



2005 Annual Report

SWISS BENEVOLENT SOCIETY

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SWISS BENEVOLENT SOCIETY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2005

SWISS BENEVOLENT SOCIETY

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SWISS BENEVOLENT SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION For the year ended 31 December 2005

Patron

Monsieur A.P. Lautenberg - Swiss Ambassador

President

Mr A Martin

Vice President

Mrs E Baxter

Mrs C Rhoda

Treasurer

Mr M Lehmann

Other Members

Consul General U Hunn (resigned May 2005)

Consul Hans-Peter Flückiger (appointed May 2005)

Mrs Katharina Kaufmann (appointed May 2005)

Rev D Leuenberger

Mrs U Schönenberger

Mrs U Talary

Mrs E Tan

Charity Registered Number

212144

Principal Office

79 Endell Street, London, WC2H 9DY

Secretary - Social Worker

Mrs M Lyster

Social Worker's Assistant

Mrs B Hanford (on maternity leave from December 2004 - November 2005)

Mrs E Hutson (November 2004 - May 2005)

Ms S Bieri (June 2005 - November 2005)

Auditors

Trustient, Buckingham House East, The Broadway, Stanmore, Middlesex, HA7 4EB

Bankers

Lloyds TSB, 22 -24 Southampton Street, London, WC2E 7JB

Investment Managers

BSI AG, London, EC2V 8DQ

SWISS BENEVOLENT SOCIETY

TRUSTEES' REPORT For the year ended 31 December 2005

The Trustees submit their annual report and the financial statements of Swiss Benevolent Society for the year ended 31 December 2005. The Trustees confirm that the annual report and financial statements of the Society comply with current statutory requirements, the requirements of the Society's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000.

LEGAL STRUCTURE

The Swiss Benevolent Society was founded as a charity governed by its own statutes on 1 January 1870. It was registered on 22 September 1962 - charity registration number 212144.

It is managed by the Executive Committee, who are also Trustees for the purposes of the Charity Act. It is responsible for the general administration of the Society and controls its charitable activities.

PRINCIPAL AIMS

The Society's purpose is to assist Swiss citizens in need of help temporarily or permanently resident in the consular district of the Swiss Embassy in London. In special cases, compatriots in other parts of the United Kingdom may also be assisted by the Society.

Financial assistance is given by way of pensions and casual relief grants. In addition the Society employs a Social Worker who provides support and counselling on an emotional level, as required.

There have been no changes in the objectives since the last annual report.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Society is governed by its Members. Membership of the Society is open to any person of Swiss nationality or any person/organisation with strong Swiss connections or interest in the Society's work. The Statutes provide for the Pastor of the Swiss Church as well as two representatives of the Swiss Embassy to be elected as Trustees. At their Annual General Meeting the Members elect from within their Membership Trustees for the general administration and day-to-day work of the Society (including the appointment and supervision of staff, currently a Social Worker and an Assistant Social Worker). The Members also elect the Patron, President, Vice-Presidents and Treasurer of the Society. The Trustees meet approximately six times per year.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Society is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

New Trustees are appointed by the Society's Members, usually at the Society's AGM. All Trustees have to stand for re-election by the Members at each AGM. New Trustees are made familiar with the operation of the Society by an induction by one or more of the existing Trustees and by the Social Worker.

SWISS BENEVOLENT SOCIETY

TRUSTEES' REPORT (continued) For the year ended 31 December 2005

PRESIDENT'S REPORT

Review of activities and future developments

Despite operating in a very challenging environment, the Society is in the fortunate position to be able to look back over a further year of success. It continues to provide valuable assistance to Swiss compatriots in the UK who for whatever reasons are going through a difficult period in their lives. Despite comprehensive Government support schemes, there are still many people who require additional help, whether this is of a financial nature or in the form of moral and practical support from an independent Social Worker. There is a lot of demand for the kinds of assistance which the Society can provide and it is always greatly appreciated by all recipients, whether old or young.

The Society continues to a large degree to be dependent on the generosity of its donors. On behalf of the beneficiaries the Trustees wish to thank them all for their continued support.

After successfully implementing its awareness campaign in 2004 with publicity brochures, mail-shots and the creation of a website, in 2005 the Trustees turned their attention to modernising the Society's structures, especially its legal framework. At the Society's AGM on 18 May 2005, its members unanimously agreed to the Trustees' proposal to transfer the Society's activities from a Trust to a Company Limited by Guarantee with effect from 1 January 2006.

As members are aware, the Society's annual results vary substantially from one year to the next. Except in those years in which we receive large donations or legacies (e.g. 2004), the Society's net result is negative, as we are not able to cover our expenses from our investment income and other payments, despite the generosity of our many supporters. We therefore continue to seek ways to increase our sources of income and to maintain stringent cost controls. None the less the Society continues to face an inherent structural deficit in the future. The Trustees have therefore decided to re-examine its operating structures in a comprehensive evaluation process with the objective of continuing to deliver a quality service, however, with greater financial efficiency. This exercise will take place mainly in the first half of 2006 and is expected to be reflected in the Society's Budget for 2007.

Board of Trustees

During the course of the year we unfortunately had to bid farewell to Consul General Ulrich Hunn, who has taken up a new posting in the United States in Atlanta, Georgia. We thank Mr. Hunn for his most valuable contribution to the Society and convey to him and his wife Marie-Claire our very best wishes for the future. However, we have the pleasure of welcoming Consul Hans-Peter Flückiger as Mr. Hunn's successor as one of the two official representatives of the Swiss Embassy on our Board of Trustees.

We are also very pleased to welcome Mrs. Kathy Kaufmann as a new Trustee. Mrs. Kaufmann brings a lot of experience in the voluntary charitable sector to our Society and we are most grateful to her for joining us.

On behalf of the Trustees I wish to express my sincere thanks to our Patron, the Swiss Ambassador, H.E. Mr. Alexis P Lautenberg, and his staff for their continued valuable support and generous hospitality on a number of occasions throughout the year.

SWISS BENEVOLENT SOCIETY

TRUSTEES' REPORT (continued) For the year ended 31 December 2005

Staffing

The Society employs a Secretary / Social Worker and a Social Worker's Assistant. The responsibilities of the Secretary / Social Worker include the provision to Swiss compatriots of moral support, assistance in dealing with authorities and other organisations and arranging financial assistance from the Society's funds. In addition, she is responsible for the smooth running of the Society on a day-to-day basis. Her Assistant supports her in the performance of these duties. The Secretary / Social Worker is employed on the basis of four days per week and her Assistant is available to the Society for two days per week.

Following the birth of her son in December 2004, Mrs. Belinda Hanford, our Society's Assistant Social Worker, decided during the course of the year to leave the Society to devote herself fully to her young family. Whilst we fully support her decision, we are sad to have lost such a dedicated and pleasant colleague. We wish her well in the future.

Since Mrs. Hanford's departure, we have at different times employed temporary staff for her position, Mrs. Evelin Hutson and Ms Sybelle Bieri.

The Trustees wish to thank all staff for their dedication and valuable contribution to the Society over the past year.

SOCIAL WORKER'S REPORT

On 1 January 1870 the Swiss Benevolent Society was founded as a charity. 135 years later, from the 1 January 2006 the Society will start trading as a Company limited by Guarantee, with charitable status, a timely and necessary change to keep abreast with the ever more complex Charity laws and regulations. During the 135 years that lie between, the Society has endeavoured to fulfil its principal aim of assisting and supporting Swiss citizens in the UK in which ever way needed, helping to make very difficult situations easier and more bearable. These recent changes will in no way deter the Society from continuing to follow these original aims and objectives.

In our daily work we regularly get insight into sad and complex situations that are often quite difficult to make out. However delicate the situations are we never fail to feel privileged that we are so readily taken into people's confidence. Time and again we cannot help feel very humbled by this. In return one is always aware of the temptation of wanting to change circumstances. At best one can make a small difference by showing genuine sincerity, interest and by being supportive in different ways.

The elderly lady from Lausanne mentioned in last year's report has struggled throughout the year to come to terms with being widowed and being on her own. She was adamant that she had to keep to the long established daily routine she and her husband had so strictly adhered to over the years. She could only do this by taking on her husband's tasks as well, wearing herself out in the process and leaving her totally exhausted. All the talking to and encouragement does not distract her from her determination. Worse still, her mentally disabled son has become much more demanding since his father's death thus putting a lot of additional strain on his mother.

Just before Christmas she was again the victim of two burglaries. This time it was not a bogus policeman but a "man from the Waterboard". Whilst he encouraged her to fill every conceivable vessel in the house with water, his accomplice attended to the business in hand! Whilst she is aware of her vulnerability, nothing will move her to make some precautionary alterations to her house, adamant that what worked for her husband and her together must do for her alone as well.

SWISS BENEVOLENT SOCIETY

TRUSTEES' REPORT (continued) For the year ended 31 December 2005

SOCIAL WORKER'S REPORT (continued)

A 93-year-old widow, living in sheltered accommodation in South London with no family or friends in the UK, would dearly love to spend her remaining time in a residential home in Switzerland. After having spent most of her childhood in an orphanage she came to England in her early twenties and had a hard and long working life without much affection and support from her husband. By careful saving and budgeting she has made it possible to return to Switzerland.

Over the past year we have, on her behalf, collected information on possible residential homes, arranged a three-week holiday in Switzerland as well as initiated some visits to potential residential homes, in particular one in the Emmental from where her family originated. On her return to London we discussed the situation with her and were not surprised to hear that she has set her heart on this above home. Sadly her family have not helped her to make an application even though they are fully aware that things like this are impossible for her as she is only partially sighted. We quickly filled in the necessary forms and supported the application in the hope that she will not have to wait long. Now we can but keep our fingers crossed that her wait will not be too long and that she will remain in good health. If only it were possible to waive a magic wand to make her wish come true.

Throughout the year we have again been greatly supported by the Swiss Embassy. Our thanks to Hans-Peter Flückiger and his colleagues in the Consular Section whose help is so invaluable to us.

For the period of Belinda Hanford's maternity leave Evelin Hutson looked after the administrative part of the office for us for the first six months, followed by Sybelle Bieri. Thank you to both ladies who did not have an easy job familiarising themselves with the very diverse tasks of the Swiss Benevolent Society and the Swiss Church. We are truly grateful for their help and support. We are particularly sad that Belinda has decided not to return to work but are of course delighted for her that she is able to spend this precious time with her young son. We thank Belinda for all she did for us and wish her and her family the very best.

"Life" on the Church Gallery was as colourful and varied as ever - never a dull moment. Thank you to David Leuenberger and Beatrice Wälti whose camaraderie and friendship never falter - being able to talk but also laugh together never fails to cheer me up and helps to overcome many tricky situations.

FINANCIAL REVIEW

Incoming Resources

Once again after 2004, the income side of the financial statement was positively influenced by the very generous legacy of the late Miss Marie Louise Jacottet. We have received the last instalment of slightly over GBP 6,000.

Due to this generous donation and the resulting increase of bankable assets, the investment income in 2005 was also considerably higher than in the previous year.

With all other incoming resources in line with budget, these two factors led to an income surplus of GBP 7,602 compared to the budget figures for 2005.

SWISS BENEVOLENT SOCIETY

TRUSTEES' REPORT (continued) For the year ended 31 December 2005

FINANCIAL REVIEW (continued)

Expenditures

Expenditures have this year been below expectations. In all the areas, costs have been below budgeted figures, which resulted in a significantly better result than anticipated.

The staff costs have been below budget, mainly due to the special circumstance that we had no secretary for more than a month at the end of 2005. However, as the secretary works two days per week for the Swiss Church (which is in lieu of a rent), this had to be compensated and shows in the increased office costs.

Overall however, office running costs attributed to charitable expenditure as well as the administration costs were slightly lower than anticipated and also lower than in 2004.

Both pensions and grants paid were lower than anticipated in the budget. This is not due to a deliberate cut in these expenditures, but is mainly because of a slightly lower number of clients supported. In addition, we again had generous donations towards the Christmas grants.

All these improvements in our cost structure had a cumulative effect on the overall expenses, which were GBP 8,000 lower than expected.

Restricted Funds

In order to guarantee a sustainable development and to be able to maintain our task to grant pensions for many years to come, the Trustees have decided to keep the unrestricted designated funds at an amount of GBP 950,000, which should be kept as a reserve for future charitable purposes.

Summary

Overall, this year ended on a positive financial note. Especially the lower than expected expenses show an awareness of the need to control costs. However, the Swiss Benevolent Society still made a loss of GBP 24,554, including the final instalment of the legacy of more than GBP 6,000. As already mentioned in last year's financial report, our annual negative result needs to be addressed further in order to make a financially sound and sustainable base for the Swiss Benevolent Society in the future.

SWISS BENEVOLENT SOCIETY

TRUSTEES' REPORT (continued) For the year ended 31 December 2005

INVESTMENT POLICY AND PERFORMANCE

The investments of the Society are administered by a professional Investment Manager in accordance with the terms of the Society's governing Statutes. The Investment Manager is required to provide quarterly performance reports to the Trustees.

The investment policy, strategy and current asset allocation has been regularly reviewed during the year. The Executive Committee has decided not to change the current asset allocation and overall strategy, which means that the overall equity exposure may go up to a maximum of 20%. However, with an exposure of around 15%, the Society is still below that and intends to keep this allocation for the time being. As of the end of 2005, the Society therefore still has the following asset allocation of funds held with BSI in London:

| | |
|--------------------------------------|--------|
| Cash, Short Term Deposits: | 7.15% |
| Fixed Interest Investments: | 77.75% |
| Equities (invested in Mutual Funds): | 15.10% |

The performance of the overall portfolio of 6.84% has been in line with common benchmarks and the portfolio will remain to be discretionarily managed by BSI in London.

RISK MANAGEMENT

The Executive Committee have assessed the major risks to which the Society is exposed, in particular those related to the operations and finances of the Society, and are satisfied that systems are in place to mitigate its exposure to the major risks.

RESERVES POLICY

The Executive Committee regularly reviews the Society's reserves policy. The level of reserves held is influenced by the annual budget, outstanding pension and other grant commitments, economic factors and investment returns. In 2004 the the Executive Committee of the Swiss Benevolent Society decided to classify GBP 950,000 as designated funds. These funds are held as a reserve in order to guarantee a sustainable continuation of the charity's work. These designated funds should be sufficient to meet future commitments on grants and pensions and ensure a sound financial basis for the long-term future.

MEMBERSHIP

The membership consists of the elected members and a representative of all duly constituted Swiss Institutions who have power to attend and vote at all General Meetings.

| | |
|-----------------------|--------------------------|
| Cercle Feminin Romand | Swiss Ladies Club |
| Circle Genevois | Swiss Mercantile Society |
| City Swiss Club | Swiss Mother's Group |
| New Helvetic Society | Swiss Rifle Association |
| Swiss Church | Unione Ticinese |

GRANT MAKING POLICIES

Financial assistance is given by way of pensions and casual relief grants.

SWISS BENEVOLENT SOCIETY

TRUSTEES' REPORT (continued) For the year ended 31 December 2005

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice applicable to charities.

Law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period. In preparing those financial statements the Trustees have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the Charity will continue in operation).

The Trustees have overall responsibility for ensuring that the Society has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

This report was approved by the Trustees on 21 March 2006 and signed on its behalf, by:

Mr A Martin - President

SWISS BENEVOLENT SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SWISS BENEVOLENT SOCIETY

We have audited the financial statements of Swiss Benevolent Society for the year ended 31 December 2005 set out on pages 11 to 19. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), the Statement of Recommended Practice: Accounting by Charities and the accounting policies set out on pages 13 to 14.

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 6(2) of the Charities (Accounts and Reports) Regulations 1995 (SI 1995/2724) as amended by Regulation 4(a) of the Charities (Accounts and Reports) Regulations 2000 (SI 2000/2868). 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 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 trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITORS

As described in the Statement of Trustees' Responsibilities the Trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice applicable to charities).

Our responsibility is to form an independent opinion, based on our audit, on those statements and to report our opinion to you. We audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We have been appointed auditors under Section 43 of the Charities Act 1993 in accordance with regulations made under section 44 of that Act.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993 and the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities", published in October 2000. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the Society has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the Society is not disclosed.

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

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

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

SWISS BENEVOLENT SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SWISS BENEVOLENT SOCIETY

OPINION

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to charities, of the state of the Society's affairs as at 31 December 2005 and of the incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Trustient

Chartered Accountants & Registered Auditors
Buckingham House East
The Broadway
Stanmore
Middlesex
HA7 4EB

Date: 21 March 2006

SWISS BENEVOLENT SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 December 2005

| | Note | Unrestricted Funds 2005 £ | Total Funds 2004 £ |
|--|------|------------------------------------|-----------------------------|
| INCOMING RESOURCES | | | |
| Donations, legacies and similar incoming resources | 2 | 20,952 | 357,322 |
| Investment income | 3 | 45,138 | 37,624 |
| TOTAL INCOMING RESOURCES | | 66,090 | 394,946 |
| RESOURCES EXPENDED | | | |
| Charitable expenditure: | | | |
| Costs of activities in furtherance of the charity's objects | 4 | 64,640 | 70,942 |
| Resources expended on managing and administering the charity | 4 | 25,994 | 25,090 |
| TOTAL RESOURCES EXPENDED | | 90,634 | 96,032 |
| NET (RESOURCES EXPENDED) / INCOMING RESOURCES BEFORE REVALUATIONS | | (24,544) | 298,914 |
| Gains and losses on revaluations of investment assets | 8 | 28,635 | 4,320 |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | 4,091 | 303,234 |
| TOTAL FUNDS AT 1 JANUARY 2005 | | 1,079,770 | 776,536 |
| TOTAL FUNDS AT 31 DECEMBER 2005 | | £ 1,083,861 | £ 1,079,770 |

The notes on pages 13 to 19 form part of these financial statements.

SWISS BENEVOLENT SOCIETY

BALANCE SHEET As at 31 December 2005

| | Note | £ | 2005 £ | £ | 2004 £ |
|---|------|---------|-------------|-------------|-----------|
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 7 | | 1,058 | | 1,291 |
| Investments | 8 | | 1,008,757 | | 780,550 |
| | | | 1,009,815 | | 781,841 |
| CURRENT ASSETS | | | | | |
| Debtors | 9 | 376 | | 346 | |
| Cash at bank | | 80,140 | | 302,659 | |
| | | 80,516 | | 303,005 | |
| CREDITORS: amounts falling due within one year | 10 | (6,470) | | (5,076) | |
| NET CURRENT ASSETS | | | 74,046 | 297,929 | |
| NET ASSETS | | | £ 1,083,861 | £ 1,079,770 | |
| CHARITY FUNDS | | | | | |
| Unrestricted - Designated Funds | 11 | | 950,000 | | 950,000 |
| Unrestricted - General Funds | 11 | | 133,861 | | 129,770 |
| TOTAL FUNDS | | | £ 1,083,861 | £ 1,079,770 | |

The financial statements were approved by the Trustees on 21 March 2006 and signed on their behalf, by:

Mr A Martin - President

The notes on pages 13 to 19 form part of these financial statements.

SWISS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2005

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000 and applicable accounting standards.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Society and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Society is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Investment income is accounted for in the period in which the charity is entitled to receipt.

Subscriptions are accounted for on an accruals basis. Membership subscriptions relating to a later period are, therefore carried forward to that period and treated as deferred income in the balance sheet.

In accordance with this policy, legacies are included when a charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Voluntary income is received by way of donations and is included in full in the statement of financial activities when received. The charity has no restricted funds.

1.4 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned on the basis of an estimate of the proportion of time spent by staff on those activities.

Overheads have been allocated on the basis of staff costs.

1.5 Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

SWISS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2005

1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable trust, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.7 Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | | |
|------------------------|---|-----|---------------|
| Furniture and Fixtures | - | 10% | straight line |
| Office Equipment | - | 20% | straight line |

1.8 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the net income/(expenditure)result.

1.9 VAT

The Charity is not registered for VAT. In common with many other charities, the Swiss Benevolent Society's expenses are inflated by VAT, which cannot be recovered.

2. DONATIONS, LEGACIES AND SIMILAR INCOMING RESOURCES

| | Unrestricted Funds 2005 £ | <i>Total Funds 2004 £</i> |
|--|--|---------------------------------------|
| Donations | 1,210 | 4,410 |
| Subsidy from Swiss Confederation | 7,560 | 4,420 |
| Legacies | 6,772 | 340,000 |
| Membership | 3,732 | 8,492 |
| Gift Aid on donations | 1,678 | - |
| | <hr/> | <hr/> |
| Donations, legacies and similar incoming resources | £ 20,952 | £ 357,322 |
| | <hr/> <hr/> | <hr/> <hr/> |

3. INVESTMENT INCOME

| | Unrestricted Funds 2005 £ | <i>Total Funds 2004 £</i> |
|---|--|---------------------------------------|
| Quoted equities and fixed interest securities | 39,246 | 33,236 |
| Interest receivable | 5,892 | 4,388 |
| | <hr/> | <hr/> |
| Total | £ 45,138 | £ 37,624 |
| | <hr/> <hr/> | <hr/> <hr/> |

SWISS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2005

4. CHARITABLE EXPENDITURE BY FUNCTIONS

SUMMARY BY EXPENDITURE TYPE

| | Staff Costs 2005 £ | Depreciation 2005 £ | Other Costs 2005 £ | Total 2005 £ | Total 2004 £ |
|--|--------------------------|---------------------------|--------------------------|--------------------|--------------------|
| Costs in furtherance of the charity's objects | £ 29,537 | £ - | £ 35,103 | £ 64,640 | £ 70,942 |
| Resources expended on managing and administering the charity | 15,747 | 1,517 | 8,730 | 25,994 | 25,090 |
| Total | £ 45,284 | £ 1,517 | £ 43,833 | £ 90,634 | £ 96,032 |

OTHER COSTS COMPRISE OF:

| | 2005 £ | 2004 £ |
|-----------------------------------|-----------------|-----------------|
| Pensions and casual relief grants | 26,697 | 31,605 |
| Office costs | 3,717 | 2,845 |
| Visiting expenses | 481 | 559 |
| Printing, postage and stationery | 835 | 3,765 |
| Communication expenses | 1,149 | 1,591 |
| Auditors' fees | 4,265 | 4,350 |
| Bank charges and commissions | 1,986 | 2,730 |
| Legal and professional costs | 1,536 | 881 |
| Trustee Liability Insurance | 562 | 483 |
| Staff training costs | 1,462 | - |
| Other charitable expenses | 1,143 | 978 |
| Total | £ 43,833 | £ 49,787 |

5. NET (RESOURCES EXPENDED) / INCOMING RESOURCES

This is stated after charging:

| | 2005 £ | 2004 £ |
|--|--------------|--------------|
| Depreciation of tangible fixed assets: - owned by the charity | 1,517 | 1,260 |
| Auditors' remuneration - audit services | 4,265 | 4,113 |
| - other services | - | 237 |
| | ===== | ===== |

During the year, no Trustees received any remuneration (2004 - £NIL).

During the year, no Trustees received any benefits in kind (2004 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2004 - £NIL).

SWISS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2005

6. STAFF COSTS AND NUMBERS

Staff costs were as follows:

| | 2005 £ | 2004 £ |
|-----------------------|-----------------|-----------------|
| Wages and salaries | 41,223 | 40,949 |
| Social security costs | 4,061 | 4,036 |
| | <u>£ 45,284</u> | <u>£ 44,985</u> |

The average number of full-time equivalent employees during the year was as follows:

| | 2005 No. | 2004 No. |
|-----------------------|-------------|-------------|
| Charitable activities | <u>2</u> | <u>2</u> |

No employee received remuneration amounting to more than £50,000 in either year.

7. TANGIBLE FIXED ASSETS

| | Furniture, fittings and equipment £ |
|----------------------------|--|
| Cost | |
| At 1 January 2005 | 8,184 |
| Additions | 1,284 |
| At 31 December 2005 | <u>9,468</u> |
| Depreciation | |
| At 1 January 2005 | 6,893 |
| Charge for the year | 1,517 |
| At 31 December 2005 | <u>8,410</u> |
| Net book value | |
| At 31 December 2005 | £ 1,058 |
| <i>At 31 December 2004</i> | <u>£ 1,291</u> |

SWISS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2005

8. FIXED ASSET INVESTMENTS

| | Listed securities £ | Total £ |
|----------------------------|------------------------|-------------|
| Market value | | |
| At 1 January 2005 | 780,550 | 780,550 |
| Additions | 269,572 | 269,572 |
| Disposals | (70,000) | (70,000) |
| | 980,122 | 980,122 |
| Unrealised gains | | |
| Gains in the year | 28,635 | 28,635 |
| | 28,635 | 28,635 |
| Net book value | | |
| At 31 December 2005 | £ 1,008,757 | £ 1,008,757 |
| | £ 780,550 | £ 780,550 |
| <i>At 31 December 2004</i> | | |

Investments at market value comprise:

| | 2005 £ | 2004 £ |
|--------------------|-------------|-----------|
| Listed Investments | £ 1,008,757 | £ 780,550 |
| | £ 1,008,757 | £ 780,550 |

All the fixed asset investments are held in the UK

9. DEBTORS

| | 2005 £ | 2004 £ |
|----------------------------|-----------|-----------|
| Due within one year | | |
| Prepayments | £ 376 | £ 346 |
| | £ 376 | £ 346 |

10. CREDITORS: Amounts falling due within one year

| | 2005 £ | 2004 £ |
|-----------------|-----------|-----------|
| Accruals | 4,934 | 4,113 |
| Other creditors | 551 | - |
| Deferred income | 985 | 963 |
| | £ 6,470 | £ 5,076 |
| | £ 6,470 | £ 5,076 |

Deferred income carried forward at 31 December 2005 comprises of membership subscriptions received for 2005/06.

SWISS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2005

11. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming Resources £ | Resources Expended £ | Gains/ (Losses) £ | Carried Forward £ |
|--------------------------|-------------------------|----------------------------|----------------------------|-------------------------|-------------------------|
| DESIGNATED FUNDS | | | | | |
| Designated Funds | 950,000 | - | - | - | 950,000 |
| GENERAL FUNDS | | | | | |
| General Funds | 129,770 | 66,090 | 90,634 | 28,635 | 133,861 |
| Total unrestricted funds | 1,079,770 | 66,090 | 90,634 | 28,635 | 1,083,861 |

At 31st December 2005 the charity held unrestricted funds of £1,083,861 comprised of £1,008,757 invested in securities, £74,046 cash held pending investment and working capital and £1,058 of fixed assets. The investments of the charity are its main regular source of income and as such are essential to its operations.

Designated Funds

The purpose of the designated funds is to guarantee a sustainable development and to maintain the charity's task of providing grants to pensioners in the future. As at 31 December 2005 the designated funds stood at £950,000.

| | | | | | |
|----------------|-------------|----------|----------|----------|-------------|
| Total of Funds | £ 1,079,770 | £ 66,090 | £ 90,634 | £ 28,635 | £ 1,083,861 |
|----------------|-------------|----------|----------|----------|-------------|

SUMMARY OF FUNDS

| | Brought Forward £ | Incoming Resources £ | Resources Expended £ | Gains/ (Losses) £ | Carried Forward £ |
|------------------|-------------------------|----------------------------|----------------------------|-------------------------|-------------------------|
| Designated Funds | 950,000 | - | - | - | 950,000 |
| General Funds | 129,770 | 66,090 | 90,634 | 28,635 | 133,861 |
| Subtotal | 1,079,770 | 66,090 | 90,634 | 28,635 | 1,083,861 |
| Total of Funds | £ 1,079,770 | £ 66,090 | £ 90,634 | £ 28,635 | £ 1,083,861 |

12. INDEMNITY INSURANCE

The Charity holds indemnity insurance cover to protect it from loss arising from the neglect or default of its trustees. Premiums paid during the year amounted to £562 (2004: £483).

SWISS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2005

13. INCORPORATION OF THE CHARITY

A new incorporated charity, (company number: 05475876 and charity number: 1111348) with the same name was set up on 08 June 2005. All assets, liabilities and activities of Swiss Benevolent Society were transferred to the incorporated charity on 01 January 2006.