

Charity Registration No. 264432

SAMARITAN FUND

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

Annual Report and Financial Statements

31 December 2016

The Royal Engineers Officers' Widows Society Samaritan Fund

Year ended 31 December 2016

Trustees and professional advisers	1
Annual report of the Trustees and Council of Management	2
Statement of Trustees and the Council's responsibilities	4
Independent auditors' report	5
Statement of financial activities	7
Balance sheet	8
Notes to the accounts	9

The Royal Engineers Officers' Widows Society Samaritan Fund

Year ended 31 December 2016

Trustees and Professional Advisors

Trustees and Members of the Council

Major General R Wardlaw OBE (Chairman)
Brigadier (Retd) C C Galloway
Brigadier (Retd) D R Innes
Brigadier (Retd) A A Wilson OBE
Colonel (Retd) J F Crompton MBE

Ex-Officio members

Lt Col C N Holman	Corps Secretary
Colonel D Gray	RE TA Representative
Lieutenant Colonel C W Battey	Chief Instructor Command Wing
Lieutenant Colonel N D Mifsud	SO1 RE MS Offrs Cbt Sp
Captain D Lyons	SO3 Offr Trg
Mrs R A Chilton	Widows Representative

Secretary

Brigadier (Retd) A A Wilson OBE

Registered office

Regimental Headquarters Royal Engineers
Brompton Barracks
Chatham
Kent ME4 4UG

Bankers

Lloyds 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

Waveney Accountants Limited t/a Newman & Co
Chartered Accountants & Registered Auditors
4b Church Street
Diss
Norfolk IP22 4DD

The Royal Engineers Officers' Widows Society Samaritan Fund

Year ended 31 December 2016

Annual Report of the Trustees and Council of Management

The Trustees present their annual report and audited financial statements for the year ended 31st December 2016.

Structure, governance and management

The Samaritan Fund has been registered with the Charity Commission since 23rd August 1972, and operates under the registered charity number 0264432.

The charity was established under the declaration of trust dated 30th June 1972, and as amended by the Addendum passed at the AGM on 28th October 2010 and is governed in accordance to these documents.

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 & management is delegated to the Secretary, Brigadier (Retd) A A Wilson OBE.

Objects and activities

The objects of The Samaritan Fund as set out in the governing document are:

1. The relief of hardship 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. An appropriate induction and training package will be offered to new trustees by an existing trustee following their appointment if required.

Administration

The administration expenses as shown in the accounts represent 10% of the total combined administrative expenses chargeable to the Annuity Fund and The Samaritan Fund of the Royal Engineers Officers Widows Society. This proportionately reflects the time taken in administering each fund.

Financial review

The market value of the Fund increased by 2.12% during 2016 (2015 increased by 1.54%). During the period 1 January to 31 December 2016, the performance of the Armed Forces Common Investment Fund (AFCIF), measured against the offer to offer price return on the distribution units, was 9.98% (2015 + 1.58%) 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 2016 the Fund made grants to 17 widows and 2 elderly daughters (2015 – 17 widows and 2 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

Year ended 31 December 2016

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 October meeting.

Reserves policy

The Trustees have set a target for reserves of not less than £519,000, 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 objectives of the Trust in the future.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

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

2017

The Royal Engineers Officers' Widows Society Samaritan Fund

Year ended 31 December 2016

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;
- observe the methods and principles in the Charity SORP;
- 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 2011, the Charities (Accounts and Reports) Regulations 2008 and the trust deed dated 30 June 1972. 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.

The Royal Engineers Officers' Widows Society Samaritan Fund

Year ended 31 December 2016

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 2016 which comprise the statement of financial activities, the balance sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and 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 on page 4, the trustees and the council are responsible for the preparation of financial statements, which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of Trustees and Council of Management to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2016, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

The Royal Engineers Officers' Widows Society Samaritan Fund

Year ended 31 December 2016

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Leslie Newman FCA (Senior Statutory Auditor)
For and on behalf of Waveney Accountants Limited t/a Newman & Co
Chartered Accountants & Registered Auditors
4b Church Street
Diss
Norfolk
IP22 4DD

The Royal Engineers Officers' Widows Society Samaritan Fund

Year ended 31 December 2016

Statement of Financial Activities	2016 £	2015 £
Incoming resources		
Incoming resources from generated funds:		
Voluntary income	4,036	15,409
<i>Total voluntary income</i>	<u>4,036</u>	<u>15,409</u>
Investment income		
Investment income	20,447	20,870
Investment interest	-	-
<i>Total investment income</i>	<u>20,447</u>	<u>20,870</u>
Total incoming resources	<u>24,483</u>	<u>36,279</u>
Resources expended		
Costs of charitable activities	6	46,472
Governance costs	2	1,320
Other resources expended		30
Total resources expended		<u>47,822</u>
Net outgoing resources	(23,339)	(3,171)
Other recognised gains and losses:		
Net gains on investment assets	3	43,119
Net movement in funds		<u>19,780</u>
Funds brought forward	541,373	536,340
Funds carried forward	<u>561,153</u>	<u>541,373</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.

All funds are considered to be unrestricted. There are no restricted funds.

The Royal Engineers Officers' Widows Society Samaritan Fund

Year ended 31 December 2016

Balance Sheet

	Note	2016 £	2015 £
Fixed assets			
Investments	3	545,181	542,062
Total fixed assets		545,181	542,062
Current assets			
Debtors	4	5,027	5,264
Cash at bank and in hand		14,802	2,488
Total current assets		19,829	7,752
Creditors: amounts falling due within one year			
Summary of current liabilities	5	(3,857)	(8,441)
Net current assets/(liabilities)		15,972	(689)
Total assets less current liabilities		561,153	541,373
Funds of the charity			
Unrestricted funds		561,153	541,373

These financial statements were approved by the Council on 2017.
Signed on behalf of the Council

Major General R Wardlaw
Chairman

The Royal Engineers Officers' Widows Society Samaritan Fund

Year ended 31 December 2016

Notes to the Accounts

1. Accounting policies

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by charities" preparing their accounts in accordance with the Financial Reporting Standard applicable United Kingdom (FRS 102) and the Charities Act 2011.

The fund constitutes a public benefit entity as defined by FRS 102.

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 6.

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.

Fund accounting

All funds held by the Charity are treated as unrestricted funds. These are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

The Royal Engineers Officers' Widows Society Samaritan Fund

Year ended 31 December 2016

Accounting policies (continued)

Donations

Donations payable are accounted for on an accruals basis.

Grants

Grants payable are accounted for on an accruals basis.

2. Governance costs

	2016 £	2015 £
Auditors' remuneration	1,320	1,224

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

3. Investments

	Total £
Mid-market value	
At 1 January 2016	542,062
Change in market value	43,119
Sale of units	(40,000)
At 31 December 2016	545,181
At 31 December 2015	542,062
Historical cost	
At 31 December 2016	324,606
At 31 December 2015	349,379

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

4. Debtors

	2016 £	2015 £
BlackRock dividend income	5,027	5,264
	5,264	5,264

The Royal Engineers Officers' Widows Society Samaritan Fund

Year ended 31 December 2016

5. Current liabilities		2016	2015
		£	£
Royal Engineers Officers' Widows Annuity Fund		2,687	2,271
Audit fee		1,170	1,170
Loan from Annuity Fund		-	5,000
		<u>3,857</u>	<u>8,441</u>

6. Analysis of costs of Charitable activity

Activity	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total £
Relief of hardship	-	44,210	2,262	46,472

Analysis of support costs

	2016	2015
	£	£
Secretarial and administrative services	1,889	1,841
Printing, postage and stationery	164	196
Depreciation of computer equipment	43	43
Travel, subsistence & accommodation	163	188
Sundry expenses	3	3
	<u>2,262</u>	<u>2,271</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 as 10% of the total charge to the society. Expenses totalling £2,262 have been recharged in the year (2015 - £2,271), of which £1,889 represented the share of remuneration paid to Alasdair Wilson, a trustee, in relation to secretarial & administration services of the charity (2015 - £1,841).

7. Grants

	2016	2015
	£	£
Discretionary grants payable to widows	4,000	4,000
	<u>4,000</u>	<u>4,000</u>

Grants are made at the discretion of the fund to alleviate hardship suffered by Widows in times of financial distress, in accordance with the objectives of the charity.

Grants are to be authorised only when there are sufficient excess funds available for distribution.

The Royal Engineers Officers' Widows Society Samaritan Fund

Year ended 31 December 2016

8. Commitments

At 31 December 2016 the Fund was committed to making further benevolence payments totalling £17,000 relating to the period from 1 January to 30 June 2017 (period from 1 January to 30 June 2016 - £17,000).

9. Control

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

10. Related Party Disclosure

Major General R R Davis, Chairman of the Council of Management, was a trustee of the Armed Forces Common Investment Fund, in which The Royal Engineers Officers' Widows Society Samaritan Fund has funds invested before resigning in October 2015.

The trustees of the Royal Engineers Officers' Widows Society Samaritan Fund are also members of the council of the Royal Engineers Officers' Widows Society Annuity Fund.

Administrative expenses totalling £2,462 have been charged from the Annuity Fund in the year (2015 - £2,271).

Donations totalling £1,846 are due from the Annuity Fund.

An amount of £2,687 (2015 - £2,271) is included in accruals at the year end.

A loan of £1,000 has been received from the Annuity Fund in the year (2015 - £5,000) and has been repaid in full at the year end (2015 balance of £5,000).

11. Auditor Independence

In common with many organisations of our size and nature we use our auditors to assist with the preparation of the financial statements.

12. First Year Adoption

No adjustments were necessary on the adoption of FRS 102.