help set against a background of cancelled or falling dividend income, historically low interest rates and a 25% drop in donations from IMechE members. We were fortunate in that a number of substantial legacies made up the short-fall in income last year, but more regular donations would be a great help in these difficult times.

I would like to end by saying thank you to our thousands of supporters, to our many volunteers both here and overseas, and to our small permanent staff. Everyone rose to the challenge in 2009. We knew from the beginning that it would be a difficult and demanding year, but in the end all the many calls for help were met with a prompt, friendly and helpful response. We could not have asked for more.

Terry Smith CEng FRAeS FIMechE
Chairman of Trustees

LEGAL ADVICE

I have to confess that I was in a bit of a panic because Bernard is really quite ill and this was something he could well do without. The legal helpline took short details, and came back to me within the hour, although it was 5 p.m. when I phoned, and the lawyer, in a soft, reassuring Scottish accent told me exactly why the threat was a completely empty one and how I should reply. You might say the help was holistic – it cut the panic and gave me the right vocabulary!

TRUSTEES' REPORT

The largest and most striking outward change in 2009 was the adoption of the working title 'Support Network' with a new logo to match the Institution's colours. This was seen as a way to highlight the close association between the two organisations, to help Members to identify the aims of the charity and provided a good opportunity to refresh and modernise our appearance. The decision to adopt the new name and new logo was taken in September and by the date of our annual joint IMechE/ICE Training Day on 2 November the change was complete. Feedback on the Support Network name and logo has been positive, with many commentators praising the brighter and more modern appearance.

Enquiries and applications for assistance reached record levels in 2009, with the majority of new applications coming from those of working age. Twenty-three people who were out of work joined the 4-month 'Jobsearch' programme – a coaching and mentoring scheme designed to improve an individual's success in applying for a job. A record 87 people made use of the Legal Advice service – on the basis that independent, professional legal advice, taken and followed in good time, may prevent many more serious problems from developing. Student Grants (made only to disabled or financially disadvantaged students), reached an all-time high of 21 as students who had depended upon parental contributions found that the global recession had greatly reduced their parents' ability to pay. There were 181 callers to the 24-hr information, advice and counselling helpline, with work-related problems the most frequently raised topic.

A new Money Advice service was launched in mid-year in response to a growing demand for unbiased professional advice from those with high levels of debt. In its first 6 months the principally web-based Money Advice service was accessed over 800 times, representing around 1% of the Institution's membership. All these, taken together with the beneficiaries receiving the more traditional cash awards and grants-in-kind, mean that around 1,400 people were helped in one way or another during this year of deep and widespread economic recession.

On a more individual level, some of those receiving assistance are also lonely or isolated, with few social contacts. To help reduce this isolation, work started last year on a new 'telebefriending' scheme, where volunteers make contact with lonely individuals by phone on a regular basis to improve their sense of wellbeing and to promote social inclusion. 'Telebefriending' is planned to start in 2010.

While all this activity was taking place, time was also found to conduct a comprehensive Governance Review, carried out by independent management consultants. The review, which lasted most of the year, involved a scrutiny of key documents, a questionnaire for all trustees and some volunteers, telephone interviews and an opportunity for an observer to attend and comment on one of the quarterly Trustee Board meetings. The final report, presented in September, concluded that, overall, our governance was in good order, but of course there is always room for improvement and there were a number of recommendations made to enhance our governance. These are being steadily implemented. There were few surprises from the Governance Review, but we are not complacent – it was a welcome opportunity for an experienced management consultant to examine all aspects of governance and to give a fresh and unbiased appraisal. In 2012 it is planned to look at this area again to check that all governance aspects are continuing to deliver as they should.



FINANCIAL REVIEW 2009

Most of **Support Network's** annual income comes from voluntary donations. In 2009, IMechE Members' donations fell by around 25% in a year in which income from stocks and shares also fell and interest rates reached historically low levels. Fortunately, the potentially serious shortfall in donations was made up by receiving a good number of welcome bequests, resulting in a net income for the year of £49,000. The importance of legacy income was highlighted by last year's results, for which Support Network is very grateful. Bequests, both large and small, make a real difference.

Support Network's investments are in a mix of Common Investment Funds, split between shares, commercial property, fixed-interest and cash. After losses of around £3.5M in the capital value of the Fund's investments in 2008, it was a relief to see the improvement in stockmarket performance which began in March 2009 and continued throughout the year, which saw a recovery of some £1.1M. The Trustees will continue to review investment performance and prospects at each quarterly meeting and intend to take early action to ensure that Support Network is will be able to continue its essential work in the future.

A number of secured loans were made in 2009. These were interest-free, lifetime loans typically made to people in need who could not afford substantial lump sums for property repairs or other major capital expenses. Under the terms of Support Network's loan agreements, no repayment is required until the property is sold, at which time the advance is repaid and the money thus 'recycled' to pay for new grants and awards. Not only does this make the most effective use of resources, but it is also popular with many beneficiaries who prefer the concept of a temporary loan to a lump sum grant.

JOBSEARCH

Scott was a bright, enthusiastic 26-year old mechanical engineer with project management, IT development and Computer Aided Design skills. When his one year contract finished he thought it would be easy to find another job, but he had not reckoned on the recession and found few companies were taking on new staff. After some rather despondent weeks job searching, Scott started on the Chiumento programme and within a month was accepted on a Graduate Training Scheme. He said: "I'm over the moon – couldn't be happier – it's the best company I could have hoped for. My sincere and heartfelt thanks."

INCOME & EXPENDITURE 2009

(Figures rounded to nearest thousand pounds)

Income

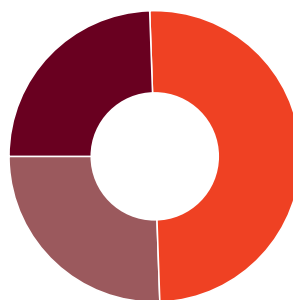
Donations and legacies	£605,000
Investment income	£205,000
Total income	£810,000

Expenditure

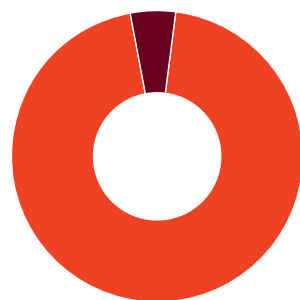
Charitable activities	£722,000
Governance & other costs	£39,000
Total expenditure	£761,000

Net incoming resources	£49,000
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INCOME 2009

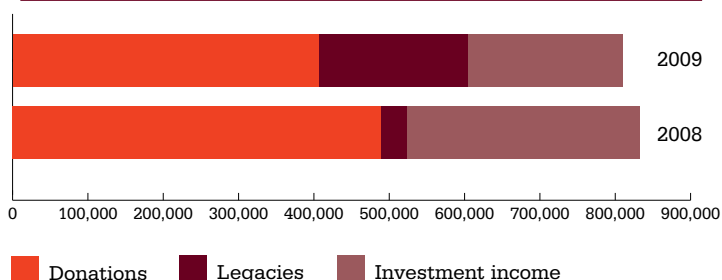


EXPENDITURE 2009



Donations	£406,000	Charitable activities	95%
Legacies	£199,000	Government & other costs	5%
Investment income	£205,000		

DONATIONS & LEGACIES 2008 – 2009





2009 SAW INCREASED CALLS FOR HELP SET AGAINST FALLING INCOME. MORE REGULAR DONATIONS WOULD BE A GREAT HELP IN THESE DIFFICULT TIMES

HOW WE HELP

There is a wide range of assistance available. Needs vary from person to person and country to country and **Support Network** tries to respond by tailoring its help to match.

This could include:

- emergency cash grants in a crisis
- legal & debt advice
- monthly payments for a limited period
- interest-free loans for house repairs or maintenance
- 'lifeline' community alarms
- student grants
- equipment for the disabled
- job search programme
- carer's breaks and respite care
- information, advice and counselling
- cookers, washing machines, refrigerators
- help with residential and nursing home fees
- friendship, advice and support

Student Grants – for disabled or disadvantaged students

Legal advice – free legal advice helpline available 7 days a week

Debt advice – a dedicated, free, confidential money advice website & phone line

Job search – a coaching & mentoring service to help find the right job

To access any of the above, please call the Support Network on 020 7304 6816 or e-mail info@supportnetwork.org.uk or visit our website at www.supportnetwork.org.uk

INFORMATION, ADVICE & COUNSELLING

A free, confidential freephone service available at any time of the day or night, seven days a week. Specialist information advisers can assist with a wide range of enquiries, from questions about schools and education through to those on taxes, benefits, child support and marital law. To use this service call **0800 243458** and when asked who referred you quote '**Support Network**'.

Alternatively, visit www.eapdirect.co.uk and click on 'New User'. On the next screen, enter the following codes: User Name = **Support**, and Password = **Network**. You will then be directed to a new screen where you can choose your own user name and password to use any time you need information. If you can't find the help you need on the website, call **0800 243458**.

HOW YOU CAN HELP

LEAVING A LEGACY

Did you know that seven out of ten people in the UK die without making a Will, often leading to difficulties and distress for their bereaved families? Even with the slump in house prices, many people have greater assets than they imagine, and making a Will is good practice at any age. It also provides an opportunity to make a bequest to charity, perhaps to give help you could not afford during your lifetime. If you would like further information, please ask the **Support Network** office for a will pack.

TAX-EFFICIENT GIVING – GIFT AID

Thousands of people who make any form of donation to **Support Network** could increase the value of their contributions without any cost to themselves by completing a '**Gift Aid Declaration**' which allows the charity to reclaim tax paid. If you would like to boost your donation this way - at no extra cost to you – please tick the box on the IMechE Subscription Request or download a Gift Aid form from www.supportnetwork.org.uk

Tax-efficient giving – Donate through your Tax Return

You can donate all or part of any tax repayment to **Support Network** using your Self-Assessment Tax Return. This is an easy and efficient way to giving, as you can also Gift Aid the donation. When completing your Self-Assessment Return, enter the charity's code at box 19A.3 (OUR UNIQUE CODE IS **PAQ44NG**) and tick box 19A.4 for Gift Aid to apply to your donation.

You can remain anonymous, but if you do we'll be unable to thank you personally. So if that's your choice, on behalf of both the Fund and our beneficiaries, **A VERY BIG THANK YOU**.

VOLUNTEERS WANTED!

Support Network offers worldwide help to mechanical engineers and their families who are in need, and to do so has a team of local volunteers who act as the essential point of contact between applicants, beneficiaries and **Support Network's** Trustees and Staff.

To learn more about volunteering please click on our website: www.supportnetwork.org.uk

TRUSTEES, OFFICIALS AND PROFESSIONAL ADVISERS 2009

Chairman:

Terry Smith

Deputy Chairman:

John Torrance

Chief Executive/**Company Secretary:**

Robert Money

Hon Treasurer:

Stephen Mullarkey

Trustees:

Bill Brunger

Ray Buttifant (Appointed Jun 09)

David Gee (Retired Jun 09)

Mike Hannaway (Appointed Jun 09)

Denver James

Bryan Keen (Retired Jun 09)

Roger Law

Alan Reynolds (Retired Jun 09)

Mike Sanderson

Colin Shenton

James Shepherd

Terry Smith

John Torrance

Dennis Wilcock (Appointed Jun 09)

Anne Woodbridge

Bankers:

National Westminster Bank plc

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Investment Managers:

CCLA Investment Management Ltd

Charities Investment Managers Ltd

Rensburg Sheppards Limited

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Registered Charity No. 209465

A Company Limited by Guarantee
Company No. 130981

Patron: His Royal Highness The Prince of Wales KG KT

FINANCIAL HELP

A friend contacted Support Network on Richard's behalf. Richard had been fine until a road traffic accident left him with serious head injuries, brain damage and epilepsy. After extensive rehabilitation he managed to find a number of short-term jobs, but couldn't concentrate and was dismissed. He ended up homeless, sleeping rough on a park bench. By the time Support Network was alerted to this situation, Richard had moved into a homeless shelter. With the vital help of a Key Worker at the shelter, Richard was rehoused by his local Council, but his flat had no furniture, no carpets, no curtains, nothing. In addition to a DWP Community Care Grant, Support Network provided a new cooker, washing machine, £250 in vouchers for household items and a small weekly grant. Richard is now happy in his new accommodation, doing voluntary work in his local community and hopes to take a City & Guilds course to help him back into employment.