



Financial Statements

Year Ended 31 December 2022

Scottish Women's Institutes
Financial Statements
For the year ended 31 December 2022

Contents	Page
Legal and administrative details	2
Annual report	3-12
Independent auditor's report to the trustees	13-16
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20-41

Scottish Women's Institutes

Legal and administrative details

For the year ended 31 December 2022

Scottish Charity registration number:	SC011901
Headquarters:	42 Heriot Row Edinburgh EH3 6ES
Office-bearers:	Mrs Anne Kerr, National President Mrs Mary Burney, Vice President Mrs Dawn Endean, Honorary Treasurer
Board:	The Office-Bearers, Aileen Cavers, Kirsty Forsyth (to 7 th July 2022), Anne Howat, Joan Hutchison, Karen Johnson, Linda Riddell, Katie Wood
Bankers:	The Royal Bank of Scotland Edinburgh West End Office 142-144 Princes Street Edinburgh EH2 4EQ
Solicitors:	Wright, Johnston & Mackenzie LLP The Capital Building 12/13 St Andrew Square Edinburgh EH2 2AF
Auditor:	Saffery Champness LLP Statutory Auditor and Chartered Accountants 133 Fountainbridge Edinburgh EH3 9BA
Investment Advisers:	Rathbone Investment Management 28 St Andrew Square Edinburgh EH2 1AF
Chief Executive Officer:	Mrs Diane Cooper

Scottish Women's Institutes

Annual Report

For the year ended 31 December 2022

Introduction

The Trustees, who are the directors of the charitable company, present their audited accounts for the year ended 30th December 2022.

The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Scottish Women's Institutes is an unincorporated association governed by its constitution, available on www.theswi.org.uk, and led by its Board of Trustees. The business of the Board is to maintain the Scottish Women's Institutes movement in Scotland on a national basis, and to promote the common and concerted activities of the Federations and Institutes.

No part of the organisation is used for purposes of party political or sectarian propaganda.

To maintain the national character, the structure of the organisation is as follows: Institutes, Federations and Board.

Institutes and Federations, also unincorporated associations, are self-governing bodies, having control of their own affairs, financial and otherwise, but are under direction of the Board.

Annual Report for year ended 31st Dec 2022

Scottish Women's Institutes have a rich history across Scotland's communities, promoting education and connecting women locally and nationally to improve their quality of life through friendship, education, sharing and having fun.

Our principal aims are set out in our constitution:

- Build inclusive, diverse communities
- Advance education and skills
- Provide a platform for social activities and networking
- Promote the preservation and development of our cultural heritage
- Campaign and work with like-minded organisations at home and abroad.

With a newly appointed CEO, the start of 2022 provided the timely opportunity to take stock of the organisation, reviewing all areas from membership through to finances. After a period of the CEO settling in and engaging with the Board, staff, and members, it was very apparent there was a thirst and need to develop and future-proof the organisation for upcoming generations of women to enjoy and gain inspiration from.

In addition, following two years of disruption due to the pandemic, members were keen to get back to some sort of normality, to boost their confidence, catch up with friends, and celebrate centenaries of SWI Federations and Institutes around the country.

Scottish Women's Institutes

Annual Report

For the year ended 31 December 2022

Achievements and Performance

In March 2022, after a full in-depth strategic planning process, the Board of Trustees, with the support of staff and a strategic consultant, devised a new three-year Draft Strategy to address the many challenges facing the SWI. These include decades of membership decline, Institute and Federation closures, antiquated working practices and systems, digital exclusion of members, layers of governance, a lack of support for members, an expensive office to maintain and no curation of our past heritage.

Following an independent two-month consultation on the Draft Strategy and significant engagement with members, the Board officially launched the three-year Strategy for 2022-2025. This was unanimously approved by the 1,521 members who participated in the consultation. The Strategy sets out a bold vision for sustainability with an overarching theme to change – to preserve the past and involve the present in shaping the future. Furthermore, the Strategy includes a refreshed vision for SWI where all women can truly find opportunities in being a member of the SWI, an internationally recognised and well-respected membership organisation which is ambitious, relevant, and inclusive.

In the interest of easy reading, this section summarises the key achievements and performance under the four strategic aims for 2022.

The four main strategic aims are:

1. **Transformational change**
2. **Membership growth**
3. **Financial sustainability**
4. **Ambition**

1. Transformational change

Staff restructure In March, an executive team was established as part of a staff restructure, ensuring the organisation had the necessary leadership team with skills to run an effective membership body and drive forward a new strategy.

Workplace accreditations To recruit the proper calibre of employees, it is important for the SWI to be seen as a desirable employer that works towards achieving workplace accreditations and modern-day working practices. We successfully applied for and achieved our first organisational accreditation as a Living Wage Employer. Since then, we have recruited and developed a strong staff team of seven to collectively deliver the new strategy.

Continuous development In alignment with advancing education for all, we embraced and built a culture of continuous learning and development. In April we implemented a learning and development programme for the Board with a series of online governance courses, a skills audit, and a training day with an external consultant. And, for the first time, all staff began working to learning and development plans.

Digital transition Through increased digital transitioning, we improved our communications, systems, and processes to enhance member engagement. In May, we created a member network of 30 digital champions, implemented new digital platforms such as e-newsletters and e-magazines, online event bookings, and online payments. These changes have not been without challenges as many of our members are digitally excluded due to age or geography, however, we retain traditional ways for those members to engage with us, book events, and access information.

Scottish Women's Institutes

Annual Report

For the year ended 31 December 2022

Member training We introduced training for members through the provision of online events in areas of digital working, social media, health and wellbeing and skill share sessions.

Peer sessions To strengthen the governance network across the membership we established bi-monthly Federation peer group sessions for Federation office bearers (Presidents, Treasurers, and Secretaries). These sessions provide a platform where they can learn, share and support one another. In September, we had an inaugural office bearer social gathering in Edinburgh which successfully attracted more than 70 members from far-flung locations across Scotland's communities.

Constitutional reform In October 2022, we began the process to reform and future-proof the constitution by engaging with charity lawyers to devise a range of SCIO models that will address the challenges and barrier of a historically complex constitutional structure. In addition, moving to a SCIO will mitigate the personal liability the Board Trustees face under the current unincorporated constitutional model. Members will be consulted on a draft SCIO model in October 2023 for implementation in 2024.

2 Membership growth

Membership drive In early 2022, while the organisation was still recovering from the effects of the pandemic, we initiated a new membership drive campaign. A membership toolkit was launched to raise awareness of membership across Scotland's communities. The toolkit consisted of a range of free-to-use leaflet and poster designs, plus social media assets to support the SWI membership campaign. Many members successfully utilised the toolkit and this helped kickstart the need and want to grow the membership. However, during this time, we also experienced a sharp rise in Institute closures, which reached their peak by the end of Spring. The vast majority of closures were of Institutes with ageing members who were severely impacted by the pandemic. A loss of confidence, almost two years of inactivity, and reticence to meet up again were critical factors.

Member meetings The new CEO actively engaged with members from January onwards through scheduled monthly visits, presentations, articles, online meetings and conversations. During each meeting the CEO listened to members' concerns and aspirations. The majority want to have trust in the direction the organisation is going in see hope for the future.

External engagement Externally, we have engaged with like-minded organisations which support women, and to raise awareness about the SWI across new networks and sectors. These relationships will increase and strengthen over time to ensure that the SWI is increasingly well known and respected across the charitable and business community.

Public campaign From March to May we initiated a national membership campaign 'Stitched with Love' to support Ukrainian refugees arriving in Scotland. Members stitched blankets, trauma teddies and rag dolls, gifted thousands of items for the campaign. This demonstrated the collective power of what a membership organisation can achieve.

Scottish Women's Institutes

Annual Report

For the year ended 31 December 2022

Member events From June through to September, and using feedback from the membership survey, we reviewed all member events and activities, many of which are complex and most of which are not financially sustainable. We aim to take a longer-term approach for traditional events and work with members and committees to ensure these events are profitable or at least break even in the future. We are not able to continue to run events at a loss. We introduced a range of new online and in-person events such as wild swimming, skill share sessions, health and wellbeing sessions and celebrity showcases, all of which extend our reach to potential new members.

Below is a list of 2022 in-person and online events:

Member events	Member events online
<ul style="list-style-type: none">• National<ul style="list-style-type: none">○ Summer Social Gathering○ Wild Swimming x 3○ Hosted ACWW Conference○ Royal Highland Show○ Creative crafts• Competitions<ul style="list-style-type: none">○ Ruralympics○ Outdoor Bowling○ Stadium Bowling○ Curling○ Golf○ Choirs○ Variations on a theme○ Photography• Upskilling<ul style="list-style-type: none">○ Study Tour○ Walking Weekend○ Evelyn Baxter○ Proficiencies x 2 (Handcrafts)○ Judges Certificates (Handcrafts)○ Homeskills Demos○ Handcraft Weekend School	<ul style="list-style-type: none">• National<ul style="list-style-type: none">○ Meet the CEO x 3○ AGM○ Christmas Quiz• Crafts<ul style="list-style-type: none">○ Weekly Craft and Chat○ Stitched With Love x 6○ Needle Felting• Health and wellbeing<ul style="list-style-type: none">○ Menopause○ Dementia○ ADHD○ Cancer• Upskilling<ul style="list-style-type: none">○ Training sessions x 4○ Skill share x 8○ Digital Champions x 3• Member support<ul style="list-style-type: none">○ Federation office bearers' peer group sessions x 25○ How to setup a new Institute

New groups From August, staff and members began spearheading launches of new women's groups in large towns and cities across Scotland. Initially run as pilots, these groups have attracted hundreds of women to the launch events and many new members have signed up as a result. Plans have now been accelerated and we aim to launch one new group per month.

There are specific learnings from each of these new groups, such as calling them women's groups instead of Institutes, which appears to be more attractive to a new generation of members. Personalising the group names, such as Tarra Gals and Garioch Girls appears to be popular, and members are keen to share office bearer roles. Rather than having named office bearer role of President, Secretary and Treasurer, many of the groups have an organising committee.

These new groups develop and establish themselves quicker when being voluntary supported by one or two current members who have knowledge of the area and positively want to be involved in regenerating, refreshing, and helping launch new groups.

Scottish Women's Institutes

Annual Report

For the year ended 31 December 2022

Online magazine November saw the launch of the new quarterly online 'Women Together' magazine which was previously in print format and running at a significant financial loss. The new online format is now available to all the members whereas the printed version reached less than a third of membership, so this is a vast improvement. To ensure we include members who are digitally excluded, we provide accessible options in the form of an audio recording or text-only print version

3. Financial sustainability

Due to decades of membership decline and reduced membership income, along with the adverse impact of the global pandemic, SWI's financial outgoings far exceed its income. Investments have been used to fill the gap, but the organisation's long-term goal is to reduce overheads, increase membership, and generate new revenue streams.

Costs review Beginning in May, all costs for operations, staff, supplier contracts, committee and member expenses, processes, events, and services were reviewed to reduce costs without compromising effectiveness. This review resulted in many short, medium, and long-term actions to address the challenges and opportunities.

Office sale After consultation approval from members, the SWI central office in Heriot Row, Edinburgh, was put on the market for sale in September 2022 and is currently under offer, subject to planning permission. Despite being SWI's long-standing headquarters, Heriot Row is underutilised, very costly to maintain, not accessible, and unsuitable for modern day employment. With the sale of the Edinburgh office, the organisation can achieve a substantial amount of income which will support the progress of the vision for a visitor learning centre, a major milestone.

Shop upgrade During November, the SWI's shop on the Shopify platform was refreshed as part of improving and increasing income. Further development is needed to refresh the products on sale to align with the new Strategy and increase attractiveness in members purchasing branded items.

Income streams New income generation was explored in November as part of the opportunities for the 2023 National Conference and plans were put in place to attract commercial income in the form of sponsorship, external exhibitors, and advertising.

External funding In December, we successfully applied and were granted £10k funding from Rural Action in Scotland to manage two member-led projects; a project for establishing new groups in rural locations in Perth and Kinross and a project called North Neighbours which reached out to isolated and digitally excluded members in winter to prevent social isolation.

4 Ambition

A flagship Visitor Learning Centre With the advent of digital transformation and changing attitudes and perceptions, we wanted to be ambitious within the new Strategy to develop a new vision for the SWI through a modern inclusive Visitor Learning Centre for the next generation of women and girls. This flagship centre will allow visitors to learn about the SWI heritage, experiment with learning, and get a taste of empowerment, confidence, social inclusion and health and wellbeing.

We envisage the Visitor Learning Centre to include key components such as a café, shop, office and multi-use spaces for bringing women and girls together to learn, share, socialise and have fun. It will generate income which is key to future sustainability and boost its local economy by encouraging not only our current members to visit, but attracting tourists and passing trade to visit, learn, attend events, eat, drink and experience the SWI's cultural heritage.

Scottish Women's Institutes

Annual Report

For the year ended 31 December 2022

Engagement with funders To begin this ambitious journey, during 2022, we engaged with national bodies and funders to gauge interest and the feasibility of such an ambitious project and to date we have received positive feedback and interest, however we acknowledge this is a long-term vision which will need investment both in terms of resources and finance.

Heritage curation project As part of showcasing our cultural heritage, in April we engaged with a curator from the National Museum of Scotland to assess the potential of a SWI heritage collection from a range of historical artefacts which had been stored in the Edinburgh office over the years. In response, a new member-led group was formed to begin the process of curating significant items that could showcase our heritage. This group of members met on a regular basis to complete the curation of the collection.

Online sessions With a view to developing and strengthening our national reputation and showcasing the opportunities the organisation provides for women in Scotland to access lifelong learning, from May we developed a new series of online skill share events. These feature members or external skilled foodies and crafters to share upskilling techniques to the wider membership and the future generation. Attracting large attendees, these events have enabled us to reach new audiences out with the membership and extend our reach across Scotland, however we are very much in the infancy of increasing our learning platform for the longer term.

Training Scotland's heritage sector is large and complex, so for SWI to make inroads into this sector, in November a member of staff successfully applied for an eight-day Heritage Trade Up programme for leaders. All applicants went through a shortlisting process and were then interviewed to assess their suitability. This programme, which begins in 2023, involves learning from successful heritage organisations to further the SWI's vision of a Visitor Learning Centre.

In summary

2022 was a year of challenges and successes for the SWI. The organisation saw a peak loss of Institutes as a result of the pandemic and the ongoing challenges of recruiting office bearers to local roles.

This, compounded by a lack of member succession and an outdated constitution provided the perfect opportunity in 2022 to redefine the organisation and establish a sustainable strategy for the future.

A new ambitious three-year Strategy was developed by the Board and launched in September at the Summer Social Gathering for Federation office bearers in Edinburgh. Throughout the process of defining the Strategy, it was acknowledged that the SWI would cease to exist without transformational change, membership growth, financial sustainability, and an attractive vision. In addition, to achieve success, there was an overall need to involve members and recruit a highly skilled team to deliver the strategy.

Through new member communication channels such as monthly e-newsletters, events, a members' e-magazine, Federation office bearer briefings, videos, website, CEO visits and social media channels, members have been continually consulted on the priorities, developments, and achievements the Strategy set out. During the year, as the pandemic restrictions gradually decreased, members cautiously began to attend and participate in events and activities. With the introduction of online training, skill shares and celebrity sessions, the online events increased in popularity and continually attracted member engagement, as well as expanding our national reach to potential new members.

Investment income was utilised to fill the 2022 financial deficit. This deficit was mostly due to the 50% discount in membership fees received in 2021 (released in 2022) and exacerbated by a significant drop in membership income as a result of the pandemic. New and revitalised groups, along with a focus on efficiencies across the SWI and the development of new income streams will generate revenue for the organisation, however this is a long-term process.

Scottish Women's Institutes

Annual Report

For the year ended 31 December 2022

Financial Review

The loss, before investment revaluations and disposals, was £270,822 (2021: loss of £84,156). This includes the results for Women Together, the SWI monthly magazine, as well as the other funds of the organisation. There was an unrealised loss on investments of £296,887 and a realised gain on disposal of investments of £18,035. The net movement in funds is, therefore, a loss of £278,852. Funds carried forward at 31 December 2022 are £1,727,519 of which £14,076 are restricted in application. The global economic situation continues to have an effect on investment income and property value.

A gross loss of £17,114 (2021: loss £21,797) was achieved on production/sale of the magazine.

Investment Policy

The Constitution note 10.5 states that based on professional advice, the Finance Committee shall have the power to invest the whole, or any part of, the Scottish Women's Institutes funds in investments, securities, deposits and other assets of whatever description whether or not falling within the class of investments authorised by The Charities and Trustee Investment (Scotland) Act 2005 as it shall in its discretion think fit. The constitution is available for download on our website www.theswi.org.uk.

The Charity seeks to produce the best financial return within an acceptable level of risk.

The investment objective is to maintain and enhance the capital value of the fund in real terms whilst generating sufficient income to allow the Charity to carry out its charitable objectives.

The assets of the Charity will be held in Trust within an approved nominee account with the Investment Manager. The nominee company will take legal title to the assets whilst the Charity will remain the beneficial owner. Both the Investment Manager and the nominee company are to be regulated by the Financial Conduct Authority and independently audited.

An income of between 3% and 5% has been requested for both of the Funds.

The level of the cash reserve will be reviewed annually and the investment strategy amended accordingly.

The Charity assets should be invested in line with its aims and to give consideration to environmental, social and governance matters.

No investment is to be made in companies quoted within the tobacco sector.

The Investment Policy Statement was prepared by the Finance Committee of the SWI to provide a framework for the management of its investment assets. It will be reviewed on an annual basis to ensure its continuing appropriateness.

Scottish Women's Institutes

Annual Report

For the year ended 31 December 2022

The Board has responsibility for agreeing strategy and monitoring the investment assets. The Board meets quarterly to review the financial performance of the investment portfolio, including an analysis of return, risk and asset allocation. Performance will be monitored against agreed benchmarks, and against the investment objective.

Reserves Policy

It is the policy of the Board to maintain unrestricted funds, which are the free reserves, at a level which equates to approximately three months unrestricted expenditure. This provides sufficient funds to cover management, administration and support costs.

SWI identifies designated funds and restricted funds for the purpose specified in Note 15.

Principal risks and uncertainties

The SWI Board actively monitor the risks facing the organisation, mindful of a cost-of-living crisis and membership decline. In September, an updated risk register was implemented to align with the new Strategy and was last reviewed by the Board on 21st March 2022. Risks are considered under the headings of financial, governance, external, regulation, operations, and reputation.

The Board consider that appropriate actions have been taken to control and mitigate the impact of risks where possible. As a national membership body, the major strategic risks include membership decline and failure to attract and retain members and any action that results in a negative impact on the SWI's reputation and influence.

The risks are managed through support, guidance and communications with the wider organisation, proactive communications, and close monitoring. Financial risks relate to the ability to maintain sources of income. Currently, we rely on membership fees for all income which needs to change as part of the new Strategy.

Total paying membership numbers were down 4% in 2022 compared to a 30% drop in 2021. The SWI continues to invest in attracting, retaining, and growing members through the implementation of the new Strategy.

The Risk Register is a standing item and forms an integral part of all Board meetings as the organisation moves forward.

Structure, governance and management

Organisation

Scottish Women's Institutes is a registered Scottish Charity No. SC011901, having its headquarters at 42 Heriot Row, Edinburgh. SWI is an unincorporated association governed by its constitution and is organised and managed by its Board of Trustees (referred to as the Board), the business of which is to maintain the SWI movement in Scotland on a national basis and to promote the common and concerted activities of the federated institutes.

There are three National Office-bearers, namely Anne Kerr, President; Mary Burney, Vice President and Dawn Endean, Honorary Treasurer.

The Board shall consist of 10 members including the three Office-bearers, and up to two co-opted persons as required. Employees of SWI are not eligible for election to the Board.

Scottish Women's Institutes

Annual Report

For the year ended 31 December 2022

Board members will be elected every three years for a maximum of two trienniums except for position of President. The Office-bearers of the SWI shall consist of President, Vice-President and Honorary Treasurer. On the expiry of the President's term of office, the Vice-President, has the right to become President if unopposed for the following three years. If the Vice-President does not wish to exercise that option, a new President shall be elected.

There are currently 8,325 members in 473 institutes and 29 Federations throughout Scotland.

Office-bearers and committee members are all volunteers, receiving expenses and no remuneration.

Strategic planning is the responsibility of the Board. The office-bearers, assisted by the staff at 42 Heriot Row, Edinburgh implement the policies and decisions of the Board. During the year, five full-time and one part-time staff were employed from January to September, five full-time and two part-time staff were employed September to December. Management and day-to-day running of the organisation is the responsibility of the CEO Diane Cooper.

The committees are Finance, chaired by Dawn Edean, Education & International, chaired by Jessie Meikle; Handcrafts & Homeskills, chaired by Elizabeth Hay and Communications chaired by Nan Brown.

The plan to move to a SCIO is ongoing for 2023, however this is reliant on membership consultation and approval.

Involvement with Outside Bodies

In 2022 collections from Institute and Federation members to ACWW Pennies for Friendship amounted to £2,362 (2021: £680). This donation was issued for funding the administration of ACWW.

In 2022 collections from Institute and Federation members to our project, Mercy Ships, amounted to £392 (2021: £551).

Appreciation

SWI is grateful to all host Federations for the time and effort put into ensuring that events run smoothly with a true SWI welcome. The strength of SWI lies in the support of those members who give their time and talent to ensure that the organisation continues to survive at all levels. The immense contribution made by all members is much appreciated by the Board of Trustees, as is the dedication and expertise of Headquarters staff.

Key management personnel and remuneration policy

The Board and the Executive team consisting of the Chief Executive Officer, Head of Communications and Engagement, and Head of Finance and Operations are considered to be the key management personnel of the charity as they are in charge of directing and controlling, running and operating the charity on a day to day basis.

All office-bearers and trustees give of their time freely and no individual received remuneration in the year.

Salaries are annually reviewed by the Finance Committee in the February meeting and any recommendations put forward to the Board.

Reference and administrative details

Information about the charity is set out on page 2.

Scottish Women's Institutes

Annual Report

For the year ended 31 December 2022

Statement of responsibilities of the Board of Trustees

The Board of Trustees is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in Scotland requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Board 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it 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 Charity's constitution. It is 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.

This annual report is approved by the Board, Office-bearers and signed on behalf of the Scottish Women's Institutes.

Anne M Kerr
.....

Anne Kerr, National President

Dawn Endean
.....

Dawn Endean, Honorary Treasurer

Date: *21st March 2023*

Scottish Women's Institutes

Independent auditors' report to the trustees

For the year ended 31 December 2022

Opinion

We have audited the financial statements of Scottish Women's Institutes for the year ended 31 December 2022 which comprise Statement of financial activity, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including 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 December 2022 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 charity 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 trustees' 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 charity'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

Scottish Women's Institutes

Independent auditors' report to the trustees

For the year ended 31 December 2022

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 where the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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
- the charity has not kept proper accounting records; 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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 auditors' 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.

Scottish Women's Institutes

Independent auditors' report to the trustees

For the year ended 31 December 2022

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

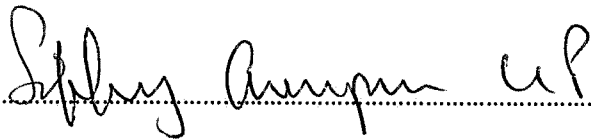
Scottish Women's Institutes

Independent auditors' report to the trustees

For the year ended 31 December 2022

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


.....

Saffery Champness LLP

Chartered Accountants

133 Fountainbridge

Edinburgh

EH3 9BA

Statutory Auditors

Date: 23 March 2023

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Scottish Women's Institutes
Statement of Financial Activity
For the year ended 31 December 2022

	Note	General funds	Designated funds	Restricted funds	2022 total	2021 total
		£	£	£	£	£
Income and endowments from:						
Donations and legacies		2,235	-	520	2,755	648
Charitable activities						
Levies (unrestricted)		112,305	-	-	112,305	283,214
Schools, classes, conference and events	2	-	36,794	417	37,211	4,391
Magazine and advertising sales	3	19,275	-	-	19,275	49,971
Merchandise sales	4	15,187	-	-	15,187	15,980
Investments	5	63,631	-	258	63,889	64,279
Other		173	-	-	173	71
Total		212,806	36,794	1,195	250,795	418,554
Expenditure on:						
Raising funds	9	53,547	-	541	54,088	57,847
Charitable activities		428,129	37,905	1,495	467,529	444,863
Total		481,676	37,905	2,036	521,617	502,710
Net (expenditure)/income before net gains on investments		(268,870)	(1,111)	(841)	(270,822)	(84,156)
Net (losses)/gains on investments		(278,735)	-	(117)	(278,852)	163,617
Net income/(expenditure) after net gains on investments		(547,605)	(1,111)	(958)	(549,674)	79,461
Transfer between funds		(1,111)	1,111	-	-	-
Net movements in funds		(548,716)	-	(958)	(549,674)	79,461
Reconciliation of funds						
Total funds brought forward		2,206,013	56,146	15,034	2,277,193	2,197,732
Total funds carried forward		1,657,297	56,146	14,076	1,727,519	2,277,193

Scottish Women's Institutes

Balance Sheet

For the year ended 31 December 2022

	Notes	2022 £	2021 £
Fixed assets:			
Tangible assets	12	13,583	17,803
Investments	13	1,610,442	2,276,719
		<u>1,624,025</u>	<u>2,294,522</u>
Current assets:			
Stock – goods for resale		27,118	31,387
Sundry debtors	14	14,942	49,698
Cash at bank in hand		256,746	164,677
Cash on deposit		66,738	3,187
		<u>365,544</u>	<u>248,949</u>
Liabilities – amounts due within one year			
Sundry creditors		54,087	144,957
Levies paid in advance		207,963	108,387
Magazine payments in advance		-	12,934
		<u>262,050</u>	<u>266,278</u>
Net current assets/(liabilities)		<u>103,494</u>	<u>(17,329)</u>
Net assets		<u>1,727,519</u>	<u>2,277,193</u>
The funds of the charity:			
General Central Fund	15	1,657,297	2,206,013
Designated Funds		56,146	56,146
Restricted Funds		14,076	15,034
		<u>1,727,519</u>	<u>2,277,193</u>

The financial statements were approved by the Board on 21st March 2023 and were signed on its behalf by:

Anne M Kerr

Anne Kerr, National President

D Endean

Dawn Endean, Honorary Treasurer

The accompanying accounting policies and notes form an integral part of these financial statements.

Scottish Women's Institutes
Statement of Cash Flow
For the year ended 31 December 2022

	Notes	2022	2021
		£	£
Cash flows from operating activities:			
Net cash used in operating activities	19	(293,077)	(214,024)
Cash flows from investing activities:			
Dividends and bank interest from investments		63,889	64,279
Purchase of property, plant and equipment		(2,617)	(930)
Proceeds from sale of investments		443,054	509,530
Purchase of investments		(55,629)	(501,635)
Net cash provided by investing activities		448,697	71,244
Change in cash and cash equivalents in the reporting year		155,620	(142,780)
Cash and cash equivalents brought forward		167,864	310,644
Cash and cash equivalents carried forward		323,484	167,864

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

1. Principal Accounting policies

The financial statements have been prepared on the historical cost basis of accounting with the exception of investments which are carried at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements have been prepared under the historical cost convention except that the investments are revalued annually.

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

Basis of preparation of the financial statements

The financial statements consolidate the results and balances of the Scottish Women's Institutes and its magazine, Women Together. The results of the Federations, Groups and Institutes are not consolidated as these are separately constituted charitable organisations or organisations with exemption from OSCR which prepare their own financial statements.

Going concern

The financial statements have been prepared on a going concern basis. The Board have assessed the Charity's ability to continue as a going concern and have reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements. Details of going concern are detailed in note 23.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation. The cost of minor additions or those costing less than £500 are not capitalised.

Depreciation

Depreciation is calculated to write down the cost of all intangible and tangible assets by the straight line method over their expected useful lives.

The rates are generally applicable are:

Computer system	25%
Copiers, telephone system and loop system	25%
Furniture and Fittings	10%
Property	2%

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

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 closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised / unrealised 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 investment gains and losses are combined in the Statement of Financial Activities.

Stock

Stock is stated as the lower of cost and net realisable value. Cost being the average purchase cost and the net realisable value being the selling price less attributable selling costs.

Financial instruments

The charity 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 Charity's Balance Sheet when the Charity 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 trade and other debtors, 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Financial Activities, except that investments in equity instruments that are not

Scottish Women's Institutes
Notes to the Financial Statements

For the year ended 31 December 2022

publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through the Statement of Financial Activities, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

De-recognition of financial assets

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies 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 receipts discounted at a market rate of interest. 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 business from suppliers. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through the Statement of Financial Activities. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities as appropriate.

De-recognition of financial liabilities

Financial liabilities are de-recognised when, and only when, the charity's obligations are discharged, cancelled, or they expire.

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

Fund accounting

Restricted funds are used for specified purposes laid down by the donor. Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity. Designated funds are unrestricted funds which have been designated for specific purposes by the Board.

Further details of each fund are disclosed in note 15.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Grants receivable

Grants are recognised when there is entitlement and certainty of receipt. Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants are charged against the restricted fund. This is considered on a case by case basis depending on the conditions of the grant.

Levies (Membership Fees)

Levies are received in November each year to fund the activities of the organisation for the forthcoming calendar year, and so are deferred to the following year.

Income from investments

Investment income comprises dividends and interest receivable on listed investments.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

1. Costs of raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
2. Charitable activities comprise those costs incurred by the Charity in the delivery of its activities and services for its members.
3. Governance costs include those costs associated with meeting constitutional and statutory requirements and include the audit fees and costs linked to the strategic management of the Charity.
4. Support costs have been allocated between governance costs and other support costs. Governance costs include those costs incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements. All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of resource. Costs relating to a particular activity are

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

allocated directly, others are apportioned on an appropriate basis as set out in note 9. The method of allocation is unchanged from the previous year.

Contributions to pension funds

Defined contribution schemes: the pension costs charged in the year represent the amount of the contributions payable to the schemes in respect of the accounting period.

Grants payable

Expenditure on grants is recorded once the charity has authorised payment. Authorisation is made by the Board at the March Board meeting.

2. Schools, classes, conferences and events

		2022	2021
		£	£
Schools and classes (H&H)	Income	6,183	1,688
	Expenditure	<u>(8,731)</u>	<u>(7,076)</u>
	(Loss) / Surplus	<u>(2,548)</u>	<u>(5,388)</u>
National/Intern'l events (E&I)	Income	27,378	1,703
	Expenditure	<u>(26,679)</u>	<u>(632)</u>
	Surplus	<u>699</u>	<u>1,071</u>
Summer school	Income	30	-
	Expenditure	<u>(-)</u>	<u>(52)</u>
	Surplus/(Loss)	<u>30</u>	<u>(52)</u>
Conference National/H&H	Income	-	-
	Expenditure	<u>-</u>	<u>-</u>
	Loss	<u>-</u>	<u>-</u>
Royal Highland Show	Income	3,620	1,000
	Expenditure	<u>(3,990)</u>	<u>(737)</u>
	(Loss)/Surplus	<u>(370)</u>	<u>263</u>
Total	Income	37,211	4,391
	Expenditure	<u>(39,400)</u>	<u>(8,497)</u>
	Loss	<u>(2,189)</u>	<u>(4,106)</u>

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

Expenditure includes only the direct costs of the above activities. The indirect overheads such as staff costs and establishment expenses are excluded. In 2022, £36,794 (2021: £3,679) of the schools, classes, conferences and events income and £37,905 (2021: £6,236) expenditure was attributable to unrestricted designated funds. Income of £417 (2021: £667) was attributable to the Evelyn Baxter restricted fund. Expenditure relating to The Evelyn Baxter restricted fund amounted to £1,495 (2021: £2,178).

3. Women Together Magazine Income and Expenditure account

	£	2022 £	2021 £
Magazine			
Magazine Income	18,730		
Recorded Magazine Donation	20		
Advertising revenue	525		
	<hr/>	19,275	49,971
Less cost of sales			
Production and despatch	36,389		
Sundries	-		
	<hr/>	36,389	71,768
Gross (loss) on magazine sales		(17,114)	(21,797)
		<hr/>	<hr/>
Total income		19,275	49,971
Total expenditure		36,389	71,768
		(17,114)	(21,797)

In 2022, £19,275 (2021: £49,971) of the sales of magazine and £36,389 (2021: £71,768) of the expenditure was attributable to unrestricted general funds.

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

4. Merchandise Sales

	2022	2021
	£	£
Sale of merchandise	15,187	15,980
Costs of sale of merchandise	(9,259)	(11,745)
Surplus	<u>5,928</u>	<u>4,235</u>

In 2022, £15,187 (2021: £15,980) of merchandise sales was attributable to unrestricted general funds as was the expenditure of £9,259 (2021: £11,745).

5. Investment income

	2022	2021
	£	£
Dividends	63,536	64,260
Bank interest	353	19
Surplus	<u>63,889</u>	<u>64,279</u>

In 2022, of the investment income, £258 (2021: £286) was attributable to restricted funds and £63,631 (2021: £63,993) was attributable to unrestricted general funds.

6. Grants paid

Five (5) Federations applied for the Action Appeal Grant totalling £1,400 (2021: nil). Federation Travel £4,421 for 2022 (2021: £1,230). No Federations applied for the Lifeline Grant. Thirteen (13) Federations received Zoom subscriptions totalling £1,946 (2021: 1,622). In 2022 £7,767 (2021: £2,852) of grants was paid from the unrestricted designated fund.

7. Collections for other organisations

In 2022, the sum of £2,362 (2021: £680) was collected by Institute and Federation members for the ACWW Pennies for Friendship fund. This fund goes towards ACWW's management and administration costs. The total sum donated each year is forwarded to ACWW in the first quarter of the following year and is held in creditors until that point.

Collections to Mercy Ships amounted to £392 (2021: £551).

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

8. Employees

	2022	2021
	£	£
Salaries	234,560	194,052
National Insurance costs	18,262	15,079
Pension costs	7,587	7,470
	<u>260,409</u>	<u>216,601</u>

Five full-time and two part-time staff were employed from January to March. Four full-time, one part-time and two temporary staff were employed in April. Five full-time, one part-time and two temporary staff were employed May to June. Four full-time, one part-time and two temporary staff were employed July to December.

The number of employees with emoluments (including employer's National Insurance and pension contributions) in excess of £60,000 were as follows:

	2022	2021
Banding	No.	No.
£60,000 to £69,999	-	1
£70,000 to £79,999	1	-

No remuneration was paid to the Office-Bearers or the Trustees during the year (2021: £nil). The charity considers its key management personnel comprise the Office-Bearers, the Trustees, the Chief Executive, Head of Finance & Operations and Head of Communication & Engagement. The total employee benefits of the key management personnel of the charity during the year were £147,465 (2021: £173,140).

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

9. Analysis of resources expended

	Raising Funds £	Charitable Activities £	2022 Totals £	Raising Funds £	Charitable Activities £	2021 Totals £
Donations	500		500	100	-	100
Merchandise cost of sales	9,259		9,259	11,745		11,745
Schools, classes, conferences & events	-	39,400	39,400	-	8,497	8,497
Magazine expenditure	-	36,389	36,389	-	71,768	71,768
Investment management and bank charges	12,216	-	12,216	15,325	-	15,325
Employee remuneration	19,400	241,009	260,409	16,137	200,464	216,601
Establishment expenses	2,169	19,518	21,687	7,405	66,641	74,046
Administration expenses	2,231	20,074	22,305	2,168	19,511	21,679
Management & administration expenses	8,313	74,818	83,131	4,967	44,705	49,672
Governance costs	-	11,955	11,955		19,042	19,042
Action Appeal & Lifeline grants	-	3,346	3,346	-	2,852	2,852
Magazine bad debts	-	2,306	2,306			
Non-recoverable VAT	-	18,714	18,714	-	11,383	11,383
	54,088	467,529	521,617	57,847	444,863	502,710

	2022 £	2021 £
Establishment expenses		
Rates	3,977	4,560
Heat, light and cleaning	10,909	5,614
Property repairs and renewals	6,801	63,872
	21,687	74,046
Administration expenses		
Stationery, print, phone and postage	7,784	7,590
Leasing and maintenance	11,777	14,030
General office expenses	2,744	59
	22,305	21,679

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

9. Analysis of resources expended (continued)

	2022	2021
	£	£
Management and administration expenses		
Insurance & HSE	6,105	6,198
Publicity	17,972	17,421
Depreciation	6,837	7,230
Subscriptions	3,209	628
Staff recruitment, training expenses	2,307	12,195
Organisational Key Change Costs	46,701	-
Accountancy fees	-	6,000
	<u>83,131</u>	<u>49,672</u>
Governance costs		
Committee expenses (see note 11)	2,490	1,750
Office-bearers' expenses (see note 11)	2,465	868
Auditor's remuneration (see note 10)	7,000	7,000
Professional fees	-	9,424
	<u>11,955</u>	<u>19,042</u>

In 2022 the expenditure on raising funds was £54,088 (2021: £57,847) of which £53,547 (2021: £57,847) was expenditure from unrestricted general funds and £541 (2021: nil) was expenditure from restricted funds. In 2022, the expenditure on charitable activities was £467,529 (2021: £444,863) of which £428,129 (2021: £433,514) was expenditure from unrestricted general funds, £37,905 (2021: £9,088) was expenditure from designated funds and £1,495 (2021: £2,261) was expenditure from restricted funds.

10. Auditor's remuneration

The auditor's remuneration constituted an audit fee for £7,000 (2021: £7,000) and an additional nil in fees (2021: £6,000).

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

11. Committee expense

In 2022 a total of £2,490 was reimbursed expenses from committees totalling 40 members (2021: £1,750).

In 2022 a total of £2,465 was reimbursed expenses for 3 office-bearers (2021: £868).

No committee member or office-bearer received any remuneration for their service as a committee member or office-bearer (2021: £nil). Reimbursement expenses were those necessarily incurred while performing their duties.

Trustee indemnity insurance cover has been part of the combined insurance policy since 2011.

12. Fixed assets

	Property £	Furniture & Fittings £	Computer System £	Total £
Cost at 1 January 2022	5,500	47,277	56,476	109,253
Additions	-	-	2,617	2,617
Cost at 31 December 2022	<u>5,500</u>	<u>47,277</u>	<u>59,093</u>	<u>111,870</u>
Accumulated Depreciation at 1 January 2022	1,760	40,932	48,758	91,450
Charge for the year	110	1,955	4,772	6,837
Accumulated Depreciation at 31 December 2022	<u>1,870</u>	<u>42,887</u>	<u>53,530</u>	<u>98,287</u>
Written Down Value 31 December 2022	<u>3,630</u>	<u>4,390</u>	<u>5,563</u>	<u>13,583</u>
Written Down Value 31 December 2021	<u>3,740</u>	<u>6,345</u>	<u>7,717</u>	<u>17,803</u>

At year-end, the office-bearers have estimated that the market value of Heriot Row to be in excess of cost. In addition to the above assets, the SWI owns a number of trophies and cups. Although these are insured for £41,132, it is unlikely that they would have a significant value to anyone other than the SWI or its members, and it would be expensive and difficult to obtain a valuation, hence these assets are not included within the above fixed assets.

During the year a range of historical artefacts which has been stored in the Edinburgh office over a number of years, were reviewed by a curator from the National Museum of Scotland, to assess the potential of a SWI heritage collection. At the year-end these items have no reliable financial value.

Scottish Women's Institutes
Notes to the Financial Statements
For the year ended 31 December 2022

13. Investments

	2022	2021
	£	£
Quoted UK investments:		
Market value at 1 January	2,276,719	2,120,998
Additions at cost	55,629	501,634
Disposals at opening book value	(425,019)	(406,035)
Net unrealised (loss)/gain	(296,887)	60,122
	<u>1,610,442</u>	<u>2,276,719</u>
Cost at year end	<u>1,675,529</u>	<u>2,042,814</u>

¹ Investments representing 5% or more of the total market value as at 31st December 2022:-

GCP Infrastructure 5.01%

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Annual Report.

The main risk to the charity from financial instruments lies in the combination of volatility in capital values and fluctuations in available income yield. The charity is reliant on the income generated from the investments, in part to finance its ongoing charitable work. The income generated from the portfolio comes from both UK and overseas. All overseas assets are exposed to local currency risks in both capital and dividends. This means that the income may vary due to exchange rate risk when converting the values into sterling.

¹ Author - Rathbone Investment Management

² Liquidity risk is anticipated to be low as all assets are traded on recognised markets and exchanges with good liquidity and trading volumes. The commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The charity has no material investment in markets subject to exchange controls or trading restrictions.

The charity manages these investment risks by retaining expert advisors on a discretionary basis and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The charity does not make use of derivatives or invest in non-quoted assets or other complex financial instruments as it takes the long-term investment view, objectives are to protect and grow the real value of the capital whilst also generating a sustainable income yield. Given that there is no apparent need to withdraw any capital from the long-term investment reserve in the immediate future, the Trustees are content to weather short-term volatility in markets to generate enhanced returns over the long-term.

Financial markets

The mini-budget had a huge impact on UK financial markets, with sterling crashing to a 37-year low against the dollar and yields on gilts spiking higher on the prospect of a big surge in government borrowing. Things calmed down after the replacement PM backed down on their predecessor's more controversial measures. The gilt market has stabilised following the BoE's intervention, while sterling has recovered its ground against the dollar and the euro.

The lower-than-expected October US inflation figures sparked a rally in stocks while bond yields tumbled (yields move inversely to prices). Growth stocks, and in particular technology stocks, rose sharply. The news the Fed is expected to slow the pace of its interest rate hikes in its fight against inflation, after raising them more sharply this year than at any time since the 1980s.

The fall in US inflation raised hopes of a shallower global recession in 2023 and increased the demand for government debt. Bond yields also fell across Europe as inflation cooled, with pressure on the ECB to increase rates substantially easing. European stocks also hit a six-month high after Fed Chair Jerome Powell indicated the size of rate hikes could be reduced from December.

Hong Kong and Chinese markets surged after the government announced it would extend loans for distressed developers. Although the government is also relaxing COVID-related restrictions, low vaccination and hospital capacity rates relative to most advanced economies mean the path to normality will be a difficult one. Meanwhile, the deep downturn in China's property sector is ongoing.

² Author – Rathbone Investment Management

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

³ Outlook

As the pace of global growth continues to slow, leading indicators suggest there's more weakness to come. Many of the latest surveys show the UK and euro area are probably already in recession as the impact of monetary tightening and energy crisis bite. In contrast, the US economy is expanding, although the risks of recession in 2023 are significant. Interest rates are likely to continue to rise and the lagged effects of previous hikes are still filtering through.

Inflation appears to have peaked in the US and should fall much further in 2023. The risk that inflation in the UK will fall back only slowly appears significant, and it will probably remain well above the BoE's 2% target until at least 2024. Central banks are focusing on bringing down inflation rather than supporting economic growth.

The rapid rises in interest rates on both sides of the Atlantic mean they are now approaching levels that were normal before the financial crisis. But while they are going up, they are still low by historical standards. Policymakers are unlikely to stop tightening until there is clearer evidence that inflation is falling back towards its target. That will probably happen at some point in the first half of 2023 in the US and UK, with rates potentially peaking at around 5% in the US and above 4.25% in the UK.

14. Debtors

	2022	2021
	£	£
Prepayments	8,171	12,104
Debtors - Magazine	6,494	13,071
HMRC – VAT	2	1,358
Sundry Debtors – Levies	<u>275</u>	<u>23,165</u>
	<u>14,942</u>	<u>46,968</u>

³ Author – Rathbone Investment Management

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

15. Movement in funds

15.1

	Balance at 1 January 2022	Net in/out resources	Transfers between funds	Investment losses	Balance at 31 December 2022
	£	£	£	£	£
General central fund	2,206,013	(261,103)	(8,878)	(278,735)	1,657,297
Designated funds:					
Action Appeal fund	8,433	(7,767)	7,767	-	8,433
Operating Reserve	15,000	-	-	-	15,000
Schools, Conference & Events fund	32,713	(1,111)	1,111	-	32,713
	<u>2,262,159</u>	<u>(269,981)</u>	<u>-</u>	<u>(278,735)</u>	<u>1,713,443</u>
Restricted Funds:					
Legacies and gifts:					
Evelyn Baxter Fund	7,092	(1,058)	-	-	6,034
Art Trophy Fund	7,942	217	-	(117)	8,042
	<u>15,034</u>	<u>(841)</u>	<u>-</u>	<u>(117)</u>	<u>14,076</u>
TOTAL FUNDS	<u><u>2,277,193</u></u>	<u><u>(270,822)</u></u>	<u><u>-</u></u>	<u><u>(278,852)</u></u>	<u><u>1,727,519</u></u>

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

The General central fund is the main general fund to which surpluses and deficits are accumulated.

The Action Appeal Fund will be phased out over three years, as follows:

In 2023 – 100% Re-imburement

In 2024 – 67% Re-imburement

In 2025 – 33% Re-imburement

In 2026 – Phased out

The Operating Reserve has been set up for any unexpected revenue expenditure. This will be reviewed annually.

The legacies and gifts were received some years ago and are restricted to specific purposes.

The Evelyn Baxter fund is for the continuous education in all types of handcrafts and is used for the Evelyn Baxter Scholarship class each year. In the future, Evelyn Baxter will be continued as part of our events.

The Art fund is supplemented with dividends from the portfolio each year and is used for the sole purpose of covering the costs of the Art competitions held at our Conferences.

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

For the year ended 31 December 2021

	Balance at 1 January 2021	Net (outgoing) resources	Transfers between funds	Investment gains	Balance at 31 December 2021
	£	£	£	£	£
General central fund	2,127,691	(75,277)	(9,261)	162,860	2,206,013
Designated funds:					
Action Appeal Fund	8,433	(2,852)	2,852	-	8,433
Operating Reserve	15,000	-	-	-	15,000
Schools,Conf,Events	32,713	(5,409)	5,409	-	32,713
	<u>2,183,837</u>	<u>(83,538)</u>	<u>(1,000)</u>	<u>162,860</u>	<u>2,262,159</u>
Restricted Funds:					
Legacies and gifts:					
Evelyn Baxter Fund	6,958	(866)	1,000	-	7,092
Art Trophy Fund	6,937	248	-	757	7,942
	<u>13,895</u>	<u>(618)</u>	<u>1,000</u>	<u>757</u>	<u>15,034</u>
TOTAL FUNDS	<u><u>2,197,732</u></u>	<u><u>(84,156)</u></u>	<u><u>-</u></u>	<u><u>163,617</u></u>	<u><u>2,277,193</u></u>

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

16. Analysis of net assets between funds

As at 31 December 2022

	Fixed assets	Investments	Net current assets	Total
	£	£	£	£
Unrestricted funds:				
General central fund	13,583	1,602,400	41,314	1,657,297
Designated funds	-	-	56,146	56,146
	<u>13,583</u>	<u>1,602,400</u>	<u>97,460</u>	<u>1,713,443</u>
Restricted Funds				
Art Trophy Fund	-	8,042	-	8,042
Evelyn Baxter	-	-	6,034	6,034
	<u>-</u>	<u>8,042</u>	<u>6,034</u>	<u>14,076</u>
	<u>13,583</u>	<u>1,610,442</u>	<u>103,494</u>	<u>1,727,519</u>

As at 31 December 2021

	Fixed assets	Investments	Net current liability	Total
	£	£	£	£
Unrestricted funds:				
General central fund	17,803	2,268,777	(80,567)	2,206,013
Designated funds	-	-	56,146	56,146
	<u>17,803</u>	<u>2,268,777</u>	<u>(24,421)</u>	<u>2,262,159</u>
Restricted Funds				
Art Trophy Fund	-	7,942	-	7,942
Evelyn Baxter	-	-	7,092	7,092
	<u>-</u>	<u>7,942</u>	<u>7,092</u>	<u>15,034</u>
	<u>17,803</u>	<u>2,276,719</u>	<u>(17,329)</u>	<u>2,277,193</u>

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

17. Pensions

SWI operates defined contribution pension schemes for the benefit of the employees.

The assets of the schemes are administered by trustees in funds independent from those of SWI.

18. Material commitments

As at the year end the SWI have no actual approved commitments by the Board for expenditure in the coming year.

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net movement in funds	(549,674)	79,461
Depreciation	6,837	7,230
Add back losses on investments/Deduct Gains	278,852	(163,617)
Deduct investment income shown in investing activities	(63,889)	(64,279)
Decrease in stock	4,269	2,825
Decrease/(increase) in debtors	34,756	30,768
Decrease in creditors	(4,228)	(106,412)
Net cash used in operating activities	<u>(293,077)</u>	<u>(214,024)</u>

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

20. Related party transactions

During the reporting period there have not been any related party transactions other than as detailed in note 11.

21. Financial assets and liabilities

Financial assets at amortised cost comprise cash and debtors as disclosed in the balance sheet. Financial assets measured at fair value through profit or loss comprise investments as disclosed in the balance sheet. Financial instruments at amortised cost comprise all creditors as disclosed in the balance sheet.

Scottish Women's Institutes
Statement of Financial Activity
For the year ended 31 December 2022

22. Prior Year Activity

	Note	General funds	Designated funds	Restricted funds	2021 total	2020 total
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	3	-	-	645	648	493
Charitable activities						
Levies (unrestricted)		283,214	-	-	283,214	292,942
Schools, classes, conference and events	2	-	3,679	712	4,391	10,277
Magazine and advertising sales	3	49,971	-	-	49,971	67,528
Calendar sales	3	4,218	-	-	4,218	4,554
Merchandise sales	4	11,762	-	-	11,762	9,857
Investments	5	63,993	-	286	64,279	64,318
Other		71	-	-	71	18,395
Total		413,232	3,679	1,643	418,554	468,364
Expenditure on:						
Raising funds	9	57,847	-	-	57,847	44,863
Charitable activities		433,514	9,088	2,261	444,863	374,543
Total		491,361	9,088	2,261	502,710	419,406
Net (expenditure)/income before net gains on investments		(78,129)	(5,409)	(618)	(84,156)	48,958
Net gains/(losses) on investments		162,860	-	757	163,617	(14,465)
Net income/(expenditure) after net gains on investments		84,731	(5,409)	139	79,461	34,493
Transfer between funds		(6,409)	5,409	1,000	-	-
Net movements in funds		78,322	-	1,139	79,461	34,493
Reconciliation of funds						
Total funds brought forward		2,127,691	56,146	13,895	2,197,732	2,163,239
Total funds carried forward		2,206,013	56,146	15,034	2,277,193	2,197,732

Scottish Women's Institutes

Notes to the Financial Statements

For the year ended 31 December 2022

23. Going concern

The Charity continues to recover from the impact of the pandemic, the Ukraine War and now a cost of living crisis.

The Board agreed to the £25 membership levy for 2024, collected in 2023.

At the date of approval of the financial statements, the Board have prepared and approved up-to-date management accounts, budgets and cash flow projections which include key revenue and cost assumptions including that the Board consider reasonable and prudent.

Investment portfolio valuation at 20th March 2023 is £1,656,333.

Having considered the matters above, the Board are of the view that the charity will have sufficient investment and resources to continue to operate and meet debts for the foreseeable future. The financial statements have therefore been drawn up on a going concern basis.