

**TRUSTEES' ANNUAL REPORT  
and  
FINANCIAL STATEMENTS  
FOR THE YEAR TO 31<sup>ST</sup> MARCH 2017**

# THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

## Trustees' Annual Report - For the Year to 31<sup>st</sup> March 2017

### Chairman's Introduction

On behalf of the General Committee I am pleased to present its report together with the financial statements of the Society for the year ended 31<sup>st</sup> March 2017.

The charity has enjoyed a financially successful year, with increases in both income and charitable funds distributed, and significant growth in the capital value of its investment portfolio. We live in "changing" economic and political times however and it is important to view matters in the medium and longer term. This year's gains may be reflected in the opposite in the years ahead and what is important is that the Society develops sustainably to support those on its Roll of Beneficiaries who depend upon its assistance. Once again the Society is providing help to more women at the end of the year than it did at the outset, but this growth is now capped so as not to over-extend the Society's commitments. For these reasons the past year saw the emergence of a waiting list of applicants who met our admission criteria but who could not immediately be admitted to the Roll. This list was, fortunately cleared by the end of the year, but hard decisions have had to be taken by the General Committee to address the demand for assistance and in particular that demand increasingly arising from women below State retirement age. Further details can be found later in this Report and in the attached Financial Statements and Notes.

At the foot of each page of this Report we have included a sample from the very many kind letters and cards of appreciation the Society has received from its beneficiaries in the past year, all demonstrating the benefit the Society delivers.

In this, my first Report since being becoming Chairman, I would like to express my appreciation of the confidence shown in me by my fellow trustees and members of the General Committee who have elected me to this role. I look forward to working with them, and the charity's staff team to move the Society forward in the years ahead. Change presents opportunities as well as challenges and as the Society settles down in its still relatively new format in this changing world, the years ahead will be without doubt interesting for us all.

The Society is very fortunate to have a talented and long-serving Committee, whose members give freely of their time and expertise to guide its work. I must congratulate the Very Reverend Dr Sheilagh Kesting on her investiture as a Dame of the Order of St Gregory the Great by Pope Francis for her work on ecumenism and only the second non-Catholic woman in the UK to receive this honour. I would like to also thank Dr Gillian Beattie who has recently retired from the Committee after 12 years, Dr Daphne Audsley who has resigned after 15 years and Mr David Wilson after 7 years, in each case because they could not devote the time they would have wished to the Society because of other commitments.

Finally, I would like to pay tribute to our wonderful staff team, headed by Chief Executive Maurice Hankey, who not only administer the charity very efficiently, but whose care and attention is hugely appreciated by both the members of the Committee and our many beneficiaries right across Scotland.

Catriona Reynolds

8<sup>th</sup> September 2017

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*"Apart from the gratitude I feel, my family are also indebted to IGF for making such a positive difference to my life"*

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# THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

## Trustees' Annual Report to 31<sup>st</sup> March 2017 (continued)

### Objectives and activities

The primary object of the Society is *“To provide support and aid to women who are resident in Scotland and are of good character and are single and require assistance by reason of financial hardship, age or ill health in the interest of the general public benefit”*.

To achieve this, the Society provides periodic and occasional supplementary financial assistance to individuals who meet the criteria specified by the Society, from time to time, for admission to and retention on its Roll of Beneficiaries. These payments are intended to provide additional income to help meet recipients' needs and improve the quality of their lives.

The Society was originally founded in 1847 when it was identified that some unmarried gentlewomen were living in extreme, often hidden, poverty and often in very poor health. Fundraising took place to offer financial assistance to these ladies. The original remit was to assist ladies of Scottish birth or education or those with long term residency in Scotland, with a professional or business background, who existed on low incomes and had limited savings. Financial assistance was provided to single ladies and widows who had attained the age of 50 and qualified by birth or education and were daughters or widows of professional or business men. The interpretation of the objects was adjusted over the years to take account of changing social circumstances.

Upon the coming into effect of the Society's Supplementary Charter on 1<sup>st</sup> May 2015, significant changes were introduced to these criteria. Applications are now considered from any single, widowed, divorced or formally separated lady, of 50 years or older, and who has been resident in Scotland for at least two years at the time of application. Applicants must have income and capital beneath ceilings set from time to time by the General Committee and show that they have lived a decent, responsible and respectable life.

The Society is in the fortunate position of being able to fulfil its objective through income from its significant investment portfolio and from other donations. The Society does not actively fundraise, other than through inclusion in charity and legacy directories. Legacy receipts, special dividends from investments and funds emanating from other charities are regarded as capital and remitted to the investment portfolio in the expectation of growing the income base sustainably into the future.

The principal charitable payment made by the Society is the annual grant of £1,200 paid in quarterly instalments to beneficiaries, except for those in nursing homes or long term care who receive payments of half these amounts. The Society also makes a number of smaller payments to the beneficiaries of Funds historically absorbed into the Society. If income allows, after making regular charitable payments and operating the charity, further “supplementary grants” are disbursed to provide additional assistance to those beneficiaries having the lowest incomes and savings.

Recognising that the Society has finite income, and wishing to retain the ability to distribute additional payments to those on the lowest income and savings, the General Committee has introduced a ceiling on the number of beneficiaries it is willing and able to support. This has been set at 833 “full” beneficiaries, equivalent to a £1 million annual commitment on principal grants, and will be subject to periodic review.

The charity periodically reviews the criteria an applicant must meet for admission to the Roll of

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*“I am so appreciative of being accepted as a beneficiary. This will relieve my financial concerns and make a very worthwhile contribution to my wellbeing.”*

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## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Trustees' Annual Report to 31<sup>st</sup> March 2017 (continued)

Beneficiaries. Ahead of each financial year income and capital ceilings are considered. New applicants come to the charity through a variety of sources, including personal reference and referral from other charities, but the Society advertises strategically to spread awareness of the support available.

The work of the Society is undertaken by a small staff team under the direction of a Chief Executive, as detailed on page 12. No volunteers are involved in the charity's activities.

Caseworkers are employed to undertake assessments of new applicants, and maintain regular contact with existing beneficiaries. A large number of beneficiaries look forward to and enjoy these visits, providing personal contact with the Society and social contact which for some ladies living alone may be minimal. The target is to visit each beneficiary at least once every 15-18 months and during these visits records of the beneficiary's health, housing conditions and social contacts are updated, along with current financial details. Instances where beneficiaries' circumstances have changed to the extent of exceeding the prevailing ceilings are considered by the Chief Executive, with advice from the relevant Caseworker, and may lead to withdrawal from the Roll or temporary suspension of assistance.

The General Committee meets at regular quarterly intervals, and considers applications for assistance at each of these meetings, along with other business. Applications are considered by trustees on a name-blind basis.

### Achievements and Performance

The Society's Roll of Beneficiaries is subject to continuous, almost daily, change, as on the one hand, individuals leave the Roll due to death or are withdrawn following updated financial assessments, and on the other, new applicants are appraised, visited and in due course admitted if they meet the criteria of the charity.

During the year, **125** application forms were sent out and **82** of them returned and assessed. At intervals during the year reviews are undertaken of enquirers who have not returned their forms, and letters are sent asking enquirers if they need any assistance completing them. In many instances ladies respond that they are unable to demonstrate, immediately, that they are formally separated or divorced from former spouses, a key requirement for applicants, but the Society now signposts such potential applicants to where they can obtain the necessary documents.

The General Committee admitted **97** ladies to the Roll during the year (2016 – 108). Withdrawals due to improved circumstances and deaths totalled **73** (2016 – 72). At the close of the financial year the Roll stood at **844** ladies (2016 – 819). A further **21** women receive "social" visits from Caseworkers but do not receive financial assistance (2016 – 32). A summary of the Roll, details of the age groups and the geographical distribution are shown on pages 28-29 of this Report.

During the year, Caseworkers undertook regular visits to existing beneficiaries, towards the goal of each beneficiary being visited in a 15-18-month cycle. As described above, these visits provide an opportunity to update the financial data held by the Society and confirm eligibility for continuing support, while also providing social contact. A total of **612** (2016 – 704) visits were undertaken to existing beneficiaries during the year, and a further **108** (2016 -88) visits made to new applicants. Visits to new applicants may not track new admissions closely as the admission process for a proportion of applicants may span 31<sup>st</sup> March.

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*"Much joy yesterday receiving IGF's letter with news of the Supplementary grant –  
thank you thank you thank you!"*

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## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Trustees' Annual Report to 31<sup>st</sup> March 2017 (continued)

Beneficiaries received an annual grant of £1,200 paid in quarterly instalments in June, September, December and March. A total of **£999,600** was distributed as Principal Grants (2016 - £976,200).

All beneficiaries received a £90 grant to mark the 90<sup>th</sup> birthday of the Society's Patron, Her Majesty The Queen, in June 2016 utilising a Fund created by trustees in 2015-16. In December, those beneficiaries falling within the prevailing admission ceilings received a £50 Christmas bonus.

Against the background of better than anticipated income the Society was able to make further distributions to those on lowest income and savings. A total of **£167,235** was distributed to 468 women in two rounds in January and March in amounts ranging between £40 and £300 according to their individual income and savings (2016 - £78,235). The General Committee cannot guarantee to provide this level of additional assistance every year and aims to vary the size and timing of these additional payments so as not to create a dependency upon their receipt. A number of smaller grants were also paid, totalling **£4,940** (2016 - £4,990).

Altogether a total of **£1,280,145** was disbursed during the year (2016 - £1,114,015), through **5,805** individual payments. Allowing for the timing of new admissions and withdrawals, a total of **903** ladies (2016 - 887) actually received payments from the Society during the year.

The performance of the Society's investments, under discretionary management provided by Brewin Dolphin, is described under Financial Review on page 7.

A feature of the year was, for the first time in its history, the Society operating a waiting list for admission to its Roll of Beneficiaries. In 2015 the charity recognised that it could not sustain an ever-increasing number of beneficiaries without having to realise investments or restrict its ability to provide additional assistance to those on the lowest income and savings. The decision to cap expenditure, for the moment, at £1million per annum on Principal Grants indicated a ceiling of 833 "full" beneficiaries, and the discipline at each General Committee meeting not to admit more new applicants than would take the Roll above this ceiling. Towards the end of the financial year some latitude exists to admit further beneficiaries without breaching the expenditure ceiling within the year.

This mechanism came into effect at the June 2016 meeting and it was then necessary to "prioritise" among those applicants who met the Society's criteria who could be added to the Roll and who would have to be added to a waiting list. This was achieved by ranking successful applicants according to their disposable income, adjusted by a tariff on savings over £4,000, and allocating admission according to increasing adjusted income. Those not admitted at any meeting were added to the waiting list, which then merged with the list of applicants at the next meeting. In this way admissions were governed by adjusted income, not time on the waiting list. At the end of the year this waiting list was cleared, but the mechanism remains in effect.

The Society receives a steady stream of referrals from other sources, including agencies, other charities and word of mouth from existing beneficiaries, and during the year this maintained a sufficient flow of new applicants without the need for advertising. In reality, to have advertised its services as in previous years would have meant the charity offering assistance to individuals who would have met its criteria, in the full knowledge that they would possibly not be able to help them. Towards the end of the year the Society did place some advertisements in the north and west of Scotland in an attempt to strengthen representation of these areas on the Roll.

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*"Thank you so much for everything, and to the girl in the office who is so nice to talk to.  
I still hope that I can come to Edinburgh and give you all a big hug!"*

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## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Trustees' Annual Report to 31<sup>st</sup> March 2017 (continued)

Through the particular efforts of the Society's Senior Caseworker, Anne Metcalfe, the informal networking group of staff from charities with similar remits to the Society's has continued to develop and now embraces 10 organisations. Meeting approximately bi-monthly, the group exchange news and updates on activities and issues being encountered and this has led to better understanding of each charity's work. This in turn has resulted in an increase in the number of formal referrals made between the charities involved.

In early 2017 the charity launched a new website, [www.igf.org](http://www.igf.org), providing detailed information about the Society's background, its current work and how help can be found. It is hoped that this will also provide a platform for future work to attract donations and legacies. All beneficiaries received cards marking the Patron's 90<sup>th</sup> birthday, Christmas cards and an annual edition of Beneficiary News.

Alongside the work of delivering financial assistance, efforts continued to progress and refine the way this takes place. The Society's Grant Policy Sub-Committee tackled a number of issues around how financial assessments are undertaken in a fair and equitable way without judging beneficiaries on the way they utilise their income and capital. The General Committee agreed to its proposal to base all grant awards, including admissions, after April 1 2017 on a new income calculation called *Qualifying Income*, which combines the earlier *Disposable Income*, with a tariff on savings over £4,000. This reflects the practice of the Department of Work and Pensions, and for the first time addressed the injustice which can arise when restricting income and capital separately. Another area of the Sub-Committee's work, which continues, is how best support can be provided to those women under the increasing State Pension age who struggle to survive on working-age benefits but are incapable of undertaking, or unable to find regular work themselves.

### Financial Review

#### a) Overview

The Society derives the majority of its income from dividends on its substantial investment portfolio, further details of which are provided below. The charity does not actively fundraise, but welcomes donations and legacies from supporters. There have been no significant events during the year which have impacted financially on the charity's operations and in almost all aspects, financial performance against budgets has shown variances favourable to the charity. The Society has benefitted from higher than expected income from the portfolio, and further from a very significant increase in the value of the portfolio itself, as detailed below.

Under the heading *Income and endowments* in the Statement of Financial Activities, the Society received donations of £8,563 and recognised legacies of £130,687. (2016 - £44,317 and £48,635 respectively.) These are detailed in Note 3 to the Accounts. Legacies are considered by the Society to be capital and have been added to the investment portfolio.

The predominant source of income remains the dividends on the Society's investments which has increased from the previous year to a figure of £1,774,256 (2016 - £1,750,142). Within this income were £47,118 of Special Dividends which have also been added to the investment portfolio.

Those parts of 14 Rutland Square not used by the Society for its own purposes remain subject to a contractual agreement with its long-term tenant and provided rental income of £18,000. A further

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*"I greatly appreciate the work that you do. I am a very grateful beneficiary"*

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## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Trustees' Annual Report to 31<sup>st</sup> March 2017 (continued)

£1,800 of rent is received from a second tenant. This part of the Society's property is now recognised as investment property on the Balance Sheet.

The Society is required to detail its resources expended under specified headings, the first being *Raising Funds*. Advertising costs were much lower than those in the previous year (£1,447 vs £3,760) as a result of there being no need to attract more applicants than were available through referrals and this expenditure comprised largely of entries in generic charity directories which serve both fund-raising and applicant awareness purposes. The increase in portfolio valuation resulted in an increase in the portfolio management fee to £117,713 (2016 - £101,902), based on a percentage of the portfolio valuation less commission charged on investment transactions, along with VAT at the prevailing rate.

The heading *Charitable Activities* detailed in Note 5 to the Accounts, on page 23 indicates an increase in the principal grant payments from £976,200 to £999,600, almost fully expending the £1million ceiling currently imposed by trustees. Although this limit will also apply in 2017-18, a provision for potential further expenditure, of £31,200, is included but is a theoretical provision which will not arise if the actions described under "*Plans for Future Periods*" take place.

As referred to under *Achievements and Performance*, Supplementary Grants amounting to £167,325 were distributed to 468 women on the lowest income and savings (2016 - £78,325) in two distributions towards the end of the year. In addition, a £50 Christmas "bonus" was paid to all qualifying beneficiaries with their December 2016 quarterly payment, and all beneficiaries received £90 with their June quarterly payment to mark Her Majesty The Queen's 90<sup>th</sup> birthday.

*Support Costs* identified in Note 5 on page 23 have fallen again to £239,678 (2016 - £258,582), a reduction of over 7% following the previous year's reduction of 15%. As the Society only provides financial support, and has no other activities, all support costs are assigned to charitable activities. Office staff costs are allocated 75% to *Support Costs*, 25% to *Governance* based on estimates of time spent, although under FRS 102 *Governance* costs are now included within Charitable Activities. The reduction in support costs derives from attention to spending across all the constituent parts, but most significantly in reduced expenditure during the year on property repairs and computer equipment.

The expenditure incurred under *Governance Costs* is also significantly reduced, from £47,778 in 2016 to £41,867 in the reporting year, with savings achieved in all component parts other than Committee expenses. The increase under this heading (£4,252 v £2,813 in 2016) is largely explained by the inclusion of advertising costs for new trustees, the first time the Society has sought to source new members other than through personal recommendation. Meetings of the General Committee in Edinburgh are now held out with the Society's offices, due to lack of space, and a part of the increase in Committee expenses reflects room hire costs for these meetings.

As a proportion of the charity's *Total Income*, 67% is accounted for by grants distributed to beneficiaries, and 82% by charitable activities overall. Excluding from *Total Income* those amounts deriving from legacies and special dividends, which the Society regards as capital, these percentages increase to 75% and 91% respectively.

Net income before gains and losses on investments amounted to £223,694, (2016 - £291,834) reflecting the combination of increased income, reduction in operating costs and enhanced distribution of charitable payments compared with 2016. Of this net income, £177,805 derives from

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*"I value very very deeply the Society's help and I really don't have the words that can fully express my gratitude".*

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## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Trustees' Annual Report to 31<sup>st</sup> March 2017 (continued)

receipts deemed to be of a capital nature and subsequently invested.

Note 6 on page 24 of the Accounts shows realised investment gains of £60,703 made during the financial year, realised losses of £24,432 and, more significantly, an unrealised gain on the portfolio of £4,421,391. Corresponding figures for 2015-2016 were, respectively £96,297, £390,463 and an unrealised loss of £2,164,653. Overall, the Society's funds increased to a total of £45,216,633 (2016 - £40,535,277).

Turning to the *Balance Sheet*, the composition of the fund is allocated between tangible fixed assets at £536,434 and investment assets valued at £44,813,036, giving Total Fixed Assets of £45,349,470, (2016 - £40,638,780). Debtors fell from £94,624 to £74,854 and along with cash resources of £839,817 contributed to current assets of £914,671 (2016 - £918,749). Current liabilities of £1,047,509 reflect the significant creditor provision of £1,009,800 for grant payments in the coming year.

#### b) Investment Policy and Performance

Over many years successive trustees of the Society have built up a significant investment portfolio, and this provides the majority of the income upon which the charity relies to make payments to its beneficiaries and meet its running costs. A policy has been followed whereby all legacy receipts and transfers from other charities have been applied to the investment portfolio, rather than distributed as grants to beneficiaries. Similarly, the proceeds of investment disposals have been reinvested with the object of achieving a satisfactory level of income for the Society. The aim is to provide not only to meet current needs but also achieve growth in income and, over the years, in capital values. The trustees are aware of their obligation to provide for future beneficiaries as well as for the current ones, and of the likelihood that, in future, management and administrative costs will be higher than at present. The foregoing objectives have not changed.

The Society has granted discretionary management over its investment portfolio to investment advisers, Brewin Dolphin. Their performance is monitored by an Investment Sub-Committee comprising five members of the General Committee who have the necessary financial acumen for this purpose. The Sub-Committee meets with Brewin Dolphin managers every six months to review performance, and as necessary amend its instructions to them.

The portfolio continues to be managed for "*Income and Growth Return*", under "*Diversified Risk*" classified as "*Moderate Investment Risk (Brewin Dolphin Risk Category 6)*". The Investment Sub-Committee has set a target income of £1.45 million per annum and periodically reviews the appropriateness of this target.

The trustees of the Society do not currently restrict investment policy to take account of social or economic factors but have instructed that the existing holding of tobacco shares should not be increased. The possibility of introducing further ethical constraints was raised at the March 2016 meeting of the General Committee when trustees chose to seek guidance from Brewin Dolphin on the impact of any restrictions on the prevailing portfolio. However, at their subsequent meeting in June 2016 it was agreed to maintain the existing position but to keep the matter under regular review.

The dividend income of £1,774,256 represents a yield of 3.99%. Allowing for the increase in value of the portfolio, the Total Return on the portfolio is however 15.67%.

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*"Without IGF I would have "gone under" but you have kept my head above water  
and for that I am very very grateful."*

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## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Trustees' Annual Report to 31<sup>st</sup> March 2017 (continued)

Brewin Dolphin have indicated that they anticipate net investment income of £1,768,967 for the year to 31<sup>st</sup> March 2018. Forward budgeting using this estimate shows that this will allow the Society to continue to meet its programme of grants for existing and future beneficiaries of the Society in the year ahead.

#### c) Reserves Policy

Through long-standing policies of investing legacies and funds transferred from other charities, and reinvesting the proceeds of investment sales, the Society has accumulated considerable reserves. In the opinion of the trustees these funds provide the "seed-corn" of current and future income generation and it is therefore necessary to maintain them, together with any which arise in future, so that the Society can fulfil its objectives at both the present time and into the future.

The charity's reserves are entirely unrestricted. However, within these a Designated Investment Fund has been created to reflect the value of the Society's investments, heritable property and cash held by the stockbrokers for investment. This Fund should not, in the trustees' view, be regarded as being available for distribution.

The Trustees are aware that the General Fund is in deficit but consider that this results from an accountancy requirement to include, within its creditors, a provision of £1,009,800 to reflect the payment of the principal grant for a further twelve months. This grant is, of course, funded from the succeeding year's investment income.

The Society attempts to maintain a cash balance in excess of its average quarterly expenditure which in the year under review amounted to approximately £425,000. These cash holdings provide routine working cash but also a buffer against forced sale of investments to maintain charitable payments during any significant downturn in dividend income. The greater cash holding at 31<sup>st</sup> March 2017 includes £200,000 earmarked for designation as a "Transition Fund" in 2017-2018 to mitigate the phasing out of support over the next four years to some 160 beneficiaries whose financial circumstances exceed the criteria set for admission to the Roll. Further details of this are included in the *Plans for Future Periods* section below.

#### d) Risk Management

The General Committee undertook a major review of its Risk Management Register in 2015-2016 and have reviewed this against the background of additional mitigation measures which have been implemented during the year.

Of 36 potential areas of risk considered by the Committee, 3 remained potentially significant. These are, in declining order, and with the assessment of mitigating actions:

- *Dependency on / collapse of income streams.* As discussed above, the Society relies on dividend income to fund its charitable activities and operating costs. While the probability of decline in income is significant in turbulent economic times, and the impact could be serious, the General Committee consider that adequate measures are in place to allow the charity to continue. The investment portfolio is well diversified across asset classes and sectors, and income forecasts are updated by Brewin Dolphin on a monthly basis, providing notice of any fall in anticipated income.

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***"Your payment arrived just at the right time as very sadly I lost a very dear friend suddenly and because of your amazing Association, I will be able to travel to her funeral which means so much to me."***

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## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Trustees' Annual Report to 31<sup>st</sup> March 2017 (continued)

The Society holds significant cash reserves which can buffer any medium term fall in income, and albeit reluctant to do so, the Society could, in an emergency, realise investments. In the interim, current income levels are significantly in excess of commitments and the Society retains the ability to restrict additional grant payments and freeze new admissions. The managed risk remains therefore considerably lower than the theoretical one, but against the background of Brexit there are significant issues which are beyond the Society's ability to control or mitigate further.

- *Staff safety.* A significant proportion of the Society's charitable activities involves Caseworkers visiting new applicants and existing beneficiaries in their homes, with considerable time travelling in between. Particularly when visiting new applicants, there is an element of risk surrounding what they might encounter inside and outside of any property, or from others associated with the individuals they are visiting. A Lone Worker policy is in place and under constant review. While staff at the Society's offices always know who a Caseworker is visiting at any time, they are equipped with mobile alarms including GPS-capability and connected to a dedicated call centre. This equipment allows the user to raise amber or red alerts and to speak to the call centre if in difficulty, and thereby initiate appropriate responses. Where a previous visit to an individual has caused concern to the Caseworker, subsequent visits are undertaken with a second Caseworker present.
- *Disaster Recovery.* The Society has in place structured back up procedures for all its important data, with copies held offsite, and believes it could re-establish operations quickly in the event of problems at its offices. However, it does not currently have a detailed plan of how this would be effected, suggesting that delay might be incurred. It remains the intention that a formal Disaster Recovery plan is developed.

#### Plans for Future Periods

The General Committee plans to continue the programme of grant payments on a similar basis to the reporting year. Budgets prepared for 18 months after the end of the reporting year indicate that the Society will be able to do this, without any concern over its ability as a going concern. In respect of both capital values and income forecasts the Trustees will continue to monitor emerging information and take such actions as may be necessitated in the interests of the charity.

When in 2014 the charity adopted a new methodology to assess applicants' incomes and set lower ceilings for capital and savings, it was well understood that many of those on the Roll of Beneficiaries at that time would no longer qualify for assistance if this applied to them also. It was agreed that for the immediate future this could be addressed with a twin-track approach, but that the matter would be addressed at a later date. During the reporting year this matter came into sharp focus as while, on the one hand these beneficiaries remained on the Roll, the Society's application of a ceiling on beneficiary numbers, to manage its long-term commitments, meant that it could not take on applicants who had significantly poorer financial circumstances. The General Committee agreed, after detailed discussions, that beneficiaries who were on the Roll in April 2017 but who would not meet the admission criteria at that time should have support from the charity phased out over a period of four years, and agreed that £200,000 of capital be utilised to help soften the effect of this. Around 160 beneficiaries will be affected by this initially, but procedures will be adopted to ensure that their circumstances remain under regular review and their status as full beneficiaries restored if they subsequently meet the admission ceilings. The gradual phasing out of support to these "Transition

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*"Big Christmas hugs –a million trillion thanks!"*

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## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Trustees' Annual Report to 31<sup>st</sup> March 2017 (continued)

Beneficiaries" will release additional spaces on the Roll each year and allow admission of a greater number of new applicants than the routine of filling spaces created by deaths and withdrawals permits. It is expected that, as a result, the Society's Roll will progressively comprise women on lower incomes.

Against the background of increasing numbers of applications, and the probability of these being competitive with one another for limited places, work will continue to refine the Society's ceilings and criteria, and how these are applied. Trustees expect that greater attention will need to be given to the more "subjective" components of the admission criteria, to further ensure consistency and repeatability of consideration given to every application.

The Society has formally adopted a new Data Protection and Retention Policy, governing how long beneficiaries' records are retained both in paper and electronic form, and work will be undertaken to put this into effect. It will continue to develop and review policy on other issues as they arise. The Society is aware of forthcoming Data Protection requirements emanating from the EU, and of the possible implications for charities of the Common Reporting Standard, and is developing plans to refresh understandings with beneficiaries on these matters, along with a robust data-set of emergency contacts for each beneficiary, where the named contact is aware of the Society's involvement.

#### **Structure, governance and management**

The Society is a registered charity with the Office of the Scottish Charity Regulator with Scottish Charity Number SC016095.

Established in 1847, with a formal Deed of Constitution executed in 1865 and a Royal Charter granted in 1930, the Society operated until recently under the name of The Royal Society for the Relief of Indigent Gentlewomen of Scotland, generally known as the "Indigent Gentlewomen's Fund" or "IGF". On 1<sup>st</sup> May 2015, a new Supplementary Charter came into effect changing the name of the Society, introducing new eligibility criteria for applicants and new Byelaws governing the charity's operations and practices.

The General Committee of the Society consists of a Chairman and currently a thirteen-person voluntary committee. The Committee meets in March, June, September and November each year to consider new applications for assistance from the Society, and to consider other business matters. The Annual General Meeting is conducted in September each year. Each meeting of the General Committee reviews management accounts for the previous quarter, prepared by the Chief Executive, under the guidance of the Treasurer.

The General Committee annually appoints an Investment Sub-Committee which meets at six-monthly intervals to review investment policy and decisions. It is authorised to monitor the performance of the Society's nominated investment managers and stockbrokers, to whom discretionary powers of management have been granted, and reports periodically to the General Committee. The Committee also appoints Sub-Committees and working groups to undertake work on specific issues which may arise from time to time and require more detailed consideration than the full Committee is able to provide.

All routine management decisions are taken by the Chief Executive. The welfare of all the Society's beneficiaries is promoted by the Caseworker team, who report to the Chief Executive.

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*"The support you have given me has changed my life. I only wish I could think of words to tell you how very much it is appreciated".*

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## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Trustees' Annual Report to 31<sup>st</sup> March 2017 (continued)

The General Committee reviews all staff salaries in private session after its June meeting, using economic indicators to benchmark changes. The Chief Executive's salary was set at the time of his appointment in August 2014, as part of a process involving input from professional recruitment advisers.

The General Committee has examined the major risks to the Society in achieving its objectives and confirms that systems have been established to mitigate those risks. These matters have been reported on in an earlier section.

Under the Society's Bye-laws the three trustees who are longest serving since their last election retire by rotation at the Annual General Meeting, and are eligible for re-election or may demit office. The following members retired by rotation. At the 2016 AGM, Mrs Annemieke Cunningham and Mr Stewart MacKay retired by rotation and were re-elected. Dr Gillian Beattie retired after 12 years and did not seek reappointment. There were two resignations from the Committee during the year; Mr David Wilson (at the AGM) after 7 years and Dr Daphne Audsley (in March 2017) after 15 years, in each case because of the pressure of other commitments. The Reverend James Ferguson resigned in May 2017 after 3 years.

Mr John Chapman stepped down as Chairman of the Society at the Annual General Meeting after 7 years, having indicated earlier in the year his intention to do so. This provided a timescale for a formal nomination process for his successor and at the AGM Ms Catriona Reynolds was elected to the role. Mr Chapman remains on the Committee.

Historically the Society has identified potential new trustees through existing committee members while ensuring a broad spectrum of commercial and professional expertise was available to the Committee. During the year a formal "Skills Matrix" was developed for the Committee and this was used as the background for the Society to advertise, for the first time, for new trustees with skills and expertise in specific areas. Short-listed applicants were interviewed in April 2017 and, following recommendations subsequently made, Dr Jonathan Cossar was appointed to the Committee with effect from September 2017.

On appointment, new trustees are provided with information regarding the Society's aims and objectives, previous accounts, minutes, the Risk Management Register and other policy documents. Existing trustees are routinely provided with updated information regarding new legislation in order that they remain aware of their responsibilities.

### **Reference and administration details of the charity, its trustees and advisors**

The Royal Society for the Support of Women of Scotland, (Scottish Charity Number: SC016095) is represented by all individuals and organisations shown below. The members of the General Committee fulfil the role of charitable trustees.

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*"I received my money with a thousand thankys, you have no idea what this has done for me."*

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# THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

## Trustees' Annual Report to 31<sup>st</sup> March 2017 (continued)

### General Committee of Management

**Chairman:**

Ms Catriona Reynolds (from September 2016)  
Mr John Chapman (until September 2016).

**East**

Dr Daphne Audsley (Resigned March 2017)  
Mr. John I. Hume C.A.  
Mr. Adrian M. Johnston  
The Very Rev. Dr Sheilagh Kesting, B.A., B.D.  
Mrs. Maureen O'Neill.  
Mr. J. Allan Sturrock.  
Mr. Walter N.J. Thomson, W.S (Vice-Chairman)  
Mr. Graeme A. Whyte

**West**

Dr Gillian Beattie (Retired September 2016)  
Mr. John M. Chapman, DL, CEng  
Dr Jonathan H. Cossar (Appointed September 2017)  
Mrs. Annemieke Cunningham  
Revd. James Ferguson (Resigned May 2017)  
Mr. Stewart MacKay  
Mr. Walter M. Reid, W.S.  
Mrs. May Storrie, CBE  
Mr. David B. Wilson (Resigned September 2016)

**Investment Sub-Committee:**

Ms Catriona Reynolds (Chairman)  
Mr. John M. Chapman  
Mr. Adrian M. Johnston  
Mr. John I Hume  
Mr. Stewart MacKay

**Treasurer:**

Mr. John I. Hume

**Chief Executive:**

Dr Maurice S. Hankey

**Registered Office:**

14 Rutland Square, Edinburgh, EH1 2BD

**Case Workers:**

Mrs. Anne Metcalfe, R.G.N., D.N.  
Mrs. Elizabeth McCue  
Mrs. Bettie Thom, R.G.N., S.C.M., D.N.

**Secretary /Administrator:**

Mrs. Sharon Moffat

**Auditor:**

Scott-Moncrieff C.A.  
Exchange Place 3, Semple Street, Edinburgh,  
EH3 8BL

**Bankers:**

Bank of Scotland  
38 St. Andrew Square, Edinburgh, EH2 2YR

**Solicitors:**

Anderson Strathern  
1 Rutland Court, Edinburgh, EH3 8EY

**Investment Managers and Stockbrokers:**

Brewin Dolphin  
Sixth Floor, Atria One, 144 Morrison Street,  
Edinburgh, EH3 8EX

**Information Technology Adviser:**

Mr. Graeme A. Whyte, J7 (MIS) Ltd.  
Tigh Sgioport, 4 Farnell Way, Dunfermline, KY12 0SR

### **The General Committee's responsibilities**

Legislation applicable to charities in Scotland requires the General Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the relative balance of income and expenditure for that period.

In preparing those financial statements the General Committee is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Society will continue its activities

The General Committee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Society and to enable it to ensure that the financial statements comply with applicable accounting standards and relevant legislation.

The Committee has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.

### **Statement as to disclosure of information to the auditor:**

To the knowledge and belief of each of the persons who are General Committee members, at the time the report is approved:

- So far as the General Committee member is aware, there is no relevant information of which the Society's auditor is unaware, and
- He / she has taken all the steps that he/she ought to have taken as a General Committee member in order to make himself / herself aware of any relevant audit information and to establish that the Society's auditor is aware of the information.

Approved by the General Committee on 8<sup>th</sup> September 2017 and signed on its behalf by;

Ms Catriona Reynolds  
Chairman

**Independent Auditor's Report to the Trustees for the year ended 31<sup>st</sup> March 2017**

We have audited the financial statements of The Royal Society for the Support of Women of Scotland for the year ended 31<sup>st</sup> March 2017 which are set out on pages 16 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable to the UK and Republic of Ireland", (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee (Scotland) Investment Act 2005 and regulations made under that Act. Our audit work has been undertaken so that we might state to the Society'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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the General Committee's Responsibilities Statement set out on page 13, the General Committee is responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site 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 charity's affairs as at 31<sup>st</sup> March 2017 and of its incoming resources and application of resources 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Independent Auditor's Report to the Trustees for the year ended 31<sup>st</sup> March 2017 (contd.)

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

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) 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
- proper 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.

Scott-Moncrieff  
Statutory Auditor

Scott-Moncrieff is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

8<sup>th</sup> September 2017

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES

for the year to 31 March 2017

|  | Notes | Unrestricted Funds |                    |
|--|-------|--------------------|--------------------|
|  |       | 2017               | 2016               |
|  |       | £                  | £                  |
| <b>Income and endowments from:</b>                   |       |                    |                    |
| Donations and legacies                               | 3     | 139,250            | 92,952             |
| Investments  | 4     | 1,796,494          | 1,772,919          |
| <b>Total income</b>                                  |       | <b>1,935,744</b>   | <b>1,865,871</b>   |
| <b>Expenditure on:</b>                               |       |                    |                    |
| Raising funds  | 5     | 119,160            | 105,662            |
| Charitable activities                                | 5     | 1,592,890          | 1,468,375          |
| <b>Total expenditure</b>                             |       | <b>1,712,050</b>   | <b>1,574,037</b>   |
| Net income before gains<br>and losses on investments |       | 223,694            | 291,834            |
| Net gains / (losses) on investments                  | 6     | 4,457,662          | (2,458,819)        |
| <b>Net income / (expenditure)</b>                    |       | <b>4,681,356</b>   | <b>(2,166,985)</b> |
| <b>Net movement in funds</b>                         |       | <b>4,681,356</b>   | <b>(2,166,985)</b> |
| Reconciliation:                                      |       |                    |                    |
| Total funds brought forward                          |       | 40,535,277         | 42,702,262         |
| <b>Total funds carried forward</b>                   |       | <b>45,216,633</b>  | <b>40,535,277</b>  |

All results relate to continuing activities.

The Notes on pages 19 to 27 form part of these financial statements.

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

BALANCE SHEET as at 31 March 2017

|   | Notes | Unrestricted Funds |                   |
|---|-------|--------------------|-------------------|
|   |       | 2017               | 2016              |
|   |       | £                  | £                 |
| <b>Fixed assets:</b>                          |       |                    |                   |
| Tangible assets                               | 7     | 536,434            | 538,280           |
| Investments                                   | 8     | 44,813,036         | 40,100,500        |
| <b>Total fixed assets:</b>                    |       | <b>45,349,470</b>  | <b>40,638,780</b> |
| <b>Current assets:</b>                        |       |                    |                   |
| Debtors                                       | 9     | 74,854             | 94,624            |
| Cash at bank and in hand                      |       | 839,818            | 824,125           |
| <b>Total current assets:</b>                  |       | <b>914,672</b>     | <b>918,749</b>    |
| <b>Liabilities:</b>                           |       |                    |                   |
| Creditors Amounts falling due within one year | 10    | 1,047,509          | 1,022,252         |
| <b>Total net assets:</b>                      |       | <b>45,216,633</b>  | <b>40,535,277</b> |
| <b>The funds of the charity:</b>              |       |                    |                   |
| Unrestricted income funds                     | 12    | <b>45,216,633</b>  | <b>40,535,277</b> |

The financial statements were approved by the Society's trustees on 8th September 2017 and signed on their behalf by

Ms Catriona Reynolds

The Notes on pages 19 to 27 form part of these financial statements.

**THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND**

**Statement of cash flows for the year ended 31 March 2017**

|   | Note        | 2017               | 2016               |
|---|-------------|--------------------|--------------------|
|   |             | £                  | £                  |
| Cash flows from operating activities:                                     |             |                    |                    |
| <b>Net cash provided by/(used in) operating activities</b>                | <b>1(a)</b> | <b>(1,513,510)</b> | <b>(1,432,270)</b> |
| Cash flows from investing activities:                                     |             |                    |                    |
| Dividends, interest and rents from investments                            |             | 1,796,494          | 1,772,919          |
| Proceeds from sale of investments   |             | 2,832,044          | 3,021,002          |
| Purchase of investments   |             | (2,993,878)        | (3,469,127)        |
| Proceeds from sale of vehicle   |             | 10,750             | -                  |
| Purchase of new vehicle   |             | (23,167)           | -                  |
| <b>Net cash provided by/(used in) investing activities</b>                |             | <b>1,622,243</b>   | <b>1,324,794</b>   |
| <b>Change in cash and cash equivalents in the reporting period</b>        |             | <b>108,733</b>     | <b>(107,476)</b>   |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> |             | <b>839,024</b>     | <b>946,500</b>     |
| <b>Cash and cash equivalents at the end of the reporting period</b>       | <b>1(b)</b> | <b>947,757</b>     | <b>839,024</b>     |
| <b>Note 1(a)</b>  |             |                    |                    |
| Net income/(expenditure) for the year                                     |             | 4,681,356          | (2,166,985)        |
| Adjustments for:  |             |                    |                    |
| Depreciation charges  |             | 14,263             | 15,450             |
| Losses /(Gains) on investments  |             | (4,457,662)        | 2,458,819          |
| Dividends, interest and rents from investments                            |             | (1,796,494)        | (1,772,919)        |
| Decrease/(increase) in debtors  |             | 19,770             | (29,196)           |
| Increase in creditors   |             | 25,257             | 62,561             |
| <b>Net cash provided by operating activities</b>                          |             | <b>(1,513,510)</b> | <b>(1,432,270)</b> |
| <b>Note 1(b)</b>  |             |                    |                    |
| Cash in hand  |             | 839,818            | 824,125            |
| Cash held within investments  |             | 107,939            | 14,899             |
| <b>Total cash and cash equivalents</b>                                    |             | <b>947,757</b>     | <b>839,024</b>     |

## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Notes forming part of the Financial Statements for the year to 31 March 2017

#### 1. Accounting policies

##### *(a) Basis of accounting*

The financial statements have been prepared in accordance with the Financial Reporting Standard 102, as issued by the Financial Reporting Council (effective 1 January 2015), the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are prepared on the historical cost basis, except for investments which have been included at fair value.

The Society meets the definition of 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.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the Society's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

##### *(b) Going concern*

The trustees are of the opinion that the charity can continue to meet its obligations as they fall due for the foreseeable future. The Society has significant cash reserves, a substantial investment portfolio generating regular income and is able to restrict further admissions to the Roll of Beneficiaries. As a consequence the trustees have prepared the financial statements on a going concern basis.

##### *(c) Recognition and allocation of income*

Income is recognised when the Society becomes entitled to the income, receipt is probable and the amount can be measured reliably.

##### *Donation and legacy income*

Donation and legacy income is recognised when the charity becomes entitled to the income, it is probable that it will be received and the amount can be measured reliably. Entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to the charity and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. A receipt is normally probable when there has been a grant of probate, the executors have established that there are sufficient net assets in the estate, and any conditions are within the control of the charity or have been met.

Where a legacy is subject to the interest of a life tenant, the legacy is not recognised until the death of the life tenant. Legacy income is measured at fair value (generally the cash amount receivable) and is discounted if deferred for more than 12 months. The unwinding of the discount is recognised as interest receivable.

##### *Investment Income*

Interest is recognised using the effective interest rate applicable to the asset. Dividend income is recognised when the right to receipt is established and is measured at fair value.

## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Notes forming part of the Financial Statements for the year to 31 March 2017

#### *(d) Recognition and allocation of expenditure*

Expenditure is recognised on an accruals basis when the Society has entered into a legal or constructive obligation. Where possible, expenditure is allocated directly to the function to which it relates.

#### *Grants payable*

Grants authorised by the Society to beneficiaries are recognised in the financial statements when payable. Other grants for specific needs are payable to beneficiaries at the discretion of the

#### *Other resources expended*

Costs of raising funds represents the costs of promoting the Society and of managing its investments. Support costs represent the costs of the Society's caseworkers and administrative costs to support grant-making with 25% being allocated to governance costs which are those incurred in connection with the management of the Society's assets, organisational administration and compliance with constitutional and statutory requirements.

#### *(e) Taxation*

The Society is recognised by HM Revenue and Customs as a charity for the purposes of Section 478 of the Income and Corporation Taxes Act 2010 and is entitled under Section 7 of the Charities & Trustee Investment (Scotland) Act 2005 to describe itself as a Scottish charity. As a result, the Society is exempt from taxation on its charitable activities. As the Society is not registered for Value Added Tax, the V.A.T. element is included with the related expense.

#### *(f) Funds*

Unrestricted funds are income sources which are receivable for the objects of the charity without further specified purposes and are available as general funds.

All of the Society's funds are unrestricted. The General Committee consider the aggregate of the Society's investment portfolio, the value of the Heritable Property and cash held by the stockbroker for reinvestment should be highlighted in a designated investment fund. These funds are not available for distribution.

The General Committee may, from time to time, designate further funds which have been earmarked for a specific future purpose.

#### *(g) Fixed assets and depreciation*

Fixed assets, other than heritable property, are stated at cost less accumulated depreciation and impairment losses. Depreciation is charged on the motor car so as to write off the anticipated reduction in value over the expected three year period of ownership. Equipment is included within resources expended in the year of acquisition. Heritable property is stated at deemed cost at 1 April 2014. Depreciation is charged on heritable property used by the Society at 2% per annum reducing balance.

## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Notes forming part of the Financial Statements for the year to 31 March 2017

#### *(h) Impairment of non-financial assets*

At each reporting date, the Society reviews the carrying amounts of its tangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### *(i) Fixed asset investments*

Fixed asset investments include the Society's investment portfolio, cash held by the stockbroker and the portion of heritable property held and let as investment property. Investments are included in the financial statements at fair value. Gains and losses on investment assets are included either as unrealised gains and losses, representing the difference between the market value at the beginning and end of the financial year or from the date of acquisition if purchased during the year, or realised gains/losses, representing the difference between the market value at the beginning of the year or from the date of acquisition if purchased during the year, and the disposal proceeds. The investment property is held at its fair value at the reporting date. Gains or losses arising from changes in the fair value are included in the statement of financial activities for the period in which they arise. Fair values of quoted investments are based on market values at 31 March 2017. The fair value of the investment property is based on the last external independent valuation being carried out at 31 March 2014, the General Committee has considered the fair value at 31 March 2017 and deemed there to be no material difference from the most recent external valuation.

#### *(j) Debtors*

Debtors are amounts identified as due to the Society arising as prepayments, as recognising legacies and donations notified but not yet received, and as dividend income due but not yet received at year end. Debtors are recognised at the undiscounted amount of cash receivable, less any allowances for doubtful debts.

#### *(k) Creditors*

Sundry creditors are either a) outstanding amounts due to suppliers, which are recognised at the undiscounted amount owed to the supplier, normally the invoice price or b) provision for grants payable to beneficiaries in the following twelve months, based on the number of beneficiaries on the Society's Roll at the end of the reporting year.

#### *(l) Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand and balances with banks and are measured at fair value.

## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Notes forming part of the Financial Statements for the year to 31 March 2017

#### *(m) Financial assets and financial liabilities*

Financial instruments are recognised in the statements of financial activities when the Society becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Society has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

#### *(n) Pensions*

The Society contributes to money purchase pension plans on behalf of all employees. The assets of these plans are held separately from those of the Society in separately administered funds. The amount charged to resources expended represents the contributions payable to these plans in respect of the financial year.

## **2 Critical judgements and estimates**

In preparing the financial statements trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The estimates and assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Legacy income is measured at fair value, but where part of a legacy left to the charity includes property or shares to be sold, judgement is used to estimate the amount receivable.

The Society's provisions for future grants to beneficiaries, relies on the Roll at the end of the current year. The actual level will depend on the number of deaths and withdrawals and the number of new admissions. New admissions are under the control of trustees, and the Society now operates a cap on the number of beneficiaries it will support.

## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Notes forming part of the Financial Statements for the year to 31 March 2017

|   |                         |                         |
|---|-------------------------|-------------------------|
| <b>3 Donations and legacies</b>                         | 2017                    | 2016                    |
|   | £                       | £                       |
| Donations   | 8,563                   | 44,317                  |
| Legacies  | 130,687                 | 48,635                  |
|   | <u><b>139,250</b></u>   | <u><b>92,952</b></u>    |
| <br>  |                         |                         |
| <b>4 Investment income</b>                              | 2017                    | 2016                    |
|   | £                       | £                       |
| UK listed investments:-                                 |                         |                         |
| Government securities                                   | -                       | 184                     |
| Fixed interest and convertible stocks                   | 277,187                 | 275,598                 |
| Equities  | 1,497,069               | 1,474,360               |
|   | <u>1,774,256</u>        | <u>1,750,142</u>        |
| Bank interest and rental income                         | 22,238                  | 22,777                  |
|   | <u><b>1,796,494</b></u> | <u><b>1,772,919</b></u> |
| <br>  |                         |                         |
| <b>5 Total expenditure</b>                              | 2017                    | 2016                    |
|   | £                       | £                       |
| <b>Raising funds</b>                                    |                         |                         |
| Advertising   | 1,447                   | 3,760                   |
| Investment Portfolio Management Fee                     | 117,713                 | 101,902                 |
|   | <u><b>119,160</b></u>   | <u><b>105,662</b></u>   |
| <br>  |                         |                         |
| <b>Charitable activities</b>                            | 2017                    | 2016                    |
|   | £                       | £                       |
| <b>Grants payable to individuals:-</b>                  |                         |                         |
| Principal Grant (£1,200 p.a.)                           | 999,600                 | 976,200                 |
| Welcome Grant   | -                       | 15,300                  |
| Other Grants (variable)                                 | 4,940                   | 4,990                   |
| Supplementary Grants (variable)                         | 167,325                 | 78,325                  |
| Extra Grants (£50)                                      | 108,280                 | 39,200                  |
|   | <u>1,280,145</u>        | <u>1,114,015</u>        |
| Provision for Future Grants                             | 31,200                  | 48,000                  |
|   | <u><b>1,311,345</b></u> | <u><b>1,162,015</b></u> |
| <br>  |                         |                         |
| <b>Support costs: grants payable</b>                    | 2017                    | 2016                    |
|   | £                       | £                       |
| Other   | 2,258                   | 2,280                   |
| Salaries, fees, travel and pension costs of caseworkers | 112,636                 | 113,006                 |
| Salaries, fees and pension costs of office staff        | 58,232                  | 58,355                  |
| Property and computer maintenance costs                 | 38,712                  | 54,244                  |
| Postage, stationery and telephone                       | 13,577                  | 15,247                  |
| Depreciation of motor car and property                  | 14,263                  | 15,450                  |
|   | <u><b>239,678</b></u>   | <u><b>258,582</b></u>   |

## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Notes forming part of the Financial Statements for the year to 31 March 2017

|  | 2017          | 2016          |
|--|---------------|---------------|
|  | £             | £             |
| <b>Governance costs</b>                          |               |               |
| Salaries, fees and pension costs of office staff | 19,411        | 19,452        |
| Legal and professional fees                      | 8,272         | 14,532        |
| Audit fee  | 9,225         | 10,080        |
| Trustee indemnity insurance                      | 707           | 901           |
| Committee expenses                               | 4,252         | 2,813         |
|  | <u>41,867</u> | <u>47,778</u> |

|   |                         |                         |
|---|-------------------------|-------------------------|
| <b>Total expenditure on charitable activities</b> | <u><b>1,592,890</b></u> | <u><b>1,468,375</b></u> |
|---|-------------------------|-------------------------|

|                          |                         |                         |
|--------------------------|-------------------------|-------------------------|
| <b>Total expenditure</b> | <u><b>1,712,050</b></u> | <u><b>1,574,037</b></u> |
|--------------------------|-------------------------|-------------------------|

|                               | 2017           | 2016           |
|-------------------------------|----------------|----------------|
|                               | £              | £              |
| <b>Staff costs</b>            |                |                |
| Salaries                      | 141,157        | 144,516        |
| Employers' National Insurance | 11,919         | 13,055         |
| Pension costs                 | 16,307         | 10,398         |
|                               | <u>169,383</u> | <u>167,969</u> |

Average number of staff employed: 1 full-time, 5 part-time (2016 -1 full-time, 5 part-time).

The Society considers its key management personnel to comprise the trustees and the Chief Executive. The total employment benefits including employer pension contributions of the key management personnel were £50,426 (2016 - £43,537). No employee received remuneration of more than £60,000 (2016 - None).

Members of the General Committee are not remunerated for their services, but 6 members (2016 - 17) received travelling expenses totalling £174 (2016 - £848). A further £383 of travel expenses are estimated to have been waived. In addition there was trustee indemnity insurance of £707 (2016 - £901) paid in the year.

|                       | 2017          | 2016          |
|-----------------------|---------------|---------------|
|                       | £             | £             |
| <b>Auditor costs</b>  |               |               |
| Audit                 | 9,225         | 10,080        |
| Data protection audit | 2,546         | 1,460         |
|                       | <u>11,771</u> | <u>11,540</u> |

#### 6 Gain/(loss) on investment assets

|                                 | 2017             | 2016               |
|---------------------------------|------------------|--------------------|
|                                 | £                | £                  |
| Realised investment gains       | 60,703           | 96,297             |
| Realised investment losses      | (24,432)         | (390,463)          |
| Net gain /(loss) on revaluation | 4,421,391        | (2,164,653)        |
|                                 | <u>4,457,662</u> | <u>(2,458,819)</u> |

**THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND**

**Notes forming part of the Financial Statements for the year to 31 March 2017**

**7 Tangible fixed assets**

|  | Heritable<br>Property | Motor<br>Car         | Total                 |
|--|-----------------------|----------------------|-----------------------|
|  | £                     | £                    | £                     |
| Cost or deemed cost                    |                       |                      |                       |
| At 1 April 2016                        | 550,000               | 24,070               | 574,070               |
| Additions                              | -                     | 23,167               | 23,167                |
| Disposals                              | -                     | (24,070)             | (24,070)              |
| At 31 March 2017                       | <u>550,000</u>        | <u>23,167</u>        | <u>573,167</u>        |
| Depreciation                           |                       |                      |                       |
| At 1 April 2016                        | 21,780                | 14,010               | 35,790                |
| On disposal                            | -                     | (13,320)             | (13,320)              |
| Charge for Year                        | 10,564                | 3,699                | 14,263                |
| At 31 March 2017                       | <u>32,344</u>         | <u>4,389</u>         | <u>36,733</u>         |
| <b>Net Book Value at 31 March 2017</b> | <b><u>517,656</u></b> | <b><u>18,778</u></b> | <b><u>536,434</u></b> |
| <b>Net Book Value at 31 March 2016</b> | <b><u>528,220</u></b> | <b><u>10,060</u></b> | <b><u>538,280</u></b> |

**8 Fixed asset investments**

|                          | 2017<br>£                | 2016<br>£                |
|--------------------------|--------------------------|--------------------------|
| Investment property      | 350,000                  | 350,000                  |
| Listed investments       | 44,355,097               | 39,735,601               |
| Cash held by stockbroker | 107,939                  | 14,899                   |
| <b>Total</b>             | <b><u>44,813,036</u></b> | <b><u>40,100,500</u></b> |

**Listed investments**

|   | 2017<br>£                | 2016<br>£                |
|---|--------------------------|--------------------------|
| Market value at 1 April 2016            | 39,735,601               | 41,746,295               |
| Additions                               | 2,993,878                | 3,469,127                |
| Disposals                               | (2,795,773)              | (3,315,168)              |
| Net gain/(loss) on revaluation          | 4,421,391                | (2,164,653)              |
| <b>Market value at 31 March 2017</b>    | <b><u>44,355,097</u></b> | <b><u>39,735,601</u></b> |
| <b>Historical cost at 31 March 2017</b> | <b><u>29,154,192</u></b> | <b><u>27,763,654</u></b> |

The Government Securities, Fixed Interest and Convertible Stocks have been valued including accrued interest.

**9 Debtors**

|                 | 2017<br>£            | 2016<br>£            |
|-----------------|----------------------|----------------------|
| Tax recoverable | 142                  | 143                  |
| Other debtors   | 74,712               | 94,481               |
|                 | <b><u>74,854</u></b> | <b><u>94,624</u></b> |

## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Notes forming part of the Financial Statements for the year to 31 March 2017

#### 10 Creditors : amounts falling due within one year

|                               | 2017             | 2016             |
|-------------------------------|------------------|------------------|
|                               | £                | £                |
| Sundry creditors and accruals | 1,045,843        | 1,020,666        |
| Pension contributions         | 1,666            | 1,586            |
|                               | <b>1,047,509</b> | <b>1,022,252</b> |

The Trustees recognise a constructive obligation to maintain grant payments to the beneficiaries on the Roll and approve future commitments where funds are in place to meet the cost. These commitments are payable in under one year.

#### 11 Financial assets and liabilities

|  | 2017              | 2016              |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Financial assets at amortised cost                                       | 1,017,186         | 929,462           |
| Financial assets at fair value through Statement of Financial Activities | 44,355,097        | 39,735,601        |
| Financial liabilities at amortised cost                                  | (1,047,509)       | (1,022,252)       |
|  | <b>44,324,774</b> | <b>39,642,811</b> |

Financial assets at amortised cost comprise of other debtors, bank and cash.

Financial assets at fair value comprise of quoted investments which are measured at market value at the year end.

Financial liabilities comprise of sundry creditors and accruals and pension contributions.

#### 12 Unrestricted funds

|                            | Designated funds |                   |                       |                   |                   |
|----------------------------|------------------|-------------------|-----------------------|-------------------|-------------------|
|                            | General Fund     | Patron's Birthday | Designated Investment |                   |                   |
|                            | £                | £                 | £                     | £                 | £                 |
| At 1 April 2016            | <b>(168,443)</b> | <b>75,000</b>     | <b>40,628,720</b>     | <b>40,535,277</b> | <b>42,702,262</b> |
| Net Incoming Resources     | 56,453           | -                 | 167,241               | 223,694           | 291,834           |
| Gains on Investment Assets | -                | -                 | 4,457,662             | 4,457,662         | (2,458,819)       |
| Transfers                  | (2,069)          | (75,000)          | 77,069                | -                 | -                 |
| <b>At 31 March 2017</b>    | <b>(114,059)</b> | <b>-</b>          | <b>45,330,692</b>     | <b>45,216,633</b> | <b>40,535,277</b> |

The General Committee consider the aggregate of the Society's investment portfolio, the value of the Heritable Property and cash held by the stockbroker for reinvestment should be highlighted in a designated investment fund. These funds are not available for distribution.

The Patron's Birthday Fund was designated by the General Committee in March 2016 expressly to provide funds for an additional distribution of £90 to all beneficiaries on the Roll in June 2016, to celebrate Her Majesty's 90th birthday. This fund is now fully disbursed and closed.

## THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

### Notes forming part of the Financial Statements for the year to 31 March 2017

The designated funds include the assets which were received from Mrs. Marion Muil's Estate, although no separate terms attach to this part of the funds. The investment portfolios were merged in 2015, at which stage the Marion Muil's funds amounted to approximately 2% of the combined fund.

The Trustees consider the deficit on the General Fund arises through the inclusion, in Creditors, of a Provision of £1,009,800 for payment of future grants, albeit these are funded by the succeeding year's income. Any shortfall will be met from the Designated Investment Fund.

#### **13 Related party transactions**

During the year the Society hired the Meeting Room in The Merchants House, West George Street, Glasgow on two occasions at a cost of £336 (2016 - £192). The trustees Mr Stewart Mackay and Mrs May Storrie are Directors of The Merchants House of Glasgow.

A formal remuneration agreement is in place under the terms of the S67 of the Charities and Investments (Scotland) Act 2005, with Mr. Graeme A. Whyte, a trustee and a director of J7 (MIS) Ltd. who act as computer consultants to the Society. Fees of £14,546 were paid in respect of his services (2016 - £20,288). In addition, a further £77 was expended in respect of hardware, software and necessary printing materials purchased advantageously through his company (2016 - £1,836). At the year-end there were unused units to the value of £2,520 (2016 - £1,922).

Trustee Mr John Hume is a director of Wyvex Media Ltd, proprietor of The Oban Times newspaper. On one occasion during the year the charity advertised in The Oban Times to attract beneficiaries from the Argyll area. Total expenditure was £425 (2016 - £685), there was no balance due at the year end (2016 - £nil).

The sister of a trustee was admitted to the Roll of Beneficiaries in November 2015. The application was considered in the same way as all other applications, on a name-blind basis, and the trustee took no part in consideration of this applicant. Four payments of £300 each were made in the year, and Supplementary and Extra Grants amounting to £385 (2016 two payments of £300, and others amounting to £175 respectively.)

#### **14 Contingent assets and liabilities**

The Society will ultimately benefit from a deceased's estate which is the subject of a life-rent to a third party. This may not be received for many years but was valued in 2017 at approximately £1.94 million.

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

SUMMARY OF BENEFICIARIES ROLL 2016 – 2017

The definition of beneficiaries who are described as “on the Roll” only includes those receiving financial assistance. Ladies who receive social visits only are no longer included.

|  |                   |
|--|-------------------|
|  | <b>Total</b>      |
| Number on Roll to begin                                | 819               |
| Admitted during year                                   | <u>98</u>         |
|  | 917               |
| Deaths, Withdrawals or<br>Improved Circumstances, etc. | <u>73</u>         |
| <b>Number on Roll to end</b>                           | <b><u>844</u></b> |

Note: At 31 March 2017, a further **21** ladies continued to receive periodic social visits from Caseworkers.

**AGE DISTRIBUTION OF BENEFICIARIES  
at Year End**

|                                |                   |                       |
|--------------------------------|-------------------|-----------------------|
| 100 years of age and over      | 0                 | 0.00%                 |
| Between 90 and 99 years of age | 51                | 6.04%                 |
| Between 80 and 90 years of age | 234               | 27.73%                |
| Between 70 and 80 years of age | 290               | 34.36%                |
| Between 60 and 70 years of age | 189               | 22.39%                |
| Between 50 and 60 years of age | <u>80</u>         | <u>9.48%</u>          |
|                                | <b><u>844</u></b> | <b><u>100.00%</u></b> |

**BENEFICIARIES ROLL – 2006 – 2017**

| Year | Total | Spinsters | Widows/<br>Divorcees | Total<br>£ | Annuity<br>£ | Other<br>Grants<br>£ |
|------|-------|-----------|----------------------|------------|--------------|----------------------|
| 2006 | 788   | 196       | 592                  | 969,042    | 757,061      | 211,981              |
| 2007 | 819   | 196       | 623                  | 1,120,570  | 775,802      | 344,768              |
| 2008 | 819   | 193       | 626                  | 1,219,169  | 873,015      | 346,154              |
| 2009 | 837   | 192       | 645                  | 1,210,313  | 875,155      | 335,158              |
| 2010 | 823   | 188       | 635                  | 1,099,003  | 868,325      | 230,678              |
| 2011 | 812   | 186       | 626                  | 1,108,440  | 858,925      | 249,515              |
| 2012 | 827   | 190       | 637                  | 1,101,801  | 852,550      | 249,251              |
| 2013 | 827   | 190       | 637                  | 1,164,490  | 861,050      | 303,440              |
| 2014 | 792   | 175       | 617                  | 1,144,661  | 841,665      | 302,996              |
| 2015 | 815   | 176       | 639                  | 1,063,240  | 922,050      | 141,190              |
| 2016 | 819*  | 173       | 646                  | 1,114,015  | 976,200      | 137,815              |
| 2017 | 844*  | 173       | 671                  | 1,280,145  | 999,600      | 280,545              |

\*Receiving financial assistance

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

GEOGRAPHICAL DISTRIBUTION OF BENEFICIARIES at 31st MARCH 2017

|                     | Number of<br>Beneficiaries<br>at Year End | Total Principal<br>Grant Paid<br>2016/2017<br>£ |
|---------------------|---|---|
| Argyll & Bute       | 22  | 25,800  |
| Aberdeen City       | 21  | 27,000  |
| Aberdeenshire       | 29  | 34,800  |
| Angus               | 18  | 19,500  |
| Clackmannanshire    | 5   | 6,000   |
| City of Edinburgh   | 125                                       | 144,600   |
| City of Glasgow     | 71  | 82,200  |
| Dumfries & Galloway | 50  | 58,500  |
| Dundee City         | 26  | 32,100  |
| East Ayrshire       | 10  | 12,000  |
| East Dunbartonshire | 25  | 30,900  |
| East Lothian        | 28  | 33,900  |
| East Renfrewshire   | 10  | 12,000  |
| Fife                | 39  | 47,400  |
| Highland            | 58  | 66,900  |
| Highland West       | 8   | 9,000   |
| Inverclyde          | 4   | 4,200   |
| Midlothian          | 9   | 11,400  |
| Moray               | 16  | 20,700  |
| North Ayrshire      | 25  | 28,200  |
| Arran               | 2   | 2,400   |
| North Lanarkshire   | 25  | 29,700  |
| Orkney              | 4   | 4,800   |
| Perth & Kinross     | 34  | 41,700  |
| Renfrewshire        | 23  | 27,000  |
| South Ayrshire      | 22  | 27,000  |
| Scottish Borders    | 22  | 26,400  |
| Shetland            | 8   | 9,600   |
| South Lanarkshire   | 25  | 29,700  |
| Stirling            | 15  | 18,000  |
| West Dunbartonshire | 5   | 5,100   |
| Western Isles       | 12  | 13,200  |
| West Lothian        | 22  | 26,100  |
| England             | 22  | 27,000  |
| Overseas            | 4   | 4,800   |
| <b>Total</b>        | <b>844</b>                                | <b>£999,600</b>                                 |