

Registered as a Charity in England & Wales No. 205798

**SOCIETY FOR THE ASSISTANCE OF LADIES  
IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD)  
TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**SOCIETY FOR THE ASSISTANCE OF LADIES  
IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD)  
REFERENCE AND ADMINISTRATIVE INFORMATION**

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<b>Patron</b>	Her Majesty The Queen
<b>Chairman</b>	Mr S.D. Ginn, M.A. (Cantab) Solicitor
<b>Honorary Treasurer</b>	Mr M.J. Andrews
<b>Trustees</b>	Ms C. E. Connery M.A. (Oxon) Mr S.D. Ginn, M.A. (Cantab) Solicitor The Revd. D.F. Gutteridge, B.Sc., M.Sc., P.G.C.E., Acad. Dip. Ed. Mrs J. McGowran B.A. (resigned 19 February 2009)
<b>Principal officers</b>	E.J. Sands, M.A., A.C.I.B., M.C.M.I., (General Secretary) Mrs. F. Harper (Assistant Secretary)
<b>Charity number</b>	205798
<b>Principal address</b>	Lancaster House 25 Hornyold Road Malvern Worcestershire WR14 1QQ
<b>Auditors</b>	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY
<b>Accountants</b>	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
<b>Bankers</b>	Lloyds TSB Bank Plc 48 Belle Vue Terrace Malvern Worcestershire WR14 4QG
<b>Investment managers</b>	CCLA Investment Management Limited 80 Cheapside London EC2V 6DZ  Rensburg Sheppards Investment Management Limited 2 Gresham Street London EC2V 7QN

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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 2008***

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The trustees present their report and financial statements for the year ended 31 December 2008 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 the year 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. 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.

The Society has a procedure for the recruitment of new trustees which includes a skills audit of existing trustees and the advertising of the vacancies both nationally and locally. It undertakes all appropriate checks to ensure that the new trustees are both eligible and suitable to act in that capacity.

### ***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.

### ***Organisational structure***

The trustees govern the general policy of the Society, and met seven 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.

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

***FOR THE YEAR ENDED 31 DECEMBER 2008***

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## ***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 have had regard to the Charity Commission's guidance on public benefit and to its draft supplementary guidance on public benefit for charities for the prevention or relief of poverty and are satisfied that all of the Society's activities are for the public benefit. 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 2008***

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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 96% of regular beneficiaries as at 31 December 2008 and 78% of recipients of single grants during the year 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 2008 these advertisements accounted for 22% of all enquiries (2007: 26%), 27% of single grants for specific immediate needs (2007: 19%) and 46% of new regular beneficiaries (2007: 47%).

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 during the year, in the expectation that this would result in net outgoing resources of the Unrestricted Fund of approximately £100,750 before gains/losses on investments. To achieve this they anticipated making "one-off" grants to 275 women, and generating a modest increase in the average number of regular beneficiaries by offering help to 100 new applicants.

The number of individuals receiving grants towards their general living costs was on average 490 per month (2007 - 495). The total value was £706,634 (2007 - £647,131). 97 applicants were accepted as new regular beneficiaries, which exactly matched the number of those lost through changes in domestic/employment circumstances or increases in benefits taking them outside criteria.

One-off grants not exceeding £300 each were made to 243 women (2007: 257) for specific immediate needs, amounting to £60,645 (2007: £60,171). Although the number was less than anticipated, the total value slightly exceeded budget. These grants significantly improved the quality of life for some of the country's poorest women, and included:

- Purchase of 56 washing machines for women who were doing their washing by hand
- Purchase of 33 cookers for women with no means of preparing a hot meal
- Purchase of 31 refrigerators and freezers to enable women to purchase and store food more efficiently
- Provision of carpeting to improve comfort in 49 homes
- Payment of 42 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.

No institutional grants were made during the year.

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

***FOR THE YEAR ENDED 31 DECEMBER 2008***

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In addition to those who received financial help directly from the Society, a further 428 women (2007 - 219) were signposted to other benevolent funds.

## ***Investments***

Sufficient cash is held to cover working requirements and provide a readily accessible reserve. The Society holds 390,853.02 Income Units in the Charities Official 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 the WM Co Charity Fund Service Universe benchmark which includes property on a total return basis (before management and other expenses) through capital and income return combined. The return was -22.0% against a benchmark of -19.3%.

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 -18.1% against a benchmark of -20.0%. 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 -8.3% against a benchmark of -2.7%.

## ***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 2008 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.

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 2008***

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## ***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 2009 - 2011 this amounts to £844,800.

The total funds held were £19,977,443 (2007 - £25,367,520), of which £18,611,248 (2007 - £23,860,163) were endowed funds being the capital of the Society, and £1,362,595 (2007 - £1,497,390) were "free" reserves as defined by the Charity Commission. The trustees have adopted a budget for 2009 - 2011 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. This significantly exceeded expectations and was considerably higher than in 2007. The Society was not immune to the worldwide fall in the value of investments, and significant unrealised losses were recorded. 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 whilst changes to the asset allocation were made to give the endowment portfolio a more defensive profile the longer term policy remains unchanged.

Legacy income amounting to £16,266 (2007 - £39,049) was placed to the Unrestricted Fund. Legacies are extremely difficult to predict, but this was significantly less than expectations.

On the other hand, legacy income amounting to £65,734 placed to the Endowment Funds was much higher than expectations.

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

***FOR THE YEAR ENDED 31 DECEMBER 2008***

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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 Dependants) Act 1975 against the executors and beneficiaries. The Society joined with other residuary beneficiaries in instructing solicitors, and a settlement has been negotiated. The solicitors for the executors of the estate have estimated that the charity will receive an additional £7,500, which has been provided for in these financial statements.

A settlement has also been agreed in the other disputed estate; the sum of £43,966 has already been received and Estate Accounts produced by the Executrix show a further £14,268 is due, which has been provided for in these financial statements.

Donations received in the year included an unexpected £20,000 from a discretionary trust, whose trustees have been unable to indicate if further payments will be made in future.

In view of income being greater than expected the net outgoing resources of the Unrestricted Fund were less than planned. However, because of unrealised investment losses attributable to this fund, the adverse net movement in funds was £47,000 greater than expectations.

## **Plans for the future**

The trustees carried out a full strategic review during 2008 to ensure that the Society continues to fulfil its charitable objectives in the most appropriate way. They concluded that whilst some alternative ways of operating (such as lobbying, or providing advice and support) could be of significance benefit to women in financial need, they were best left to other organisations that have the specialist expertise. They have again allocated £761,250 for grants to individuals during 2009, in the expectation that this will result in net outgoing resources of the Unrestricted Fund of approximately £86,800 before gains/losses on investments. To achieve this they anticipate making "one-off" grants to 275 women, and regular monthly payments to an average of 500 women. In order to broaden the scope of the Society's work they have also allocated £50,000 for institutional grants to organisations working for the benefit of women in financial need that do not make grants themselves.

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

***FOR THE YEAR ENDED 31 DECEMBER 2008***

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with applicable laws. 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: 22 April 2009

# **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 IN REDUCED CIRCUMSTANCES**

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We have audited the financial statements of the Society for the Assistance of Ladies in Reduced Circumstances for the year ended 31 December 2008 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charity's Trustees, as a body, in accordance with Section 43 of the Charities Act 1993. 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 the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of trustees and auditors**

The responsibilities of the Trustees for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of 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 properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Annual 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 IN REDUCED  
CIRCUMSTANCES**

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**Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charity's affairs as at 31 December 2008 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

**haysmacintyre**  
**Registered Auditors**

Dated: 22 April 2009

Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

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

**FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	Unrestricted funds £	Endowment funds £	Total 2008 £	Total 2007 £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	38,969	65,734	104,703	111,830
Investment income	3	895,233	-	895,233	825,257
<b>Total incoming resources</b>		<b>934,202</b>	<b>65,734</b>	<b>999,936</b>	<b>937,087</b>
<b>Resources expended</b>					
<i>Costs of generating funds:</i>					
Costs of generating funds	4	2,627	-	2,627	2,962
Investment management costs		-	65,075	65,075	74,591
		<b>2,627</b>	<b>65,075</b>	<b>67,702</b>	<b>77,553</b>
<i>Charitable activities:</i>					
Assistance of women in financial need	5	948,815	-	948,815	883,232
Governance costs	6	19,031	-	19,031	16,392
<b>Total resources expended</b>		<b>970,473</b>	<b>65,075</b>	<b>1,035,548</b>	<b>977,177</b>
<b>Net (outgoing)/incoming resources</b>		<b>(36,271)</b>	<b>659</b>	<b>(35,612)</b>	<b>(40,090)</b>
<b>Other recognised gains and losses</b>					
(Losses)/gains on investment assets		(104,891)	(5,249,574)	(5,354,465)	573,725
<b>Net movement in funds</b>		<b>(141,162)</b>	<b>(5,248,915)</b>	<b>(5,390,077)</b>	<b>533,635</b>
Fund balances at 1 January 2008		1,507,357	23,860,163	25,367,520	24,833,885
<b>Fund balances at 31 December 2008</b>		<b>1,366,195</b>	<b>18,611,248</b>	<b>19,977,443</b>	<b>25,367,520</b>

**SOCIETY FOR THE ASSISTANCE OF LADIES  
IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD)  
BALANCE SHEET  
AS AT 31 DECEMBER 2008**

	Notes	2008		2007	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		3,600		9,967
Investments	10		18,695,482		23,345,799
			<u>18,699,082</u>		<u>23,355,766</u>
<b>Current assets</b>					
Debtors	11	100,283		58,240	
Investments - short term deposits		663,904		1,455,901	
Cash at bank and in hand		613,408		590,636	
			<u>1,377,595</u>	<u>2,104,777</u>	
<b>Creditors: amounts falling due within one year</b>	12	(25,284)		(28,073)	
<b>Net current assets</b>			<u>1,352,311</u>		<u>2,076,704</u>
<b>Total assets less current liabilities</b>			<u>20,051,393</u>		<u>25,432,470</u>
<b>Provisions for liabilities and charges</b>	13		(73,950)		(64,950)
<b>Net assets</b>			<u>19,977,443</u>		<u>25,367,520</u>
<b>The funds of the charity:</b>					
Endowment funds	14	18,611,248		23,860,163	
Unrestricted funds		1,366,195		1,507,357	
			<u>19,977,443</u>		<u>25,367,520</u>

The accounts were approved by the Trustees on 22 April 2009

Mr. S. D. Ginn  
Trustee

The Revd. D. F. Gutteridge  
Trustee

Ms. C. E. Connery  
Trustee

**SOCIETY FOR THE ASSISTANCE OF LADIES  
IN REDUCED CIRCUMSTANCES (FOUNDED BY MISS SMALLWOOD)  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**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 the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005, together with the Financial Reporting Standard for Smaller Entities (effective January 2007) 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 2007.

**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 are charged in the year in which payment is made. It is clear to beneficiaries (all of whom are individuals) 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.

**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 2008**

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**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 pension costs charged in the accounts represent the contributions payable by the charity during the year in accordance with Financial Reporting Standard for Smaller Entities (effective January 2007). The charity operates a defined contribution pension scheme for its employees. The scheme funds are administered by insurance companies and are independent of the charity's finances.

**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.

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**2 Voluntary income**

	Unrestricted funds £	Endowment funds £	Total 2008 £	Total 2007 £
Donations and gifts	22,703	-	22,703	2,781
Legacies receivable	16,266	65,734	82,000	109,049
	<u>38,969</u>	<u>65,734</u>	<u>104,703</u>	<u>111,830</u>

**Donations and gifts**

Unrestricted funds:

Donations received from individuals	2,589	1,731
The Lopylugs and Barbara Morrison Charitable Trust	20,000	-
Kate Wilson Oliver Trust	-	1,000
Sundry other donations	114	50
	<u>22,703</u>	<u>2,781</u>

Last year the charity received an initial distribution of a legacy from Mrs A. G. P. Hartley deceased of £70,000. However, Mrs A. G. P. Hartley's step-son made a claim on the estate. A settlement for this claim has been negotiated. The solicitors for the executors of Mrs A. G. P. Hartley's estate have estimated that the charity will receive an additional £7,500. This has been provided for in these financial statements.

**3 Investment income**

	2008 £	2007 £
Income from listed investments	816,120	743,361
Interest receivable	79,113	81,896
	<u>895,233</u>	<u>825,257</u>

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**4 Allocation of support costs**

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

<b>Cost type</b>	<b>Total allocated</b>	<b>Governance</b>	<b>Charitable Basis of apportionment activities</b>	
Staff costs	152,150	5,167	146,983	Staff time
Office running costs	29,208	1,022	28,186	Staff time
Depreciation	6,367	-	6,367	Use of equipment
<b>Total</b>	<b>187,725</b>	<b>6,189</b>	<b>181,536</b>	

**5 Charitable activities**

	<b>Grant funding</b>	<b>Support costs</b>	<b>Total 2008</b>	<b>Total 2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Assistance of women in financial need	<b>767,279</b>	<b>181,536</b>	<b>948,815</b>	883,232

The number of individuals receiving grants towards their general living costs was on average 490 per month (2007 - 495 per month), which totalled £706,634 for the year (2007 - £647,131). In addition, 243 (2007 - 257) discretionary grants totalling £60,645 (2007 - £60,171) for specific immediate needs were paid.

There were no grants made to institutions in the year.

**6 Analysis of governance costs**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Staff costs	<b>5,167</b>	4,969
Office running costs	<b>1,022</b>	1,200
Legal and professional fees	<b>1,733</b>	899
Auditor's remuneration (for audit services)	<b>5,892</b>	4,812
Accountancy fees (for accountancy services)	<b>5,217</b>	4,512
	<b>19,031</b>	16,392

**7 Trustees**

None of the trustees (or any persons connected with them) received any remuneration during the year, but one of them was reimbursed a total of £77 travelling expenses (2007 - no trustees were reimbursed) and two trustees received training costing a total of £400 (2007 - no trustees received training).

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**8 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2008</b>	2007
	<b>Number</b>	Number
Administration (including support)	<b>5</b>	5

**Employment costs**

	<b>2008</b>	2007
	<b>£</b>	£
Wages and salaries	<b>118,434</b>	111,322
Social security costs	<b>11,728</b>	10,956
Other pension costs	<b>21,988</b>	19,893
	<b>152,150</b>	142,171

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

Pension costs consist of £12,988 (2007 - £11,943) defined contribution payments and £9,000 (2007 - £7,950) increase in the pension provision.

**9 Tangible fixed assets**

	<b>Freehold land and buildings</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
<b>At 1 January 2008 and at 31 December 2008</b>	<b>657</b>	<b>46,219</b>	<b>46,876</b>
<b>Depreciation</b>			
At 1 January 2008	-	36,909	36,909
Charge for the year	-	6,367	6,367
<b>At 31 December 2008</b>	<b>-</b>	<b>43,276</b>	<b>43,276</b>
<b>Net book value</b>			
<b>At 31 December 2008</b>	<b>657</b>	<b>2,943</b>	<b>3,600</b>
At 31 December 2007	657	9,310	9,967

The freehold property is Lancaster House, 25 Hornyold Road, Malvern, which is estimated by the trustees to have a market value of £350,000 (2007 - £400,000).

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**10 Fixed asset investments**

	<b>Listed securities £</b>
Market value at 1 January 2008	23,345,799
Disposals at opening book value	(2,871,822)
Acquisitions at cost	3,226,801
Change in value in the year	(5,005,296)
<b>Market value at 31 December 2008</b>	<b>18,695,482</b>
The investment assets are held:	
In the UK	14,990,822
Outside the UK	3,704,660
	<b>18,695,482</b>
Historical cost:	
<b>At 31 December 2008</b>	<b>17,394,905</b>
At 31 December 2007	16,517,190

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

Charities Official Investment Fund £3,398,819 (2007 - 4,575,130) which represents 18.2% (2007 - 19.6%) of the investment portfolio.

<b>11 Debtors</b>	<b>2008 £</b>	2007 £
Other debtors	<b>37,420</b>	-
Prepayments and accrued income	<b>62,863</b>	58,240
	<b>100,283</b>	58,240

Included in other debtors are £37,034 (2007 £nil) relating to expected legacies receivable.

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<b>12 Creditors: amounts falling due within one year</b>	<b>2008</b>	2007
	£	£
Other creditors	<b>15,148</b>	18,931
Accruals	<b>10,136</b>	9,142
	<u><b>25,284</b></u>	<u>28,073</u>

**13 Provisions for liabilities and charges**

	<b>Pension provision</b>
Balance as at 1 January 2008	64,950
Released in year	-
Increase in provision	9,000
	<u>73,950</u>
Balance as at 31 December 2008	<u>73,950</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 (2007 - 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 £73,950 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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**14 Endowment funds**

	Movement in funds				Balance at 31 December 2008 £
	Balance at 1 January 2008 £	Incoming resources £	Resources expended £	Investments gains/losses £	
Permanent	15,764,830	-	(42,995)	(3,468,394)	<b>12,253,441</b>
Expendable	8,095,333	65,734	(22,080)	(1,781,180)	<b>6,357,807</b>
	<u>23,860,163</u>	<u>65,734</u>	<u>(65,075)</u>	<u>(5,249,574)</u>	<u><b>18,611,248</b></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.

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**15 Analysis of net assets between funds**

	<b>Unrestricted funds</b>	<b>Endowment funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fund balances at 31 December 2008 are represented by:			
Tangible fixed assets	3,600	-	<b>3,600</b>
Investments	519,165	18,176,317	<b>18,695,482</b>
Current assets	927,709	449,886	<b>1,377,595</b>
Creditors: amounts falling due within one year	(10,329)	(14,955)	<b>(25,284)</b>
Provision for liabilities	(73,950)	-	<b>(73,950)</b>
	<u>1,366,195</u>	<u>18,611,248</u>	<u><b>19,977,443</b></u>
Unrealised gains included above:			
On investments (see below)	(84,703)	1,385,280	<b>1,300,577</b>
	<u>(84,703)</u>	<u>1,385,280</u>	<u><b>1,300,577</b></u>
Reconciliation of movements in unrealised gains on investment assets			
Unrealised gains at 1 January 2008	18,645	6,809,965	<b>6,828,610</b>
In respect of disposals in year	(5,733)	(517,004)	<b>(522,737)</b>
	<u>12,912</u>	<u>6,292,961</u>	<u><b>6,305,873</b></u>
Net gains on revaluations in year	(97,615)	(4,907,681)	<b>(5,005,296)</b>
	<u>(84,703)</u>	<u>1,385,280</u>	<u><b>1,300,577</b></u>