

**SOCIETY FOR THE ASSISTANCE OF LADIES
IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD)
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

SOCIETY FOR THE ASSISTANCE OF LADIES IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD)

REFERENCE AND ADMINISTRATIVE INFORMATION

Patron	Her Majesty The Queen
Chairman	Mr. S. D. Ginn, MA (Cantab) Solicitor
Honorary Treasurer	Mr. M. J. Andrews (retired 16 December 2009)
Trustees	Ms. C. E. Connery, MA (Oxon) Mr. S. D. Ginn, MA (Cantab) Solicitor The Revd. D. F. Gutteridge, BSc, MSc, PGCE, Acad Dip Ed Mrs. R. L. Christie, BA (Hons), PGCE, MInstF (appointed 3 June 2009) Mrs. J. McGowran, BA (resigned 19 February 2009)
Principal officers	Mr. E. J. Sands, MA, ACIB, MCMI, (General Secretary) Mrs. F. Harper (Assistant Secretary)
Charity number	205798
Principal address	Lancaster House 25 Hornyold Road Malvern Worcestershire WR14 1QQ
Auditors	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY
Accountants	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
Bankers	Lloyds TSB Bank Plc 48 Belle Vue Terrace Malvern Worcestershire WR14 4QG
Investment managers	CCLA Investment Management Limited 80 Cheapside London EC2V 6DZ Rensburg Sheppards Investment Management Limited 2 Gresham Street London EC2V 7QN

SOCIETY FOR THE ASSISTANCE OF LADIES IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD) CONTENTS

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SOCIETY FOR THE ASSISTANCE OF LADIES IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD) TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The trustees present their report and financial statements for the year ended 31 December 2009 which have been prepared in accordance with the Charities SORP (issued March 2005), applicable law, and Charity Commission Schemes of 2 November 1917 and 9 November 1928 ("the Schemes").

REFERENCE AND ADMINISTRATIVE INFORMATION

Society for the Assistance of Ladies in Reduced Circumstances ("the Society") was founded in 1886 and is registered with the Charity Commission under charity number 205798. While making grants in Scotland, it does not carry out any other activities there and is not required to register with the Office of the Scottish Charity Regulator. It is also known as Miss Smallwood's Society and Grants for Women in Need.

The patron, trustees, principal officers, principal addresses and professional advisors of the Society are listed on the Reference and Administrative Information page.

The Society does not have appointed solicitors, but where the need for legal advice or representation arises it instructs an appropriate firm. During 2008 there were two disputes relating to wills under which the Society was a residuary beneficiary. In each case solicitors were instructed to act on behalf of both the Society and other charities that were also residuary beneficiaries. Both disputes were resolved satisfactorily during 2009. The firms instructed were:

- Wilsons Solicitors LLP, Steynings House, Summerlock Approach, Salisbury, SP2 7RJ

- Henmans LLP, 5000 Oxford Business Park South, Oxford, OX4 2BH

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Society is an unincorporated association governed by Charity Commission Schemes of 2 November 1917 and 9 November 1928.

Recruitment and appointment of Trustees

New trustees are appointed by the board of trustees and hold office for five years before retiring and being eligible for re-election. The Society aims to recruit and select trustees on the basis of the mix of skills, knowledge, experience and the diversity that they will bring to the trustee body, as well as the time they have to do the job well.

During the year one existing trustee resigned. The Society used a procedure for the recruitment of a new trustee which included a skills audit of existing trustees and the advertising of the vacancy both nationally and locally. It undertook all appropriate checks to ensure that the new trustee is both eligible and suitable to act in that capacity.

In December Mr Michael Andrews resigned as Honorary Treasurer, a post which he had held since February 2002. He also served as a trustee from December 2002 to February 2007. His valuable contribution to the Society in both rôles has been very much appreciated by his fellow trustees. The Schemes do not require the Society to have a nominated treasurer, and over the years the duties have often been carried out by trustees. It is not the intention to appoint a treasurer at the present time.

Trustees' induction and training

New trustees are provided with information about the Society and its work, the role and responsibilities of trustees, and the composition and workings of the board. They are given copies of the Society's governing documents and minutes of the last six meetings, and offered any training that may be considered necessary. All trustees receive the publication *Governance*, written specifically for charities, and have the opportunity to attend seminars, conferences etc.

SOCIETY FOR THE ASSISTANCE OF LADIES IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

Organisational structure

The trustees govern the general policy of the Society, and met eight times during the year. There are no subcommittees. The day to day business of the Society is managed by the General Secretary and Assistant Secretary supported by a staff of three.

Related parties

There is no special relationship with any other charity, but there are occasions when the cost of a larger grant is shared with other organisations. In order to avoid duplication of help the Society shares the names of beneficiaries with Elizabeth Finn Care, Friends of the Elderly, Guild of Aid for Gentlepeople, IndependentAge, National Benevolent Institution, and Professional Classes Aid Council.

Risk management

The trustees have identified the major risks to which the Society is exposed and have established procedures to mitigate them and these are kept under review. The major risks that the trustees have identified are:

- Loss of future income streams from, and capital values of, investments
- Impact of general legislation, in particular of the tax regime on investment income
- Inadequate professional advice, in particular relating to investments
- Breach of trust in the use of restricted or endowment funds
- Loss of key staff or trustees

OBJECTIVES AND ACTIVITIES

Charitable objects

The charitable object as set out in the Schemes is the application of the income of the Society for the benefit of women in financial need.

Aims and strategies to achieve objects

The trustees aim to relieve financial hardship by making grants to individual women. Support is conditional upon beneficiaries first claiming all state benefits to which they are entitled. The objective is to help as many women as possible with relatively modest grants. Applications are accepted both through intermediaries such as Citizens' Advice Bureaux, social workers etc. and direct from potential beneficiaries.

The Society may from time to time support other charitable projects for the benefit of needy women by way of institutional grants.

The Society does not provide any other services, either on a fee paying basis or free of charge.

Public Benefit

The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Society. The trustees confirm that in planning the activities of the Society they have given careful consideration to how the Society has fulfilled its charitable objectives. The Society's charitable policy is to support women domiciled and habitually resident in the United Kingdom, who are living alone in their own homes (either owned or rented) and in genuine need, irrespective of age or social status. Priority is given to women who are not eligible for help from any other trade, professional or armed service benevolent fund. Where appropriate, enquirers are signposted to such funds in order that the Society may concentrate its resources on those who are not able to seek help elsewhere.

Benefits are in the form of regular monthly grants towards day-to-day living expenses, or single grants for specific immediate needs. Care is taken to ensure that any support provided does not replace state aid, or adversely affect entitlement to it. Regular beneficiaries may also be offered grants towards the cost of their television licence and telephone rental.

SOCIETY FOR THE ASSISTANCE OF LADIES IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

The Society does not exclude or give priority to women on the basis of their nationality, religion or ethnic background. The application process includes an ethnic monitoring form, using groupings as per the 2001 Census. Statistics show that while 92% of regular beneficiaries as at 31 December 2009 (2008 - 96%) and 78% of recipients of single grants during the year (2008 - 78%) consider themselves to be white British most other groups are also represented. This will be kept under review, and if necessary consideration will be given to raising awareness of the Society within any group that may be under-represented.

The Society welcomes applications from women living anywhere in the UK, and places an advertisement each week in *The Lady*, a national magazine, inviting contact by women in financial need. This publication is chosen because it tends to be passed from reader to reader, and to be placed in public libraries, the waiting rooms of doctors' surgeries etc. It therefore represents good value as it reaches a wide audience at modest cost. During 2009 these advertisements accounted for 28% of all enquiries (2008 - 22%), 21% of single grants for specific immediate needs (2008 - 27%) and 57% of new regular beneficiaries (2008 - 46%).

Women introduced through intermediaries included young single mothers and women who had fled domestic violence. Typically they had been allocated social housing but needed essential items such as white goods.

Many of the Society's beneficiaries come from socio-economic groups C2, D and E. Employment prospects are often poor, especially for those in their fifties who lack the necessary skills and confidence, and consequently a high proportion suffer from depression.

Volunteers

It is the opinion of the trustees that visiting applicants and beneficiaries is not practical given their national spread, and that volunteers should not be used by the Society.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

The trustees allocated £761,250 for grants to individuals and £50,000 for institutional grants during the year, in the expectation that this would result in net outgoing resources of the Unrestricted Fund of approximately £136,800 before gains/losses on investments. To achieve this they anticipated making "one-off" grants to 275 women, and regular monthly payments to an average of 500 women.

The number of individuals receiving grants towards their general living costs was on average 479 per month (2008 - 490). The total value was £690,259 (2008 - £706,634). 53 applicants were accepted as new regular beneficiaries, but this failed to match the number of those lost through changes in domestic/employment circumstances or increases in benefits taking them outside criteria, which was 87.

One-off grants not exceeding £350 each were made to 219 women (2008 - 243) for specific immediate needs, amounting to £58,252 (2008 - £60,645). These grants significantly improved the quality of life for some of the country's poorest women, and included:

- Purchase of 50 washing machines for women who were doing their washing by hand
- Purchase of 22 cookers for women with no means of preparing a hot meal
- Purchase of 27 refrigerators and/or freezers to enable women to purchase and store food more efficiently
- Purchase of 19 beds for women with either a broken bed, or no bed at all
- Provision of carpeting to improve comfort in 49 homes
- Payment of 26 pressing utility bills

The Society does not have a formal procedure for monitoring the impact of its grants, but welcomes feedback from beneficiaries and their introducers.

SOCIETY FOR THE ASSISTANCE OF LADIES IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

Investments

Sufficient cash is held to cover working requirements and provide a readily accessible reserve. During the year the Society held 390,853.02 Income Units in the COIF Charities Investment Fund ("COIF") which is a common investment fund managed by CCLA Investment Management Limited. The remaining investment assets are managed on a discretionary basis in accordance with a Charity Commission Order of 19 December 1995 by Rensburg Sheppards Investment Management Limited ("Rensburg"), and are separated into two discrete portfolios representing assets belonging to the Endowment Funds and Unrestricted Fund respectively. Performance of the COIF units is measured against a bespoke benchmark which includes property on a total return basis (before management and other expenses) through capital and income return combined. The return was 14.9% against a benchmark of 21.8%. On 31 December 2009 half of the units were exchanged for Income Units in a new COIF Charities Ethical Investment Fund which has a similar investment strategy but with a broader set of ethical exclusions.

Performance of the Rensburg Endowment Funds portfolio is measured against a bespoke benchmark which includes property on a total return basis (before management and other expenses) through capital and income return combined. The return on the portfolio for the year was 22.6% against a benchmark of 21.0%.

The Unrestricted Fund portfolio comprises a mixture of cash and common investment funds and will be drawn down over the next few years as expenditure exceeds income. It is measured against a bespoke benchmark on a total return basis. The return for year was 12.9% against a benchmark of 9.3%.

Other factors

The Society has not been actively involved in fund-raising for many years, although donations are always welcome. The trustees are conscious of the high level of dependence on investment income. They recognise that in order to sustain the current level of grant making in the medium to long term it will be necessary to increase income over and above the yield from existing assets, which will diminish as the accumulated surplus is expended. In 2009 the Society continued its membership of Remember a Charity (formerly the Legacy Promotion Campaign) and undertook a modest amount of advertising aimed at increasing the level of legacies. It is recognised that results from this are unlikely to be seen in the short term.

Provision continued to be made for the likely shortfall in the pension of the one remaining member who will benefit from the defined benefits scheme which is now closed. The level of this provision is based upon actuarial advice taken during 2007 from OAC plc, Actuaries and Consultants, Oxford. The trustees intend taking further advice in 2010 and if necessary they will review the amount of provision being made.

There were no staff changes during the year, and the experienced team continued to handle all new applications for assistance with the minimum delay.

FINANCIAL REVIEW

Grant-making policy

There has been no change in policy since the last report. For details of the policy please see the section above headed Public Benefit.

SOCIETY FOR THE ASSISTANCE OF LADIES IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

Reserves policy

The Society relies heavily on its income from investments. The trustees consider that in the worst case scenario income from investments would be 25% below budget, voluntary income would be 100% below budget and no investments gains would be attributable to the Unrestricted Fund. The trustees' assessment is that there is a risk that such economic conditions could last up to three years. The bulk of the Society's charitable expenditure is by way of regular monthly grants to women in genuine need towards their day-to-day living expenses. These grants are not guaranteed, but the trustees wish to hold sufficient free reserves to ensure that in the event of the worst case scenario they could continue to pay them to existing beneficiaries whilst action is taken to increase income and/or reduce other expenditure in an orderly manner. It is considered that given the present turnover of beneficiaries this could take three years. The trustees have therefore resolved to hold free reserves equivalent to 25% of investment income and 100% of voluntary income budgeted for the following three years. Based on the budget for the three years 2010 - 2012 this amounts to £817,550

The total funds held were £22,819,655 (2008 - £19,977,443), of which £21,610,180 (2008 - £18,611,248) were endowed funds being the capital of the Society, and £1,206,739 (2008 - £1,362,595) were "free" reserves as defined by the Charity Commission. The trustees have adopted a budget for 2010 - 2012 which will further reduce these reserves.

No funds were in deficit during the year.

Investment powers and policy

The Society holds assets for the generation of income in accordance with the Schemes. The trustees exercise the general power of investment conferred upon them by the Trustee Act 2000. They have delegated discretionary management of some of its assets to an investment manager in accordance with a Charity Commission Order of 19 December 1995.

The investment policy is to create sufficient income and capital growth to enable the Society to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible enhancement of, the invested funds.

Results for the year

The Society relies heavily on its income from investments. As expected this was somewhat lower than the record amount in 2008. The Society benefited from significant capital gains, due to a combination of an upturn in markets, and appropriate asset allocation and stock selection. It is however investing for the longer term, and is not reliant upon capital gains to finance its operations. The trustees took regular advice, and the longer term policy remains unchanged.

Legacy income amounting to £11,459 (2008 - £16,266) was placed to the Unrestricted Fund and £930 (2008 - £65,734) to the Endowment Funds. Legacies are extremely difficult to predict, but this was the lowest figure for some years.

In 2007 legacy income amounting to £70,000 was placed to the Endowment Funds. This represented a first distribution by the executors of an estate in which the Society shared the residue equally with seven other charities. The testator died on 26 March 2007, probate was granted on 27 June 2007 and the distribution was made in August 2007. On 19 December 2007 the step-son of the deceased issued proceedings under the Inheritance (Provision for Family and Dependents) Act 1975 against the executors and beneficiaries. The Society joined with other residuary beneficiaries in instructing solicitors, and the matter remained unresolved at the end of 2008. It was concluded satisfactorily in 2009, with the Society receiving a further distribution of £8,274 (of which £7,500 was accounted for in 2008).

SOCIETY FOR THE ASSISTANCE OF LADIES IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

Donations included £9,000 from a discretionary trust, whose trustees have been unable to indicate if further payments will be made in future.

As a result of total income being somewhat less than expected the Unrestricted Fund showed a greater than planned deficit before capital gains/losses. After the unrealised gains attributable to this fund, the balance at the year end was broadly in line with expectations.

Plans for the future

The trustees have allocated £784,000 for grants to individuals and £50,000 for institutional grants during 2010, in the expectation that this will result in net outgoing resources of the Unrestricted Fund of approximately £185,000 before gains/losses on investments. To achieve this they anticipate making "one-off" grants to about 250 women, and regular monthly payments to an average of about 475 women.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed by the board of trustees

Mr. S. D. Ginn

Trustee

Dated: 21 April 2010

SOCIETY FOR THE ASSISTANCE OF LADIES IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD) INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF SOCIETY FOR THE ASSISTANCE OF LADIES

We have audited the financial statements of Society for the Assistance of Ladies for the year ended 31 December 2009 set out on pages 9 to 20. These financial statements have been prepared in accordance with the accounting policies set out on page 11.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 auditors

As described on page 6, the trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustees' Report is not consistent with those financial statements, if the charity has not kept sufficient accounting records, if the charity's financial statements are not in agreement with these accounting records or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**SOCIETY FOR THE ASSISTANCE OF LADIES
IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE TRUSTEES OF SOCIETY FOR THE ASSISTANCE OF LADIES**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 December 2009, and of its incoming resources and application of resources, for the year then ended; and
- the financial statements have been prepared in accordance with the Charities Act 1993.

**for and on behalf of haysmacintyre
Chartered Accountants and Statutory Auditors**

Fairfax House
15 Fulwood Place
London
WC1V 6AY

Dated: 21 April 2010

**SOCIETY FOR THE ASSISTANCE OF LADIES
IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD)
STATEMENT OF FINANCIAL ACTIVITIES**

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	Unrestricted funds £	Endowment funds £	Total 2009 £	Total 2008 £
<u>Incoming resources from generated funds</u>					
Voluntary income	2	22,329	930	23,259	104,703
Investment income	3	775,973	-	775,973	895,233
Total incoming resources		798,302	930	799,232	999,936
<u>Resources expended</u>					
Costs of generating funds					
Costs of generating funds	5	2,473	-	2,473	2,627
Investment management costs		-	62,301	62,301	65,075
		2,473	62,301	64,774	67,702
Charitable activities					
Assistance of women in financial need	6	981,666	-	981,666	948,815
Governance costs					
	8	14,674	-	14,674	19,031
Total resources expended	4	998,813	62,301	1,061,114	1,035,548
Net outgoing resources		(200,511)	(61,371)	(261,882)	(35,612)
Other recognised gains and losses					
Gains/(losses) on investment assets		43,791	3,060,303	3,104,094	(5,354,465)
Net movement in funds		(156,720)	2,998,932	2,842,212	(5,390,077)
Fund balances at 1 January 2009		1,366,195	18,611,248	19,977,443	25,367,520
Fund balances at 31 December 2009		1,209,475	21,610,180	22,819,655	19,977,443

**SOCIETY FOR THE ASSISTANCE OF LADIES
IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD)
BALANCE SHEET**

AS AT 31 DECEMBER 2009

	Notes	2009		2008	
		£	£	£	£
Fixed assets					
Tangible assets	11		2,736		3,600
Investments	12		22,064,504		18,695,482
			<u>22,067,240</u>		<u>18,699,082</u>
Current assets					
Debtors	13	50,831		100,283	
Investments - short term deposits		299,230		663,904	
Cash at bank and in hand		547,831		613,408	
		<u>897,892</u>		<u>1,377,595</u>	
Creditors: amounts falling due within one year	14	(62,527)		(25,284)	
Net current assets			<u>835,365</u>		<u>1,352,311</u>
Total assets less current liabilities			<u>22,902,605</u>		<u>20,051,393</u>
Provisions for liabilities	15		(82,950)		(73,950)
Net assets			<u>22,819,655</u>		<u>19,977,443</u>
The funds of the charity:					
Endowment funds	16	21,610,180		18,611,248	
Unrestricted funds		1,209,475		1,366,195	
		<u>22,819,655</u>		<u>19,977,443</u>	

The accounts were approved by the Trustees on 21 April 2010

Mr. S. D. Ginn
Trustee

The Revd. D. F. Gutteridge
Trustee

Ms. C. E. Connery
Trustee

Mrs. R. L. Christie
Trustee

SOCIETY FOR THE ASSISTANCE OF LADIES IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Charities Act 1993.

1.2 Incoming resources

Voluntary income is recognised as an incoming resource when receivable, except insofar as when it is incapable of financial measurement.

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

Legacies are recognised when it becomes reasonably certain that the legacy will be received and the value can be measured with sufficient reliability. Legacies subject to a life interest are not recognised in the financial statements until they become receivable.

1.3 Resources expended

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The fees due in respect of the investment manager's services are charged against income as the cost of generating funds. Salary and other office running costs are apportioned between charitable activity support costs and governance costs based on estimate of staff time attributable to each. The same methods of apportionment have been used in 2008.

1.4 Governance costs

Governance costs include direct and related support costs relating to the governance infrastructure allowing the charity to generate information required for public accountability.

1.5 Grants payable

Grants to individuals are charged in the year in which payment is made. It is clear to beneficiaries that grants from the Society are voluntary payments from a charitable organisation, which the recipient has no rights to enforce. Future grants are neither noted as a commitment nor accrued as expenditure as the trustees are of the opinion that there is no constructive or legal obligation to continue payments.

Grants to institutions are charged in the year when they are committed and included as creditors until they are paid.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	Nil
Fixtures, fittings & equipment	25% on cost

Items of equipment are capitalised where the purchase price exceeds £250.

SOCIETY FOR THE ASSISTANCE OF LADIES IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD)

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting Policies

(continued)

Financial Reporting Standard No.15 requires that provision be made for depreciation of fixed assets having a finite useful life. However the trustees are of the opinion that the residual value at the end of the estimated useful life of the freehold buildings is not likely to materially differ from its cost. This is because it is the charity's policy to maintain the freehold buildings in such a condition that their value is not diminished by the passage of time; the relevant expenditure is charged against income in the financial period in which it is incurred. Therefore, any element of depreciation is considered to be immaterial and no provision is made.

1.7 Investments

Fixed asset investments are stated at market value.

Gains and losses on disposal and revaluation of investments are charged or credited to the SOFA.

1.8 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

1.9 Provisions for liabilities and charges

The charity has provided for the estimated shortfall in its pension obligations arising from when it closed its defined benefits pension scheme in favour of a defined contribution scheme. The valuation of the provision is based on a report from OAC plc, Actuaries and Consultants and will be payable when the member of staff concerned reaches retirement age. Further explanation can be found in the notes to the accounts.

1.10 Permanent endowment funds

The permanent endowment fund represents the permanent capital of the Society, and cannot be spent as if it were income. Income arising on this fund can be used in accordance with the objects of the charity and is included in unrestricted income. Charges incurred in the management of this fund, including investment management fees relating to those investments by which it is represented, are charged to it.

1.11 Expendable endowment funds

The Trustees have power of discretion to convert the expendable endowment fund into income. It is however their policy to retain the capital of this fund to generate income. Income arising on this fund can be used in accordance with the objects of the charity and is included in unrestricted income.

Income and expenditure is assigned between the Permanent and Expendable Endowment Funds based on the ratio of amount held in each fund at the start of the financial year.

1.12 Unrestricted funds

The unrestricted fund comprises voluntary income and income generated by the assets representing the permanent and expendable endowment funds as well as those representing the unrestricted fund itself. The Trustees have power to apply this fund for the general purposes of the Society as set out in the Schemes.

1.13 Value Added Tax

The charity is not registered for VAT. In common with many other similar charities expenses are inflated by VAT, which cannot be recovered.

**SOCIETY FOR THE ASSISTANCE OF LADIES
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FOR THE YEAR ENDED 31 DECEMBER 2009

2 Voluntary income

	Unrestricted funds £	Endowment funds £	Total 2009 £	Total 2008 £
Donations and gifts	10,870	-	10,870	22,703
Legacies receivable	11,459	930	12,389	82,000
	<u>22,329</u>	<u>930</u>	<u>23,259</u>	<u>104,703</u>

	Total 2009	Total 2008
Donations and gifts		
Donations received from individuals	771	2,589
The Lopylugs and Barbara Morrison Charitable Trust	9,000	20,000
Kate Wilson Oliver Trust	1,000	-
Sundry other donations	99	114
	<u>10,870</u>	<u>22,703</u>

3 Investment income

	2009 £	2008 £
Income from listed investments	767,663	816,120
Interest receivable	8,310	79,113
	<u>775,973</u>	<u>895,233</u>

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4 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2009 £	Total 2008 £
Costs of generating funds						
Costs of generating funds	-	-	2,473	-	2,473	2,627
Investment management costs	-	-	62,301	-	62,301	65,075
Total	-	-	64,774	-	64,774	67,702
Charitable activities						
<u>Assistance of women in financial need</u>						
Grant funding	-	-	-	795,111	795,111	767,279
Support costs	154,933	2,050	29,572	-	186,555	181,536
Total	154,933	2,050	29,572	795,111	981,666	948,815
Governance costs	5,384	-	9,290	-	14,674	19,031
	160,317	2,050	103,636	795,111	1,061,114	1,035,548

Governance costs includes payments to the auditors of £5,129 (2008 - £5,892) for audit fees and £nil (2008 - £705) for other services.

5 Costs of generating funds

	2009 £	2008 £
Advertising to attract donations and legacies	2,473	2,627
	2,473	2,627

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6 Grants payable

	Grants to institutions £	Grants to individuals £	Total 2009 £	Total 2008 £
Assistance of women in financial need	-	748,511	748,511	767,279
Grants to institutions assisting women in financial need	46,600	-	46,600	-
	<u>46,600</u>	<u>748,511</u>	<u>795,111</u>	<u>767,279</u>
Support costs			186,555	181,536
			<u>981,666</u>	<u>948,815</u>

Assistance of women in financial need

The number of individuals receiving grants towards their general living costs was on average 479 per month (2008 - 490 per month), which totalled £690,259 for the year (2008 - £706,634). In addition, 219 (2008 - 243) discretionary grants totalling £58,252 (2008 - £60,645) for specific immediate needs were paid.

	Total 2009	Total 2008
Grants to institutions assisting women in financial need		
Manchester Action On Street Health	27,900	-
Derbyshire Unemployed Workers' Centres	13,700	-
Signpost Stockport For Carers	5,000	-
	<u>46,600</u>	<u>-</u>

7 Support costs

The breakdown of support costs and how these were allocated between governance and charitable activity is shown in the table below:

	Basis of apportionment	Charitable activities £	Governance £	Total 2009 £	Total 2008 £
Staff costs	Staff time	154,933	5,384	160,317	152,150
Office running costs	Staff time	29,572	1,072	30,644	29,208
Depreciation	Use of equipment	2,050	-	2,050	6,367
		<u>186,555</u>	<u>6,456</u>	<u>193,011</u>	<u>187,725</u>

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8 Governance costs

	2009	2008
	£	£
Governance costs comprise:		
Staff costs	5,384	5,167
Office running costs	1,072	1,022
Legal and professional fees	(1,227)	1,733
Auditor's remunerations (for audit services)	5,129	5,892
Accountancy fees (for accountancy services)	4,316	5,217
	14,674	19,031

During the year the charity received a refund for legal fees paid for in the previous financial year relating to a claim on the estate from which the charity had received a legacy. The legal fees were instead to be paid out of the estate.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but three of them were reimbursed a total of £162 travelling expenses (2008 - one trustee was reimbursed a total of £77), although there were no costs in the year for trustees' training other than travel (2008 - two trustees received training costing £400).

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2009	2008
	Number	Number
Administration (including support)	5	5

Employment costs

	2009	2008
	£	£
Wages and salaries	125,407	118,434
Social security costs	12,450	11,728
Other pension costs	22,460	21,988
	160,317	152,150

There were no employees whose annual emoluments were £60,000 or more.

Pension costs consist of £13,460 (2008 - £12,988) defined contribution payments and £9,000 (2008 - £9,000) increase in the pension provision.

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FOR THE YEAR ENDED 31 DECEMBER 2009

11 Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2009	657	46,219	46,876
Additions	-	1,186	1,186
At 31 December 2009	657	47,405	48,062
Depreciation			
At 1 January 2009	-	43,276	43,276
Charge for the year	-	2,050	2,050
At 31 December 2009	-	45,326	45,326
Net book value			
At 31 December 2009	657	2,079	2,736
At 31 December 2008	657	2,943	3,600

The freehold property is Lancaster House, 25 Hornyold Road, Malvern, which is estimated by the trustees to have a market value of £350,000 (2008 - £350,000).

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12 Fixed asset investments

	Listed securities £
Market value at 1 January 2009	18,695,482
Disposals at opening book value	(5,148,294)
Acquisitions at cost	5,711,388
Change in value in the year	2,805,928
Market value at 31 December 2009	22,064,504
The investment assets are held:	
In the UK	16,999,738
Outside the UK	5,064,766
	22,064,504
Historical cost:	
At 31 December 2009	18,885,701
At 31 December 2008	17,394,905

The following investments make up more than 5% of the total value of investments:

Charities Official Investment Fund - Charities Investment Fund (Income Fund) £1,849,395 (2008 - £3,398,819) which represents 8.4% (2008 - 18.2%) of the investment portfolio.

Charities Official Investment Fund - Charities Ethical Investment Fund (Income Fund) £1,847,995 (2008 - £nil) which represents 8.4% (2008 - nil%) of the investment portfolio.

13 Debtors

	2009 £	2008 £
Other debtors	-	37,420
Prepayments and accrued income	50,831	62,863
	50,831	100,283

Included in other debtors are £nil (2008 - £37,034) relating to expected legacies receivable.

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14 Creditors: amounts falling due within one year	2009	2008
	£	£
Trade creditors	280	-
Other creditors	52,232	15,148
Accruals	10,015	10,136
	<u>62,527</u>	<u>25,284</u>

Included in other creditors is £32,900 (2008 - £nil) relating to grants to institutions made in the year that are as yet unpaid.

15 Provisions for liabilities and charges

	Pension provision
Balance as at 1 January 2009	73,950
Released in year	-
Increase in provision	9,000
Balance as at 31 December 2009	<u>82,950</u>

In 1994, the charity closed its defined benefits scheme, and existing staff were transferred to a defined contribution scheme on a 'no detriment' basis. During 2007 the charity engaged OAC plc, Actuaries and Consultants to assess any eventual shortfall in the pension provision of the 1 (2008 - 1) remaining staff transferred on a 'no detriment' basis. In view of and based on the OAC plc, Actuaries and Consultants' report, the provision has been increased to £82,950 to cover the best estimate of any eventual shortfall. The provision is expected to become payable when the member of staff concerned reaches retirement age.

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FOR THE YEAR ENDED 31 DECEMBER 2009

16 Endowment funds

	Movement in funds				Balance at 31 December 2009
	Balance at 1 January 2009	Incoming resources	Resources expended	Investments gains	
	£	£	£		£
Permanent endowment fund	12,253,441	-	(41,019)	2,014,904	14,227,326
Expendable endowment fund	6,357,807	930	(21,282)	1,045,399	7,382,854
	<u>18,611,248</u>	<u>930</u>	<u>(62,301)</u>	<u>3,060,303</u>	<u>21,610,180</u>

The permanent endowment fund has arisen from the initial capital on the establishment of the Society as a registered charity, to which has been added further capital on the absorption of other charities.

The expendable endowment fund has arisen from the retention of legacies where this has been the explicit or implied wish of the legator.

17 Analysis of net assets between funds

	Unrestricted funds £	Endowment funds £	Total £
Fund balances at 31 December 2009 are represented by:			
Tangible fixed assets	2,736	-	2,736
Investments	562,956	21,501,548	22,064,504
Current assets	771,973	125,919	897,892
Creditors: amounts falling due within one year	(45,240)	(17,287)	(62,527)
Provision for liabilities	(82,950)	-	(82,950)
	<u>1,209,475</u>	<u>21,610,180</u>	<u>22,819,655</u>
Unrealised gains included above:			
On investments (see below)	(40,912)	3,219,715	3,178,803
	<u>(40,912)</u>	<u>3,219,715</u>	<u>3,178,803</u>
Reconciliation of movements in unrealised gains on investment assets:			
Unrealised gains at 1 January 2009	(84,703)	1,385,280	1,300,577
In respect of disposals in year	-	(927,702)	(927,702)
	<u>(84,703)</u>	<u>457,578</u>	<u>372,875</u>
Net gains on revaluations in year	43,791	2,762,137	2,805,928
Unrealised gains at 31 December 2009	<u>(40,912)</u>	<u>3,219,715</u>	<u>3,178,803</u>