

**TRUSTEES' ANNUAL REPORT
and
FINANCIAL STATEMENTS
FOR THE YEAR TO 31ST MARCH 2020**



The Royal Society for the Support of Women of Scotland
Annual Report and Accounts – 1 April 2019 to 31 March 2020

Chair's Introduction

On behalf of the General Committee I am pleased to present its report together with the financial statement of the Society for the year ended 31 March 2020.

I write this at a time that it is hard to reflect on a financial year which ended in March, when we are all so aware of everything that was beginning to unfold at the end of that period, but which has now impacted so much on all of us. COVID 19 and its effect on financial confidence across the world were already showing a very significant effect on our portfolio valuation at 31 March, which is reflected in this financial statement. We have a long way to go before we understand the long-term effect on our portfolio. For now there has been some recovery since that date, but as stated later in the report, we are also anticipating a significant reduction and enduring uncertainty regarding dividend income. However, while we must not be complacent, the Society is more fortunate than many charities to have significant investments, built up over many years, and we hope very much that we will be able to continue doing what we do best and to support women in financial hardship.

The continuing work of the Society can be seen in the table within this report showing another busy year. The Roll of Beneficiaries stood at 919 at the end of the year, a total of 1023 women received financial support over the year and £1,299,476 was disbursed to beneficiaries. These numbers tell just part of the story and although the lockdown was to impact dramatically on the work of our small team of Caseworkers, in the year to 31 March they visited 107 new applicants and 653 existing beneficiaries.

There have been some significant changes to the staff team this year, with the retiral of two key people in the recent life of the Society and in the way that it's work has been modernised to reflect the changing profile of our beneficiaries. Senior Case Worker Anne Metcalfe retired just after the end of the year in May, and our thanks go to her for her steady and calm management of the team. The Society's first Chief Executive, Dr Maurice Hankey retired on 31 March. Maurice's impact on the Society cannot be overestimated. He took on the role at a time of considerable change in terms of the Society's Charter and the way we support women in financial hardship. He has modernised working practices and streamlined systems, at a time of increasing need and demand for our support and has led the team with dedication and good humour.

We were delighted to welcome Andrew Tweedy to the role of Chief Executive in April. Andrew comes to the Society following 7 years as Chief Executive of Carers of East Lothian and a strong background in social policy and welfare.

Former Chairman of the Society John Chapman retired in September 2019. John presided over the most significant changes to the role of the Society in its history, leading the trustees through the changes to the Royal Charter, and the establishment of The Royal Society for the Support of Women of Scotland. We were sorry when Anna Buchanan stepped down during the year. Anna has brought a great depth of knowledge of the issues facing the more vulnerable members of our society.

There is no doubt that the Society faces some challenges in the coming years. Looking to the immediate future the General Committee will take stock of the strategic review carried out at the end of 2019, but also within the context of the effects of the pandemic on our own operations and on our current and potential beneficiaries. We also look forward to welcoming new trustees this year to add their skills and knowledge to our deliberations.

Catriona Reynolds

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

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

General Committee of Management

East

Mr Walter NJ Thomson, WS (**Vice-Chairman**)
Mr John I Hume CA (**Treasurer**)
Mrs Ailsa Gormly
Mr Adrian M Johnston ACII, AFPS
Mrs Carol Lawson
Mrs Margaret Moyes
Mrs Maureen O’Neill OBE
Mrs Carolina Viola
Mr Graeme A Whyte

West

Ms Catriona Reynolds (**Chair**)
Mrs Anna Buchanan (Retired June 2020)
Mr John M Chapman DL, CEng (Retired Sept 2019)
Dr Jonathan H Cossar
Mr John MacLeod DL, CA
Mrs May Storrie CBE

Investment Sub-Committee:

Ms Catriona Reynolds (**Chair**)
Mr John I Hume CA (**Treasurer**)
Mrs Carol Lawson (**Sub Committee Chair**)
Mr Adrian M. Johnston
Mr John MacLeod DL, CA

Grant Policy Sub-Committee:

Mrs Maureen O’Neill (**Sub Committee Chair**)
Mrs Anna Buchanan
Dr Jonathan H. Cossar
Mrs Ailsa Gormly
Mrs Margaret Moyes
Mr Graeme A. Whyte

Registered Office:

14 Rutland Square, Edinburgh, EH1 2BD

Chief Executive:

Dr Maurice S Hankey (Retired March 2020)
Mr Andrew Tweedy (Appointed April 2020)

Caseworkers

Mrs Anne Metcalfe, RGN, DN (Retired May 2020)
Mrs Helen Dalley LLB
Mrs Lucy McRitchie RGN, BSc
Ms Sonia Love
Mrs Pamela Samson (Appointed April 2020)

Secretary /Administrator:

Mrs Sharon Moffat

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Auditor:	Azets Audit Services Exchange Place 3, Semple Street, Edinburgh, EH3 8BL
Bankers:	Bank of Scotland 38 St. Andrew Square, Edinburgh, EH2 2YR
Solicitors:	Anderson Strathern LLP 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.

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The Year in Numbers...

	Year ending 31 st March		
	2020	2019	2018
Roll of Beneficiaries at end of year	919	932	876
New admissions	101	138	97
Deaths /withdrawals	114	82	65
Application forms sent out	324	274	169
Application forms received	148	169	152
Visits to new applicants	107	133	95
Visits to existing beneficiaries	653	640	562
Individuals receiving financial assistance	1023	1011	924
Principal Grant Amount	£1,320	£1,320	£1,200
Total Grant Disbursement	£1,299,476	£1,239,408	£1,217,040
Expenditure on charitable activities	£1,612,241	£1,705,374	£1,547,716
Total Funds carried forward	£39,219,717	£44,568,253	£42,590,376

“There are truly not enough hours to tell you how this additional monthly income will change my life going forward.”

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Governance

History and Charitable Status

The Society was established in 1847, with a formal Deed of Constitution executed in 1865 and a Royal Charter granted in 1930. It operated under the name of *“The Royal Society for the Relief of Indigent Gentlewomen of Scotland”*, generally known as the *“Indigent Gentlewomen’s Fund”* or simply *“IGF”*.

On 1st May 2015, an updated Royal Charter came into effect for the Society. This changed the name to *“The Royal Society for the Support of Women of Scotland”*; revised the Society’s objectives; set out aspects of the Society’s governance structures including the role of its General Committee; and empowered the General Committee to form Byelaws to further govern the charity’s operations.

The Society is a Registered Scottish Charity number SC016095 and has been since 1952.

Structure, Governance and Management

General Committee

The General Committee of the Society comprises a Chair and up to 17 voluntary Members who are the Trustees of the Society. As at 31st March 2020 there were 14 Trustees (including the Chair). The General Committee currently meets four times a year to consider new applications for support and other business, policy and finance matters. Meetings normally alternate between Edinburgh and Glasgow and the Society aims to maintain a reasonable balance of Trustees from the East and West of Scotland. The Annual General Meeting (AGM) is normally in September of each year.

“Your Grant has given me a lifeline and a light at the end of the tunnel.”

Membership

The Society undertakes regular, open recruitment, as required, for new Trustees to join the General Committee. It also monitors the skills and expertise of existing Trustees enabling it to fill emerging vacancies in a strategic manner. The most recent recruitment was in 2018 but a recruitment process is currently underway to make additional appointments. On appointment, all new Trustees are supported with a structured and comprehensive induction process.

Under the Society’s Bye-laws, the three Trustees who are longest serving since their last election are required to retire at the AGM but are eligible for re-election (subject to term limits) or may demit office.

At the 2019 AGM, Mrs May Storrie, Mrs Maureen O’Neill and Mr John Hume stood down but all were duly re-elected. Additionally, Mr John Chapman retired after many years as a Committee member and as a past Chair of the Society.

Sub Committees

The General Committee is empowered to appoint Sub-Committees and working groups to address specific matters in detail. Currently the Society has two Sub Committees:

- The Investment Sub-Committee meets at least twice a year to oversee the performance of the Society’s nominated investment managers (to whom discretionary powers of management have been granted) and to review investment policy.
- The Grant Policy Sub-Committee meets periodically to review the Society’s application and grant-making processes and consider possible changes, making recommendations to the General Committee as appropriate.

Day to Day Management and Operations

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All routine management decisions are delegated to the Chief Executive who is supported by the Society's Caseworker team and Administrator. Direct support and regular visits to the Society's beneficiaries are provided by the Caseworker team.

In March 2020, Dr Maurice Hankey retired as Chief Executive after six years in the post during which time he steered the Society through many changes. He has been succeeded by Mr Andrew Tweedy.

Support Activities

Objectives

The object of the Society as stated in the Royal Charter 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"*.

Criteria for Support

Under the Byelaws, applications to be admitted to the Roll of Beneficiaries are considered from any single, widowed, divorced or formally separated woman, of 50 years or older, and who has been resident in Scotland for at least two years at the time of application. Additionally, 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.

In June 2017, the Society carried out a major review of its income and capital ceilings in response to increasing demand for support and a recognition that there were a number of existing beneficiaries whose income or capital were in excess of the current admission criteria at that time (albeit that they continued to meet the criteria under which they were originally admitted). Following this review, the Trustees adopted a "Transition" policy to phase out support to this group of beneficiaries over a period of four years (ending March 2021) and allocated £200,000 of reserves to a designated "Transition 2017 Fund" to fund this (releasing other funds to help women in greater financial need).

Additionally, in response to increasing demand, the Society introduced a temporary filter of £10,000 for new applications on the level of "Qualifying Income" to avoid over-subscription and false expectations while also giving priority to those applicants on the lowest incomes. Largely, as a result, the number of applications received has reduced somewhat (from 169 in 2019 to 148 in 2020).

"I am very honoured to be included in the Society. It's been terrifying how small bills mount up and just when I think I've got ahead something has always knocked me back. So your support will definitely make a big difference."

Process for Admission to the Roll of Beneficiaries

New applicants come to the charity through a variety of sources, including personal reference and referral from other charities. The Society also advertises strategically to spread awareness of the support available.

While the Trustees wish to help as many women in hardship as possible, the Society does not have the resources to support everyone who may apply. Accordingly, the Society limits the level of grant expenditure it can commit to on a long-term basis. This limit is subject to periodic review by the Trustees and is currently £1,155,000 pa which is equivalent to 875 full beneficiaries.

All new applications are currently considered by Trustees on a name-blind basis and admission to the Roll of Beneficiaries is made at the discretion of the Trustees after consideration of (a) the prevailing criteria for admission (which, as noted above, are themselves maintained under review) and (b) the annual grant

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expenditure limit. Once admitted, beneficiaries continue to be eligible for assistance provided they continue to meet the Society's criteria and their circumstances are regularly reviewed.

Types of Support Provided

Direct Financial Support

The core of the Society's work is the payment of regular and one off grants to beneficiaries including:

- Main grants provide regular financial support to women on the Roll of Beneficiaries and are currently paid at £110 per calendar month (totalling £1,320 pa). Some beneficiaries do not receive the full amount as their payments are restricted for a particular reason or they are part of the Transition process noted above. These monthly main grants account for the large majority of the direct financial support the Society provides.
- The Society makes a small number of additional or emergency grants to beneficiaries in particularly urgent or exceptional situations.
- Some beneficiaries also receive supplementary grants. These are targeted at those beneficiaries on the lowest incomes and paid on an ad-hoc basis when the Society has funds to do so. The Society operates a "full distribution" policy so, where there is income remaining after annual and other grants have been paid and operating costs met, the Society will aim to distribute this through supplementary grants and retain any remaining surplus in the designated "*Undistributed Income Fund*" for later distribution.
- Lastly, the Society pays a number of smaller historical grants to the surviving beneficiaries of historical funds which have since been absorbed into the Society.

Other Forms of Support

In addition to providing direct financial support to beneficiaries, the Society's Caseworkers maintain regular contact with beneficiaries and aim to visit them every 15-18 months. Whilst part of the purpose of these visits is to gather information to be able to assess the beneficiary's continued eligibility for ongoing financial support from the Society, these visits are also positive and supportive social occasions which promote a sense of personal engagement with the Society. Beneficiaries consistently report that they look forward to and enjoy these visits and, indeed, a number of beneficiaries have asked that Caseworkers continue "social" visits even after eligibility for financial support has ended.

The Society further seeks to promote a sense of personal engagement with the Society amongst beneficiaries by sending Christmas cards and an annual Newsletter to all beneficiaries and birthday cards or flowers to those beneficiaries reaching milestone ages.

"Your Caseworker is so nice to talk to. It is a shame its only once a year that I see her."

Key Support Activities and Performance in Year Ending 31st March 2020

This has been another busy year for the Society, although slightly less so than the year ending March 2019, which was exceptional. Key statistics from the year are summarised at the start of this report and include:

- 101 women were admitted to the Roll (2019 – 136).
- A total of 114 women left the Roll, either because they passed away or due to a change in their circumstances (e.g. improvements in their finances or a move to a care home). This was significantly higher than the previous year (2019 – 82).

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- Membership of the Society's Roll of Beneficiaries at the end of the year was 919, only slightly down on 2019 (932) but still well above 2018 (876). This includes some beneficiaries who are not receiving the full rate of grant for the reasons detailed above.
- 324 application forms were sent out. While this is 18% more than the 274 sent out in the previous year, this figure is skewed by year-end factors i.e. the dates on which forms are issued, returned and the applicant visited not necessarily falling entirely within a single year. None the less, it remains consistent with the clear trend of increasing demand for support.
- A total of 760 visits were made by Caseworkers (2019 – 773).

Whilst the year to March 2020 may not have been quite as busy as the previous year, the Society actually disbursed more funds to beneficiaries over the course of the year:

- A total of £1,299,476 was disbursed to beneficiaries (2019 - £1,239,408). Of this, 88% was in the form of the main grants, 11% was in supplementary grants and other forms of grants less than 1%.
- These funds were paid to a total of 1023 individuals (2019 - 1011). This is more than the number of beneficiaries on the Roll at the end of the year because some beneficiaries will have received payments in the year but been withdrawn before the end of the year while others will have only joined part way through the year.

"This will be such a tremendous help to me as the cost of living increases each year."

Other Activities and Achievements in the Year

During the year, the role of Grants Eligibility Assessor was further embedded into the work of the Society. Following, the retirement of Anne Metcalfe in May 2020 prompted a review of structures and led to the combining of the Grants Eligibility Assessor and Senior Caseworker's roles into a new Welfare Manager role with lead responsibility for all aspects of Casework.

Additionally, the Research Project commissioned by the Society on *"The nature of, and response to, poverty amongst women in Scotland over 50 years of age who are, or have become, single and experience financial hardship, in order to identify the gaps and opportunities for future action by the Society"* reported during last year. This both provided a summary of the context of the Society's work and identified areas for consideration of possible further development. The Trustees intend to use it as the basis for a wider strategic review of the Society's operations (see below).

Impact of Coronavirus on Support Activities

The Coronavirus outbreak and the national "lockdown" policy response occurred towards the end of March 2020 and so did not have a significant impact on the support and performance of the Society as summarised above. However, it has since had an enormous impact on the ongoing operations of the Society. While these may not form part of the year being reported on, they remain important to note.

The Society's offices were closed and have remained so pending further lifting of the lockdown restrictions. However, all staff continue to work from home and, despite challenges, much of the work of the Society has continued. Most importantly, payment of all grants have continued uninterrupted. Specific changes to normal operations have included:

- The Society immediately suspended all visiting of beneficiaries to protect the health of both staff and beneficiaries and to comply with the national lockdown policy. Visiting remains suspended.
- Regular reviews of existing beneficiaries were suspended with caseworkers instead asked to contact beneficiaries by phone to check on their welfare and provide social contact as many

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beneficiaries have found themselves very isolated. Reviews recommenced from early June 2020 but have been by phone only. The Society has also adopted a flexible and pragmatic approach to asking for supporting evidence in recognition of the fact that many beneficiaries struggle to provide such evidence remotely.

- The casework team continued to assess new applications which had already been received prior to the lockdown but did so remotely via telephone interviews. This presented a number of challenges and required re-engineering of processes as well as adopting a more flexible and pragmatic approach to asking for supporting evidence. While these changes were embedding, the Society suspended issuing any new application forms, but this has since been lifted.
- The Society's General and Sub Committees have continued to meet remotely via video conferencing to fulfil their governance obligations.

The Trustees are aware that some of the steps taken, in particular relating to evidence and telephone assessments, will have increased the risks that some payments may be made to beneficiaries who would not normally have met the Society's criteria for support. However, the Trustees are satisfied that (a) the risk of this remains very low, (b) any inappropriate payments will be for a relatively short time scale and identified at subsequent reviews and (c) that, in light of the exceptional circumstances, it has been appropriate and proportionate to incur these additional risks.

The Trustees are also very aware the steps taken to adapt to the Coronavirus outbreak have also had a significant impact on the staff team and they would like to note their gratitude to the team for their flexibility in ensuring the work of the Society has continued and the needs of beneficiaries met during these very difficult times.

"I am always amazed how the Society manages finances in these extraordinary times."

Finances

The Society is fortunate to have significant investments, built up over many years, which provide the vast majority of the income upon which the Society relies to make payments to its beneficiaries and meet its running costs. The Society does not actively fundraise (other than through inclusion in charity and legacy directories) but these investments are augmented from time to time with legacy receipts, special dividends and transfers from other charities. The Trustees are aware of their obligation to provide for future beneficiaries as well as for the current ones and of the risks that (a) management and administrative costs may be higher and (b) inflation will diminish the value of grants in future.

Investment Policy

The Society has granted discretionary management over its investments to professional Fund Managers, currently Brewin Dolphin. The Fund Managers performance is monitored by the Investment Sub-Committee which meets with Brewin Dolphin staff at least every six months to review performance, issue directions and conduct periodic formal reviews of investment management options available to the Society.

The Society holds two portfolios with Brewin Dolphin:

- The Main Portfolio is managed on a long term basis for both income and growth and held in diversified holdings with moderate investment risk (Brewin Dolphin Risk Category 6). The Main Portfolio holds most of the Society's investments.
- The Second Portfolio was established in 2018 with monies previously held as cash. It is operated on a lower risk profile (Brewin Dolphin Risk Category 4) in liquid funds with a view to possible medium-term realisation. This Second Portfolio represents the majority of the *Undistributed*

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Income Fund along with part of the *Transition 2017 Fund* (see below in section on Reserves for details).

The Trustees do not currently restrict investment policy to take account of social or economic factors but the possibility of introducing ethical constraints is kept under review.

In addition to these investment Portfolios, the Society holds a reserve of cash in a combination of accounts. These balances provide immediate liquidity but the return on them is currently very low.

“Your payments have made such a difference to my life – both pre lockdown but especially during this time.”

Income and Investment Performance in year ending 31st March 2020

For the majority of the year, the Society’s Investments performed broadly in line with expectations, albeit not as well as they had in the previous year. This is reflected in the following:

- Dividends paid on the Society’s investments portfolios amounted to £1,764,572 (including both £61,525 in special dividends and ex-dividend income). This is significantly in excess of the target income of £1,600,000 set for Brewin Dolphin, and accounts for 97% of all income received in the year – see Note 5.
- The Society received donations of £9,179 (2019 - £13,131) and legacy income of £26,888 (2019 – total £386,487) – see Note 4. Legacy receipts to the Society have fluctuated significantly from year to year due to their inherently sporadic nature so, as a matter of policy, they are treated as capital receipts and transferred to the investment portfolio.
- The Society does not fully occupy its premises at 14 Rutland Square. The surplus office accommodation is let to two long-term tenants, providing rental income of £22,300 (2019 - £20,425 – included in Note 5. The part of the Society’s property which is let is recognised as an investment property on the Balance Sheet – see Note 9.
- The cost of raising funds increased to £122,492 (2019 - £88,515) – see Note 6. This increase is largely attributable to investment management fees which are a factor of the value of the Society’s investment portfolios and the extent of transactions undertaken with the benefit of commission offset.

Impact of Coronavirus on Finances

The disruption in global financial markets in March 2020, because of the Coronavirus outbreak and the national “lockdown” policy response, is reflected in the significant drop in the value of the Society’s investments:

- The total **loss** on investments as at 31st March 2020 was £5,439,251. Realised investment gains of £409,590 (2019 - £235,542) were overshadowed by net unrealised losses on revaluation of £5,728,274 (2019 – gain of £1,581,778) – see Note 7.
- The market value of the Society’s investments as at 31st March 2020 was £38,438,372 (2019 - £43,540,070). While this is clearly a very significant fall in value, it should be noted that (a) market values have since recovered significantly and (b) the historical cost of the Portfolios at 31st March 2020 was £32,446,431 so there remained a positive return on the investments – see Note 9.

However, while market values may have recovered, of potentially much greater significance to the Society is the anticipated reduction and enduring uncertainty regarding dividend income. Whilst not part of the year reported on, the Society has taken the following steps to address this uncertainty:

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- Budgeted for 2020/21 on the basis of an assumed 18% reduction in dividend income (resulting in a projected deficit of some £255,000).
- Maintained close monitoring of the situation with regular reporting from Brewin Dolphin and more frequent meetings with the Investment Sub Committee.
- Issued updated directions to Brewin Dolphin removing the formal income target and emphasising the need for longer term management to ensure the portfolios are well placed for recovery.
- Held some funds in cash to ensure liquidity rather than revert them to the *Designated Investment Fund*.

The Society is, however, in the fortunate position to (a) hold significant cash and (b) have significant reserves for distribution in the *Undistributed Income Fund*. This provides both security for beneficiaries and allows the Society time to monitor the situation and adopt appropriate strategies in response.

Other Aspects of Financial Performance in Year

These include:

- Grants paid to individuals have increased overall to £1,299,476 (2019 - £1,239,408). This is, in part, due to a large increase in Supplementary Grants paid to £145,360 (2019 - £80,950) – see Note 6.
- Support costs increased to £291,254 (2019 - £273,023) largely as a result of an increase to staffing costs. Support costs include all the staffing costs for the Caseworker Team as well as 75% of the staffing costs for the Office Staff. The remaining 25% of the Office Staff costs are treated as Governance costs – see Note 6.
- At face value, Governance costs increased significantly to £75,301 (2019 - £37,183) but this was essentially due to two sets of one off costs for (a) the recruitment of the new Chief Executive and (b) the Research Project – see Note 6.
- Total Staff Costs increased to £215,775 from £189,366 in 2019. This increase is essentially due to (a) the appointment of the Caseworker (South and East) in Sept 2018 meaning that full costs of her salary were not reflected in the 2019 figure, and (b) one off costs for the recruitment of the new Chief Executive and a staffing overlap during his induction – see Note 6. .

“I have bought an electric scooter which will certainly be a great help with local shopping.”

Reserves Policy

The Society’s assets and reserves are entirely unrestricted. However, a number of designated funds have been created over time by Trustees for specific purposes:

- The *Designated Investment Fund (DIF)* represents the Society’s long-term assets comprising the aggregate of the Society’s investment portfolios, cash held by the stockbroker and the value of its heritable property. The investments held within the DIF provide the core for both current and future income generation and the Trustees are of the view that it is necessary to maintain and, where possible, increase the DIF so that the Society can fulfil its objectives into the future. No withdrawals are expected from the DIF and the Society has long-standing policies of (a) investing any legacies and/or funds transferred from other charities into the DIF; and (b) re-investing the proceeds of any investment sales and the majority of any special dividends received into the DIF. The provision for iro £1.155 million for the regular Main Grant payments expected to be made over the following 12 months is set against the DIF.

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- The *Transition 2017 Fund* is used to augment payments of the reducing Main Grants payable to those beneficiaries from whom support is being progressively withdrawn in the Transition process described above. This Fund will conclude on 31st March 2021 when the Transition process ends.
- The *Undistributed Income Fund (UIF)* was designated in March 2018 and represents undistributed surplus income. Its purposes are to (a) provide a cash reserve to meet immediate grant payments in the event of any collapse in regular income from investments (with the first £500,000 of the UIF only to be used as such a reserve); and (b), for any sums in excess of this £500,000, to hold surplus income for future distribution to beneficiaries at the Trustee's discretion under the Society's "full distribution" policy. While the goal is to distribute any funds in the UIF above the £500,000 cash reserve, should this not occur for any reason, the Society's policy is that any funds within the UIF in excess of £1 million should revert to the DIF for long term growth unless identified for immediate distribution. Given the purposes of the UIF, funds within it will be held as a mixture of cash deposits and medium-term investments to provide the necessary liquidity.
- The *General Fund* provides the day to day operating capital of the Society. The size of this Fund will be refined over time against the background of cash flow patterns to ensure smooth financial management without excessive holding of cash.

The Society's reserves, as held in the above funds, are detailed in Note 13.

The importance of the £944,586 held within the UIF, and available as a reserve from which grants can be paid, is underlined by the uncertainty regarding future income due to the impact of the Coronavirus outbreak. These reserves allow the Society to (a) bridge any short term loss of income and (b) take the time required to develop policy responses as the situation becomes clearer. The Society will continue to monitor the level of reserves.

Risk Management

The General Committee formally reviews its Risk Management Register in March each year. Of the potential areas of risk considered by the Committee, the most significant are considered to be:

- Dependency on / collapse of income streams. As noted above, the Society relies almost exclusively on dividend income to fund its charitable activities and operating costs. The potential for significant disruptions to this has been underlined by the reduction and ongoing uncertainty caused by the Coronavirus outbreak. The General Committee considers that the Society is as well placed as could be to anticipate this as:
 - The investment portfolios are well diversified across asset classes and sectors,
 - Close monitoring with Brewin Dolphin is carried out on a monthly basis, providing early notice of any fall in anticipated income,
 - The Society holds significant reserves within the UIF in adequately liquid form,
 - The Society has the option in the longer term of reducing costs through, amongst other options, reducing the overall expenditure limit for grant distribution (and consequently beneficiary numbers).
- Lone Working. A significant part of the Society's charitable activities involves Caseworkers lone working visiting new applicants and existing beneficiaries in their homes, with considerable time travelling in between. However, the Society does not operate in a particularly high risk environment and a Lone Worker policy is in place. Lone Workers are issued with mobile alarms including GPS-capability and connected to a dedicated call centre. Where a previous visit to an individual has caused concern to the Caseworker, subsequent visits are undertaken with a second Caseworker present.
- Disaster Recovery / Loss of Key Personnel. The Society has in place structured back up procedures

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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. The robustness of offsite working has been demonstrated by the homeworking required due to the Coronavirus outbreak but will be reviewed and developed further including the development of a formal Disaster Recovery policy.

Strategic Review and Plans for Future

The General Committee intends to continue the existing programme of main grant payments on a monthly basis and at the current level of £1,320 per annum and the Society's Caseworkers' will continue regular visits to beneficiaries to ensure their continued eligibility for financial support. However, as noted above, the overall limit on the level of total annual grant expenditure will be kept under review by the Trustees in light of the changing financial environment, as will the level of the Qualifying Income filter for new applications, to help manage application levels and target resources for people on the lowest incomes.

As noted above, the Research Project commissioned by the Society will be used as context for a wider strategic review of the Society's operations. It had been intended that this review would occur early in 2020 but retirement of Dr Hankey as Chief Executive and the recruitment and induction of his replacement initially led to postponement which has since been overtaken by the immediate need to manage the Society's response to the Coronavirus outbreak. However, in the medium term, consideration of this review coupled with that of issues which may have arisen subsequently as a result of the pandemic or other societal issues, remains a key priority for the Society.

"I have made such good use of your monthly payments, put towards some decorating but mainly to renewing things in my garden. This has been a wonderful distraction during these difficult times and which I wouldn't have enjoyed had I not benefited from the extra cash."

General Committee's Responsibilities

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

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

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue its activities.

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

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

Statement as to disclosure of information to the auditor

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

- so far as the General Committee member is aware, there is no relevant information of which the Society's auditor is unaware; and
- he or she has taken all steps that ought to have been taken, as a General Committee member, in order to become aware of any relevant audit information and to confirm that the Society's auditor is aware of that information.

Auditor

During 2019, the Society's appointed auditor, Scott-Moncrieff Chartered Accountants, was acquired by Azets. Accordingly, Scott-Moncrieff Chartered Accountants formally tendered their resignation as auditor and were replaced by Azets Audit Services, a company owned by Azets, who have signed the audit report in their name. Azets Audit Services have expressed their willingness to continue in office as the Society's auditor and will be proposed for reappointment at the Annual General Meeting.

Approved by the General Committee on 11th September 2020 and signed on its behalf by:

Catriona Reynolds

Chair

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Independent Auditor's Report to the Trustees for the year ended 31 March 2020

Opinion

We have audited the financial statements of The Royal Society for the Support of Women of Scotland (the Society) for the year ended 31 March 2020 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. 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 in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Trustees for the year ended 31 March 2020 (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the General Committee's responsibilities statement set out on page x, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our Report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Independent Auditor's Report to the Trustees for the year ended 31 March 2020 (continued)

Our audit work has been undertaken so that we might state to the charity's trustees, as a body, those matters that 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's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Chartered Accountants

Statutory Auditor

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

Date:

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES

for the year to 31 March 2020

	Notes	Unrestricted Funds	
		2020	2019
		£	£
Income and endowments from:			
Donations and legacies	4	36,067	399,618
Investments	5	1,789,381	2,041,895
Total income		1,825,448	2,441,513
Expenditure on:			
Raising funds	6	122,492	88,515
Charitable activities	6	1,612,241	1,705,374
Total expenditure		1,734,733	1,793,889
Net income before gains and losses on investments		90,715	647,624
Net (losses) /gains on investments	7	(5,439,251)	1,330,253
Net (expenditure) / income		(5,348,536)	1,977,877
Net movement in funds		(5,348,536)	1,977,877
Reconciliation:			
Total funds brought forward		44,568,253	42,590,376
Total funds carried forward		39,219,717	44,568,253

All results relate to continuing activities.

The notes on pages **21 to 31** form part of these financial statements.

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

BALANCE SHEET as at 31 March 2020

	Notes	Unrestricted Funds	
		2020	2019
		£	£
Fixed assets:			
Tangible assets	8	492,825	507,157
Investments	9	38,921,248	44,054,333
Total fixed assets:		39,414,073	44,561,490
Current assets:			
Debtors	10	333,743	615,783
Cash at bank and in hand		626,364	597,695
Total current assets:		960,107	1,213,478
Liabilities:			
Creditors Amounts falling due within one year	11	(1,154,463)	(1,206,715)
Total net assets:		39,219,717	44,568,253
The funds of the charity:			
Unrestricted income funds	13	39,219,717	44,568,253

The financial statements were approved by the Society's trustees on 11th September 2020 and signed on their behalf by

Catriona Reynolds

The notes on pages **21 to 31** form part of these financial statements.

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Statement of cash flows for the year ended 31 March 2020

	Note	2020	2019
Cash flows from operating activities:		£	£
Net cash used in operating activities	1(a)	(1,454,546)	(1,745,987)
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,789,381	2,041,895
Proceeds from sale of investments		2,602,414	5,341,492
Purchase of investments		(2,939,967)	(5,967,804)
Net cash provided by investing activities		1,451,828	1,415,583
Change in cash and cash equivalents in the reporting period		(2,718)	(330,404)
Cash and cash equivalents at the beginning of the reporting period		761,958	1,092,362
Cash and cash equivalents at the end of the reporting period	1(b)	759,240	761,958
Note 1(a)			
Net (expenditure)/income for the year		(5,348,536)	1,977,877
Adjustments for:			
Depreciation charges		14,332	14,535
Losses /(Gains) on investments		5,439,251	(1,330,253)
Dividends, interest and rents from investments		(1,789,381)	(2,041,895)
Decrease / (Increase) in debtors		282,040	(525,850)
(Decrease) / increase in creditors		(52,252)	159,599
Net cash provided by operating activities		(1,454,546)	(1,745,987)
Note 1(b)			
Cash in hand		626,364	597,695
Cash held within investments		132,876	164,263
Total cash and cash equivalents		759,240	761,958

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Notes forming part of the Financial Statements for the year to 31 March 2020

1. General Information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated. They comprise the financial statements of The Royal Society for the Support of Women of Scotland.

The objective of The Royal Society for the Support of Women of Scotland 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"*.

The Royal Society for the Support of Women of Scotland is an unincorporated charity, recognised as a charity for tax purposes by HMRC and registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC016095. Details of the principal address can be found on page 2 of this Annual report and Financial Statements.

2. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial reporting standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS102) (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS102), Update Bulletin 1 to the SORP published in February 2016, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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.

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 3.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material to the Society's financial statements unless otherwise stated.

(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. The impact of Covid-19 is referred to in the Trustees Annual Report. 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. Since 2018-19, account is now taken of dividends declared before

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Notes forming part of the Financial Statements for the year to 31 March 2020

the end of the financial year but not received by the Society's investment managers.

Donation and legacy income:

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

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

Investment Income:

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

(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:

Principal Grants and other grants awarded for specific needs are made at the discretion of the Society and recognised in the financial statements when paid. Once admitted to the Roll, Beneficiaries receive Principal Grants subject to continuing review of both their own circumstances and the Society's criteria for eligibility. Although Trustees do not have a legal obligation to make future grant payments, they accept a constructive obligation to do so based on an established pattern of practice. In recognition of the approach likely to be adopted by Trustees in the event of awards being withdrawn, provision for future payment is made based on the current level of Principal Grant continuing to be paid for a period of 12 months to the number of Beneficiaries supported by the Society at 31 March.

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.

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Notes forming part of the Financial Statements for the year to 31 March 2020

All 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. The liability for future Principal Grant payments falls upon this Fund, but otherwise 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.

(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 2020.

The fair value of the investment property is based on the last external independent valuation being carried out at 31 March 2014. The Trustees intended to have the property assets independently valued as at 31 March 2020. However, as a result of the Coronavirus pandemic this has not proved possible ahead of the Report & Accounts being completed and approved. An updated independent valuation will be instructed as soon as circumstances allow but until then the Trustees consider that the carrying value of the property assets, as reflected on the Balance Sheet, remains appropriate.

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Notes forming part of the Financial Statements for the year to 31 March 2020

(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.

(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.

3. 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:

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Notes forming part of the Financial Statements for the year to 31 March 2020

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.

4. Donations and legacies

	2020	2019
	£	£
Donations	9,179	13,131
Legacies	<u>26,888</u>	<u>386,487</u>
	<u>36,067</u>	<u>399,618</u>

5. Investment income

	2020	2019
	£	£
UK listed investments:-		
Fixed interest and convertible stocks	296,706	306,345
Equities	<u>1,467,866</u>	<u>1,711,917</u>
	1,764,572	2,018,262
Bank interest and rental income	<u>24,809</u>	<u>23,633</u>
	<u>1,789,381</u>	<u>2,041,895</u>

6. Total expenditure

	2020	2019
	£	£
Raising funds		
Advertising	1,182	1,691
Investment portfolio management fee	<u>121,310</u>	<u>86,824</u>
	<u>122,492</u>	<u>88,515</u>

Arrangements with the investment manager provide for a portfolio management fee based on an agreed percentage of the funds under discretionary management, which is reduced by commission payable on investment purchase and sale transactions. The net fee payable (including VAT) was £121,310 (2019: £86,824), as a result of charges having been offset by commission totalling £30,805 (2019: £58,298).

	2020	2019
	£	£
Charitable activities		
Grants payable to individuals:-		
Principal grant	1,145,870	1,152,168
Other grants (variable)	7,916	4,035
Supplementary grants (variable)	145,360	80,950
Extra grants	<u>330</u>	<u>2,255</u>
	1,299,476	1,239,408
Provision for future grants	<u>(53,790)</u>	<u>155,760</u>
	<u>1,245,686</u>	<u>1,395,168</u>

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Notes forming part of the Financial Statements for the year to 31 March 2020

Support costs: grants payable	2020	2019
	£	£
Salaries, fees, travel and pension costs of caseworkers	147,573	135,969
Salaries, fees and pension costs of office staff	63,759	61,348
Property and computer maintenance costs	48,928	45,700
Postage, stationery and telephone	14,168	13,124
Depreciation of motor car and property	14,332	14,535
Other	2,494	2,347
	<u>291,254</u>	<u>273,023</u>

Governance costs	2020	2019
	£	£
Salaries, fees and pension costs of office staff	21,252	20,449
Legal and professional fees	2,985	2,608
Audit fee	10,080	9,780
Trustee indemnity insurance	732	672
Committee expenses	2,452	3,674
Staff Recruitment	9,000	0
Research Project	28,800	0
	<u>75,301</u>	<u>37,183</u>

Total expenditure on charitable activities	<u>1,612,241</u>	<u>1,705,374</u>
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Total expenditure	<u>1,734,733</u>	<u>1,793,889</u>
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Staff costs	2020	2019
	£	£
Salaries	177,701	158,655
Employers' national insurance	15,746	13,986
Pension costs	13,328	16,725
Recruitment costs	9,000	0
	<u>215,775</u>	<u>189,366</u>

Average number of staff employed: 1 full-time, 6 part-time (2019 -1 full-time, 5 part-time).

The Society considers its key management personnel during 2019-2020 to comprise the trustees, the Chief Executive and Chief Executive Designate. The total employment benefits including employer pension contributions and Employer National Insurance contributions of the key management personnel were £59,514 (2019 - £57,149). No employee received remuneration of more than £60,000 (2019 - None).

Members of the General Committee are not remunerated for their services, but 4 members (2019 - 2) received travelling expenses totalling £130.30 (2019 - £35.95). A further £365 of travel expenses are estimated to have been waived (2019 - £640). In addition, trustee indemnity insurance of £732 (2019 - £672) was paid in the year.

Auditor costs	2020	2019
	£	£
Audit	10,080	9,780
Taxation Advice	960	0
	<u>11,040</u>	<u>9,780</u>

THE ROYAL SOCIETY FOR THE SUPPORT OF WOMEN OF SCOTLAND

Notes forming part of the Financial Statements for the year to 31 March 2020

7. Gain/(loss) on investment assets

	2020	2019
	£	£
Realised investment gains	409,590	235,542
Realised investment losses	(120,567)	(487,067)
Net (loss) /gain on revaluation	<u>(5,728,274)</u>	<u>1,581,778</u>
	<u>(5,439,251)</u>	<u>1,330,253</u>

8. Tangible fixed assets

	Heritable Property	Motor Car	Total
	£	£	£
Cost or deemed cost At 1 April 2019 and at 31 March 2020	<u>550,000</u>	<u>23,167</u>	<u>573,167</u>
Depreciation			
At 1 April 2019	52,843	13,167	66,010
Charge for Year	<u>9,943</u>	<u>4,389</u>	<u>14,332</u>
At 31 March 2020	<u>62,786</u>	<u>17,556</u>	<u>80,342</u>
Net Book Value at 31 March 2020	<u>487,214</u>	<u>5,611</u>	<u>492,825</u>
Net Book Value at 31 March 2019	<u>497,157</u>	<u>10,000</u>	<u>507,157</u>

9. Fixed asset investments

	2020	2019
	£	£
Investment property	350,000	350,000
Listed investments	38,438,372	43,540,069
Cash held by stockbroker	<u>132,876</u>	<u>164,264</u>
Total	<u>38,921,248</u>	<u>44,054,333</u>

	2020	2019
	£	£
Listed investments		
Market value at 1 April 2019	43,540,070	41,583,505
Additions	2,939,967	5,967,804
Disposals	(2,313,391)	(5,341,492)
Net (loss) /gain on revaluation	<u>(5,728,274)</u>	<u>1,330,253</u>
Market value at 31 March 2020	<u>38,438,372</u>	<u>43,540,070</u>
Historical cost at 31 March 2020	<u>32,446,431</u>	<u>31,447,303</u>

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 2020

10. Debtors

	2020	2019
	£	£
Tax recoverable	64	277
Notified Legacies	65,000	289,000
Accrued Dividends	258,049	313,604
Other debtors	<u>10,630</u>	<u>12,902</u>
	<u>333,743</u>	<u>615,783</u>

11. Creditors: amounts falling due within one year

	2020	2019
	£	£
Sundry creditors and accruals	1,151,646	1,198,948
Pension contributions	<u>2,817</u>	<u>7,767</u>
	<u>1,154,463</u>	<u>1,206,715</u>

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.

12. Financial assets and liabilities

	2020	2019
	£	£
Financial assets at amortised cost	1,084,670	1,366,212
Financial assets at fair value through Statement of Financial Activities	38,438,372	43,540,069
Financial liabilities at amortised cost	<u>(1,154,463)</u>	<u>(1,206,715)</u>
	<u>38,368,579</u>	<u>43,699,566</u>

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

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

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

13. Unrestricted funds

All of the Society's funds are unrestricted. The following Funds are designated for the purposes indicated, and their composition at 31st March 2020 is shown in the table below.

*The **Designated Investment Fund*** comprises the aggregate of the Society's investment portfolio, the value of the Heritable Property and cash held by the stockbroker for reinvestment. These funds are not available for distribution, but the General Committee considers that the liability for future grants should fall upon this Fund as it is the source from which incomes derives to meet this obligation.

*The **Undistributed Income Fund*** was created in March 2018 by transfer of cash from the General Fund. It represents historically undistributed surplus income, now identified as available for future

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distribution to beneficiaries at a time of the General Committee's choosing, as described in the charity's Reserves Policy. (See page 11)

The Transition 2017 Fund was created in July 2017 from surplus cash reserves in the General Fund and will be used over the period up until 31st March 2021 to augment payments of grants to beneficiaries from whom support by the charity is being phased out over this period. Trustees determined that the impact of withdrawing support from those beneficiaries be softened by the used of these defined funds.

The General Fund comprises the charity's working funds.

	Designated funds			General Fund	Total 2020	Total 2019
	Designated Investment Fund	Undistributed Income Fund	Transition 2017 Fund			
	£	£	£	£	£	£
At 1 April 2019	43,198,108	988,286	100,774	281,085	44,568,253	42,590,376
Net Incoming Resources	79,813	-	(28,628)	39,530	90,715	647,624
(Losses)/Gains on Investment	(5,395,543)	(43,708)			(5,439,251)	1,330,253
Assets						
Transfers	22,114	8	-	(22,122)	-	-
At 31 March 2020	37,904,492	944,586	72,146	298,493	39,219,717	44,568,253

Transfers effect the allocation to the appropriate designated funds of legacy and special dividend income, (in each case received or accrued), and changes to the liability for 12-month grant provision.

Previous Year

	Designated funds			General Fund	Total
	Designated Investment Fund	Undistributed Income Fund	Transition 2017 Fund		
	£	£	£	£	£
At 1 April 2018	41,511,812	650,000	167,000	261,564	42,590,376
Net Incoming Resources	(119,795)	0	(33,226)	800,645	647,624
(Losses)/Gains on Investment	1,330,626	373			1,330,253
Transfers	475,465	338,659	(33,000)	(781,124)	-
At 31 March 2019	43,198,108	988,286	100,774	281,085	44,568,253

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These Funds, at 31 March 2020, are represented by the following assets and liabilities:

	Designated funds				Total 2020
	Designated Investment Fund	Undistributed Income Fund	Transition 2017 Fund	General Fund	
	£		£	£	£
Assets					
Investment portfolio	37,842,030	446,342	75,000	75,000	38,438,372
Cash held by investment managers	125,170	7,706	-	-	132,876
Heritable property (Investment)	350,000	-	-	-	350,000
Heritable property (Own use)	487,214	-	-	-	487,214
Cash at bank	124,078	318,211	26,517	157,559	626,365
Vehicle	-	-	-	5,611	5,611
Debtors	65,000	172,327	-	96,416	333,743
Total Assets	38,993,492	944,586	101,517	334,586	40,374,181
Liabilities					
12 month Grant provision	(1,089,000)	-	(29,370)	-	(1,118,370)
Other Creditors falling due < 12mth	-	-	-	(36,093)	(36,093)
Total Liabilities	(1,089,000)	0	(29,370)	(36,093)	(1,154,463)
Net Assets	37,904,492	944,586	72,147	298,493	39,219,718

Previous Year

	Designated				Total
	Designated Investment Fund	Undistributed Income Fund	Transition 2017 Fund	General Fund	
	£		£	£	£
Total Assets	44,340,238	988,286	130,804	315,640	45,774,968
Total Liabilities	(1,142,130)	0	(30,030)	(34,555)	(1,206,715)
Net Assets	43,198,108	988,286	100,774	281,085	44,568,253

14. Related party transactions

During the year the Society hired the Meeting Room in The Merchants House, West George Street, Glasgow on three occasions at a cost, including catering, this year of £1997 (2019 - £392 for 1 meeting). The trustees Mr John MacLeod and Mrs May Storie 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 acts as IT consultant to the Society. Fees of £13,150 were paid in respect of his services (2019-£15,651). In addition, a further £4,948 was expended in respect of hardware, software and necessary printing materials purchased through his company (2019 - £1870), these costs largely reflecting equipment purchases for an additional member of staff.

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. Twelve monthly Principal Grant payments of £110 each were

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made in the year, and Supplementary Grants amounting to £200. (2019 - Twelve payments of £110, and others amounting to £250 respectively.)

15. Contingent assets and liabilities

The Society will ultimately benefit from a deceased's estate which is the subject of a life-rent to a third party. This may not be received for many years but was valued in April 2020 at approximately **£1.58 million**.

The Society will also benefit in time from another estate currently subject to liferentrix clauses. The size of this estate is not known but is not understood to be large.

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SUMMARY OF BENEFICIARIES ROLL 2019-2020

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

	Total
Number on Roll to begin	932
Admitted during year	<u>101</u>
	1033
Deaths, Withdrawals or Improved Circumstances, etc.	<u>114</u>
Number on Roll to end	<u>919</u>

Note: At 31 March 2020, a further 7 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	40	4.35%
Between 80 and 90 years of age	212	23.07%
Between 70 and 80 years of age	297	33.32%
Between 60 and 70 years of age	239	26.01%
Between 50 and 60 years of age	<u>131</u>	<u>14.25%</u>
	<u>919</u>	<u>100.00%</u>

BENEFICIARIES ROLL – 2006 – 2020

Year	Total	Spinsters	Widows/ Divorcees	Total £	Principal Grants £	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
2017	844*	173	671	1,280,145	999,600	280,545
2018	876*	185	691	1,217,040	1,035,450	181,590
2019	932*	191	741	1,239,408	1,152,168	87,240
2020	919*	188	731	1,299,476	1,145,870	153,606

*Receiving financial assistance

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GEOGRAPHICAL DISTRIBUTION OF BENEFICIARIES at 31st MARCH 2020

	Number of Beneficiaries at Year End	Total Principal Grant Paid 2019/2020 £
Aberdeen City	21	28,160
Aberdeenshire	40	45,540
Angus	22	27,390
Argyll & Bute	25	32,340
Arran	1	1,980
City of Edinburgh	123	157,025
City of Glasgow	85	103,730
Clackmannanshire	8	9,350
Dumfries & Galloway	55	67,155
Dundee City	18	21,835
East Ayrshire	17	21,285
East Dunbartonshire	20	25,355
East Lothian	31	39,600
East Renfrewshire	12	11,660
Fife	46	56,870
Highland	62	84,920
Highland West	5	6,490
Inverclyde	3	3,300
Midlothian	12	14,960
Moray	13	16,225
North Ayrshire	32	38,610
North Lanarkshire	24	31,130
Orkney	4	4,730
Perth & Kinross	36	42,900
Renfrewshire	29	34,980
Scottish Borders	24	32,835
Shetland	8	9,680
South Ayrshire	26	29,700
South Lanarkshire	31	36,410
Stirling	24	27,610
West Dunbartonshire	8	9,350
West Lothian	28	36,355
Western Isles	10	13,420
England	12	17,710
Overseas	4	5,280
Total	919	1,145,870