

Charity Registration No. 264432

**The Royal Engineers Officers'
Widows Society Samaritan Fund**

Annual Report and Financial Statements

31 December 2008

The Royal Engineers Officers' Widows Society Samaritan Fund

Annual report and financial statements 2008

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The Royal Engineers Officers' Widows Society Samaritan Fund

Annual report of the Trustees and Council of Management

Council of Management

Trustees and Members of the Council	Major General M F N Mans CBE (Chairman)	
	Brigadier E H Barker CBE	(Resigned 12 June 2008)
	Brigadier C C Galloway	
	Brigadier D R Innes	
	Brigadier B J LeGrys MBE	
	Brigadier W E Shackell CBE	(Resigned 12 June 2008)
	Brigadier J W R Thorn CBE	
	Brigadier R Pridham OBE	(Elected 12 June 2008)
Colonel J S Field CBE	(Elected 12 June 2008)	

Ex-Officio members

Colonel D A Caulfield	Regimental Colonel
Colonel R D Elvidge	RE TA Representative
Lt Col D C Garner	Chief Instructor Command Wing
Lt Col S P F Harris	SO1 RE MS Offrs
Captain J R J Ballard	SO3 Offr Trg
Mrs R A Chilton	Widows Representative

Secretary

Brigadier A A Wilson OBE

Registered office

Regimental Headquarters Royal Engineers
Brompton Barracks
Chatham
Kent ME4 4UG

Bankers

Lloyds TSB Bank plc
Cox and Kings Branch
PO Box 1190
7 Pall Mall
London SW1Y 5NA

Fund Managers

BlackRock Merrill Lynch Investment Managers
33 King William Street
London
EC4R 9AS

Independent auditors

Newman & Co
4b Church Street
Diss
Norfolk
IP22 4DD

The Royal Engineers Officers' Widows Society Samaritan Fund

Annual report of the Trustees and Council of Management

The Trustees present their annual report and audited financial statements for the year ended 31 December 2008.

Structure, governance and management

The Fund is a registered charity established under the declaration of trust dated 30 June 1972. The Trustees are appointed by the Council of The Royal Engineers Officers' Widows Society. At the half-yearly Trustees' meetings, the Trustees agree the broad strategy and areas of activity for the Fund. The day to day administration of grants is delegated to the Secretary.

Objects and activities

The objects of the Samaritan Fund are:

1. The relief of poverty amongst widows and orphans of Officers of the Corps of Royal Engineers.
2. To carry out such other legal charitable purposes for the relief of poverty as the Trustees shall from time to time declare.

Trustees

The trustees of the charity during the year are detailed on page 1. The appointment of trustees is made via an election of the members of the Royal Engineers Officers' Widows Society.

Administration

The administration expenses as shown in the accounts represent 0.5% of the value of the Fund as at 31 December 2008 (2007 – 0.5%).

Financial review

The market value of the Fund decreased by 25.2% during 2008 (2007 Increased 6.3%). During the period 1 January to 31 December 2008, the performance of the Army Common Investment Fund (ACIF), now known as the Armed Forces Common Investment Fund (AFCIF), measured against the offer to offer price return on the distribution units, was -25.2% (2007 - + 6.3%) after fees and expenses.

Grant making policy

Grants are made in association with the Benevolence Department of the Officers' Association, to whom most applications are made in the first instance.

Achievements and performance

The Trustees are satisfied that they are achieving the objectives for which the fund was set up.

During 2008 the Fund made grants to 16 widows and 3 elderly daughters (2007 – 15 widows and 3 elderly daughters).

Investment policy and performance

The Armed Forces Charity Advisory Company sets the policy for the AFCIF. The Fund's investment committee sits every six months to review the investment performance and monitors the fund provider's performance. The Objective of the Fund is to seek to achieve real growth in capital and income over the long term by investment predominately in equities.

The Royal Engineers Officers' Widows Society Samaritan Fund

Annual report of the Trustees and Council of Management (continued)

Risk management

The major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks. The Trustees review the Risk Management Policy and Register at their September meeting.

Reserves policy

The Trustees have set a target for reserves of not less than £400,000, which will be met by expenditure exceeding income going forward. The Trustees consider this level to be sufficient to cover operational expenditure for the foreseeable future.

Plans for the future

The Trustees remain confident of their ability to continue to meet the Objects of the Trust in the future.

Independent auditors

A resolution for the reappointment of Newman & Co as auditors of the Fund is to be proposed at the forthcoming Annual General Meeting.

Approved by the Trustees and signed on their behalf

A A Wilson
Secretary

2009

The Royal Engineers Officers' Widows Society Samaritan Fund

Statement of Trustees' and the Council's responsibilities

Under the Trust deed of the Royal Engineers Officers' Widows Society Samaritan Fund the Trustees thereof shall always be exclusively members of the Council of Management of the Society.

The Council of Management has therefore the power to make, amend, revoke and make additional regulations for the management of the charity and for the conduct of business thereof.

The Council of Management is responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the charity and its financial activities for the period. In preparing those financial statements, the Council have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain its financial position and to ensure that the financial statements comply with the Charities Act 1993, the Charities (Accounts and Reports) Regulations 2005 and the trust deed dated 30 June 1972 and as amended by the Charities Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the Trustees of The Royal Engineers Officers' Widows Society Samaritan Fund

We have audited the financial statements of the Royal Engineers Officers' Widows Society Samaritan Fund for the year ended 31 December 2008 which comprise the statement of financial activities, the balance sheet and the related notes 1 to 7. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's Trustees, as a body, in accordance with Regulation 7 of The Charities (Accounts and Reports) Regulations 2005. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees, council and auditors

As described in the statement of Trustees' and the Council's responsibilities, you are responsible as trustees and members of the Council for the preparation of the financial statements, which are required to be prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under s43 Charities Act 1993 and report in accordance with regulations made under s44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Charities Act 1993, Regulation 3 of the Charities (Accounts and Reports) Regulations 2005 and the trust deed.

We read the Trustees' report for the above year and the other information contained in the annual report for the above year as described in the contents section, and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view of the charity's state of affairs, in accordance with United Kingdom Generally Accepted Accounting Practice as at 31 December 2008 and of its incoming resources and application of resources in the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993, Regulation 3 of the Charities (Accounts and Reports) Regulations 2005 and the trust deed dated 30 June 1972.

Newman & Co
Chartered Accountants and Registered Auditors
Diss, United Kingdom

2009

The Royal Engineers Officers' Widows Society Samaritan Fund

Statement of financial activities Year ended 31 December 2008

	Note	2008 £	2007 £
Incoming resources			
Incoming resources from generated funds:			
Voluntary income			
Donations		310	195
Grant refunds		-	-
<i>Total voluntary income</i>		<u>310</u>	<u>195</u>
Investment income			
Investment income		15,819	13,050
Bank deposit interest		119	140
Investment interest		628	778
<i>Total investment income</i>		<u>16,566</u>	<u>13,968</u>
Other income resources			
Sundry income		-	55
Total incoming resources		<u>16,876</u>	<u>14,218</u>
Resources expended			
Charitable activities	5	17,584	13,993
Governance costs	2	800	1,381
Sundry expenses		34	(201)
Total resources expended		<u>20,991</u>	<u>15,173</u>
Net income / (outgoing) resources		(4,115)	(955)
Other recognised gains and losses:			
Net gains on investments assets	3	(137,138)	31,446
Net movement in funds		(141,253)	30,491
Funds brought forward		<u>545,269</u>	<u>514,778</u>
Funds carried forward		<u><u>404,016</u></u>	<u><u>545,269</u></u>

All income and expenditure arises from continuing activities. There are no other recognised gains or losses in either year other than as stated above.

The Royal Engineers Officers' Widows Society Samaritan Fund

Balance sheet 31 December 2008

	Note	2008 £	2007 £
Fixed assets			
Investments	3	406,325	543,463
Total fixed assets		406,325	543,463
Current assets			
Other debtors		579	237
Cash at bank and in hand		1,866	7,562
Total current assets		2,445	7,799
Creditors: amounts falling due within one year			
Accruals	4	(4,754)	(5,993)
Net current assets / (liabilities)		(2,309)	1,806
Total assets less current liabilities		404,016	545,269
Funds			
General fund – unrestricted		404,016	545,269

These financial statements were approved by the Council on 2009.

Signed on behalf of the Council

Major General M F N Mans
Chairman

The Royal Engineers Officers' Widows Society Samaritan Fund

Notes to the accounts Year ended 31 December 2008

1. Accounting policies

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by charities" published in March 2005 and applicable United Kingdom accounting standards.

The particular accounting policies adopted by the Council of Management and applied consistently are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of fixed asset investments.

Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability. In particular, donations are accounted for on an accruals basis.

Resources expended and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Allocation of overhead and support costs

Overhead and support costs have been allocated between charitable activity and governance.

Charitable activities

Costs of charitable activities include grants made and an apportionment of overhead and support costs as shown in note 5.

Governance costs

Governance costs comprise of all costs involving public accountability of the charity and its compliance with regulations and good practice. These costs include costs related to statutory audit and legal fees.

Fixed asset investments

Investments held as fixed assets are stated at mid-market valuation.

Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

The Royal Engineers Officers' Widows Society Samaritan Fund

Notes to the accounts Year ended 31 December 2008

1. Accounting policies (continued)

Donations

Donations are accounted for on an accruals basis.

Grants

Grants payable are accounted for on an accruals basis.

2. Governance costs

	2008 £	2007 £
Auditors' remuneration	800	1,381

During both the current year and prior year the Trustees received no remuneration.

3. Investments

	Total £
Mid-market value	
At 1 January 2008	543,463
Disposals	-
Change in market value	(137,138)
At 31 December 2008	406,325
At 31 December 2007	543,463
Historical cost	
At 31 December 2007	375,683
At 31 December 2008	375,683

All investments are held in the Army Common Investment Fund & Merrill Lynch Cash Fund, both of which are UK based funds.

4. Accruals

	2008 £	2007 £
Royal Engineers Officers' Widows Annuity Fund	3,954	4,612
Audit fee	800	1,381
	4,754	5,993

The Royal Engineers Officers' Widows Society Samaritan Fund

Notes to the accounts Year ended 31 December 2008

5. Analysis of costs of Charitable activity

Activity	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total £
Relief of poverty	-	17,584	2,573	20,157

Analysis of support costs

	2008 £	2007 £
Secretarial and administrative services	1,945	1,869
Printing, postage and stationery	285	135
Sundry expenses	343	319
	<u>2,573</u>	<u>2,323</u>

All management costs have been allocated to support costs.

Administration expenses of the charity are incurred by the Royal Engineers Officers' Widows Society Annuity Fund and recharged to the Samaritan Fund on a proportional basis calculated on the market value of the investments held at the end of the financial year. An amount of £3,954 (2007 - £4,612) is included in creditors at the year end. Fees of £ Nil (2007 - £Nil) in respect of secretarial and administrative services provided by M Fraser-Allen, the Secretary, were charged by Executive Management Assignments Limited, a company of which M Fraser-Allen is a director and shareholder.

6. Commitments

At 31 December 2008 the Fund was committed to making further benevolence payments totalling £4,680 relating to the period from 1 January to 30 June 2009 (period from 1 January to 30 June 2008 - £4,680).

7. Control

The Trustees, who are also directors of The Royal Engineers Officers' Widows Society (REOWS), control the Fund.