

**TRUSTEES' ANNUAL REPORT
and
FINANCIAL STATEMENTS
FOR THE YEAR TO 31ST MARCH 2016**

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Trustees' Annual Report - For the Year to 31st March 2016

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 31st March 2016. The financial statements have been prepared in accordance with the accounting policies set out on pages 17-20 and comply with the Society's Royal Charter and applicable law.

This has been a hugely significant year in the history of this charity as, on 1st May 2015, a new Supplementary Charter came into effect, changing the name of the Society, changing the core criteria which new applicants must now meet and introducing new bye-laws governing how the Society operates. This therefore represents the first annual report of the charity in its new form. It is pleasing to see the work of many years on the governing documents finally come to fruition and the Society now placed on a firm basis to move forward.

The charity has continued to grow its Roll of Beneficiaries, now providing financial assistance to 50 more ladies than a year ago, and continuing to receive new requests for help. Improved income from investments and close control of costs mean that the Society has had a good year financially, but it is disappointing that the valuation of its investments has fallen back to the level of two years ago. Full details can be found in the attached Financial Statements and Notes.

I would like to extend my most sincere thanks to everyone who has contributed to the success of the charity over the past year and, as I am stepping down as Chairman at the 2016 Annual General Meeting, for all the help and encouragement I have been given during my tenure. I am grateful to my fellow trustees and members of the General Committee, past and present, for their time, commitment and support and in particular to those who have made additional contributions through the various sub-committees and working groups. I am also greatly appreciative of the work of the staff of the charity, both in Rutland Square and around the country for their commitment and relentless efforts delivering its work. It would be remiss of me not to acknowledge the contribution of Mrs Jean Ross who retired as Office Manager in July 2015, some 50 years after first joining the Indigent Gentlewomen's Fund staff. Finally, my thanks go to the many professional firms, and individuals therein, who have provided advice and support both to myself and the Society.

John Chapman
9th September 2016

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"*.

It fulfils this role by the provision of 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

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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 1st 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.

To fulfil this objective, the Society relies on income from its significant investment portfolio and on other donations. The Society does not actively fundraise, other than through inclusion in charity and legacy directories. The principal charitable payment made by the Society is the grant of £1,200 paid in quarterly instalments to beneficiaries, and the Society makes a number of smaller payments to the beneficiaries of Funds historically absorbed into the Society.

Legacy receipts, special dividends from investments and funds emanating from other charities are regarded as capital and remitted to the investment portfolio. Each year the charity uses all other income to make regular charitable payments, to operate the charity and, if resources allow, to make further payments providing additional benefit, particularly for those having the lowest incomes and savings. The substantial regular payments, along with these occasional "extra" or "supplementary" grants make up the suite of financial assistance the Society provides to its beneficiaries.

The charity periodically reviews the criteria an applicant must meet for admission to the Roll of 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 pages 10-11. 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 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 these 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.

During the year, significant changes were made to the way the Society undertook elements of its work.

The General Committee now meets at regular quarterly intervals, and considers applications for assistance at each of these meetings. This considerably reduces the time an applicant may have to wait between applying for assistance and receiving any financial assistance, and provides a smoother work flow for staff throughout the year. Previously applications were considered twice a year in May and November. A further change to how applications are considered is that they are now presented to trustees on a name-blind basis. This both protects the identity of individuals if Committee papers are

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misdirected in the post and avoids any prejudice to an applicant's admission which might arise from assumptions of their background or origin suggested in their name.

The "Roll of Beneficiaries" has been redefined to include only those ladies who receive financial assistance from the charity, excluding a number of ladies who are no longer qualified for financial assistance but who continued to receive social visits from Caseworkers. This practice continues, where it is considered to be of benefit to, or is requested by, the individual but their numbers are excluded from Roll statistics.

The Society has also changed the methodology by which the income of new applicants is calculated. Income from all sources, net of tax, is taken into account, including that deriving from any State Benefits, such as disability payments. These payments are no longer "disregarded" but included and offset by allowances for any additional care costs incurred by the individual in addressing their difficulties. It is the opinion of the General Committee that this creates a more accurate assessment of the disposable income of the individual and provides a more level playing field across all applicants. Legal opinion has been secured to ensure that this approach does not breach any disability discrimination rules.

The same methodology is to be applied to the income of existing beneficiaries, but this will be undertaken over a number of years as all the necessary information on their care costs is gathered. Transition procedures are in place to address this.

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. Although beneficiary numbers increased significantly, this ceiling was not actually reached during the year. At the first meeting of the General Committee following the end of the reporting period, however, this ceiling was reached and a prioritisation mechanism, based on assessment of need, came into operation to determine which applicants would be admitted immediately or deferred to a later intake.

Achievements and Performance

The Society's Roll of Beneficiaries is subject to continuous 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, **192** application forms were sent out and **115** 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.

The General Committee admitted **108** ladies to the Roll during the year (2015 – 89). Withdrawals due to improved circumstances and deaths totalled **72** (2015 – 65). At the close of the financial year the Roll stood at **819** ladies (2014 – 815, but including 32 ladies receiving social visits). Allowing for the timing of new admissions and withdrawals, a total of **887** ladies actually received payments from the Society during the year. A summary of the Roll, details of the age groups and the geographical distribution are shown on pages 27-28 of this Report.

During the year, Caseworkers undertook regular visits to existing beneficiaries, towards the goal of

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each beneficiary being visited in an 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 **704** (2015 – 618) visits were undertaken to existing beneficiaries during the year, considerably ahead of the target, and a further **88** visits made to new applicants.

The primary object of the Society is to provide financial assistance to qualifying ladies, and this was achieved through a range of different grant payments. Beneficiaries received an annual grant of £1,200 paid in quarterly instalments in June, September, December and March, except for those in nursing homes or long term care who received payments of half these amounts. Newly admitted beneficiaries in May received a £300 “Welcome Grant” gift to recognise the inconvenience of the application process, but following the change to quarterly meetings of the General Committee from September, this grant has been discontinued in favour of immediate “first payments” of the main grant. A total of **£976,200** was distributed as Principal Grants (2015 - £922,050).

In anticipation of there being a surplus for the year, a £50 Christmas “bonus” was added to the December quarterly payment to all beneficiaries, distributing **£39,200**. In February, a further **£78,325** was awarded according to a matrix of supplementary payments with payments varying according to the calculated income and savings of the individual. 432 beneficiaries received this extra help, with individual payments ranging between £50 and £300. 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 **£4,990** (2015 - £4,240).

The General Committee agreed in March 2016 to designate **£75,000** from its General Fund to create The Patron’s Birthday Fund. This fund is to be expended through payment of an additional £90 to all beneficiaries with the June 2016 quarterly payment to celebrate the 90th birthday of Her Majesty The Queen, the Society’s Patron.

The performance of the Society’s investments, under discretionary management provided by Brewin Dolphin, is described under Financial Review on page 5.

Following the change in the charity’s name, efforts were made throughout the year to disseminate this change, and details of the new qualifying criteria, among referring charities and to potential beneficiaries. The Society advertised its services via local and national publications with particular efforts in the north and west of Scotland in an attempt to attract new applicants from these areas. Advertising and improved networking with other charities during the year produced a significant rise in cases presented to the General Committee for consideration. The trustees continued the production of an Annual Review for distribution to all beneficiaries and other interested parties. This is a less formal publication than the full Annual Report which can of course be made available on request. At the year end, work was underway to develop a new website for the Society.

Through the particular efforts of the Society’s Senior Caseworker, Anne Metcalfe, an informal networking group of staff from charities with similar remits to the Society’s has been developed. Meeting 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. The group now also provides a potential “audience” for staff training events on matters such as welfare reform and protection of vulnerable adults, where broadened attendance allows bespoke events to be arranged at reasonable cost.

Financial Review

a) Overview

The Society relies for the majority of its income on dividends from 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 have shown variances favourable to the Society. However, there has been a significant reduction in the value of the investment portfolio, detailed below, which has eroded the unrealised gains enjoyed in the previous year. Such fluctuations in portfolio value are to be expected over time and in changing economic environments.

Under the heading *Income and endowments* in the Statement of Financial Activities, the Society received donations of £44,317 and recognised legacies of £48,635. (2015 - £7,755 and £37,070 respectively) These are detailed in Note 3 to the Accounts. Donations included a very welcome donation of £36,046 from the Airth Benefaction Trust (SC004441), upon its winding up. No conditions were attached to this donation, but the Society will consider former beneficiaries of that Trust for financial assistance, if they meet the Society's criteria. This donation, and the legacies referred to, are considered to be capital and will be 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 £1,750,142 (2015 £1,647,746). This increase was in large part due to receipts during the year of special dividends amounting to £81,614. As agreed by the Society's Investment Sub-Committee in November 2014, special dividends are regarded as capital, rather than income for distribution, and are transferred to the Society's discretionary investment managers for investment.

Those parts of 14 Rutland Square not used by the Society for its own purposes are subject to a contractual agreement with its long-term tenant and provided rental income of £18,000. A further £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 lower than those in the previous year (£3,760 vs £8,407) as a result of more focussed advertising. The investment portfolio management fee increased to £101,902 (2015 - £95,269), 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 21 indicates an increase in the principal grant payments from £922,050 to £976,200. This increase reflects growing numbers on the Roll, and in anticipation of this continuing to rise an increased provision for future grants has been included to reflect the position for 2016-2017.

The Committee's policy in recent years has been to progressively utilise the financial information gathered from Caseworker visits, and incorporate it into the database to refine identification of those on the Roll who are most in need. As referred to under *Achievements and Performance*, the new methodology for calculation of Supplementary Grant introduced in the previous year was used to identify payments of £78,325 in February. In addition, a £50 Christmas "bonus" was paid to all qualifying beneficiaries on the Roll with their December 2015 quarterly payment.

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Support Costs identified in Note 5 on page 21 have fallen significantly during the financial year, from £305,043 to £258,582, a reduction of 15%. As the Society only provides financial support, and has no other activities, all support costs are assigned to charitable activities, except for office staff costs which are allocated 75% to charitable activities, 25% to governance based on estimates of time spent. The reduction in support costs derives from savings across all the constituent parts, but most significantly in staff costs and in expenditure on property repairs and computer equipment. A review of office practices following the retiral of Mrs Jean Ross as Office Manager in July 2015 has resulted in new procedures and has obviated the need to fill the vacancy.

The expenditure incurred under *Governance Costs* is also significantly reduced, from £70,865 in 2015 to £47,778 in the reporting year. Legal fees in connection with the revision of the Royal Charter and Bye-laws, which have been prominent in recent years, have now ended but legal advice has been taken on other matters during the year. Reduced expenditure on office staff is also reflected. Meetings of the General Committee in Edinburgh are now held out with the Society's offices, due to lack of space, and a small increase in Committee expenses reflects room hire costs for these meetings.

Net income before gains and losses on investments amounted to £291,834, reflecting the combination of increased donations, legacies and dividend income, and reduction in operating costs.

Almost all of the unrealised gains on investment assets, and growth in Total Funds enjoyed in the previous year were reversed in the year to 31st March 2016. Note 6 on page 22 of the Accounts shows realised investment gains of £96,297 made during the financial year, and also realised losses of £390,463 and unrealised losses of £2,164,653. Overall, the Society's funds decreased to a total of £40,535,277 (2015 - £42,695,262).

Turning to the *Balance Sheet*, this has been restated to comply with the requirements of FRS 102. The composition of the fund is allocated between tangible fixed assets at £538,280 and investment assets valued at £40,100,500, giving Total Fixed Assets of £40,638,780, down from £42,823,464. Debtors rose from £65,428 to £94,624 principally due to a notified, but not yet received, legacy and along with cash resources of £824,125 contributed to current assets of £918,749 (2015 - £838,489). Current liabilities of £1,022,252 reflect the significant creditor provision of £978,200 for grant payments in the coming year.

b) Investment Policy and Performance

Over many years successive trustees of the Society has 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 invested in 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's investment advisers, Brewin Dolphin, have discretionary management over its investment portfolio. Their performance is monitored by an Investment Sub-Committee comprising four 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,

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and as necessary instructions to them.

The portfolio has been managed for *"Income and Growth Return"*, under a *"Diversified Risk"* classification. The Investment Sub-Committee has set a target income of £1.45 million per annum. The Service Contract with Brewin Dolphin has been reviewed during the year, and the risk element now classified as *"Moderate Investment Risk (Brewin Dolphin Risk Category 6)"*.

The trustees of the Society have previously specified that there should be no increase in the historical holding of tobacco shares, but do not in any other way restrict investment policy to take account of social or environmental factors. This matter was given detailed further consideration at the June 2016 meeting of the General Committee, when it was agreed to maintain this position but to keep the matter under review.

During the year to 31st March 2016 the Society remitted £300,000 to Brewin Dolphin for investment, rather than receive low rates of return on cash deposits. The dividend income of £1,750,142 represents a yield of 4.40%. Allowing for the fall in value of the portfolio, the Total Return on the portfolio is however -1.85%.

Included within the dividend income referred to above is the sum of £12,578 re-claimed from Norwegian tax authorities, in respect of with-holding tax paid over three years on dividends receivable from the Society's holding of STATOIL shares. A further claim will be made in respect of the past two tax years, but this holding has now been disposed of. A parallel approach to French authorities regarding our former holding of TOTAL shares has not yet been successful.

Brewin Dolphin have indicated that they anticipate net investment income of £1,672,917 for the year to 31st March 2017. 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

As a result of 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 is able to fulfil its obligations 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 General Committee designated during the year a Patron's Birthday Fund, transferring £75,000 from its General Fund, expressly to provide additional payments of £90 to each of the Society's beneficiaries in June 2016 to celebrate the birthday of its Patron, Her Majesty The Queen.

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 £978,600 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.

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The Society attempts to maintain a cash balance in excess of its average quarterly expenditure which in the year under review amounted to approximately £400,000. Greater cash holding at 31st March 2016 permits further transfers to the investment portfolio in the year ahead, if economic circumstances allow. These holdings however provide a buffer against forced sale of investments to maintain charitable payments during any significant downturn in dividend income.

d) Risk Management

During the year, the General Committee undertook a major review of its Risk Management Register. A small working group was established to undertake the preparatory work and their assessment was endorsed by the Committee in March 2016.

Of 36 potential areas of risk considered by the Committee, 3 emerged as 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. 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 is therefore considerably lower than the theoretical one.
- *Staff safety.* A significant proportion of the Society's charitable activities relies on its 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, procedures have now been enhanced to equip all caseworkers with mobile alarms, equipped with GPS 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. Over the next year it is intended 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, and was pleased to make the additional distribution of £90 to all beneficiaries to mark the 90th birthday of Her Majesty the Queen. 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

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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.

In June 2016 trustees implemented procedures to restrict the number of beneficiaries the Society commits to sustain on its current income, while still allowing funding for additional grants for the most needy. The planned ceiling of 833 full beneficiaries came into effect, along with a supporting methodology to prioritise qualifying applicants for what may, for some time, become a limited number of admissions available.

Against the background of increasing numbers of applications, and the probability of these being competitive with one another for limited places, the trustees expect that greater attention will need to be given to the more "subjective" components of the eligibility criteria, to ensure consistency and repeatability of consideration given to every application. It is intended that work on a "Welfare Manual" be completed as a single-point descriptor of admission criteria and processes.

The Society now has an External Complaints policy, and will be developing policies in other areas. A data protection audit has been commissioned and this will lead to a new Data Retention Policy, governing how long beneficiaries' records are retained, both in paper and electronic form. Building upon the outcome of the audit, there are plans to refresh understandings with beneficiaries on these matters, and to develop a robust data-set of emergency contacts for each beneficiary, where the named contact is aware of the Society's involvement.

Looking further ahead, and more strategically, the new name and intended profile of the Society may be conducive to new ventures with other charities in this field, including possible mergers with smaller charities having objectives consistent with those of the Society and which might be struggling to sustain overhead costs. The Society would be interested to explore such approaches if made.

Structure, governance and management

The Society was established in 1847, a formal Deed of Constitution executed in 1865, and a Royal Charter granted in 1930. The Society is a registered charity with the Office of the Scottish Charity Regulator with Scottish Charity Number SC016095.

On 1st 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 currently consists of a Chairman and a sixteen 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 now 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 a four person 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 full Committee.

The Committee also appoints Sub-Committees and working groups to undertake work on specific

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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.

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 2015 AGM and were duly re-elected:- Mr John Chapman, The Very Rev. Dr Sheilagh Kesting and Mrs Maureen O'Neill.

Potential new trustees are proposed by existing committee members to ensure a broad spectrum of commercial and social expertise is available to the Committee. Each new trustee is provided on appointment with information regarding the Society's aims and objectives, previous accounts, minutes and the Risk Management Register. During the year Trustees are 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, is represented by all individuals and organisations shown below. The members of the General Committee fulfil the role of charitable trustees.

General Committee of Management

Chairman: Mr. John M. Chapman, DL, CEng.

Vice Chairman: Mr. Walter N.J. Thomson, W.S.

East

Dr Daphne Audsley
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
Mr. Graeme A. Whyte

West

Dr Gillian Beattie
Mrs. Annemieke Cunningham
Revd. James Ferguson
Mr. Stewart MacKay
Mr. Walter M. Reid, W.S.
Ms. Catriona Reynolds
Mrs. May Storrie, CBE
Mr. David B. Wilson

Investment Sub-Committee:

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

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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
Scottish Charity Number	SC016095

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.

Independent Auditor's Report to the Trustees for the year ended 31st March 2016

We have audited the financial statements of The Royal Society for the Support of Women of Scotland for the year ended 31st March 2016 which are set out on pages 14 to 26. 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 Ireland".

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 11, 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.

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 31st March 2016 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities 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 31st March 2016 (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

9th September 2016

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES

for the year to 31st March 2016

	Notes:	Unrestricted Funds	
		2016	2015
		£	£
Income and endowments from:			
Donations and legacies	3	92,952	44,825
Investments	4	1,772,919	1,663,383
Total Income		1,865,871	1,708,208
Expenditure on:			
Raising funds	5	105,662	103,676
Charitable activities: grant making	5	1,468,375	1,483,748
Total Expenditure		1,574,037	1,587,424
Net Income before gains and losses on investments		291,834	120,784
Net (losses) / gains on investments	6	(2,458,819)	2,367,778
Net (expenditure)/ income		(2,166,985)	2,488,562
Net Movement in funds		(2,166,985)	2,488,562
Reconciliation:			
Total funds brought forward		42,702,262	40,213,700
Total funds carried forward.		40,535,277	42,702,262

All results relate to continuing activities.

The Notes on pages 17 to 26 form part of these Financial Statements.

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

BALANCE SHEET as at 31st March 2016

	Notes:	Unrestricted Funds	
		2016	2015
		£	£
Fixed Assets:			
Tangible assets	7	538,280	553,730
Investments	8	40,100,500	42,269,734
Total Fixed Assets:		40,638,780	42,823,464
Current Assets:			
Debtors	9	94,624	65,428
Cash at bank and in hand		824,125	773,061
Total Current Assets:		918,749	838,489
Liabilities:			
Creditors Amounts falling due within one year	10	(1,022,252)	(959,691)
Total Net Assets:		40,535,277	42,702,262
The funds of the charity:			
Unrestricted income funds	12	40,535,277	42,702,262

The Financial Statements were approved by the Trustees on 9th September 2016 and signed on their behalf by:

John M Chapman
Chairman

The Notes on pages 17 to 26 form part of these Financial Statements.

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

STATEMENT OF CASH FLOWS for the year to 31st March 2016

		2016	2015
	Note	£	£
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	(a)	(1,432,270)	(1,507,419)
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,772,919	1,663,383
Proceeds from sale of investments		3,021,002	4,206,508
Purchase of investments		(3,469,127)	(4,099,591)
Net cash provided by investing activities		1,324,794	1,770,300
Change in cash and cash equivalents in the reporting period		(107,476)	262,881
Cash and cash equivalents at the beginning of the reporting period		946,500	683,619
Cash and cash equivalents at the end of the reporting period	(b)	839,024	946,500
Note (a)			
Net (expenditure)/income for the year		(2,166,985)	2,488,562
Adjustments for:			
Depreciation charges		15,450	15,670
Losses /(gains) on investments		2,458,819	(2,367,778)
Dividends, interest and rents from investments		(1,772,919)	(1,663,383)
Increase in debtors		(29,196)	(9,439)
Increase in creditors		62,561	28,949
Net cash provided by operating activities		(1,432,270)	(1,507,419)
Note (b)			
Cash in hand		824,125	773,061
Cash held within investments		14,899	173,439
Total cash and cash equivalents		839,024	946,500

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Notes forming part of the Financial Statements for the year to 31 March 2016

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 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.

Before 2015 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" and referred to below as "previous UK GAAP". The financial effects of the transition to FRS 102 are set out in Note 15.

(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 it 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.

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Notes forming part of the Financial Statements for the year to 31 March 2016

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.

(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 Society.

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 2016

(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 2016. 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 2016 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 2016

(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 impairment.

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 2016

3 Donations and legacies	2016	2015
	£	£
Donations	44,317	7,755
Legacies	48,635	37,070
	92,952	44,825
4 Investment income	2016	2015
	£	£
UK listed investments:-		
Government securities	184	20,741
Fixed interest and convertible stocks	275,598	203,138
Equities	1,474,360	1,423,867
	1,750,142	1,647,746
Bank interest and rental	22,777	15,637
	1,772,919	1,663,383
5 Total Expenditure	2016	2015
	£	£
Raising funds		
Advertising	3,760	8,407
Investment Portfolio Management Fee	101,902	95,269
	105,662	103,676
Charitable Activities	2016	2015
	£	£
Grants Payable to individuals:-		
Principal Grant (£1,200 p.a.)	976,200	922,050
Welcome Grant	15,300	26,400
Other Grants (variable)	4,990	4,240
Supplementary Grants	78,325	72,000
Extra Grants (£50)	39,200	38,550
	1,114,015	1,063,240
Provision for Future Grants	48,000	44,600
	1,162,015	1,107,840
Support Costs: grants payable	£	£
Other	2,280	2,977
Salaries, fees, travel and pension costs of caseworkers	113,006	109,322
Salaries, fees and pension costs of office staff	58,355	81,901
Property and computer maintenance costs	54,244	73,167
Postage, stationery and telephone	15,247	22,006
Depreciation of motor car and property	15,450	15,670
	258,582	305,043

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Notes forming part of the Financial Statements for the year to 31 March 2016

	2016	2015
	£	£
Governance Costs		
Salaries, fees and pension costs of office staff	19,452	27,311
Legal and professional fees	14,532	31,574
Audit fee	10,080	8,922
Trustee indemnity insurance	901	901
Committee expenses	2,813	2,157
	<u>47,778</u>	<u>70,865</u>
Total Expenditure on Charitable Activities	<u>1,468,375</u>	<u>1,483,748</u>
Total Expenditure	<u>1,574,037</u>	<u>1,587,424</u>
Staff Costs		
	£	£
Salaries	144,516	150,972
Employers' National Insurance	13,055	13,450
Pension costs	10,398	9,505
	<u>167,969</u>	<u>173,927</u>

Average number of staff employed: 1 full-time, 5 part-time (2015 2 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 £ 43,537 (2015 - £47,526). No employee received remuneration of more than £60,000 (2015 - None).

Members of the General Committee are not remunerated for their services however 17 members (2015 - 17) received travelling expenses totalling £848 (2015 - £1,051) and in addition there was trustee indemnity insurance of £901 (2015 - £901) paid in the year.

	2016	2015
	£	£
Auditor Costs		
Audit	10,080	8,922
Tax advisory services	1,460	1,608
	<u>11,540</u>	<u>10,530</u>

6 (Loss)/gain on investment assets

	2016	2015
	£	£
Realised investment gains	96,297	157,232
Realised investment losses	(390,463)	(183,701)
Net (loss)/gain on revaluation	<u>(2,164,653)</u>	<u>2,394,247</u>
	<u>(2,458,819)</u>	<u>2,367,778</u>

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Notes forming part of the Financial Statements for the year to 31 March 2016

7 Tangible fixed assets

	2016	Heritable Property	Motor Car	Total
Cost or deemed cost	£	£	£	
At 1 April 2015 and 31 March 2016		550,000	24,070	574,070
Depreciation				
At 1 April 2015		11,000	9,340	20,340
Charge for Year		10,780	4,670	15,450
At 31 March 2016		<u>21,780</u>	<u>14,010</u>	<u>35,790</u>
Net Book Value at 31 March 2016		528,220	10,060	538,280
Net Book Value at 31 March 2015		539,000	14,730	553,730

	2015	Heritable Property	Motor Car	Total
Cost or deemed cost	£	£	£	
At 1 April 2014 and 31 March 2015		550,000	24,070	574,070
Depreciation				
At 1 April 2014		-	4,670	4,670
Charge for Year		11,000	4,670	15,670
At 31 March 2015		<u>11,000</u>	<u>9,340</u>	<u>20,340</u>
Net Book Value at 31 March 2015		539,000	14,730	553,730

8 Fixed asset investments

	2016	2015
	£	£
Investment property	350,000	350,000
Listed Investments	39,735,601	41,746,295
Cash held by stockbroker	14,899	173,439
Total	40,100,500	42,269,734

	2016	2015
	£	£
Market value at 1 April 2015	41,746,295	39,485,434
Additions	3,469,127	4,099,591
Disposals	(3,315,168)	(4,232,977)
Net (loss)/ gain on revaluation	(2,164,653)	2,394,247
Market value at 31 March 2016	39,735,601	41,746,295
Historical cost at 31 March 2016	27,763,654	27,551,391

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

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Notes forming part of the Financial Statements for the year to 31 March 2016

9 Debtors

	2016	2015
	£	£
Tax recoverable	143	405
Other debtors	94,481	65,023
	94,624	65,428

10 Creditors : Amounts falling due within one year

	2016	2015
	£	£
Sundry creditors and accruals	1,020,666	958,190
Pension contributions	1,586	1,501
	1,022,252	959,691

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

	2016	2015
	£	£
Financial assets at amortised cost	94,481	65,023
Financial assets at fair value through Statement of Financial Activities	39,735,601	41,746,295
Financial liabilities at amortised cost	(1,022,252)	(959,691)
	38,807,830	40,851,627

Financial assets at amortised cost comprise of other debtors.

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	Total 2016	Total 2015
	£	£	£	£	£
At 1 April 2015	(106,472)	-	42,808,734	42,702,262	40,213,700
Net Incoming Resources	13,029	-	278,805	291,834	120,784
Gains on Investment Assets	-	-	(2,458,819)	(2,458,819)	2,367,778
Transfers	(75,000)	75,000	-	-	-
At 31 March 2016	(168,443)	75,000	40,628,720	40,535,277	42,702,262

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 ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Notes forming part of the Financial Statements for the year to 31 March 2016

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.

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 £978,600 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.

During the year the Society hired the Meeting Room in The Merchants House, West George Street, Glasgow on two occasions at a cost of £192 (2015 - £192) which is a reduced rate. 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 £20,288 were paid in respect of his services (2015 - £21,302). In addition, a further £1,836 was expended in respect of hardware, software and necessary printing materials purchased advantageously through his company (2015 - £14,554). At the year-end there were unused units to the value of £1,922 (2015 - £54 creditor).

Trustee Mr John Hume is a director of Wyvex Media Ltd, proprietor of The Oban Times newspaper. On two occasions during the year the charity advertised in The Oban Times to attract beneficiaries from the Argyll area. Total expenditure was £685 (2015 - £nil), there was no balance due at the year end (2015 - £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. Two payments of £300 each were made in the year.

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 is currently valued at approximately £1.64 million.

15 FRS 102 transition note

These financial statements for the year ended 31 March 2016 are the Society's first financial statements that comply with the FRS 102. The Society's date of transition to FRS 102 was 1 April 2014. The Society's most recent financial statements prepared in accordance with previous UK GAAP were for the year ended 31 March 2015.

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Notes forming part of the Financial Statements for the year to 31 March 2016

The transition to FRS 102 has resulted in some changes in the charity's accounting policies compared to those used when applying previous UK GAAP. At the date of transition, the heritable property owned by the Society and valued at £900,000 is shown as comprising that part occupied for its own use, and valued at £550,000 and that part let to Gibson, McKerrell Brown shown as investment property valued at £350,000. This resulted in the reversal of the depreciation charge on the investment property charged in the year to 31 March 2015, such that net expenditure for the year ending 31 March 2015 decreased by £7,000, and overall reserves increased by £7,000. In addition, cash held for investment by stockbrokers is now shown as part of the investments rather than as part of cash in the bank. No other restatements were required.

The following tables reconcile amounts presented under the previous UK GAAP and the newly presented amounts under FRS 102 for the reporting period ended at 31 March 2015 (ie comparative information), as well as the funds presented in the opening balance sheet (ie at 1 April 2014).

Adjustments to opening balances at 1 April 2014 are as follows:

	Previous SORP 01/04/2014	Effect of transition	FRS102 SORP 01/04/2014
	£	£	£
Investments:			
Listed Investments	39,485,434	-	39,485,434
Stockbroker Cash	-	150,552	150,552
Investment Property	-	350,000	350,000
Total Investments	39,485,434	500,552	39,985,986
Heritable Property	900,000	(350,000)	550,000
Cash and Bank Balances	683,619	(150,552)	533,067

Adjustment of the amounts shown for the year ended 31 March 2015:

Restatement of Balance Sheet

	Previous SORP 31/03/2015	Effect of transition	FRS102 SORP 31/03/2015
	£	£	£
Investments:			
Listed Investments	41,746,295	-	41,746,295
Stockbroker Cash	-	173,439	173,439
Investment Property	-	350,000	350,000
Total Investments	41,746,295	523,439	42,269,734
Heritable Property	882,000	-343,000	539,000
Cash and Bank Balances	946,500	-173,439	773,061
Designated Inv Fund	42,801,734	7,000	42,808,734

	Previous SORP 31/03/2015	Effect of transition	FRS102 SORP 31/03/2015
	£	£	£
Charitable Activities	1,419,883	(7,000)	1,412,883
Net Incoming Resources	113,784	7,000	120,784

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

SUMMARY OF BENEFICIARIES ROLL 2015 – 2016

The definition of beneficiaries who are described as “on the Roll” has been changed, so as only to include those receiving financial assistance. Ladies who receive social visits only are no longer included.

	Total
Number on Roll to begin	783
Admitted during year	<u>108</u>
	891
Deaths, Withdrawals or Improved Circumstances, etc.	<u>72</u>
Number on Roll to end	<u>819</u>

Note: At 31 March 2016 a further 29 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	54	6.59%
Between 80 and 90 years of age	242	29.55%
Between 70 and 80 years of age	261	31.87%
Between 60 and 70 years of age	192	23.44%
Between 50 and 60 years of age	<u>70</u>	<u>8.55%</u>
	<u>819</u>	<u>100.00%</u>

BENEFICIARIES ROLL – 2006 – 2016

Year	Total	Spinsters	Widows/ Divorcees	Total £	Annuity £	Other Grants £
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

*Receiving financial assistance

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

GEOGRAPHICAL DISTRIBUTION OF BENEFICIARIES

	Number of Beneficiaries at Year End	Principal Grant Paid 2015 / 2016 £
Argyll & Bute	21	25,500
Aberdeen City	25	29,700
Aberdeenshire	28	33,900
Angus	16	19,500
Clackmannanshire	5	6,000
City of Edinburgh	114	138,150
City of Glasgow	64	77,700
Dumfries & Galloway	46	52,500
Dundee City	29	33,900
East Ayrshire	10	11,700
East Dunbartonshire	25	30,000
East Lothian	31	38,700
East Renfrewshire	11	13,500
Fife	41	50,100
Highland	50	54,900
Highland West	8	10,500
Inverclyde	4	4,800
Midlothian	10	10,800
Moray	18	22,200
North Ayrshire	20	25,500
Arran	3	3,600
North Lanarkshire	25	31,800
Orkney	4	4,200
Perth & Kinross	36	40,650
Renfrewshire	22	25,800
South Ayrshire	22	24,000
Scottish Borders	22	25,800
Shetland	8	9,600
South Lanarkshire	26	30,000
Stirling	14	15,000
West Dunbartonshire	2	2,400
Western Isles	10	11,700
West Lothian	21	25,500
England	24	31,800
Overseas	4	4,800
Total	819	£976,200