

## **Rowland Hill Benevolent Fund**

### **Report and Accounts**

31 March 2008

Registered Charity number 207479

## Fund Mission Statement

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

We have achieved this by developing a partnership with Royal Mail Group Ltd, designed to maximise income and by providing efficient and cost effective administration.

In parallel with financial aid to beneficiaries we will strive to encourage care and practical assistance that inspires employees and pensioners to support colleagues in need.

## Office and Promotional Management

Secretary: Barry Higginson

Case Secretaries: Tony Crane  
Mick Kett  
Frances Kodjie

Accountant John Elson

### Principal Office

The Rowland Hill Fund  
Royal Mail House  
148, Old Street  
London EC1V 9HQ

Tel: 020 7250 2506

Fax: 020 7250 2609

Web: [www.rowlandhillfund.org](http://www.rowlandhillfund.org)

## The Trustees of the Fund

**Chairman: Mr A B Roberts – appointed December 2007**

26 Rectory Lane, Ashtead, KT21 2BB

**Deputy Chairman: Mr J B Alexander**

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

**Mrs B Pendley**

Freethcot, Compton Bassett, Wiltshire, SN11 8RD

**Mr A D Wiltshire**

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

**Mr D Blake**

Apple Tree Cottage, Church Lane, Henfield BN5 9NY

**Mr P Bowerman**

11 Teal Close, St Ives PE27 6SX

**Dr. S Boorman, MBBS, MRCGP, FFOM**

Royal Mail Group Ltd, London EC1V 9HQ

**Mr R Poole**

Royal Mail Group Ltd, London EC1V9HQ

**Mr E Dudley**

14 Elm Road West, Sutton SM3 9EN

**Ms S Huggins**

Royal Mail Group Ltd, London EC1V 9HQ

**Mrs P Vickers**

Royal Mail Group Ltd, London EC1V 9HQ

**Mr J Evans OBE**

Royal Mail Group Ltd, London EC1V 9HQ

**Mr G Becker – resigned December 2007**

70 Alexandra Crescent, Bromley, BR1 4EX

**Mr I Johnston – resigned October 2007**

Royal Mail Group Ltd, London EC1V 9HQ

**Mr G Hadfield OBE - appointed January 2008**

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

**Note – Sir Rowland Whitehead, who died on 28th July 2007, was Chairman of the Fund for part of the 2007/08 year.**

**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 manage the fund and assess cases, and are drawn from both outside Royal Mail and present and past senior managers and union officials.

The Fund Mission Statement is at page 2; trustee names and addresses are at page 3

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. All staff are part time. Details are shown at page 2.

### Main activities for the year

- 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 Ltd 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 Royal Mail Group Ltd. 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 seeking cases of 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. To 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, 148, Old Street, London EC1V 9HQ.

## Chairman's Report

In most respects 2007/08 was a dismal year for the Fund, marked in particular by the death of our revered and active Chairman, Sir Rowland Whitehead, and compounded by a further year of adverse results, which are detailed in the following Trustees' Report. Nevertheless, as Sir Rowland's successor, I believe that we are just turning the corner in terms of results and have an active and purposeful future to look forward to.

It was clear to Trustees that, in this fast-moving employment world, we needed to get much closer to our potential membership and their employer. Consequently after an exchange with senior Royal Mail Group managers we were offered the services of a manager to help us tackle our major strategic problems – lack of awareness amongst Royal Mail Group employees and pensioners which impact adversely on both their willingness to donate and on their ignorance of what we could do to help those of them in need. Accordingly Stephen Weston worked with us on these problems for the last quarter of the financial year covered by this report and through into 2008/09.

As I write this report in October 2008, we have in place the building blocks necessary to transform employees' perception of our role and expect this to translate into additional membership and calls for help which is the *raison d'être* for our existence. As examples of the resultant activity we have prepared a video to go out via plasma screens to all working units. We are also sending spokesmen with supporting stands to the most appropriate RMG Conferences. We have re-fashioned most of our literature and changed the web-site to make it more user-friendly and informative.

We still need to develop an equivalent range of initiatives to engage the 290,000 pensioner population, a knotty problem given their numbers and the difficulty of making personal contact with them, but as a first step the Pensions Fund Trustee has written out on our behalf to a large number of the most elderly pensioners asking those in need to put forward requests for help.

Again I am greatly indebted to the staff, Tony, Mike, and Frances, ably led by Barry Higginson, and kept in financial order by John Elson, for all their work as they grapple with the rapidly changing circumstances. The Trustees have responded enthusiastically to the need to progress the various strands of the strategic review between the regular quarterly Trustees' meetings. During the year we added to our ranks a further external Trustee, Mr Graham Hadfield, who has extensive experience of large charity management. I thank them all.

In conclusion I hope next year to be able to report, at least for the second half of the year, a much improved set of results with increases both in contributions received and in the people we have been able to help.

## Trustees Report

### Review of the year

#### How we helped financially

In accordance with its mission statement the Fund has continued to offer assistance to RMG serving staff, current and deferred pensioners and their dependents experiencing financial hardship. The total charitable aid given in grants during the year under review totalled £239,745, which is 7% down on the 2006/7 grant aid figure. We dealt with 321 new cases during the year, which was slightly down on the number the previous year. Also, we made 52 grants of £1,000 or more with 2 grants of £4,000. The average grant award this year was £530.

A higher proportion of one-off grants were made to serving Royal Mail staff than ever before with the proportion now at 40% of the total. This compares with around 15% 5 years ago. Also, we have observed a change in the type of help given as the beneficiary profile changes. We have seen an increase in the number of cases relating to debt or arrears with rent or mortgage payments. There has also been an increase in the help given to RMG parents of mainly disabled children. The Fund is proud of the support it is able to give to 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. Numbers continue to decline and we are now at the lowest figure for more than 10 years, due primarily to the targeted support provided by the government. Currently we are helping around 100 beneficiaries, still a significant number although much less than the 500+ we were helping several years ago. Far from viewing this reducing number in a negative way it is encouraging that the State now sees pensioner poverty as a real issue and is making a determined effort to increase the living standards of those in greatest need. However, we will continue to support those who fall outside the scope of Government assistance. A total of £60,873 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 beneficiaries.

#### Resources

During the year we achieved an operating surplus. The amount this year was £137,576. Since 2000 we have achieved a cumulative surplus of over £1.7million. The major part of this surplus has come from legacies and other windfalls. However, our core income is declining, down 44% in the same period, and therefore we must not be complacent. 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 9,000. 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 all 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 £33. We will continue to need 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.

## Trustees Report (continued)

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

### Comparison of Accounts

	2005/06	2006/07	2007/08
	(£)	(£)	(£)
Staff Contributions	140,505	157,960	131,238
Pensioner Contributions	142,468	133,010	123,308
Royal Mail Donation	50,837	111,643	79,966
Other Donations	51,847	65,086	63,125
Investment Income	63,881	76,169	53,128
Legacies & Exceptional Items	560,199	92,118	55,803
Total Incoming Resources	1,009,737	635,986	506,568
Regular Grants	103,450	89,940	69,497
One Off Grants	232,020	170,530	170,248
Total Grants Paid Out	335,470	260,470	239,745
Costs of Generating Funds	11,601	9,846	12,371
Support Costs (inc RMG support)	83,377	86,802	87,222
Management & Admin	28,490	30,785	29,654
Total Resources Expended	458,938	387,903	368,992
Surplus	550,799	248,083	137,576

### In the workplace

The Fund continues to work closely with RMG and the increasing publicity we receive through the RMG communication network in publications such as Courier, 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, particularly those concerning children with disabilities 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.

## Trustees Report (continued)

### 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 have embarked on a major review of our vision and mission and the strategy for the Fund's continued development over the coming years. Looking to the future we are part way through a major re-branding of the charity which will be launched before the end of 2008. Included in this will be our new website and domain address, [www.rowlandhillfund.org](http://www.rowlandhillfund.org)

The fund continues to receive generous donations from its two main supporters; £33,816 from Royal Mail Group and £27,323 from the Civil Service Widows and Orphans Fund. We were also fortunate to receive a legacy of £51,000 from the estate of a former RM employee.

Despite a sizeable reduction in income from regular contributors we are confident that we can reverse this in future through a more sustained marketing campaign and ongoing support from RMG.

### 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 to Brewin Dolphin Securities who do a sterling job in handling many of our financial assets.

### 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 level of reserves should be sufficient to fund the work of the Charity for a period of three years should funding levels drop significantly. As such the levels are satisfactory.

### Funding Sources

- The principle funding sources are:
- staff and pensioner contributions,
- donations from Royal Mail
- 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, the Fund investment brokers, act on the direction of Trustees and joint meetings are held bi-annually where investment performance is reviewed.

## **Trustees Report (continued)**

### **Investment performance**

Investment performance is monitored at quarterly trustee meetings. The trustees consider the overall portfolio value and any particular share movements, and compare these to standard indices (FTSE, APCIMS).

This year the value of our investment portfolio fell by 7.0%. The results were discussed with the investment brokers, and it was decided to take no action with regard to the investment policy. The funds invested in M&G Charifund and Charibond fell by 9.5% during the year.

### **Recruitment and appointment method**

The skills required by and the sources of obtaining new Trustees are discussed at trustee meetings. After detailed enquiry of individuals who meet the specification, the Chairman invites selected candidates to become trustees, subject to confirmation at the next quarterly trustees' meeting.

### **Induction and training of Trustees**

No formal training is provided to appointed trustees. Trustees spend some time in the Fund Office to become acquainted with the types of cases and other fund work.

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

### **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 staff, current and deferred pensioners and their dependants. Beneficiaries must be experiencing financial hardship and satisfy criteria regarding income and savings, the levels of which are reviewed by Trustees on an annual basis. The form of assistance, whether by grant or loan, will depend on an applicant's circumstances and the nature of help required. Generally, assistance will be in the form of a one-off grant, but regular monthly grants may be available dependent on income level. Applications for financial help are received direct from staff and pensioners as well as from other charities and public sector agencies. They are co-ordinated 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.

### **Auditors**

A resolution to re-appoint Ernst & Young LLP as the Charity's auditors will be put to the trustees at the Annual General Meeting.

## Examples of help given by the Fund -

### **Help for Joan**

Joan is 82 years old and recently underwent a hip replacement. She is fiercely independent and determined to remain in her own home, but was struggling to get up to the bathroom and bedroom upstairs. She approached the Fund for help with the cost of a stairlift, which we were pleased to do. She is now able to get around her house as she used to.

### **Help for Peggy**

Peggy is employed as a Customer Services Advisor in Sheffield. She is married with two children. Her husband was recently made redundant and their joint income has been significantly reduced revealing unserviceable debts, which her husband was keeping from her. The situation caused stress to all the family and placed their relationship under great pressure. Following a referral to HELP Employee Assistance Peggy has received practical advice about negotiating a repayment arrangement with their creditors. The Fund stepped in and cleared arrears of council tax and helped with overdue utility bills thus ensuring the family are secure for the time being.

### **Help for Frank and his wife**

Frank was demobbed from the Army in 1946 and started work as a Postman. He served with RM until his retirement in 1985. Now in his 80's, his health is failing and he has had to go into a residential care home. His wife is happy with where he has been placed and is able to visit him regularly. Unfortunately, there is a funding gap on the care home fees and their savings have been eaten away over time, and she is struggling to meet rising costs with no family help available. We were pleased to help out with a monthly grant that covers the shortfall, thus ensuring that Frank doesn't have to move to another and unfamiliar home.

### **Help for Paul**

When his wife was in hospital many miles from the family home, and with three young children to look after, Paul a rural postman was struggling. Hospital visiting costs were mounting, and as he had to give up working overtime to look after his children the household budget was under serious strain, and their small savings were being eaten away. Paul asked if we could help with his travel costs to visit his wife, and we were very pleased to do so.

### **Help for Graham**

Graham, a regular contributor to the Fund, spent many years looking after his disabled wife before she died. During this time their savings had reduced considerably and he was worrying how he could pay the funeral expenses. He approached the Fund for help and we were able to make a contribution towards the costs.

### **Help for Jamie**

Bill a postman from Nottingham has a 6 year old son Jamie, who has cerebral palsy. He 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 grant that allowed them to purchase the equipment.

### **Help for Elsie and Jack**

Elsie, aged 82, looks after her husband Jack aged 86 who retired from Royal Mail after 32 years in 1989 and now suffers from Alzheimers disease and arthritis. As they have no savings, Elsie didn't know how she could pay for a bath lift necessary to help Jack take a bath. Since she had no other sources of help available and no family support, we were very pleased she came to us for advice and we were able to help with a grant to cover the cost of the bath lift.

### **Help for Mavis**

Mavis worked as a postlady for over 20 years. Now single, she lives alone in a flat she bought when she retired. Unfortunately the block of flats needs a new roof and each flat owner has been asked to contribute towards the cost which is significant. She is still paying a small mortgage and could not afford to borrow more to pay for the repairs, so she approached the Fund for help. Along with the Royal British Legion we met the cost of the repairs..

## **Yours sincerely**

### **Extracts from some of the many letters of thanks received**

#### **From Colin**

Many thanks to you all for your help and assistance in my hour of need. I got myself into a state over the arrears with my utility bills and I didn't know where to turn. The grant I received from you was very welcome, and although I'm still not out of the woods completely it has proved to be of great help and is very much appreciated

#### **From Michael**

I cannot express my gratitude to you enough for the assistance you have given my wife and me with the cost of a new cooker and fridge for the sheltered bungalow we have just moved into. Our old appliances were not working very well and to have shiny new ones is a wonderful help, and we are extremely grateful for your assistance.

#### **From Florrie**

Will you please pass on my most grateful thanks to the Rowland Hill Fund for the donation towards the cost of my walk-in shower in place of my old bath. It was becoming such a struggle to get into the bath and I was frightened I would injure myself. Being able to take a shower, which also has a seat, is heavenly. I can now take a shower feeling safe and relaxed.

#### **From the Royal British Legion**

Thank you so much for the kind and generous cheque towards the much needed riser/recliner chair for Mrs B. She is delighted with it and has requested that we convey our sincere thanks and appreciation on her behalf, which we are pleased to do. Your speed and efficiency in dealing with our request was most gratifying

#### **From Mrs P**

Just a short note to say thank you for your kind gift, it really raised my spirits and restored my faith in people after the events of my recent burglary. My late husband would have been very proud to know that after all the years he served with the Post Office that someone still cared. Once again, a very big thank you.

#### **From John and Sarah**

Thank you for your kind help towards the cost of further tuition at the Dyslexia Institute for Sally our daughter. We cannot say how much we appreciate the support you have given us over the last few years for Sally, without which she would not have had the specialist help needed to overcome her learning difficulties

#### **From Elsie's daughter**

My mother passed away peacefully last week after 4 years in St George's Nursing Home. I am consoled in the fact that she was very happy there and her stay was made possible with the financial support you were providing. With your help, my mother was able to receive the care and comfort she needed in her later years. Once again, I want to thank all at the Rowland Hill Fund for the assistance you gave during this time.

#### **From Kenneth**

Last week I took delivery of a new powered wheelchair thanks to the huge contribution made by Trustees of the Fund. I will now be able to get out and about in the community and meet new friends, and even go shopping with my wife. I spent many happy years working for Royal Mail and it is pleasing to note that us "oldies" are not forgotten when we need help.

#### **From Brian and Rose**

Just a quick note to say thank you for the help you have given us so that we were able to take a break following Brian's serious illness. You don't know how much it means to us to know that help is there when you need it. It is difficult to express our thanks with suitable words.

#### **From Ruby and Harry**

On behalf of my husband I would like to send sincere thanks for the donation towards the cost of our new front door, which was damaged in the recent floods. It has helped us more than you could know. We greatly appreciate your assistance.

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

## 2007/08 Donations

### Private Donations

Mr K Green	1,000.00
Mr C McCleary	700.00
Mrs W Johnston	123.00
Mrs M E Clifford	100.00
Mr G Howe	100.00
Mr E Powell	100.00
Mr C Barrett	75.00
Mr C B Carpenter	50.00
Mr & Mrs C Russell-Day	50.00
Mr A R Cameron	30.00
Mr A R Dryland	26.00
Mr E G Longworth	25.00
Mr & Mrs D Clough	21.50
Miss S J Ackroyd	20.00
Mr N Alston	15.00
Mr H Greenfield	10.00
Mr G Denham	10.00
Mr D R Marshall	10.00
Miss S Simpson	10.00
Miss E Villegas	10.00
Other Donations	120.51
	<b>2,606.01</b>

### Donations from other Groups and Organisations

Royal Mail Group Ltd	33,816.26
Civil Service Widows and Orphans Fund	27,323.00
CWU - Unity	1,000.00
Henry Moorhead & Company	500.00
UNITE - Brighton & Hove Branch	25.00
P&OD Royal Mail Staff	10.00
	<b>62,674.26</b>

### Sums Donated in memory of:-

Allan Holt	295.00
Mrs M Gray	7.52
	<b>302.52</b>

### Legacies

Henry Robert Herrick	51,004.00
Edward Joseph Palgrave	500.00
	<b>51,504.00</b>

## Statement of financial activities

for the year ended 31 March 2008

	2008	2007
	<i>Unrestricted</i>	<i>Unrestricted</i>
	<i>Funds</i>	<i>Funds</i>
<i>Notes</i>	<i>£</i>	<i>£</i>
<b>Incoming resources</b>		
Voluntary income:		
Contributions from Royal Mail Group Ltd staff & public	317,671	356,056
Donations from Royal Mail Group Ltd	9 33,816	65,493
Donated services from Royal Mail Group Ltd	9 46,150	46,150
Legacies	2 51,504	48,223
Royal Mail Distress Fund Closures	2,416	43,895
Investment income	3 31,851	32,982
Interest income	4 21,277	43,187
Sundry income	1,883	
<b>Total incoming resources</b>	506,568	635,986
<b>Resources expended</b>		
Costs of generating funds:	5	
Investment Management Fees	6,385	6,156
Costs of generating voluntary income	5,986	3,690
Charitable activities:		
Grants payable in furtherance of the Charity's objects (net of grants returned – deceased)	6 239,745	260,470
Support costs relating to grants and loans payable	7 87,222	86,802
Governance activity:		
Resources expended on managing and administering the Charity	8 29,654	30,785
<b>Total resources expended</b>	368,992	387,903
<b>Net incoming/outgoing resources before other recognised gains and losses</b>	137,576	248,083
Other recognised gains and losses:		
(Loss)/Gain on investment assets	12 (193,729)	75,317
<b>Net movement in funds</b>	(56,153)	323,400
<b>Reconciliation of funds</b>		
Total funds brought forward	2,940,434	2,617,034
<b>Total funds carried forward</b>	2,884,281	2,940,434

## Balance sheet

at 31 March 2008

	<i>Notes</i>	<i>2008</i> £	<i>2007</i> £
<b>Fixed assets</b>			
Investments	12	2,187,280	2,387,516
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	34,607	55,786
Cash at bank		557,866	355,789
<b>Non-current assets</b>			
Debtors: amounts falling due after more than one year	13	207,581	216,661
		800,054	628,236
<b>Liabilities</b>			
Creditors: amounts falling due within one year	14	(103,053)	(75,318)
<b>Net current assets</b>		697,001	552,918
<b>Total assets less current liabilities</b>		2,884,281	2,940,434
The funds of the charity:			
Unrestricted income funds	15	2,884,281	2,940,434
<b>Total Charity funds</b>		2,884,281	2,940,434

## Notes to the financial statements

at 31 March 2008

### 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. 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.

Costs of generating grants and loans are accounted for in the period in which they are authorised by the trustees. The amount of £20,550 represents the grants and loans authorised by the trustees at 31 March 2008 but not paid at that date (2007 – £23,693). 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). All realised items are transferred to the unrestricted income reserve.

#### **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 2008, loans totalling £694 were written off (2007 – £4,990).

#### **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.

## Notes to the financial statements

at 31 March 2008

### 2. Legacies

Mr Henry Herrick, a retired postman died in 2006 leaving part of his estate to the Rowland Hill Benevolent Fund. £32,000 was received in 2006/07 and a further £51,004 was received during 2007/08. During the year we also received £500 from the estate of Mr Edward Joseph Palgrave and £303 donated in memory of pensioners. Because of the nature of legacy income, in particular the fact that the total value of an estate cannot be estimated accurately until the estate is finalised (properties sold etc), all legacy income is accounted for in the year in which it is received.

### 3. Investment income

	2008	2007
	£	£
Listed investments	31,851	32,982
	<u>          </u>	<u>          </u>

### 4. Interest income

	2008	2007
	£	£
Money market deposits	11,612	34,963
Other interest	9,665	8,224
	<u>21,277</u>	<u>43,187</u>
	<u>          </u>	<u>          </u>

### 5. Cost of generating funds

	2008	2007
	£	£
Investment management fees	6,385	6,156
Costs of generating voluntary income	5,986	3,690
	<u>12,371</u>	<u>9,846</u>
	<u>          </u>	<u>          </u>

### 6. Grants payable

The amounts payable in the year comprise:

	2008	2007
	£	£
Cost of living grants to relieve financial hardship	53,324	66,860
Lump sum grant payments	170,248	170,530
Homes	16,173	23,080
	<u>239,745</u>	<u>260,470</u>
	<u>          </u>	<u>          </u>

## Notes to the financial statements

at 31 March 2008

### 6. Grants payable (continued)

	2008	2007
	£	£
Reconciliation of grants payable:		
Commitments at 1 April	23,693	33,519
Commitments made during the year	255,947	270,908
Loans committed during year	8,171	8,895
Grants cancelled or recovered	(12,252)	(12,993)
Commitments payable for the year	251,866	266,810
Grants and loans paid during the year	(255,009)	(276,636)
	(3,143)	(9,826)
Commitments at 31 March (note 14)	20,550	23,693

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

### 7. Support costs

	2008	2007
	£	£
Salaries	44,725	42,987
Accommodation costs	15,863	15,863
Welfare costs	25,000	25,000
Other costs	1,634	2,952
	87,222	86,802

### 8. Management and administration

	2008	2007
	£	£
Salaries	21,157	20,294
Accommodation costs	5,288	5,288
Insurance (note 10)	315	315
Audit fee	2,350	2,350
Other costs/income	544	2,538
	29,654	30,785

## Notes to the financial statements

at 31 March 2008

### 9. Related party transactions

Royal Mail Group Ltd provided a donation of £33,816 (2007 - £65,493 of which £45,768 applied to 2005/06) The Fund also received £16,463 from the RM Charities Initiative and the following donated services:-

Accommodation valued at £21,150 (2007 – £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 (2007 – £25,000). This amount has been included in the SOFA under incoming resources in “Donated services from Royal Mail Group Ltd ” 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 Ltd 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 £315 covers the cost of personal accident and the travel for the staff and trustees (2007 – £315).

### 11. Staff costs

	2008	2007
	£	£
Gross wages and salaries	61,370	58,961
Employer’s national insurance costs	4,512	4,320
	<u>65,882</u>	<u>63,281</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
	<u>2.5</u>	<u>2.5</u>

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

	2008	2007
	£	£
<i>Portfolio of Stock managed by Brewin Dolphin</i>		
Market value at 1 April	1,096,463	1,058,298
Acquisitions at cost	323,091	296,857
Sales at market value	(333,042)	(280,593)
(Decrease)/Increase in market value investment	(67,165)	21,911
	<u>1,019,357</u>	<u>1,096,473</u>

## Notes to the financial statements

at 31 March 2008

### 12. Investments (continued)

Investments at market value comprised:

	2008	2007
	£	£
UK investments	868,117	950,084
Foreign investments	145,522	145,021
Cash held as part of the investment portfolio	5,718	1,368
	<u>1,019,357</u>	<u>1,096,473</u>
	<u>969,474</u>	<u>939,976</u>

Holdings in UK Government Stock represent 10% of the portfolio.

*M&G Charity Funds, Charifund and Charibond*

	2008	2007
	£	£
Market value at 1 April	1,291,043	-
Acquisitions at cost	-	1,260,000
(Decrease)/Increase in market value	(123,120)	31,043
	<u>1,167,923</u>	<u>1,291,043</u>
<b>Total Investments at Market Value</b>	<u>2,187,280</u>	<u>2,387,516</u>

### Gains on investments

	2008	2007
	£	£
Change in Market Value of Brewin Dolphin investments:		
Market Value as at 31 March	1,019,357	1,096,473
Market Value as at 1 April	1,096,473	1,058,298
	<u>(77,116)</u>	<u>38,175</u>
Brewin Dolphin's charges	6,507	6,099
	<u>(70,609)</u>	<u>44,274</u>
(Loss)/Gain in Brewin Dolphin investments	<u>(70,609)</u>	<u>44,274</u>
(Decrease)/Increase in Market Value of M&G investments:	<u>(123,120)</u>	<u>31,043</u>
<b>Total (Loss)/Gain per accounts</b>	<u>(193,729)</u>	<u>75,317</u>

