

Charity registration number SC004365 (Scotland)

**ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>President</b>	Rt Hon Lord Carloway
<b>Directors</b>	Mrs B Finlayson (Chair) Mrs F Nazir Mr A P Young Dr N Malcolm-Smith Mr I Turnbull Mrs K McNeill Mrs N Meikle Mr K Hanley (appointed 24 January 2024)
<b>Ex-officio directors</b>	The Lord Provost of the City of Edinburgh The President of the Royal College of Physicians The President of the Royal College of Surgeons
<b>Two of the City Ministers</b>	Rev N Gardner (one vacant position)
<b>Medical officer</b>	Dr I Johnston
<b>Welfare Officer</b>	Mrs A Douglas
<b>Charity number Scotland</b>	SC004365
<b>Secretaries and Treasurers &amp; Principal Office</b>	Azets Exchange Place 3 Semple Street Edinburgh EH3 8BL
<b>Auditors</b>	Whitelaw Wells 9 Ainslie Place Edinburgh EH3 6AT
<b>Bankers</b>	Bank of Scotland 43 Comely Bank Edinburgh EH4 1AF
<b>Investment Advisors</b>	Brewin Dolphin Sixth Floor Atria One 144 Morrison Street Edinburgh EH3 8EX

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# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## CONTENTS

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	<b>Page</b>
Directors' report	1 - 5
Independent auditor's report	6 - 8
Statement of financial activities	9 - 10
Balance sheet	11
Notes to the financial statements	12 - 21

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# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The Directors present their annual report and financial statements for the year ended 31 December 2023.

#### **Objectives and activities**

The objective of the Society is to give financial assistance to persons (normally under retirement age at the time of application) who are experiencing financial hardship, living at home and no longer able to work on account of having an incurable medical condition.

#### **Review of activities**

The assistance the Society provides, in the majority of cases, takes the form of annuities paid in half yearly instalments. However, the Society can also provide one-off grants up to £500 to address immediate needs. Each annuity is awarded for three years after which it is reviewed (or earlier if a change of an annuitant's circumstances arises) to ensure those receiving payments remain eligible in line with current criteria applicable at the time of review.

The General Fund is used to pay the annuities and also any approved one-off grants. During the year, the Society applied to OSCR for, and was granted, permission to merge the Dunlop Fund with the General Fund. All funds held in the Dunlop Fund have therefore been transferred to the General Fund in these financial statements.

The Longmore Fund (one of the restricted funds) was formed by the receipt of assets from the Longmore Trust on its cessation during the year ended 31 December 2015. In return for receipt of these assets, the Royal Society for Home Relief to Incurables, Edinburgh, gave a commitment to continue to support the Longmore Trust's existing beneficiaries. That commitment is ongoing.

The Sibbald Fund (one of the restricted funds) was formed by the receipt of the assets during the year ended 31 December 2016 from the Dr John Robertson Sibbald Trust on its cessation. In return for receipt of these assets, the Royal Society for Home Relief to Incurables, Edinburgh, gave a commitment to continue to support the Dr John Robertson Sibbald Trust's existing beneficiaries. That commitment too is ongoing.

During the year, the Society supported 103 (2022 - 122) beneficiaries from the General Fund (formerly General and Dunlop Funds) to a total of £66,440 (2022 - £77,529), 13 (2022 - 12) beneficiaries from the Longmore Fund to a total of £4,125 (2022 - £3,960) and 3 (2022 - 5) beneficiaries from the Sibbald Fund in the year to a total of £600 (2022 - £800). Included in the General Fund grant payments was £500 (2022 - £829) of one-off grants.

#### **Grant making policy**

In accordance with the objectives of the Society annuities are paid half-yearly to provide financial assistance to those who are no longer able to work on account of having an incurable illness.

A standard application form is used to obtain the information required (which is verified by the Society's Doctor and Welfare Officer) for the Directors to decide which individuals should receive annuities. A separate application form is used to obtain the information needed from applicants for one-off grants. Since the one-off grant is intended to address immediate needs, the process is lighter touch and, following verification of the application by the Society's Doctor and Welfare Officer, the decision as to the amount of any award is delegated to the Chair or, in the absence of the Chair, one of the Directors.

#### **Achievements and performance**

The Society continues to give annuities for those in need and meeting the Society's criteria. At present the annuity is £560 pa from the General Fund. In 2023 payments were made to 117 (2022 - 137) annuitants with 1 one-off grants being made in the year (2022 - 2). The total annuities and one-off grants paid in the year amounted to £71,665 (2022 - £82,289), inclusive of a Christmas bonus paid from the General Fund to all annuitants.

The support which the Society provides is aimed at relieving the financial hardship of those living with incurable illness and hopefully increasing even in a small way their quality of life.

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### Financial review

The Society's work is substantially reliant on income and investment returns from its investment portfolio. The value of the portfolio has increased to £4,511,681 at 31 December 2023 (2022 - £4,258,068) this reflects movements in line with the markets. Total income comprising of income from investments, deposits and from donations during the year was £133,640 (2022 - £126,172). The portfolio income of £122,503 (2022 - £121,313) increased with the Society now following a total return basis for the income (allowing for gains to be used where possible to make up for lower dividends). The Society also earned interest of £7,042 on bank term deposits. After annuities and expenses were paid and before market gains there was an operating gain on unrestricted funds amounting to £15,461 (2022 - loss of £2,275).

After gains on investments the total funds, before transfers, have increased by £283,250 (2022 - decreased by £579,992), whilst endowment funds, before transfers, have increased in value by £212,821 (2022 - decreased by £489,167).

At 31 December 2023 total funds stood at £4,800,177 (2022 - £4,516,927). Of this £505,455 (2022 - £489,994) were unrestricted, £801,587 (2022 - £752,712) were in respect of the restricted Longmore Fund, £116,220 (2022 - £110,127) were in respect of the restricted Sibbald Fund and £3,376,915 (2022 - £3,164,094) related to the endowment fund.

Unrestricted free reserves, being unrestricted funds that are not tied up in investments, were £137,675 at 31 December 2023 (2022 - £119,892).

The Society continues to be grateful for the generosity of those who support us with regular donations.

#### Reserves policy

It is the policy of the Trustees to distribute the income of the charity in the form of annuity payments. It is anticipated that any surplus income at the close of the account will be so distributed in the following year or years subject to the restriction of accumulated income.

As the charity does not provide direct charitable activities, the trustees believe that normal expenditure can be met from income generated. The funds of the charity are represented primarily by investments and cash. The Trustees have power to draw upon the funds in furtherance of the charity's objectives whilst retaining sufficient funds to meet any commitment they may undertake.

As the assets of the charity are held in a readily realisable form the Trustees do not therefore consider it necessary to maintain specific reserves.

Endowment funds are invested but are not held in perpetuity. They may be used towards revenue purposes if required.

#### Investment policy

The investment advisors (Brewin Dolphin) are retained to manage the portfolio on a discretionary basis. The objective is income and growth return. The funds are managed as a diversified risk portfolio. The ethical criteria prohibit direct holdings in tobacco.

High levels of stock market volatility and continuing uncertainty regarding world economic prospects continue to make the management of investments difficult. The Society is a long term investor and the trustees, on professional advice, continue to hold a diversified portfolio of equities, bonds, cash and other investments designed to provide a level of stable income and the possibility of investment gains.

A sub-group of the Directors meet with the fund managers on a regular basis to review performance and investment policy.

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2023*

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### **Risk management policy**

The Directors have assessed the major risks to which the Society is exposed, in particular those relating to the operations and financing of the Society, and are satisfied that systems are in place to mitigate those risks. The principal risk to the portfolio is loss of capital due to market risk on the investment portfolio. This is mitigated by appropriate systems and controls and the engagement of an appropriate investment adviser. The Society anticipates a long term future and accepts the reality that financial markets are such that the capital value of investments will fluctuate during a long time-scale.

### **Plans for the future**

The Directors intend to continue to support those who are no longer able to work on account of an incurable disease and are in need. It is intended to continue to support the surviving beneficiaries of the Longmore Fund and the Sibbald Fund beneficiaries with financial assistance at the level they have previously received. It is also the intention to continue support of other existing beneficiaries who continue to meet the Society's criteria as amended following the grant of the revised Royal Charter. These are both however contingent on financial constraints on the Society. The Society hopes to be able to continue its policy of admitting all cases which meet the criteria.

The Directors continued with a full review of the Society's Royal Charter, with the process taking longer than originally anticipated. In October 2023, His Majesty King Charles III approve the granting up an updated Royal Charter. It is anticipated the duly executed and sealed Royal Charter will be received in 2024.

The revised Royal Charter will contain updated purposes continuing to focus the Society's support for those unable to work because of illness as well as modernised governance provisions.

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

#### **Constitution**

The Society was founded in 1805 and constituted under the Royal Charter of Incorporation in 1903. Under the constitution there are two funds, the General Fund and the Dunlop Fund. Both funds have the same objectives except that the Dunlop Fund gives preference to those suffering from cancer. The Society received consent to merge the Dunlop Fund with the General Fund. This transfer occurred in the year.

#### **Appointment, induction and training of Directors**

The management of the Society is the responsibility of the Directors.

When a vacancy occurs the Directors identify the desired skills of a replacement and then search for an individual who would complement the other Directors.

New Directors are provided with a copy of the constitution, the annual report and accounts and are briefed as to their duties by the Chairman and Secretary. From time to time the Directors are updated on their duties and responsibilities.

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2023*

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### **Organisational structure**

The Directors have responsibility for the strategic development of the Society, with day-to-day administration delegated to the secretaries.

The board is served by two committees. The Welfare Committee (previously known as the Selection Committee) deals with applications for annuities and reconsiderations. All Directors, except ex officio Directors, are members of this committee and the Doctor, Welfare Officer and Secretary are in attendance. The Welfare Committee normally meets four times a year.

The Finance Committee (previously known as the Finance and Investment Committee) deals with the budget, annual accounts, Christmas appeal, level of annuities and salaries. All Directors, except ex officio Directors, are members of the Finance Committee and the Secretary is in attendance. The Finance Committee also reviews the investment portfolio and liaises with the fund managers. The Finance Committee usually meets bi-annually and the fund managers are invited to attend one of the meetings.

The Annual General Meeting is held normally in June, and all Directors are invited including ex officio Directors. The Doctor, Welfare Officer and Secretary are in attendance.

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Directors 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 incoming resources and application of resources of the Society for that year.

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Directors are aware, there is no relevant audit information of which the Society's auditors are unaware, and each Director has taken all the steps he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

Approved by the Directors and signed on their behalf by:



**Barbara R Finlayson**  
Chair

Date: 5/6/2024



# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## INDEPENDENT AUDITOR'S REPORT

### TO THE DIRECTORS OF ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

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#### Opinion

We have audited the financial statements of Royal Society for Home Relief to Incurables (the 'Society') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet 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 FRS 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 Society's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### 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 Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other 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 opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### 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 Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 Report of the Directors'; 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.

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE DIRECTORS OF ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

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#### **Responsibilities of Directors**

As explained more fully in the statement of Directors' responsibilities set out on page 4, the Directors 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 Directors 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 Directors are responsible for assessing the Society'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 Directors either intend to liquidate the Society 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error. From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We carried income testing and grants payable testing which was designed to identify any irregularities as a result of simple mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

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](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our Report of the Auditors.

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE DIRECTORS OF ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

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#### Use of our report

This report is made solely to the Society's members and directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the Society's members and directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and its directors as a body, for our audit work, for this report, or for the opinions we have formed.



5 June 2024  
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**Whitelaw Wells**  
**Statutory Auditor**  
**9 Ainslie Place**  
**Edinburgh**  
**EH3 6AT**

Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

### Current financial year

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Total 2022 £
<b>Income from:</b>						
Donations and legacies	3	4,095	-	-	4,095	4,859
Investments	4	108,720	20,825	-	129,545	121,313
<b>Total income</b>		<b>112,815</b>	<b>20,825</b>	<b>-</b>	<b>133,640</b>	<b>126,172</b>
<b>Expenditure on:</b>						
Raising funds	5	-	6,517	31,825	38,342	38,395
Charitable activities	6	97,354	9,449	-	106,803	116,806
<b>Total expenditure</b>		<b>97,354</b>	<b>15,966</b>	<b>31,825</b>	<b>145,145</b>	<b>155,201</b>
Net gains/(losses) on investments	11	-	50,109	244,646	294,755	(550,963)
<b>Net movement in funds</b>		<b>15,461</b>	<b>54,968</b>	<b>212,821</b>	<b>283,250</b>	<b>(579,992)</b>
Fund balances at 1 January 2023		489,994	862,839	3,164,094	4,516,927	5,096,919
<b>Fund balances at 31 December 2023</b>		<b>505,455</b>	<b>917,807</b>	<b>3,376,915</b>	<b>4,800,177</b>	<b>4,516,927</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Prior financial year

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
<b>Income from:</b>					
Donations and legacies	3	4,859	-	-	4,859
Investments	4	100,691	20,622	-	121,313
<b>Total income</b>		<b>105,550</b>	<b>20,622</b>	<b>-</b>	<b>126,172</b>
<b>Expenditure on:</b>					
Raising funds	5	-	6,526	31,869	38,395
Charitable activities	6	107,825	8,981	-	116,806
<b>Total resources expended</b>		<b>107,825</b>	<b>15,507</b>	<b>31,869</b>	<b>155,201</b>
Net losses on investments	11	-	(93,665)	(457,298)	(550,963)
<b>Net movement in funds</b>		<b>(2,275)</b>	<b>(88,550)</b>	<b>(489,167)</b>	<b>(579,992)</b>
Fund balances at 1 January 2022		492,269	951,389	3,653,261	5,096,919
<b>Fund balances at 31 December 2022</b>		<b>489,994</b>	<b>862,839</b>	<b>3,164,094</b>	<b>4,516,927</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Investments	12		4,511,681		4,258,068
<b>Current assets</b>					
Debtors	13	21,613		10,395	
Cash at bank and in hand		282,386		259,744	
		<u>303,999</u>		<u>270,139</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(15,503)</u>		<u>(11,280)</u>	
Net current assets			288,496		258,859
<b>Total assets less current liabilities</b>			<u>4,800,177</u>		<u>4,516,927</u>
<b>Funds</b>					
Endowment funds - general	15		3,376,915		3,164,094
Restricted funds			917,807		862,839
Unrestricted funds			505,455		489,994
			<u>4,800,177</u>		<u>4,516,927</u>

The financial statements were approved by the Directors on <sup>BRF</sup>5 June 202<sup>BRF</sup>4 and signed on their behalf by:



Barbara R Finlayson  
Chair

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

##### Charity information

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently, unless otherwise stated.

##### 1.1 Accounting convention

The accounts have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the provisions of the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019) and FRS 102 "the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Society. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees. In order to ensure that funds are available for specific projects, certain funds are set aside and designated by the trustees into separate funds.

Restricted funds are those which have been given to the Society for use in accordance with the wishes of donors, commonly for use in relation to a specific service.

##### 1.4 Income

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

Investment income interest is recognised using the effective interest rate applicable to the asset. Royalties are recognised on an accruals basis. Dividend income is recognised when the right to receipt is established and is measured at the fair value.

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

(Continued)

Expenditure is recognised on an accruals basis and related where practicable to the Society's activities. Where possible, expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates. Where this is not possible it is allocated on the basis of time spent by staff on that activity.

- Costs of raising funds comprises those costs which are associated with the generation of income from sources other than undertaking charitable activities, and includes investment management costs.
- Charitable expenditure comprises those costs incurred by the Society in the delivery of its charitable activities and services.
- Support costs are apportioned between activities on the basis of time spent by staff on that activity.

#### 1.5 Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the quoted market price at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

The Society does not acquire put options, derivatives or other complex financial instruments.

#### 1.6 Financial instruments

The Society has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Society's balance sheet when the Society becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Society transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.



# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 1 Accounting policies

(Continued)

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Society's contractual obligations expire or are discharged or cancelled.

### 2 Critical accounting estimates and judgements

In the application of the Society's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Directors are of the opinion that there are no critical accounting estimates or judgements that would have a material impact on the financial statements.

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Donations and gifts	4,095	4,859

### 4 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Investment income	101,678	20,825	122,503	100,691	20,622	121,313
Interest	7,042	-	7,042	-	-	-
	<u>108,720</u>	<u>20,825</u>	<u>129,545</u>	<u>100,691</u>	<u>20,622</u>	<u>121,313</u>

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 5 Raising funds

	Restricted funds	Endowment funds general	Total	Restricted funds	Endowment funds general	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Administration and accountancy	1,116	5,451	6,567	1,056	5,156	6,212
Support costs	805	3,934	4,739	762	3,723	4,485
Investment management	4,596	22,440	27,036	4,708	22,990	27,698
	<u>6,517</u>	<u>31,825</u>	<u>38,342</u>	<u>6,526</u>	<u>31,869</u>	<u>38,395</u>

### 6 Charitable activities

	Unrestricted Revenue Fund General	Restricted Revenue Fund Longmore	Restricted Revenue Fund Sibbald	Total 2023
	2023	2023	2023	
	£	£	£	£
Grant funding of activities (see note 7)	66,940	4,125	600	71,665
Share of support costs (see note 8)	15,649	1,975	456	18,080
Share of governance costs (see note 8)	14,765	1,863	430	17,058
	<u>97,354</u>	<u>7,963</u>	<u>1,486</u>	<u>106,803</u>
<b>Analysis by fund</b>				
Unrestricted funds	97,354	-	-	97,354
Restricted funds	-	7,963	1,486	9,449
	<u>97,354</u>	<u>7,963</u>	<u>1,486</u>	<u>106,803</u>

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 6 Charitable activities

(Continued)

For the year ended 31 December 2022

	Unrestricted Revenue Fund General £	Restricted Revenue Longmore Fund £	Restricted Revenue Sibbald Fund £	Total 2022 £
Grant funding of activities (see note 7)	77,529	3,960	800	82,289
Share of support costs (see note 8)	14,622	1,438	599	16,659
Share of governance costs (see note 8)	15,674	1,542	642	17,858
	<u>107,825</u>	<u>6,940</u>	<u>2,041</u>	<u>116,806</u>
<b>Analysis by fund</b>				
Unrestricted funds	107,825	-	-	107,825
Restricted funds	-	6,940	2,041	8,981
	<u>107,825</u>	<u>6,940</u>	<u>2,041</u>	<u>116,806</u>

### 7 Grants payable

	Unrestricted Revenue Fund General 2023 £	Restricted Revenue Longmore Fund 2023 £	Restricted Revenue Sibbald Fund 2023 £	Total 2023 £
Grants to individuals	66,940	4,125	600	71,665
	<u>66,940</u>	<u>4,125</u>	<u>600</u>	<u>71,665</u>
	Unrestricted Revenue Fund General 2022 £	Restricted Revenue Longmore Fund 2022 £	Restricted Revenue Sibbald Fund 2022 £	Total 2022 £
Grants to individuals	77,529	3,960	800	82,289
	<u>77,529</u>	<u>3,960</u>	<u>800</u>	<u>82,289</u>

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Salaries	8,297	-	8,297	7,902	-	7,902
Miscellaneous	1,386	-	1,386	817	-	817
Finance	13,136	-	13,136	12,425	-	12,425
Auditors remuneration	-	3,967	3,967	-	3,426	3,426
Legal fees	-	6,333	6,333	-	8,037	8,037
Administration and accountancy	-	6,758	6,758	-	6,395	6,395
	<u>22,819</u>	<u>17,058</u>	<u>39,877</u>	<u>21,144</u>	<u>17,858</u>	<u>39,002</u>
Analysed between						
Fundraising	4,739	-	4,739	4,485	-	4,485
Charitable activities	18,080	17,058	35,138	16,659	17,858	34,517
	<u>22,819</u>	<u>17,058</u>	<u>39,877</u>	<u>21,144</u>	<u>17,858</u>	<u>39,002</u>

### 9 Directors

One trustee received expenses of £29 (2022 - one trustee received £101). None of the Directors (or any persons connected with them) received any remuneration benefits from the Society during the year (2022 - none).

### 10 Analysis of staff costs and remuneration of key management personnel

	2023	2022
	£	£
Wages and salaries	8,297	7,902
	<u>8,297</u>	<u>7,902</u>

The Society considers that its key management personnel comprise the Trustees.

No employee earned more than £60,000 per annum.

The average number of part-time employees during the year was 2 (2022 - 2). This equates to a full time equivalent of 0.2 with all time spent in providing support to charitable activities.

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 11 Net gains/(losses) on investments

	Restricted funds	Endowment funds general	Total	Restricted funds	Endowment funds general	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Revaluation of investments	41,120	200,761	241,881	(92,324)	(450,754)	(543,078)
Gain/(loss) on sale of investments	8,989	43,885	52,874	(1,341)	(6,544)	(7,885)
	<u>50,109</u>	<u>244,646</u>	<u>294,755</u>	<u>(93,665)</u>	<u>(457,298)</u>	<u>(550,963)</u>

#### 12 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
<b>Cost or valuation</b>			
At 1 January 2023	4,217,147	40,921	4,258,068
Additions	1,308,025	-	1,308,025
Valuation changes	241,881	-	241,881
Movement in the year	-	(27,716)	(27,716)
Disposals	(1,268,577)	-	(1,268,577)
At 31 December 2023	<u>4,498,476</u>	<u>13,205</u>	<u>4,511,681</u>
<b>Carrying amount</b>			
At 31 December 2023	<u>4,498,476</u>	<u>13,205</u>	<u>4,511,681</u>
At 31 December 2022	<u>4,217,147</u>	<u>40,921</u>	<u>4,258,068</u>

#### 13 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Dividend income receivable	21,613	10,360
Prepayments	-	35
	<u>21,613</u>	<u>10,395</u>

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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

	2023 £	2022 £
Trade creditors	5,041	1,227
Accruals and deferred income	10,462	10,053
	<u>15,503</u>	<u>11,280</u>

#### 15 Funds

	Movement in funds					Balance at 31 December 2023 £
	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers £	Revaluations gains and losses £	
<b>Unrestricted funds</b>						
General (free)	119,892	112,815	(97,354)	2,322	-	137,675
Designated	370,102	-	-	(2,322)	-	367,780
<b>Restricted funds</b>						
Longmore	752,712	18,375	(13,714)	-	44,214	801,587
Sibbald	110,127	2,450	(2,252)	-	5,895	116,220
<b>Endowment funds</b>						
Dunlop	-	-	-	-	-	-
General	3,164,094	-	(31,825)	-	244,646	3,376,915
	<u>4,516,927</u>	<u>133,640</u>	<u>(145,145)</u>	<u>-</u>	<u>294,755</u>	<u>4,800,177</u>

	Movement in funds					Balance at 31 December 2022 £
	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers £	Revaluations gains and losses £	
<b>Unrestricted funds</b>						
General (free)	119,454	105,550	(107,825)	2,713	-	119,892
Designated	372,815	-	-	(2,713)	-	370,102
<b>Restricted funds</b>						
Longmore	829,859	18,197	(12,699)	-	(82,645)	752,712
Sibbald	121,530	2,425	(2,808)	-	(11,020)	110,127
<b>Endowment funds</b>						
Dunlop	1,964,672	-	-	(1,964,672)	-	-
General	1,688,589	-	(31,869)	1,964,672	(457,298)	3,164,094
	<u>5,096,919</u>	<u>126,172</u>	<u>(155,201)</u>	<u>-</u>	<u>(550,963)</u>	<u>4,516,927</u>

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 15 Funds

(Continued)

Unrestricted general funds comprise surpluses brought forward over many decades. They may be used for all constitutional purposes.

Unrestricted designated funds represent the balance of funds, not included under the restricted or endowment funds, held under management by the investment advisors for the purpose of generating income.

The Longmore Fund was formed during the year ended 31 December 2015 being monies originating from the Longmore Trust to be used specifically to support beneficiaries that were already receiving grants under the terms of the old trust. This fund was closed to new beneficiaries upon transfer to the Society.

The Sibbald Fund was formed during the year ended 31 December 2016 being monies originating from the Dr John Robertson Sibbald's Trust. This fund was closed to new beneficiaries upon transfer to the Society.

Endowment funds are designated for use in generating future income by means of investment. Endowment funds are not normally used for revenue purposes although there is no restriction as such. Transfers between funds in the year represents the transfer of the Dunlop Fund to the General Fund and matching of the designated fund to the balance of the funds held by the investment Managers as outlined above.

### 16 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Fund balances at 31 December 2023 are represented by:				
Investments	367,780	766,986	3,376,915	4,511,681
Current assets/(liabilities)	137,675	150,821	-	288,496
	505,455	917,807	3,376,915	4,800,177

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Fund balances at 31 December 2022 are represented by:				
Investments	370,102	723,872	3,164,094	4,258,068
Current assets/(liabilities)	119,892	138,967	-	258,859
	489,994	862,839	3,164,094	4,516,927

# ROYAL SOCIETY FOR HOME RELIEF TO INCURABLES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### **17 Financial commitments, guarantees and contingent liabilities**

The Society has made commitments to pay lifetime annuities at the current rate of £330 for Longmore Fund beneficiaries (2022 - £330), £200 for Sibbald beneficiaries (2022 - £200).

Other beneficiaries have been awarded annuities of £560 per annum for other beneficiaries (2022 - £560) for a period of 3 years from their date of admission or last review date. These are payable six-monthly, in advance and the roll at 31 December 2023 stood at 113 (2022 - 126).

All new beneficiaries are awarded support for three years which is then reviewed in accordance with the Society's criteria at the time of review, or earlier on the beneficiary's circumstances changing, or in the event of a change to the economic environment in which the Society is operating. Under FRS 102, provision should be made for this constructive liability, provided a reliable estimate can be made. The Directors do not consider that a reliable estimate can be made as they cannot predict either the date of death of a beneficiary, or changes in circumstances. On this basis no provision has been made.

There were no guarantees or contingent liabilities at the balance sheet date.

#### **18 Related party transactions**

During the year, one director received £29 of expenses (2022 - one director received £101 of expenses).