

Rowland Hill Benevolent Fund

Annual Report

For the year ended

31 March 2009

Registered Charity number 207479

Patron HRH The Princess Royal

Fund Mission Statement

To provide the maximum possible financial and practical support to needy Royal Mail Group Ltd employees, pensioners and dependants.

We aim to achieve this by developing a partnership with Royal Mail Group Ltd, designed to maximise awareness of the Fund and by providing efficient and cost effective administration.

Office and Promotional Management

Manager: Mary Jeffery

Case Secretaries: Tony Crane
 Mick Kett
 Frances Kodjie

Accountant John Elson

Principal Office

The Rowland Hill Fund
Royal Mail
Mount Pleasant
Farringdon Road
London
EC1A 1BB

Tel: 0800 232 1762

Web: www.rowlandhillfund.org

To donate to the Fund or provide a legacy please quote the Rowland Hill Fund and/or our Registered Charity Number 207479. Donation/contribution forms may be obtained from the Rowland Hill Fund, Royal Mail, Mount Pleasant, Farringdon Road, London EC1A 1BB.

The Trustees of the Fund

Chairman: Mr A B Roberts

26 Rectory Lane, Ashtead, KT21 2BB

Deputy Chairman: Mr J B Alexander (Resigned 16 June 2009)

LCF Edmond de Rothchild Securities, 5 Upper St Martins Lane, London WC2H 9EA

Mr D Blake

Apple Tree Cottage, Church Lane, Henfield BN5 9NY

Dr. S Boorman,

Royal Mail Group Ltd, Unit 6 Ancells Court, Rye Close, Fleet GU51 2UY

Mr P Bowerman, J.P.

11 Teal Close, St Ives PE27 6SX

Mr E Dudley

14 Elm Road West, Sutton SM3 9EN

Mr J Evans, OBE

Royal Mail Group Ltd, 100 Victoria Embankment, London EC4Y 0HQ

Mr G Hadfield, OBE

Kynance, Sandy Lane, Addington, West Malling ME19 5BX

Ms S Huggins

Royal Mail Group Ltd, 80 Old St, London EC1V 9PP

Mrs B Pendley

Freethcot, Compton Bassett, Wiltshire, SN11 8RD

Mr R Poole

Royal Mail Group Ltd, 100 Victoria Embankment, London EC4Y 0HQ

Mrs P Vickers

Royal Mail Group Ltd, Mail Media Centre, Stukeley St, London WC1V 7AB

Mr Stephen Weston (Appointed 19 March 2009)

Royal Mail Group Ltd, Warrington Delivery Office, Milner Street, Warrington WA5 1WA

Mr A D Wiltshire, TD

Little Pyford, Hurst Way, Pyrford, Woking GU22 8PH

Mrs Adele Henderson (Appointed 15 September 2009)

Parcelforce HQ, Solaris Court, Davy Avenue Knowlhill, Milton Keynes MK5 8PP

Custodian Trustee: Brewin Dolphin Securities

5 Giltspur Street, London EC1A 9BD

Auditors: Ernst & Young

1 More London Place, London SE1 2AF

The Rowland Hill Fund

The Fund is a registered charity founded as a permanent memorial to the great postal reformer Sir Rowland Hill, who retired as Secretary to The Post Office in 1864.

Established in 1882, the work of the Fund is governed by its Trust Deed. The objects, as defined by its Trust Deed, are “the relief of need among employees and former employees of the Post Office and their widows and widowers and other dependants throughout the United Kingdom suffering hardship as a result of poverty, age or infirmity”.

The Fund aims to consider all potential cases of need brought to its attention, to assess the need according to its standard criteria, as laid down in its grant making policy document, and to make appropriate awards.

The policies of the Fund, as administered in line with the Trust Deed are determined by a body of Trustees (unpaid). The Trustees have a variety of experience and skills to assist applicants in difficulty, including legal and medical persons as well as present and past Royal Mail senior managers and union officials and external appointees.

The Fund Mission Statement is on page 2 and the Trustees serving during the year and since year-end are given on page 3 together with their addresses.

The day to day running of the Fund is carried out by a paid secretariat consisting of a manager, three case secretaries, and an accountant (given on page 2). All staff were part time during 2008/09 although a full-time manager was appointed in June 2009. The staff of the Fund prepare the cases for submission to Trustees at fortnightly meetings where two Trustees are involved. Trustees then consider cases and make awards where appropriate. Awards for sums of £550 or less have been delegated to the Fund Manager.

Charity's Objectives

- To make appropriate awards in the form of one-off grants for specific need; regular cost of living grants; assistance with homes fees, and interest free loans where appropriate.
- To attract regular contributions to the Fund from serving staff and RMG pensioners.
- To publicise the work of the Fund to attract potential beneficiaries and new members.
- To review the efficacy of current arrangements and plan their improvement.

We work in close liaison with Royal Mail Group since its managers are often the first to hear of need or distress from their immediate staff. Royal Mail Group assists the Fund by providing an annual cash donation and other vital support, including access to its staff and pensioner telephone helpline units, again for contact with applicants and beneficiaries. These units are the co-ordinating point for all welfare activity and as such act as the main information highway between the Rowland Hill Fund and beneficiaries. We also work closely with other charities to ensure the provision of the most appropriate assistance to beneficiaries.

Significant activities contributing to achievement

- Publicising the Fund both with a view to attracting regular donors and searching out and assisting those in need.
- Careful recording, monitoring and review of all cases.

To enable the Fund to continue into the future, a high regular income is essential. Those wishing to contribute to that income may do so via direct donation, or by arranging for a regular contribution to be deducted from pay or pension.

Chairman's Report

2008/09 was a year of high activity and not a little frustration for the Fund. We worked with our management secondee from Royal Mail Group to review and revise our strategy, which put the focus on increasing awareness of the Fund amongst potential contributors and beneficiaries and on improving our links with Royal Mail Group (RMG) management.

On this latter point since we are denied access to staff and pensioner databases by the provisions of the Data Protection Act, the only way we can approach these populations is by blanket coverage publicity or personally addressed material sent out on our behalf by organisations with databases such as the RMG or Pension Trustee.

The initiatives we took to progress our strategy are covered elsewhere, but their inevitable consequence has been to increase our marketing spend. For that we are unrepentant. Our reserves are adequate to enable us to withstand these extra costs in the expectation that they will pay off in terms of more people coming forward to apply for grants, and more contributors.

However the population base of RMG and the associated Pension Funds is large and one cannot expect to reverse trends instantaneously. The loss of contributors has slowed in spite of the adverse economic situation and continuing staff reductions. We are beginning to see signs of the adverse trends flattening out, and one-off grants have increased significantly. Our natural fit is with the Employee Assistance programmes of RMG and we are now in close touch with top management in RMG and have its good offices to intensify our penetration. A further range of initiatives are at the planning stage focussing on high profile fund raising, the development of new services and material for distribution at the life-changing moments in an employee's service.

Our staff have served us with efficiency and loyalty during a difficult year, when they had to respond to the demands put on them by our various initiatives. Our manager, Barry Higginson, is reaching the end of his 8 years service with us, and the Trustees are united in wanting to record their admiration for his endeavours. The new manager, Mary Jeffery, was appointed at the end of the year to take up where Barry left off. Tony, Mick, Frances have ably supported him, as has John Elson who has managed our financial affairs.

The Trustees too had inevitably to involve themselves severally and individually in strands of the strategic review and I am grateful for the extra time and effort they gave to the Fund.

In summary after a year of somewhat disappointing results I look forward to 2009/10 hopeful that the adverse trends of the past few years will begin to be reversed.

Trustees Report

Recruitment and appointment method

Nominations for potential trustees are proposed and discussed at Trustee Meetings. The Trustees consider suitability based on experience and the skills required, and in line with the Trust Deed. The Chairman then invites selected candidates to become trustees and on acceptance the appointments are confirmed at the subsequent meeting.

Induction and training of Trustees

New Trustees are given a personal copy of the Governing Document, the latest Annual report and minutes of the most recent Trustee Meeting.

Trustees spend some time in the Fund Office to become acquainted with the types of cases the Fund handles and other work in which the Fund is involved. Trustees are also generally apprised of developments in the Charity Fund world.

How we helped financially

In accordance with its mission statement, the Fund has continued to offer assistance to RMG staff, current and deferred pensioners and their dependants experiencing financial hardship. The total charitable aid given in grants during the year under review is 2.7% above the 2007/08 grant aid figure. We dealt with 353 new cases during the year, which was 9% above the previous year's figure. Also, we made 61 grants of £1,000 or more with 2 grants of £3,000 and 1 grant of £4,000. The average grant award this year was £574 against £570 the previous year.

The proportion of one-off grants made to serving Royal Mail staff has not significantly changed since last year; it is now at 38%. The increase in the number of cases relating to debt or arrears with rent or mortgage payments has continued through the year. There has also been an increase in the help given to those who need respite breaks. The Fund is proud of the support it is able to give in such cases.

Regular grants continue to be paid to the most vulnerable pensioners on low income as well as those who are in residential and nursing care. Currently we are helping around 41 beneficiaries with a regular grant and 13 with Home Fees; which is still a significant number, and we will continue to support those who fall outside the scope of the improved Government assistance. A total of £57,159 was distributed by way of regular grants during the year including to those in residential and nursing care. We also gave a £100 Christmas bonus to all regular grant beneficiaries.

In the workplace

The Fund continues to work closely with RMG, and the increasing publicity we receive through the RMG communication network has led to a significant rise in enquiries from employees experiencing financial hardship. The most common cause of difficulty is the effects of long-term sickness, often as a result of personal tragedy or misfortune, and the unserviceable levels of debt due to changes in personal circumstances. Though the individual cases are often distressing, it is encouraging that we are seen increasingly as a source of help. As the existence and objectives of the Fund become more widely known amongst RMG staff it is likely that the number of enquiries will rise. We are fortunate to have the assistance of the HELP Employee Assistance team who act as our "front line" contact and prepare cases for consideration. Without this help we would not be able to deal with all of the requests for assistance from serving staff.

Securing the future

The Fund has come a long way since its foundation in 1882 but Trustees believe that we remain true to the vision and values of those who founded it. However, to ensure that we continue to address the needs 125 years later we embarked on a 'Re-Launch' of the Charity in 2008. This has involved the production of a promotional video for screening on the plasma screen in workplaces and our new website and domain address, www.rowlandhillfund.org. We have also produced leaflets, posters and displays for conferences and have written letters to pensioners and staff.

Since the end of the Financial Year, we have employed a new full-time manager with a remit to concentrate on marketing and increasing awareness of the Fund.

The Fund continues to receive generous donations from its two main supporters; £50,000 from Royal Mail Group and £22,944 from the Civil Service Widows and Orphans Fund who have donated half of our grants for mobility aids.

Acknowledgements

Royal Mail is a strong supporter of the Fund both in financial terms with their annual donation, and also by the other support services they provide. We have benefited from the very professional support we receive from HELP Employee Assistance in Bristol, as well as the Accounts Payable team in Chesterfield who process all our cheque payments. Our thanks to all those who have helped in keeping the wheels turning.

We would also like to acknowledge both our Auditors Ernst & Young who have provided much good advice during the year and also the investment houses, Brewin Dolphin Securities and M & G Investments, who manage our financial assets and report to us regularly.

Review of the activities and future developments

The Trustees meet quarterly to review the activities and performance of the Fund. They consider current trends in contributions and donations and how best to meet the needs of beneficiaries. Plans are prepared to take account of changing contribution levels, the current investment climate, technological requirements and the relationship with Royal Mail Group.

Reserves

The reserves of the Fund were originally established by Deed of Trust to be invested in furtherance of the aims of the charity. These funds include the capital reserves of the Rowland Hill Fund, the Sir James Whitehead Fund, the Second Post Office Relief Fund, and most recently the Insurance Society of Post Office Employees.

The Trustees consider that the current level of reserves, which stands at £2,441,178 remain sufficient to fund the work of the Charity for a period of five years should funding levels drop significantly. As such the levels are satisfactory. This is despite a fall in the value of our investment funds of £480,028.

Funding Sources

The principal funding sources are:

- staff and pensioner contributions
- donations from Royal Mail Group
- donations from the public
- investments
- legacies

Investment policy

The Fund policy, set by Trustees, is to maximise the return on investment with minimum risk. Brewin Dolphin Securities, the Fund investment brokers, act on the direction of Trustees, and joint meetings are held bi-annually where investment performance is reviewed. During 2006 the Trustees invested the sum of £1,260,000 in M&G funds to provide an alternative investment vehicle to Brewin Dolphin's portfolio. This figure was enhanced by £350,000 during 2008/09. The Trustees review the performance of the two investments at regular intervals.

Achievement and performance

The Fund has in place the following performance measures, which are reviewed bi-annually:-

- time from initial referral to granting awards.
- ratio of contributors to serving staff/pensioners.
- investment achievement.
- ratio of internal costs to awards given (costs are defined as all internal costs apart from accommodation and welfare; i.e. salaries, marketing and administration costs).
- measurement of customer satisfaction judged by correspondence received.
- measurement of performance of the welfare services and how they perceive RHF has performed.

Risk management

Trustees have produced a document detailing the principal risks affecting the Charity, and have quantified the probability and potential damage to the Fund of each risk. It includes the current actions and future plans being taken to minimise the risks. The document is reviewed annually.

Grant making policy

The Fund assists current Royal Mail Group staff and pensioners and their dependants. Beneficiaries must be experiencing financial hardship due to unforeseen circumstances, and also satisfy criteria regarding their own financial resources. The form of assistance, whether by grant or loan, will depend on the applicants' circumstances and the nature of help required. Generally, assistance will be in the form of a one-off grant. Regular help may be available in the form of a monthly grant but such grants are dependent upon net income levels. Loans to help short-term crises are only affected to Royal Mail Group staff on an unsecured basis and are repaid from wages or salary. Assistance will normally only be considered where all other avenues for financial help, including statutory assistance, have been exhausted. Applications for financial help are received direct from staff and pensioners through the Helpline as well as from other charities and public sector agencies. They are coordinated by the Secretariat by reference to agreed guidelines and are determined in such a way as to ensure that the Fund helps those most in need and suffering hardship due to their personal circumstances.

Summary of the overall financial position

The fund finished the year with a surplus of £6,925. This year we received no legacies and no further money from the closure of the Royal Mail Distress Funds. (We have since year-end received a sum of £765 from a Distress Fund, which we believe to be the last).

During the year our regular income from staff and pensioner donations declined by 7.7% whilst grants rose by 2.7%. We feel our re-launch and the current recession have accounted for an increase in applications for assistance, and we trust the donations will rise in future years. Interest has fallen considerably in the year because of the fall in interest rates although dividends from our investment portfolio have held up.

Resources

During the year we achieved a small operating surplus. The amount this year was just £6,925. However, our core income is declining. To underline the sag in incoming funds, RHF core income has dropped to £273,000 in 2009, a decline of 43% from the £475,000 which the Fund achieved in 2001. Now that we are barely breaking even, we must guard against any complacency. The number of regular contributors is now at its lowest for many years. The number of serving staff subscribing to the Fund is less than 3,500, with pensioners below 8,000. These figures represent less than 3% of the available population. The ongoing challenge is to develop our core income stream as well as ensure that we expand our communications to ensure that we reach and meet the needs of those in distress.

We must also ensure that our costs are sensibly managed and that we maintain a good balance between costs and expenditure. This year, for every £100 expended in grants, our costs on salaries and fundraising was £43. We have also spent a considerable sum out of our accumulated surplus on the Fund 'Re-Launch' and we hope to reap the benefits of this in future years. We are also continuing to spend more on communications to reach potential contributors and beneficiaries, but in our endeavours to help promptly and compassionately we are satisfied that we give value for money.

The table below shows the position over the last 3 years.

Comparison of Accounts

	2006/07	2007/08	2008/09
	(£)	(£)	(£)
Staff Contributions	157,960	131,238	104,886
Pensioner Contributions	133,010	123,308	114,766
Royal Mail Donation	111,643	79,966	96,150
Other Donations	65,086	63,125	53,155
Investment Income	76,169	53,128	49,240
Legacies & Exceptional Items	92,118	55,803	340
Total Incoming Resources	635,986	506,568	418,537
Regular Grants	89,940	69,497	57,159
One Off Grants	170,530	170,248	188,951
Total Grants Paid Out	260,470	239,745	246,110
Costs of Increasing Awareness	9,846	12,371	43,764
Support Costs (inc RMG support)	86,802	87,222	89,827
Management & Administration	30,785	29,654	31,911
Total Resources Expended	387,903	368,992	411,612
Surplus	248,083	137,576	6,925

Investment performance

Investment performance is monitored at quarterly Trustee Meetings and enhanced where necessary by intervening meetings with the Investment brokers. The Trustees consider the overall portfolio value and any particular share movements, and compare these to standard indices (FTSE, APCIMS).

This year the total value of our investments, being the portfolio and the M&G funds, fell by 22%. The results were discussed with the investment brokers and with M&G, and it was decided to take no action with regard to the investment policy.

Review of the year

One of the main aims of the year was to increase awareness of the Fund through the 'Re-Launch' effort. We produced a powerful video covering the ways we help people and showing information about the Fund's accessibility. We showed the video Corporation-wide on office plasma screens and on our re-designed website. We also held a quiz with prizes to encourage reference to the website. The Fund also began distributing promotional material via pay and pension communications from RMG and the Pension Trustee. The latter wrote on our behalf to half the pensioners over 80 years old to encourage those needing help to come forward.

We are still concerned, however, about our difficulty in reaching the pensioner population amongst whom debt levels appear to be increasing. We liaised with the Payroll-giving team which is encouraging staff to take up the "Give As You Earn" charity donation option through payroll deduction with the Fund being the beneficiary. From the staff surveys we have carried out, it appears that awareness has increased but it is still too low and has not yet materialised in terms of significantly increased applications for grants. Similarly, our efforts have been slow to impact the continuing loss of contributor base. Our most successful initiative was to encourage pensioners to convert their contributions to gift-aid, but whilst that may benefit our income stream in the future, it does not extend our reach.

Auditors

A resolution to reappoint Ernst & Young LLP as the charity's auditors will be put to the Trustees at the quarterly meeting in January 2010.

Trustee
Date

Examples of help given by the Fund

Help for Richard and his wife

For several years Richard has had difficulty of movement, but with the help of his wife has managed to continue leading a fairly full life. Unfortunately, Richard's wife, due to her own advancing years, is no longer able to lift him. The Fund were however able to help towards the installation of a stairlift and bath hoist. She was extremely grateful for our help, and we were pleased to give it.

Help for Jane

Jane's young son, Alan, suffers from Muscular Dystrophy. He is so disabled that he can move around only within the home, and this with considerable difficulty. His mother has tried for some time to raise the not inconsiderable funds for a specialist electric wheelchair, and we were able to help with a sizeable contribution towards the cost.

Help for Harriet

Harriet is 12 years old and disabled with spina bifida. Her father James, a Royal Mail employee of 12 years was seeking help with the purchase of a Motability car adapted to accommodate Harriet and her specialist wheelchair. We were able to help with funds towards the deposit on the vehicle, and now Harriet is able to get to and from school as well as to other social outings with much greater ease.

Help for Brian

Peter's 4-year-old son is disabled and is unable to sit, stand or move independently. He needed a special frame, which would give him the mobility and independence to start special school, and to be able to join in activities with the other children. We were pleased to be able to help the family with a contribution that allowed them to purchase the equipment.

Help for Anne

Anne suffered with severe arthritis and needed to keep warm in order to hold the worst affects of the arthritis at bay. However the central heating in her home was continually breaking down as it was more than 20 years old, and she was concerned that her savings would not cover the cost of a replacement boiler. However, when she approached us we were able to help and she is now warm and snug thanks to a newly installed boiler.

Help for Jean

Jean's husband worked for Royal Mail for 39 years and since his death last year she has lived alone. Now 81 and suffering severe asthma and arthritis she finds it extremely difficult to negotiate the stairs. Getting up to her bedroom and bathroom became a major exercise and in view of her health also a hazard should she slip or fall. We were able to help with the cost of installing a stairlift, and Jean is now able to move around her house in safety.

Help for Martin

Martin was medically retired with cancer in 1998 after 16 years service with Parcelforce. He has had 3 lapses since his retirement, and although currently in remission is still quite weak. His wife, who is registered blind, is dependent upon a wheelchair when out of the house, and until quite recently Martin was able to manage to push her. However, this has now become too much of a strain for him and they needed an electric model. Working with the RNIB we were able to help fund a new chair for Martin's wife.

Help for Paul and Linda

When Paul and Linda's youngest son was diagnosed with a brain tumour Paul had to reduce his hours as a postman as well as take special leave to help his wife look after their son as well as their other 2 young children. This, together with hospital visits put the family under severe financial strain and they came to us for help, which we were very pleased to give.

Yours sincerely

Extracts from some of the many letters of thanks received

From Tony

Thank you so very much for your grant towards my new powerchair. It has made such a difference to both our lives having the powerchair. Thank you again.

From Jean

Just like to say thank you for helping me when I needed it most.

From Marjorie

I would like to thank you for the very kind offer of £500 towards the cost of repairs to my garden wall, I am pleased to tell you the work has now been completed and I am ever so grateful to the Rowland Hill Fund for helping me. I would never have been able to afford it myself, so once again thank for your help.

From Diane

Just a few lines to thank you and say how grateful we are for your contribution made towards building costs of our bedroom/bathroom conversion, this has now been completed. With the new wet room it gives me that little bit of independence most people with a disability crave; also, now we have a downstairs bedroom this takes a lot of pressure of Eric who had to assist me up and down the stairs. Once again thank you very much.

From Patricia

Thank you very much for your cheque for £350 towards a new cooker. It is very much appreciated.

From Pam

On behalf of my husband and myself, we would like to thank you for your kindness in sending us the cheque for £1,129 to help with the roof. We will be able to get it done now.

From Joan

Just a thank you on behalf of my wife and myself on your generous donation at a time when it was most needed, which makes me feel proud to be a member of this organisation, forever in your debt.

From Pauline

I am writing to say thank you so much for the cheque you sent us. My son was diagnosed with leukaemia and is following a 3-year treatment plan. At the moment he is undergoing chemotherapy sessions, and this money will become a great help towards our petrol expenses to and from the hospital. In this difficult time it is wonderful to know what fantastic people are there to help in times of need. Thank you all.

From Pat

I want to thank the Rowland Hill Fund so very much for your kind help with the money that you sent to help me for my husband's funeral expenses. I can't tell you really what it meant to my son and me. I had managed to get over half of the money saved, and because my husband's dementia had given us extra expenses, I was unable to save. It was so amazing that you could get together with the Civil Service Benevolent Fund to arrange help for us. Thank you again. I really don't know what I would have done if you hadn't helped, I am just so grateful. You will never know how much this has meant.

Rowland Hill Fund

The Trustees of the Rowland Hill Fund wish to thank the following organisations for their assistance in identifying Royal Mail staff and pensioners in need, and for help given to finding a solution to that need:

Age Concern	MS Society
Anchor Staying Put	National Federation of RM & BT Pensioners
Army Benevolent Fund	NASUWT Benevolent Fund
Association of Charity Officers	Occupational Benevolent Funds Alliance
Burma Star Association	Post Office Orphans Benevolent Institution
Bankers Benevolent Fund	Princess Royal Trust for Carers
BT Benevolent Fund	RAF Benevolent Fund
BEN, Motor & Allied Trades BF	Retail Trust
Butchers & Drovers Charitable Institution	Road Haulage Association BF
Civil Service Benevolent Fund	Royal British Legion
Coal Industry Benevolent Fund	Royal Naval Benevolent Trust
Communication Workers Union	Royal Mail Pensions Group
Confectioners Benevolent Fund	Royal Engineers Association
Earl Haig Memorial Homes	Railway Benevolent Institution
Help the Aged	Royal Artillery Fund
John Lewis Partnership	SSAFA Forces Help
Licensed Trade Charity	Scope
MacMillan Nurses	Stroke Association
Merchant Navy Welfare Board	Teacher Support Network
Mobility Bureau	Unison Welfare

2008/09 Donations

During the year we are very grateful to have received private donations of £1,090 from members of staff, pensioners and the public. A sum of £457 was donated in memory of pensioners who died during the year.

We received the following donations from groups and organisations:-

Royal Mail Group	£50,000
Civil Service Insurance Society Charity Fund	£22,944
Ilford & Barking PO Pensioners	£ 200
Bristol Postal Bordeaux Association	£ 157
Brighton & Hove Branch of Unite	£ 25
Sybil Thorndike Residents & Tenants Association	£ 62

Statement of trustees' responsibilities in respect of the financial statements

The Fund's financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 'Accounting by Charities' issued in 1995 (revised 2000 and 2005), and with applicable accounting standards.

Charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of its financial position for that period. In preparing those accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

Trustees are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy, at any time, the financial position of the charity, and which enable them to ensure that the accounts comply with applicable law. Trustees are also responsible for ensuring that the assets of the Charity are safeguarded, and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

To the Trustees of Rowland Hill Benevolent Fund

Unincorporated charity in England and Wales preparing financial statements under Charities Act 1993 s42 (1)

We have audited the Charity's financial statements for the year ended 31 March 2009 which comprise the statement of financial activities, balance sheet, and related notes 1 to 16. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As described in the Statement of Trustees' Responsibilities, the Charity's Trustees are responsible for the preparation of the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom accounting standards.

We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. 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 and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the Charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

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

We read other information contained in the Trustees' 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 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 judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the Charity as at 31 March 2009 and of its incoming resources and application of resources for the year then ended, and have been properly prepared in accordance with the Charities Act 1993.

Ernst & Young LLP
Registered Auditor
London

Statement of Financial Activities

For the year ended 31 March 2009

		2009	2008
		<i>Unrestricted</i>	<i>Unrestricted</i>
		<i>Funds</i>	<i>Funds</i>
	<i>Notes</i>	£	£
<i>Incoming resources</i>			
Voluntary income:			
Contributions from Royal Mail Group Ltd staff & public		272,807	317,671
Donations from Royal Mail Group Ltd	9	50,000	33,816
Donated services from Royal Mail Group Ltd	9	46,150	46,150
Legacies	2	-	51,504
Royal Mail Distress Fund Closures		-	2,416
Investment income	3	32,753	31,851
Interest income	4	16,487	21,277
Sundry income		340	1,883
<i>Total incoming resources</i>		<u>418,537</u>	<u>506,568</u>
<i>Resources expended</i>			
Costs of generating funds:			
Investment Management Fees	5	5,278	6,385
Costs of generating voluntary income		38,486	5,986
Charitable activities:			
Grants payable in furtherance of the Charity's objects (net of grants returned – deceased)	6	246,110	239,745
Support costs relating to grants and loans payable	7	89,827	87,222
Governance activity:			
Resources expended on managing and administering the Charity	8	31,911	29,654
<i>Total resources expended</i>		<u>411,612</u>	<u>368,992</u>
<i>Net incoming resources before other recognised gains and losses</i>			
Other recognised losses:			
Loss on investment assets	12	(480,028)	(193,729)
<i>Net movement in funds</i>		<u>(473,103)</u>	<u>(56,153)</u>
<i>Reconciliation of funds</i>			
Total funds brought forward		2,884,281	2,940,434
<i>Total funds carried forward</i>		<u><u>2,411,178</u></u>	<u><u>2,884,281</u></u>

Balance Sheet

At 31 March 2009

	<i>Notes</i>	<i>2009</i> £	<i>2008</i> £
Fixed assets			
Investments	12	2,051,593	2,187,280
Current assets			
Debtors: amounts falling due within one year	13	32,220	34,607
Cash at bank		186,945	557,866
Non-current assets			
Debtors: amounts falling due after more than one year	13	200,205	207,581
		419,370	800,054
Liabilities			
Creditors: amounts falling due within one year	14	(59,785)	(103,053)
Net current assets		359,585	697,001
Total assets less current liabilities		2,411,178	2,884,281
The funds of the Charity:			
Unrestricted income funds	15	2,411,178	2,884,281
Total Charity funds		2,411,178	2,884,281

Trustee

Date

Notes to the financial statements

at 31 March 2009

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the valuation of quoted investments at middle market value.

In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice “Accounting and Reporting by Charities” (SORP 2005) issued in April 2005.

Incoming resources

Donations, legacies and donated services are recognised when received, with the exception of donations from Royal Mail Group which are accrued. No incoming resources have been deferred and all incoming resources are stated gross of expenditure.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation to incur the expenditure. The amount of £18,983 represents the grants and loans authorised by the Trustees at 31 March 2009 but not paid at that date (2008 – £20,550). Costs of generating grants and loans are accounted for in the period in which they are authorised by the Trustees.

Support costs comprise processing grants and applications, including support to actual and potential applicants. Management and administration comprises costs for the running of the Charity itself as an organisation. Where costs cannot be directly attributed to either of these two categories it is estimated, based on activity levels, that 50% of staff costs and 75% of other costs are attributable to support costs with the balance attributable to management and administration.

Investments

Investments are included at market value. Realised and unrealised gains and losses on investments are included in the statement of financial activities (SOFA).

Loans receivable in excess of one year

Loans to beneficiaries are supported by an agreement to remit the balance to the Charity on death or sale of the beneficiary’s property. In the case of serving staff the beneficiaries agree to have payments deducted from pay, or to remit the balance on leaving the service. Irrecoverable amounts are written off against the loan balances in the year in which they become irrecoverable. For the year ended 31 March 2009, loans totalling £3,556 were written off (2008 – £694).

Tangible fixed assets

Capital expenditure is expensed to the SOFA in the year it arises. The Trustees do not consider the level of expenditure to be significant to the ongoing activities of the Charity.

Funds

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

2. Legacies

There were no legacies received during the year but £457 was donated in memory of pensioners.

3. Investment income

	2009 £	2008 £
Listed investments	32,753	31,851

4. Interest income

	2009 £	2008 £
Money market deposits	9,357	11,612
Other interest	7,130	9,665
	<u>16,487</u>	<u>21,277</u>

5. Cost of generating funds

	2009 £	2008 £
Investment management fees	5,278	6,385
Costs of generating voluntary income	38,486	5,986
	<u>43,764</u>	<u>12,371</u>

6. Grants payable

The amounts payable in the year comprise:

	2009 £	2008 £
Cost of living grants to relieve financial hardship	43,131	53,324
Lump sum grant payments	188,951	170,248
Homes	14,028	16,173
	<u>246,110</u>	<u>239,745</u>

6. Grants payable (continued)

	2009	2008
	£	£
Reconciliation of grants payable:		
Commitments at 1 April	20,550	23,693
Grants committed during the year	250,592	255,947
Loans committed during year	9,950	8,171
Grants cancelled or recovered	(4,317)	(12,252)
Commitments payable for the year	256,225	251,866
Grants and loans paid during the year	(257,792)	(255,009)
	(1,567)	(3,143)
Commitments at 31 March (note 14)	18,983	20,550

All commitments as at 31 March are due within one year.

7. Support costs

	2009	2008
	£	£
Salaries	46,472	44,725
Accommodation costs	15,863	15,863
Welfare costs	25,000	25,000
Other costs	2,492	1,634
	89,827	87,222

8. Management and administration

	2009	2008
	£	£
Salaries	22,027	21,157
Accommodation costs	5,288	5,288
Insurance (note 10)	1,465	315
Audit fee	2,300	2,350
Other costs/income	831	544
	31,911	29,654

9. Related party transactions

Royal Mail Group provided a donation of £50,000 (2008 - £33,816 together with £16,483 from the RM Charities initiative) and the following donated services:-

Accommodation valued at £21,150 (2008 – £21,150) based on the historic rental value (it is not considered there is a significant difference between this and the open market) and the provision of welfare services at £25,000 (2008 – £25,000). This amount has been included in the SOFA under incoming resources in “Donated services from Royal Mail Group” and in resources expended under “Support costs relating to grants and loans payable” and “Resources expended on managing and administering the Charity”, in line with the SORP (revised 2005). In addition the Rowland Hill Fund benefits from the use of a number of services provided by Royal Mail Group which are not material to the accounts. These relate to the issuing of cheques to beneficiaries, the collection of donations via the Royal Mail pay units, and the provision of postage and telephones.

10. Indemnity insurance

The insurance premium of £1,465 covers the cost of personal accident and the travel for the staff and Trustees, Trustees liability indemnity and employers’ liability insurance (2008 – £315 for travelling only).

11. Staff costs

	2009	2008
	£	£
Gross wages and salaries	63,817	61,370
Employer’s national insurance costs	4,683	4,512
	<u>68,500</u>	<u>65,882</u>

The average weekly number of employees during the year, calculated on a full-time equivalent basis, was:

	No.	No.
Administration	2.5	2.5

No employee received remuneration amounting to more than £50,000 in either year. Trustee expenses to the value of £63 were paid during the year.

12. Investments

	2009	2008
	£	£
<i>Portfolio of Stock managed by Brewin Dolphin</i>		
Market value at 1 April	1,019,357	1,096,463
Acquisitions at cost	345,350	323,091
Sales at market value	(363,300)	(333,032)
(Decrease)/Increase in market value investment	(229,654)	(67,165)
	<u>771,753</u>	<u>1,019,357</u>

12. Investments (continued)

Investments at market value comprised:	2009	2008
	£	£
UK investments	665,193	868,117
Foreign investments	99,826	145,522
Cash held as part of the investment portfolio	6,734	5,718
	<u>771,753</u>	<u>1,019,357</u>
Historical cost as at 31 March	<u>928,457</u>	<u>969,474</u>

Holdings in UK Government Stock represent 14.5% of the portfolio, in BP Stock: 6.1% and in BHP Bilton: 7.2% .

<i>M&G Charity Funds, Charifund</i>	2009	2008
	£	£
Market value at 1 April	752,394	893,886
Decrease in market value	(247,549)	(141,492)
Market value at 31 March	<u>504,845</u>	<u>752,394</u>

<i>M&G Charity Funds, Charibond</i>	2009	2008
	£	£
Market value at 1 April	415,529	397,157
Increase in market value	9,466	18,372
Acquisitions at cost	350,000	-
Market value at 31 March	<u>774,995</u>	<u>415,529</u>

Total Investments at Market Value	<u>2,051,593</u>	<u>2,187,280</u>
--	------------------	------------------

Loss on investment assets	2009	2008
	£	£
Change in market value of Brewin Dolphin investments:		
Market value as at 31 March	771,753	1,019,357
Market value as at 1 April	1,019,357	1,096,473
	<u>(247,604)</u>	<u>(77,116)</u>
Brewin Dolphin's charges	5,660	6,507
Loss in Brewin Dolphin investments	<u>(241,944)</u>	<u>(70,609)</u>
Decrease in market value of M&G investments:	<u>(238,084)</u>	<u>(123,120)</u>
Total Loss per Financial Statements	<u>(480,028)</u>	<u>(193,729)</u>

13. Debtors

	2009 £	2008 £
Amounts falling within one year:		
Loans outstanding	4,480	4,030
Interest due	3,739	1,323
Accrued income:		
Subscriptions due	24,001	29,254
	<u>32,220</u>	<u>34,607</u>
Amount falling due after more than one year:		
Individual loans granted	97,705	105,081
Long-term loans – Crossways Trust	2,500	2,500
– Anchor Housing	100,000	100,000
	<u>200,205</u>	<u>207,581</u>

14. Creditors:

	2009 £	2008 £
Grants and loans authorised but not paid	18,983	20,550
Amount due to Royal Mail Group	37,393	78,663
Sundry creditors	3,409	3,840
	<u>59,785</u>	<u>103,053</u>

15. Funds

Funds comprise the capital reserves of the Rowland Hill Fund, which were established in the Trust Deed of 1882 together with the funds from the Second Post Office Relief Fund, the Sir James Whitehead Fund and the Society of Post Office Employees. The Second Post Office Relief Fund was established to assist widows of those killed in the Second World War. However, the funds, which were incorporated in 1999, were more than sufficient to provide this help. Some of the widows continue to receive assistance as part of the normal grant making process. The Trustees have designated all the funds as unrestricted.

16. Post balance sheet events

In December 2008 we were informed that Maurice Ford, had died leaving a third of his residuary estate to the Fund. We have so far received £4,000 in April 2009 and are awaiting the remainder. Also in July we received a further sum of £765 from the closure of a Royal Mail Distress Fund.

