



Company limited by guarantee
Registered in England
Company No. 3150478
and a Registered Charity
No. 1052686

**THE ORR MACKINTOSH FOUNDATION LIMITED
(LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

**LARKING GOWEN
CHARTERED ACCOUNTANTS
NORWICH**

THE ORR MACKINTOSH FOUNDATION LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010



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THE ORR MACKINTOSH FOUNDATION LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 MARCH 2010



Working name	ShareGift
Registered charity number	1052686
Company number (limited by guarantee)	3150478 Registered in England and Wales
Governing instrument	The Memorandum and Articles of Association dated 8 January 1996 were superseded by the adoption of amended Memorandum and Articles on 28 March 2006.
Trustees	M N Orr S R Scott Baroness Goudie
Company secretary	The Rt. Hon. the Viscountess Mackintosh of Halifax
Registered office and business address	17 Carlton House Terrace London SW1Y 5AH
Bankers	Barclays Bank plc UK Banking 1 Churchill Place London E14 5HP
Auditors	Larking Gowen King Street House 15 Upper King Street Norwich NR3 1RB
Stockbrokers	Killik & Co. 46 Grosvenor Street London W1K 3HN
Solicitors	Collyer Bristow 4 Bedford Row London WC1R 4DF
Investment powers	The Articles of Association give the Trustees discretionary power to acquire and dispose of investments.

The Trustees present their Annual Report and the audited financial statements of the Company for the year ended 31 March 2010. The financial year 2009/2010 was ShareGift's fourteenth full year of operation.

Statement of Trustees' responsibilities

The Trustees (who are also directors of The Orr Mackintosh Foundation Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Trustees 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 UK 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 charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk management

The Trustees are also responsible for identifying the major risks to which the Charity is exposed, reviewing these and ensuring that the Charity establishes and operates appropriate systems and procedures to manage those risks. Accordingly, the Trustees have considered the following:

- The nature of the risks the Charity faces or may face.
- The level of risk which they regard as acceptable.
- The likelihood of the risks concerned materialising.
- The Charity's ability to reduce the incidence and impact on the business of risks that do materialise.
- The costs of operating particular controls or safeguards relative to the benefit obtained.

The Trustees have set policies on internal controls which cover these points and additionally have clarified the responsibility of the Chief Executive and the staff of the Charity to implement these policies and to identify and evaluate risks for their consideration.

Objects and activities

The objects of the Charity are to hold and apply funds without distinction between capital and income for the benefit of such charitable institution or institutions and such charitable purpose or purposes as the Trustees in their absolute discretion think fit.

The aims of the Charity are:

1. To generate income by collecting donations of shares and aggregating them into saleable quantities; in particular small holdings that are unwanted by their owners because they would cost more to sell than they are worth.
2. To distribute the funds generated to a wide range of other UK registered charities according to our donation policy.
3. To promote awareness and understanding of share donation and broaden the use of this way of supporting charities.
4. To provide a convenient and charitable solution to the longstanding business problem of 'nuisance holdings', enabling companies to clean up their share registers and reduce their communication costs in a shareholder-friendly manner.

Headline achievements during the year

- Gross income for the year under review was £0.9 million (2008/09: £1.6 million).
- £0.4 million (2008/09: £1.3 million) was distributed to 152 charities in the year (2008/09: 240 charities).

Analysis of performance

1. *Income generation: £0.9 million (2008/09: £1.6 million)*

The Charity's income is derived principally from share sale proceeds. The shares may be donated directly to ShareGift and subsequently sold by the Charity (once aggregated into saleable amounts), or sold by partner organisations including the registrars, stockbrokers and public companies on our behalf or on behalf of donating shareholders.

To generate this flow of income, we promote the existence of ShareGift in a number of different ways. In addition to our own information leaflet and website, we work closely with a variety of organisations and through external partnerships to maximise share donations. These include charities, companies, stockbrokers and Independent Financial Advisers (IFAs), solicitors, registrars and nominee services.

ShareGift raises awareness of its work primarily through journalistic coverage in mainstream, charity and special interest media. We are proactive in seeking this, but are also routinely approached by journalists asking for our advice on the mechanics and tax advantages of share donation, and it is gratifying to note that ShareGift is often seen by the media as an important part of any feature on charitable giving. Such features raise ShareGift's profile in the business and shareholder communities, as well as serving to trigger donations of shares from individual shareholders.

Income was lower than in the previous year but the Charity's chief income-generating activity, that of accumulating small holdings of shares for subsequent sale, is inherently unpredictable. The economic climate has affected the behaviour of companies in respect of engaging in corporate programmes, with certain initiatives scheduled for the year under review delayed until the new financial year. This aspect of planning on the part of companies is entirely independent of ShareGift, and is one of many examples of how ShareGift's sources of income will always be subject to significant fluctuations – up and down - with each year being viewed as a clean slate.

1. *Income generation: £0.9 million (2008/09: £1.6 million) (continued)*

In addition to our charitable donations, ShareGift provides a valuable resource to quoted companies, which increasingly see us as *the* solution to the longstanding business problem of unwanted shares. Our work with nuisance shareholdings enables companies to clean up their share registers without alienating small shareholders and to cut down on wasteful shareholder communication, thus easing a collective economic cost burden to an extent that is hard to quantify.

The ShareGift mechanism is now routinely deployed at some level by a wide range of PLCs. However, as referred to above, ShareGift has no control over when companies may choose to restructure their share capital or engage in other corporate actions, and it is impossible to predict the frequency and level of inclusion of ShareGift in such programmes. Solicitors and their clients also benefit enormously from ShareGift's work as we help dispose of those unwanted shareholdings that cannot be sold during the administration of deceased estates. Stockbrokers routinely work with ShareGift to help their clients get rid of unwanted odd-lots of shares which clog up nominee accounts and attract minimum custodial charges.

Income generation falls broadly into two categories: a) donations handled directly by the ShareGift office and b) donations received as a result of working with corporate partners.

a) The ShareGift office:

In addition to the Chief Executive, ShareGift employed three other permanent staff in the year under review, who were engaged primarily on the administration of share donations (both in paper/certificated and in electronic form) sent by members of the public and/or their stockbrokers to ShareGift's office. Additionally, there was part-time input in the following areas: administrative and strategic support for the Chief Executive, governance, research into ShareGift's beneficiaries, and the practicalities of the day-to-day Charity's donation policy.

To maintain efficiency, we continue to work on streamlining share donations where possible, in particular by devising ways in which we can work more effectively with stockbrokers and other organisations which handle large numbers of share transfers, often electronically, to ShareGift.

Although unwanted nuisance holdings are the main focus of our work, ShareGift continues to help donors who wish to make larger gifts of shares. This is especially helpful for those whose shareholdings or share transactions are complex, or who would like more than one charity to benefit from a gift of shares, and for those who wish to remain anonymous. Potential donors contacting us about significant gifts are always made aware of the specific application of ShareGift's donation policy in this area.

We continue to provide guidance to charities looking both to use ShareGift for small unwanted odd-lots of shares that they are offered and cannot deal with, and for assistance on processing larger shareholdings themselves. We also offer encouragement and advice to those charities who seek to design their own appeals for share donation; for a number of charities, adoption of this policy has generated some significant donations of shares and positive feedback about this type of giving.

Our work in mentoring other charities ultimately has the result of reducing the number of larger donations made to ShareGift directly and, consequently, a fall in this area of our income. However, we believe this to be an important contribution to the charitable sector, increasing the professional expertise of charities, opening up new sources of donations and expanding both the understanding and the overall efficiency of the process of share donation, as stated in the objectives and activities of this Charity (see Public Benefit).

b) Corporate partners:

A number of companies, large and small, once again incorporated ShareGift into their shareholder communications during the year, delivering a substantial and highly efficient flow of income to the Charity, at the same time as providing a charitable solution for shareholders with unwanted holdings of shares. The bulk of the administrative work to transfer, aggregate and sell donated shares in such programmes is generally carried out by external organisations, primarily the registrars, as part of the existing services that they provide to companies as their own clients.

This corporate use of ShareGift took various forms; shareholder dealing programmes following a variety of corporate actions, annual reports, specific mailings and other initiatives run by their registrars or other agents. ShareGift now regularly receives donated fractional and residual cash amounts resulting from certain corporate transactions. We are also seeing an increasing income stream from the inclusion of ShareGift options in the documentation, by asset reunification specialists, aimed at 'gone-away' shareholders.

The work of ShareGift over the past decade in this field means that the ShareGift mechanism is now routinely seen as an option to include in certain types of shareholder communications. As well as being embedded in standard wordings and documentation, we are frequently able to liaise with companies to provide bespoke solutions to help clear up their registers, depending on their particular circumstances. It continues to be encouraging to see that companies, their registrars and other advisers are choosing to work with us on increasingly sophisticated shareholder strategies, and at earlier stages of implementing these.

2. Charitable donations to beneficiaries: £0.4 million (2008/09: £1.3 million)

The total amount donated to charities during the year was £401,191. Individual donations ranged from £100 to £25,000, with 157 donations (2008/09: 248) going to 152 different charities (2008/09: 240), a number of which received more than one donation during the course of the year. The largest amount received by a single charity was £25,000.

As in previous years, donations from ShareGift were made to a variety of new and existing beneficiaries. The list of charities we have supported since our inception in 1996 continues to increase and, to date, more than 1,650 charities have received donations totalling over £13.5 million. This year's lower total reflected, as it must, the fluctuation of our income (see Income Generation) but, regardless of amounts donated we have maintained our policy of donating to a wide range of charities, large and small. These reflect the diverse charitable interests of our supporters – our share donors and other organisations who help us to create the pool of money distributed to ShareGift's beneficiaries (see Donation policy).

Structure, governance and management

The company was incorporated on 24 January 1996 (Registered in England No. 3150478) and is a registered charity (Registered Number 1052686). It is limited by guarantee and the liability of each member is limited to £10 in the event of the company being wound up. Revised and updated Memorandum and Articles of Association were prepared and adopted on 28 March 2006.

The charitable company was established by one of the Trustees, Matthew Orr, and the Chief Executive, Viscountess Mackintosh of Halifax. Trustees have been selected for their commercial awareness, professional interests and other expertise, and connections which were deemed to be beneficial to ShareGift. These Trustees retire in rotation annually and are then reappointed by the remaining Trustees. It is envisaged that Trustees will continue to serve until they wish to step down.

THE ORR MACKINTOSH FOUNDATION LIMITED

REPORT OF THE TRUSTEES

YEAR ENDED 31 MARCH 2010



The Trustees' role is to guide and support the Chief Executive and staff of ShareGift as they carry out the Charity's work. The Trustees are in regular contact with the Chief Executive and any significant decisions that are required to be made are resolved as and when they arise. A formal Trustees' meeting takes place once a year. Further meetings are convened if required.

All Trustees, past and present, are fully cognisant of ShareGift's history, purpose, aims, ethos and activities. They have met and spent time with ShareGift's staff and other Trustees, both before and since their appointment, and this contact, both formal and informal, has served as an ongoing induction process. They receive financial and other information on the Charity, including audited Reports and Accounts, and are made aware of the issues that the Charity faces. They understand their role and responsibilities as a Trustee and of the commitment to the role expected of them. Additionally, all the Trustees have experience of serving as a trustee for other charities.

Details of the Trustees who served during and since the year under review are as follows:-

M.N. Orr
S.R. Scott
Baroness Goudie

Management

The Chief Executive leads on strategic, governance and other complex issues. In this she is supported by a team of three full-time members of staff, principally responsible for the processing of share donations received and the eventual disposal of aggregated shareholdings, and three part-time staff who are concerned with policy, governance and the execution of the Trustees' policy for charitable donations.

Donation policy

Donations are made at the Trustees' discretion and ShareGift does not accept applications for funding from charities. Instead, our policy is to reflect the charities and causes which are of interest to share donors and other supporters of ShareGift. We encourage share donors to suggest a charity or area of charitable work when sending in their shares, and the Trustees incorporate these suggestions when making donations.

ShareGift is cause-neutral and there are no restrictions on the kind of charitable work we may support, or where in the world it takes place, so long as the charity receiving the donation is UK-registered. Donations are made as unrestricted funding and charities may choose to put donations received toward their core costs if they wish. We continue to believe that this is the most effective way in which we can support the work of the charities to which we donate.

There is an administrative burden associated with the application of this complex donation policy, but feedback from share donors shows that they greatly value the opportunity to suggest charities and areas of charitable interest which are of importance to them. Companies have also found this donation mechanism useful when deploying ShareGift as a tool in share register management; ShareGift's ability to give to an interesting and varied selection of beneficiaries means that their shareholders' inevitably diverse charitable interests are far more accurately reflected than by donations to a few charities only.

In addition to its charitable donations for public benefit, ShareGift acts as an innovative connection between the corporate and charity worlds, promoting wider understanding of share giving and tax-efficient giving in general. This serves to increase the professional expertise of charities in dealing with share donations from their supporters, and to open up new sources of donations, with the strategic aim of educating fundraisers about the promotion of share donation as a fundraising technique. This we do free of charge.

Financial review

In the current financial conditions, extremely low interest rates mean that significant returns are not achievable without taking unnecessary risks or compromising the flexibility of our cash flow. With this in mind we have continued to make charitable donations with available funds, retaining only those funds required for operational costs and maintaining reserves. We continue to invest our cash with Charity Bank, Barclays and our share custodians, TD Waterhouse Corporate Services. This conservative strategy gives us both security in diversity and instant access to most of our funds (except that element of the reserves held as a rent deposit).

We have maintained our policy of holding £100,000 of our reserves with Charity Bank, and we continue to donate such interest as is generated to that organisation (see Reserves policy).

Investment policy

The portfolio of investments that results from ShareGift's core activities of aggregating donated shares and realising their value for distribution to charitable causes is monitored constantly, and shareholdings are sold as appropriate. The portfolio is intended for sale in fulfilment of ShareGift's charitable purpose, not to be held to generate investment income for the Charity in the future. Consequently, the Trustees do not take an investment view in relation to markets, sectors or individual stock characteristics on shareholdings held in ShareGift's name prior to sale in fulfilment of ShareGift's purpose. It should be noted that book costs for holdings in the Charity's portfolio, being gifts, are nil.

By extension, dividend income received is the by-product of stock held by the Charity between transfer and sale of shareholdings. The nature of the Charity's activities is such that any investment return on the portfolio (being derived from shares randomly donated to the Charity) is fortuitous and incidental.

It is not the policy of the Trustees to purchase shares (see also Note 1.b. and 1.c. of the Accounting policies).

Reserves policy

The Charity relies almost exclusively on the regularity with which shares are donated from various sources, and their value ultimately realised, to create the pool of funds from which other UK charities receive donations. With this in mind, the Trustees' policy is to maintain reserves at no more than 30% of actual income for the previous 12 months, but not less than a conservative estimate of winding up costs.

At 31 March 2010 reserves (being unrestricted funds not held as tangible fixed assets) stood at £388,067, which equated to 43.6% of unrestricted income received. This figure in percentage terms is higher in this year-end snapshot than the level normally sought, but the absolute number is similar to that of last year. Additionally, funds arising from corporate programmes may be remitted by registrars at any time, including at or near the year-end, and such funds can be incorporated into charitable distributions only in the following year.

In 2006 the Trustees elected to place £100,000 of ShareGift's reserves as a deposit with Charity Bank, so that this capital sum could be utilised by them whilst on deposit, for the benefit of the charitable sector. In addition, the Trustees elected to waive the interest due on this deposit as a donation to Charity Bank, to demonstrate our continued support of this organisation and in keeping with ShareGift's philanthropic aims. This deposit and the donation of interest due have continued in the year under review and the Trustees intend that this will remain the case for the foreseeable future.

£27,906 of the remainder of the Charity's permanent cash reserves is held by the managing agents of the Crown Estates as a deposit against rent of ShareGift's premises at 17 Carlton House Terrace (see Financial review).

Principal supporters

The Trustees recognise the generous contributions of time, money, resources and professional expertise made by the following during the year:

- Killik & Co.
- OMX Securities (until 1 November 2009)
- The Vodafone UK Foundation
- Assets Reunited
- Barclays Stockbrokers
- Steven Blakey
- Capita Registrars
- Collyer Bristow
- Computershare Investor Services
- Darcy Soar
- Equiniti
- ifsProShare
- The Institute of Chartered Secretaries and Administrators (ICSA)
- Pershing
- Preston Robson Ltd.
- Selftrade
- The Share Centre
- Solica Consulting
- Team Saatchi
- TD Waterhouse Corporate Services (from 2 November 2009)

We also extend our good wishes to ShareGiftUSA and ShareGift Australia.

Plans for the future

ShareGift was set up with the specific purpose of providing a charitable solution to the problem of unwanted small shareholdings. Therefore, our core business plan continues to be to encourage and accept donations of odd-lots of shares from individuals. Although the work associated with processing such donations is often time-consuming, this remains a significant source of revenue. As always, in the absence of ShareGift, the value represented by unwanted and unsaleable parcels of shares would remain locked up, and the unique funding stream generated by ShareGift would not be reaching charities.

Our work with nuisance holdings also serves to strengthen our relationships with companies, which appreciate the assistance we provide to their shareholders, and we are now working on a variety of shareholder strategies with an ever-increasing number of companies. Their decision to include details of ShareGift in their shareholder communications is one of the most efficient ways to maximise donations, and therefore our long-term strategic planning continues to lie in the further development of key contacts with companies and their registrars, both generally and with individual relationship managers. As well as offering companies a unique way of generating charitable funds, we also provide them with an invaluable resource in disposing of the nuisance of a small shareholding and its attendant paperwork.

We continue to expand our contacts with stockbrokers, many of whom have found it useful to set up an internal account in ShareGift's name to speed up the process of transferring shares, especially as volumes increase. Setting up an internal ShareGift account is a way in which beneficial ownership can be transferred to us for shares not otherwise capable of being transferred. This is a powerful incentive for nominee companies to set up new accounts in the name of ShareGift, and is an angle we are increasingly promoting amongst stockbrokers in order to help maximise this source of income.

Plans for the future (continued)

We also work with more of the nominee services, which has the benefit of reaching those shareholders who will not receive individual communications directly from companies via their registrars. We continue to bear in mind the potential of similar relationships within the unit trust industry, providing an administrative benefit for them, as well as a previously untapped source of odd lot donations. This may in time develop into a potentially significant stream of revenue and we believe that this progression is likely to mirror ShareGift's experience with listed shares and the professionals involved in their administration. The unique service we provide has the merit of increasing the Charity's profile with companies and the shareholding public, via a wide range of broadcast, electronic and print media.

We also plan to continue our pro bono work in advising and educating individual charities about the promotion of share donation as a fundraising technique.

The Charity maintains significant flexibility in its workforce in order to deal with certain fluctuations of work. We have developed a significant reserve of skilled temporary workers, who constitute a valuable resource for the organisation when necessary. It is especially gratifying to see gap year students, mentored by ShareGift, return to work with the Charity and broaden their experience and expertise still further. In addition, a new and bespoke I.T. system planned for late 2010 should allow us to put in place new procedures which will simplify much of our work in the areas of both income generation and grantmaking.

ShareGift is delighted to have received a number of donations towards its running costs from forward-thinking organisations and individuals, who recognise ShareGift as a unique charitable entity, with entrepreneurial flair and vision. In addition to our long-term supporters, Killik & Co., we are particularly grateful to Steven Blakey for his continuing regular donations towards the costs of running the organisation.

Public benefit

The Trustees confirm that, in exercising their powers and duties, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

As set out in this report, ShareGift's charitable activities consist of making donations to UK-registered charities and to raise awareness of share donation in such a way that these charities are able to increase their income via this method. The Trustees consider that, as all charities are required to demonstrate explicitly that their aims are for the public benefit, and as ShareGift's activities are directed towards charities that are registered with the Charity Commission, ShareGift's aims are carried out wholly for the public benefit. In the event that they became aware of any concern as to the public benefit of any of ShareGift's beneficiaries, the Trustees would consider their actions, having regard to the Charity Commission's above-mentioned guidance.

In addition to our charitable donations, ShareGift provides a further public benefit and valuable contribution to the environment by helping companies to cut down on needless paperwork and wasteful shareholder communication.

THE ORR MACKINTOSH FOUNDATION LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2010



Related parties

The Charity's related party transactions are as follows. Further information in connection with the value of this transaction is provided in Note 13. of the financial statements:

- i) Matthew Orr, a Trustee, is a founding partner of Killik & Co. The partnership has supported ShareGift in respect of its accommodation, carries out share disposals free of charge, handles the payroll system for the Charity's employees and is reimbursed for any expenses it settles on ShareGift's behalf.

Statement on disclosure of information to the auditors

So far as each Trustee is aware, there is no relevant audit information of which the Company's auditors are unaware. Relevant information is defined as "information needed by the Company's auditors in connection with preparing their report".

Each Trustee has taken all the steps (such as making enquiries of other Trustees and the auditors and any other steps required by the Trustee's duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a Trustee in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

A resolution proposing the reappointment of Larking Gowen as auditors to the Company will be put to the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board

S R Scott

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S R Scott

2 December 2010



CHARTERED
ACCOUNTANTS

Independent Auditors' report to the Members of The Orr Mackintosh Foundation Limited

We have audited the financial statements of The Orr Mackintosh Foundation Limited for the year ended 31 March 2010 the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The Trustees' (who are also the directors of The Orr Mackintosh Foundation Limited for the purposes of company law) responsibilities for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosure of Trustees' remuneration specified by law are not made.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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.



CHARTERED
ACCOUNTANTS

Independent Auditors' report to the Members of The Orr Mackintosh Foundation Limited

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2010, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Report of the Trustees is consistent with the financial statements.

Julie Grimmer

**Julie Grimmer DChA FCA, Senior Statutory Auditor
For and on behalf of Larking Gowen**

**Chartered Accountants
Statutory Auditors**

Norwich

6 December 2010

THE ORR MACKINTOSH FOUNDATION LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2010



	Notes	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total 2010 £	Total 2009 £
INCOMING RESOURCES					
Voluntary income	2a.	864,348	21,500	885,848	1,555,133
Investment income	2b.	3,621	-	3,621	18,032
Total incoming resources		867,969	21,500	889,469	1,573,165
RESOURCES EXPENDED					
	4.				
Costs of generating funds		208,527	20,425	228,952	282,950
Charitable activities					
Grant making		486,016	1,075	487,091	1,405,338
Governance		96,083	-	96,083	96,876
Total resources expended		790,626	21,500	812,126	1,785,164
Net incoming resources	11.	77,343	-	77,343	(211,999)
Fund balances brought forward		342,592	-	342,592	554,591
Fund balances carried forward		419,935	-	419,935	342,592

The above results are derived from the Company's continuing activities and incorporate all gains and losses recognised in the year.

THE ORR MACKINTOSH FOUNDATION LIMITED
BALANCE SHEET
AS AT 31 MARCH 2010



	Notes	2010 £	2009 £
Fixed assets			
Tangible assets	7.	31,868	22,239
Current assets			
Investments	8.	76,762	50,895
Debtors	9.	105,227	154,236
Cash at bank and in hand		250,048	229,958
		432,037	435,089
Creditors - amounts falling due within one year	10.	(43,970)	(114,736)
Net current assets		388,067	320,353
Total assets less current liabilities		419,935	342,592
Funds	11.		
Unrestricted funds		419,935	342,592
		419,935	342,592

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements on pages 13 to 21 were approved by the Board of Trustees on 2 December 2010 and are signed on its behalf by:-

S R Scott

.....
S R Scott

Baroness Goudie

.....
Baroness Goudie

1. Accounting policies

The significant accounting policies used in the preparation of these financial statements are:-

a. Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) issued by the Charity Commissioners in March 2005.

b. Incoming resources

The majority of income received is by way of donations comprising gifts of quoted shares and fixed interest securities. These are recognised for income purposes when all the following criteria are met:

- The value of a particular shareholding is in excess of £100
- In practice the holding is saleable
- The expected sale cost does not exceed the value of the holdings

Donated services and facilities are included at the value to the Charity where this can be quantified.

c. Share realisations

Shares are sold within six months of donation provided that any particular aggregated holding is worth £100 or more, and that the cost of sale would not exceed the total value of that holding.

d. Fund accounting

The Charity's funds consist of:

- **Unrestricted funds** – these are funds which may be used in accordance with the charitable objectives at the discretion of the Trustees.
- **Restricted funds** – these are funds that may only be used for particular restricted purposes within the objects of the Charity. The purpose and use of such funds are set out in the notes to the financial statements.

e. Resources expended

Expenditure on charitable donations is recorded once the Charity has made a commitment to make the donation and this has been communicated to the beneficiary. In practice this occurs as a cheque is drawn and sent to the beneficiary.

Other expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of VAT.

Direct costs, including directly attributable salaries, are allocated on an actual basis to each activity area. Support costs, which comprise those costs which cannot be directly attributed to an activity, are allocated between expense headings on the basis of time spent.

Governance costs are those costs incurred on, or in connection with, organisational administration and compliance with constitutional and statutory requirements.

f. Current asset investments

Investments are stated at market value at the balance sheet date.

g. Cash flow statement

A cash flow statement is not included as part of these financial statements in view of the Charity falling outside the scope of Financial Reporting Standard No 1.

h. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment – 25% straight line.

Computer equipment – 33% straight line.

Lease – 20% straight line.

The carrying value of tangible fixed assets are reviewed for impairments if events or changes in circumstances indicate the carrying value may not be recoverable.

2a. Voluntary income	2010 £	2009 £
Proceeds of share donations	836,666	1,473,183
Gift Aid	15,682	14,700
Cash donations	21,500	55,250
Donated resources (note 6b)	12,000	12,000
	<hr/>	<hr/>
	885,848	1,555,133
	<hr/>	<hr/>

Proceeds of share donations (£836,666) comprise both aggregations of share lots directly donated to the Charity, and resources arising from corporate shareholder programmes, which are received by the Charity either in the form of cash or shares.

2b. Investment income	2010 £	2009 £
Bank interest	1,992	4,793
Interest on Gift Aid	-	3,857
Dividends	1,629	9,382
	<hr/>	<hr/>
	3,621	18,032
	<hr/>	<hr/>

THE ORR MACKINTOSH FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010



3. Donations to charities	2010 £	2009 £
157 (2008/09: 248) donations were made to 152 (2009/10: 240) charities amounting to:	401,191	1,297,747

The schedule of donations attached to the financial statements details donations to the individual charities. Individual donations ranging from £100 to £25,000 were made across the spectrum of UK charities. A number of charities received more than one donation during the course of the year; the largest amount received by a single beneficiary was £25,000.

In addition to the charitable payments shown above, the Charity continues to maintain £100,000 of cash balances as a deposit with Charity Bank, so that this capital sum can be used for the wider benefit of the charity sector through Charity Bank's loan programme. Interest has been waived on this amount.

4a. Total resources expended	Generating Funds £	Grant Making £	Governance £	Total 2010 £	Total 2009 £
Costs directly allocated to activities					
Staff costs	158,012	65,862	71,636	295,510	274,095
Travel and entertaining	4,063	-	-	4,063	8,101
Publicity and PR	296	-	-	296	19,337
Audit fees	-	-	7,873	7,873	8,135
Broking costs (note 6b.)	12,000	-	-	12,000	12,000
Website development	-	-	574	574	5,856
	174,371	65,862	80,083	320,316	327,524
Donations to charities (note 3)	-	401,191	-	401,191	1,297,747
Support costs apportioned to activities	54,581	20,038	16,000	90,619	159,893
Total	228,952	487,091	96,083	812,126	1,785,164

4b. Support costs are allocated across activities on a staff time basis.

Costs of generating funds include undertaking the processing and other administration required in order to release value from individually unsaleable odd lots of shares.

THE ORR MACKINTOSH FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010



4c. Support costs comprise	2010 £	2009 £
Support staff	2,970	13,681
Premises expenses	48,108	54,453
Redecoration	897	18,225
Legal and professional	2,875	17,146
Printing, postage, stationery and depreciation	17,097	15,129
Training costs	296	-
Computer and equipment costs	9,497	12,429
Subscriptions	89	139
Sundry costs	4,531	3,058
Service charge	4,259	6,629
Publicity & PR	-	19,000
	<hr/>	<hr/>
	90,619	159,893
	<hr/>	<hr/>

5. Staff costs	2010 No	2009 No
The average monthly number of employees during the year was:	6	6
	<hr/>	<hr/>
	£	£
The costs incurred during the year:		
Wages and salaries	249,272	241,136
Social security	26,673	26,115
Pension and health insurance	22,536	20,524
	<hr/>	<hr/>
	298,480	287,776
	<hr/>	<hr/>

The staff costs of one employee have been funded by way of specific donations for this purpose. As shown in note 11, the related staff costs in the year ended 31 March 2010 amounted to £11,000.

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The contributions payable by the Charity to the funds amounted to £16,923 (2009 - £17,778).

Employees receiving emoluments between £60,001 and £70,000 – one (2009: one).

6. Net incoming resources

a) These are stated after charging:

	2010 £	2009 £
Auditors' remuneration	7,873	8,135
Depreciation	14,459	10,469
Operating leases – land and buildings	44,945	44,286
	<hr/>	<hr/>

THE ORR MACKINTOSH FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010



b) Valuation of donated resources

Donated services and facilities are included at their estimated value to ShareGift.

	2010 £	2009 £
Broking facilities	12,000	12,000

7. Tangible fixed assets

	Leasehold Property £	Computer Equipment £	Fixtures, Fittings & Equipment £	Total £
Cost				
At 1 April 2009	19,324	1,058	25,041	45,423
Additions	-	-	24,088	24,088
At 31 March 2010	19,324	1,058	49,129	69,511
Depreciation				
At 1 April 2009	6,442	1,058	15,684	23,184
Charge for the year	3,866	-	10,593	14,459
At 31 March 2010	10,308	1,058	20,277	37,643
Net book value				
At 31 March 2010	9,016	-	22,852	31,868
At 31 March 2009	12,882	-	9,357	22,239

Leasehold property refers to professional and other fees in relation to the acquisition of 2nd Floor, 17 Carlton House Terrace.

8. Current asset investments

These represent securities donated to The Orr Mackintosh Foundation Limited and held at the balance sheet date (recognised in accordance with the accounting policies set out in note 1b).

	£
Market value 1 April 2009	50,895
Share donations recognised in the year	354,388
Disposal proceeds	(328,521)
Market value at 31 March 2010	76,762

THE ORR MACKINTOSH FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010



As described in note 1c., securities are sold after holding values exceed £100 and become realisable in practice. Hence any investment gains are immaterial.

At the year end, current asset investments consisted of:	£
UK listed securities	41,907
Overseas listed securities	34,855
	<hr/>

No individual investment holding is considered material.

9. Debtors	2010	2009
	£	£
Amounts falling due within one year:		
Gift Aid	15,000	14,704
Proceeds from donated shares	46,925	20
Other debtors	15,396	111,606
	<hr/>	<hr/>
	77,321	126,330
Amounts falling due after one year:		
Lease security deposit (note 12.)	27,906	27,906
	<hr/>	<hr/>
	105,227	154,236
	<hr/>	<hr/>
10. Creditors	2009	2008
	£	£
Amounts falling due within one year:		
Trade creditors	22,924	52,371
Accruals	21,046	51,365
Deferred grant income	-	11,000
	<hr/>	<hr/>
	43,970	114,736
	<hr/>	<hr/>

THE ORR MACKINTOSH FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010



11. Movement in funds

	At 1 April 2009 £	Incoming Resources £	Outgoing Resources £	At 31 March 2010 £
Restricted funds:				
Assistant's salary fund	-	11,000	(11,000)	-
Running costs fund	-	10,500	(10,500)	-
Total restricted funds	-	21,500	(21,500)	-
Unrestricted funds:				
General fund	342,592	867,969	(790,626)	419,935
Total funds	342,592	889,469	(812,126)	419,935

12. Operating leases and other commitments

Annual commitments under non-cancellable operating loss for buildings were as follows:-

	2010 £	2009 £
Leases expiring between 2 and 5 years	47,500	47,500

The Charity's landlord holds a charge over its assets in respect of monies outstanding on its office lease. A security deposit of £27,906 is included in debtors (note 9).

13. Transactions with connected parties

Trustees' transactions with the Charity were as indicated below:

- (i) One of the Trustees, Matthew Orr, is a partner of Killik & Co. Killik & Co. carried out share disposals free of charge on behalf of the Charity, in furtherance of its objectives. This donated facility has been included at an estimated market value of £12,000 (2009: £12,000).
- (ii) Killik & Co. manage the payroll for the paid staff employed by the Charity. No charge is made for the provision of this service. In addition Killik & Co. incur wages and other costs on behalf of the Charity. These amounts are subsequently reimbursed in full. At 31 March 2010 £22,924 (2009: £52,371) was due to Killik & Co.

No further emoluments or expenses were paid to the Trustees.

THE ORR MACKINTOSH FOUNDATION LIMITED
SCHEDULE OF DONATIONS
YEAR ENDED 31 MARCH 2010



	2010 £
999 Club and The Lady Florence Trust	£500
Aberdeen Cyrenians Limited	£10,000
Academy of Culinary Arts "Adopt-a-School" Trust, The	£500
Alcohol Focus Scotland	£10,000
Ali's Dream	£250
Alzheimer Scotland	£1,000
Amnesty International UK Charitable Trust	£1,000
Anaphylaxis Campaign, The	£500
Arthritis Care	£1,000
Aspinall Foundation, The	£500
Association for International Cancer Research (AICR)	£500
Asylum Welcome	£250
Bag Books	£500
Balikpapan Orangutan Survival Foundation - UK	£1,000
Barnardo's	£1,000
BEN - Motor and Allied Trades Benevolent Fund	£2,500
BibleLands	£500
BLISS - The National Charity for the New Born	£500
Bluebell Railway Trust, The	£2,500
Breakthrough Breast Cancer	£5,000
Bristol Crisis Service for Women	£2,500
British Asian Trust, The	£1,000
British Film Institute, The	£1,000
British Lung Foundation Scotland and Northern Ireland	£500
British Red Cross Society, The	£5,000
British School of Osteopathy, The	£5,000
Cancer Research UK	£25,000
Carers' Council - Allies in Adult Mental Health	£500
Casa Reom Trust	£100
Chilterns MS Centre Ltd	£500
Christian Aid	£2,500
City and Hackney Alcohol Service	£500
Colchester Has Active Prostate Support (CHAPS)	£500
Combat Stress - Ex-services Mental Welfare Society (2)	£6,000
Connection at St Martin-in-the-Fields, The	£500
Dementia Care Partnership	£500
Dogs for the Disabled	£1,000
Drugs Action	£10,000
Duff Cooper Memorial Fund, The (Duff Cooper Prize)	£1,000
East Anglia's Children's Hospices	£1,000
Engineering Development Trust, The	£2,500
Epilepsy Action Scotland	£2,500
Essex & Herts Air Ambulance Trust	£2,500
Essex Field Club	£250
Ethiopian Education Foundation	£1,000
Fine Cell Work	£1,000
Fiveways School Trust	£250

THE ORR MACKINTOSH FOUNDATION LIMITED
SCHEDULE OF DONATIONS
YEAR ENDED 31 MARCH 2010



	2010 £
Fountain Centre (Guildford) Limited, The	£1,000
Friends of the Lake District	£750
Friends of the National Railway Museum, The	£2,500
Gift of Sight - The Southampton University Development Trust	£750
Global Witness Trust, The	£2,500
Grosvenor Chapel, The	£1,000
Hammer Out	£250
Hartlepool Hospice Limited, The	£500
Havens Christian Hospice	£1,000
HCPT - The Pilgrimage Trust	£100
Headway	£250
Hearing Research Trust	£5,000
Helen & Douglas House	£1,000
Henshaw's Society for Blind People	£250
Hospice in the Weald	£20,000
House of Illustration (2)	£6,000
Housing Justice	£250
Howard League for Penal Reform, The	£1,000
ICSA Education and Research Foundation	£1,000
Imperial College Trust	£1,000
Independent Advice Centre serving Wantage Grove and District, The	£250
International Glaucoma Association Limited	£750
International HIV/AIDS Alliance	£15,000
International Spinal Research Trust	£500
Isabel Hospice Limited	£1,000
Kenneth Allsop Memorial Trust Limited	£250
Leuka	£15,000
Leukaemia Research Fund	£2,500
Lily Centre Breast Cancer Support Group, The	£250
London Community Cricket Association (Cricket for Change)	£1,000
London Irish Centre Charity, The	£500
Loving Someone in Psychosis	£500
Macmillan Cancer Support (2)	£7,500
Manchester & District Home for Lost Dogs Limited	£250
Marie Curie Cancer Care	£10,000
Mary's Meals (<i>Scottish International Relief</i>)	£1,000
Mercy Ships - UK Limited	£750
Methodist Relief and Development Fund, The (MRDF)	£250
Middle Temple Scholarship Fund, The	£1,000
Mission Aviation Fellowship	£1,000
Motor Neurone Disease Association	£20,000
Mountain Rescue Council for England & Wales	£250
Multiple Sclerosis Society	£1,000
Muscular Dystrophy Campaign	£5,000
National Deaf Children's Society	£2,500
National Foundation for Youth Music, The	£2,500
National Rheumatoid Arthritis Society	£1,000

THE ORR MACKINTOSH FOUNDATION LIMITED
SCHEDULE OF DONATIONS
YEAR ENDED 31 MARCH 2010



	2010 £
Nelson Trust, The	£10,000
Neuropathy Trust, The	£500
North Edinburgh Arts Centre	£1,000
Northwood Choral Society (<i>formerly Trinity Music Society</i>)	£500
Oak & Furrows Wildlife Rescue Centre, The	£250
PDSA - People's Dispensary for Sick Animals, The	£1,000
Practical Action Limited	£1,000
Prince's Foundation for Children & The Arts, The	£2,500
Prince's School of Traditional Arts, The	£2,500
Prince's Teaching Institute, The	£10,000
Princess Royal Trust For Carers	£5,000
Queen Alexandra College	£2,500
Railway Benevolent Institution	£10,000
Railway Children, The	£500
Reed's School Foundation	£1,000
Refuge	£1,000
Rivertime Boat Trust Limited	£1,000
RNIB	£2,500
RNLI	£2,500
Royal College of Music, The	£5,000
Royal Society of Chemistry, The	£750
RSPB	£1,000
Salvation Army, The	£2,500
Sam Beare Hospice	£1,000
Save the Children	£5,000
Scottish Book Trust	£2,500
Sea Shell Trust	£1,000
Seamen's Hospital Society	£1,000
Self Help Africa (UK)	£250
Shelter Scotland	£15,000
Sleep Apnoea Trust	£250
SSAFA Forces Help (2)	£3,500
St Dunstan's	£1,000
St Elizabeth Hospice (Suffolk)	£1,000
St George's Hospital Charity	£250
St James Great Packington Trust	£250
St Margaret's Somerset Hospice	£500
St Mungo's	£1,000
St Nicholas Hospice (Bury St Edmunds)	£500
St Richard's Hospice Foundation (Worcester)	£500
Stonewall Equality Limited	£500
Stroke Foundation, The	£5,000
Sustrans	£500
Temenos Academy, The	£1,000
Thomas Coram Foundation for Children	£1,000
Tiny Tickers	£500
Trinity Hospice	£2,500

THE ORR MACKINTOSH FOUNDATION LIMITED
SCHEDULE OF DONATIONS
YEAR ENDED 31 MARCH 2010



	2010 £
Turning Point Scotland	£15,000
Urban Strawberry Lunch	£2,500
Warrior Programme, The	£1,000
WaterAid (2)	£6,500
Wessex Cancer Trust	£250
Whitechapel Mission, The	£500
Woking Hospice	£1,000
Woodland Trust, The	£10,000
World Horse Welfare	£500
WRVS	£250
Charity Bank (<i>interest from reserves</i>)	1,991
	<hr/>
	401,191 <hr/> <hr/>