

**Rowland Hill Memorial and Benevolent Fund**

**Annual Report**

For the year ended

31 March 2018

Registered Charity number 207479

**Patron** HRH The Princess Royal

**Trustees' Report**

**Fund Mission Statement**

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

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

### ***Reference and administrative details***

#### **Office and Promotional Management**

Manager:	Mary Jeffery
Fund Coordinators:	Frances Kodjie Penny Scrutton
Communications Manager:	Shan Lawrence
Accountant:	John Elson

#### **Principal Office**

The Rowland Hill Fund  
Royal Mail  
185, Farringdon Road  
London  
EC1A 1AA

Tel: 0800 232 1762  
Web: [www.rowlandhillfund.org](http://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 185 Farringdon Road, London EC1A 1AA or from our website [www.rowlandhillfund.org](http://www.rowlandhillfund.org).

## **Trustees' Report (Continued)**

### ***Reference and administrative details (Continued)***

#### **The Trustees of the Fund**

Chairman, Dale Haddon

Deputy Chairman, Dr Shaun Davis

Bryan Roberts

David Blake

Graham Hadfield, OBE

Alan Wiltshire, TD

Ernie Dudley

Richard Poole

Pauline Vickers

Rodney Jagelman

Ian McKnight

Mel Tomlin

Louise Alexander

Eddie Phipps (Resigned September 2017)

Chris Littlejohns (Resigned March 2018)

#### **Custodian Trustee: Brewin Dolphin Securities**

12, Smithfield Street, London EC1A 9BD

#### **Auditors: KPMG LLP**

15 Canada Square, London E14 5GL

## Trustees' Report (Continued)

### Chairman's Report

The purpose of the Rowland Hill Fund is to help people in need. My aim as Chairman is to provide a clear strategic direction for the charity ensuring that it has maximum impact for its beneficiaries. In the year under review we have continued to follow the two-fold strategy set a few years ago of increasing awareness of the Fund so those who need help know we are here for them; and of aiming to have a well-run and cost-effective administration that raises and then focuses funds on helping people.

I was delighted that our Summer Recognition Event in July recognised those who made a contribution to our awareness and fundraising campaigns. The aim of the day was to thank and acknowledge those who have been actively involved in supporting the Fund in the last year. To celebrate people who, with our help, have overcome serious life challenges and to pause to think about those people who still find themselves in very challenging circumstances. The work of our volunteer Ambassadors in 2017 has led to some new and exciting initiatives and the celebration and awards ceremony gave us the chance to thank them. We are also grateful to the beneficiaries who have been willing to share their stories; which allows us to highlight the relevant issues today.

We genuinely believe that there is potential for grant-giving to grow much further – our job is to make people aware that we are here for them when they need help. In turn we hope that a growing recognition of the usefulness of the Fund will reflect itself in increased fund-raising amongst and by staff. We will then be fulfilling our aim of 'helping each other in times of need'.

Financially this year has broken some records. We may not have grown the fund this year overall but staff and pensioner contributions have increased slightly for the first time in many years, our grants awarded have hit an all-time record of nearly half a million and our fundraising and awareness has achieved a remarkable level and more than doubled the previous year's figure. Whereas the number of regular staff contributors continues to fall, we are now receiving more money from staff voluntarily raising funds than we receive from regular deductions from their pay packets.

The Fund continues to be very fortunate to be served by our small but very enthusiastic team. I would also like to mention that our superb fundraisers raised a fantastic £145K this year. Our superb fundraisers showed passion and drive using their initiative to take part in a variety of events including cake bakes, races, quizzes, auctions to name but a few. We thank them most sincerely and hope they will continue to support future initiatives.

I would also like to record our gratitude to the Civil Service Insurance Society Charity Fund who have generously sponsored our work this year.

Dale Haddon, Chairman

## **Trustees' Report (Continued)**

### ***Structure, governance and management***

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 who are unpaid. The Trustees have a variety of experience and skills to assist applicants in difficulty, including a solicitor, present and past senior managers, union officials, and external appointees.

The day to day running of the Fund is carried out by a paid team consisting of a full time Fund Manager, a full time Fund Coordinator, a part time Communications Manager, a part time Fund Coordinator and a part time Accountant. The employees of the Fund prepare the cases, in excess of £2,500, for submission to two Trustees at fortnightly meetings. Trustees then consider cases and make awards where appropriate. Awards for sums of £2,500 or less have been delegated to the Fund Manager.

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and Section 1A of the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice applicable to Smaller Entities.

The accounts have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following the Charities SORP (FRS 102) issued on 16 July 2014 rather than the preceding Charities SORP (SORP 2005) which was effective from 1 April 2005 which has since been withdrawn.

### ***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 invites selected candidates to become Trustees and on acceptance the appointments are confirmed at the subsequent meeting.

## **Trustees' Report (Continued)**

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

New Trustees are given a pack containing a personal copy of the Governing Document, the latest Annual Report and minutes of the most recent Trustee Meeting to acquaint themselves with the types of cases the Fund handles and other work in which the Fund is involved.

### ***Objectives and activities***

#### **Charity's Objectives**

- To make appropriate awards in the form of one-off grants for specific need; and regular cost of living grants.
- To attract regular contributions and donations to the Fund from serving employees and pensioners.
- To review the efficacy of current arrangements and plan their improvement.

#### **Significant activities contributing to achievement**

- Publicising the Fund by means of communications and fundraising events, both with a view to (i) attracting regular contributors and donations, and (ii) seeking out and assisting those in need.
- Careful recording, monitoring and reviewing 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.

#### **How we helped financially**

The Fund continues to offer help to colleagues past, present and their dependants experiencing financial hardship. The total of the one-off grants paid was £64,703 more than the 2016/17 grant aid figure. We dealt with 411 new cases during the year, which was 13% above the previous year.

Applications continue to be mainly debt related with arrears of utility bills, rent, mortgage and council tax being the main reason for requests into the Fund. The threat of bailiffs knocking on the door and the stress of losing their home and not being able to pay bills has a detrimental effect on people's health and wellbeing. Long-term sickness and an unexpected happening within the family often cause financial distress and we are proud to support people at a time when they find themselves at their most vulnerable. We continue to give grants towards disability aids such as Electrically Powered Vehicles and home adaptations as independence is vital for self-esteem. Other payments included heating repairs, funeral expenses, white goods and travelling to and from hospital for treatment.

Regular grants continue to be paid to individuals on low income. As at March 31 2018 we are giving regular grants to 10 beneficiaries. A total of £15,275 was distributed by way of regular grants during the year.

## **Trustees' Report (Continued)**

### **In the workplace**

The Fund continues to work closely with the employers and the publicity we receive through their communication networks is essential in raising awareness of the Fund. The most common cause of difficulty is the effect of sickness and disability, often as a result of personal tragedy or misfortune and the levels of debt due to changes in personal circumstances. Though the individual cases are often distressing, it is encouraging that we are still seen as a source of help. Our major initiatives to increase awareness of the Fund and what we can offer to serving staff and their families has started to pay dividends with an increase in applications. As the existence and objectives of the Fund become more widely known it is likely that the number of enquiries will rise. We are fortunate to work with the confidential Rowland Hill Fund Helpline who act as our "front line" contact for most applicants and prepare cases for consideration. The Helpline provides a wide range of services offering advice, signposting to debt solution agencies, counselling referrals as well as ensuring people are aware of the benefits they are entitled to; and sometimes just a friendly ear. Without this service we would not be able to deal with all of the requests from serving employees and pensioners. We also work closely with other charities to ensure the provision of the most appropriate service to beneficiaries.

### **Securing the future**

Sustainability of the Fund remains a priority for 2018/2019 and we are eager to underline this message to colleagues and pensioners with regular communications. We must ensure that those who need help are aware of the existence of the Fund and the valuable work it performs. We also want to encourage colleagues and pensioners to become regular contributors and participate in volunteering and fundraising. It is imperative that we continue to raise awareness and profile with the distribution of promotional materials. Mailings direct from the Fund to our contributors and a communication to pensioners highlights the Fund's work. Articles on the employers' Intranets and in publications such as the Courier and the Voice showcase the important work we do and the need to increase contributions.

The Fund continues to receive generous donations from Royal Mail Group Ltd (£30,000) and from the Civil Service Insurance Society Charity Fund (£65,000).

### **Acknowledgements**

Royal Mail Group Ltd is a strong advocate of the Fund both in financial terms with their annual donation, and also by the other support services they provide, and we are very grateful. We have benefited from the very professional service we receive from the Rowland Hill Fund Helpline, the Pensions and Accounts Payable teams and HR Shared Services. We also continue to forge relationships with Post Office Ltd.

Sincere thanks go to the Civil Service Insurance Society for their continued and valued sponsorship through the annual donation from the CSiS Charity Fund.

We would also like to acknowledge Brewin Dolphin Securities who manage our financial assets and our Auditors KPMG LLP.

## **Trustees' Report (Continued)**

### **Review of the activities and plans for future periods**

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. On-going plans are prepared to take account of changing contribution levels and communication channels, and the current investment climate, technological requirements and the relationship with the employers.

### **Reserves policy**

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, the Insurance Society of Post Office employees. The Trustees are conscious of the fact that regular staff and pensioner donations are reducing and in the future more reliance will be placed on financing our grant giving from investments. In 2017/18 the Fund withdrew £60,000 from our investments and Trustees feel that within seven years this will be our main source of income. Target free reserves are calculated to be sufficient funds to cover our grant commitments together with management, administration and support costs of the Fund, for seven years, estimated at £680,000 per annum. With this in mind the Trustees are meeting the Investment Managers, Brewin Dolphin, quarterly to discuss our investment strategy and aim to arrive at a target level for our reserves to enable us to meet this commitment. The current level of free reserves stands at £4,773,646. (2017 – £4,808,176).

### **Funding Sources**

The principal funding sources during the year were:

- Employee and pensioner contributions.
- Donations from Royal Mail Group Ltd, Civil Service Insurance Society Charity Fund, employees and pensioners, fundraising.
- Investments.
- Legacies.

### **Investment policy**

The Fund policy, set by the Trustees, is to maximise the return on investment with minimum risk. As at 31 March 2018, the Brewin Dolphin portfolio was valued at £4,657,742. (2017 - £4,632,537)

### **Achievements 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 employees/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 & administration costs).
- Measurement of customer satisfaction judged by correspondence received.
- Longer term targets covering contributor levels.

## **Trustees' Report (Continued)**

### **Risk**

The Trustees have produced a document detailing the principal risks affecting the Fund, and have quantified the probability and potential impact on the Fund of each risk. It includes the current actions and future plans being taken to minimise the risks. The key risks which we have identified and the action taken to mitigate these are:-

- continuing reduction in colleague numbers and hence potential subscribers, leading to reduced income. The Fund has undertaken a number of fundraising initiatives to increase donations;
- insufficient reserves caused by increased awards and falling stock markets. We continue to discuss our requirements with our investment managers;
- loss or reduction in donations from the employers, both Royal Mail and Post Office Ltd, which in today's financial climate is a real threat. We are in dialogue with the employers at senior level to try to ensure their continuing commitment to the Fund;
- loss of Civil Service Insurance Society donations. We continue to liaise with the Society but ultimately this would be out of our control;
- unplanned loss of key staff. Mitigated by better sharing of knowledge between staff members.

The document is reviewed annually.

### **Grant making policy**

The Fund assists current Royal Mail Group Ltd and Post Office Ltd employees, pensioners and their dependants. Beneficiaries must be experiencing financial hardship due to unforeseen circumstances, and also satisfy criteria regarding their own financial resources. Generally, help will be in the form of a one-off grant based on the applicants' circumstances and what is required. Regular grants may be available in the form of a monthly grant but such grants are dependent upon net income levels. Help will normally only be considered where all other avenues, including statutory assistance, have been exhausted. Applications for financial assistance are received direct from employees and pensioners through the Helpline as well as from other charities and public sector agencies. They are co-ordinated by the Rowland Hill Fund team by reference to agreed guidelines and are determined in such a way as to ensure that the Fund supports those most in need and suffering hardship due to their personal circumstances.

### ***Financial review***

#### **Summary of the overall financial position**

The fund finished the year with outgoing resources of £78,392, (2017 - £120,903). This year we received legacies of £40,220 and a further £16,022 from Gift Aid tax relief. During the year our regular income from employee and pensioner donations increased by 0.8%. This was unexpected but was due principally to increased contribution levels rather than an increase in numbers. In fact staff contributor numbers have decreased by 7.1% over the year and this remains a concern and represents less than 1% of the available population. Pensioner contributor numbers have decreased by 11.1%. Fundraising campaigns to attract more regular contributors are ongoing. We are continuing to spend more on communications to reach potential contributors and beneficiaries, and to encourage fund-raising activity, always aiming to use the Fund's money wisely. Increase awareness in the Fund has resulted in grants payable increasing more than 10% in the year.

## Trustees' Report (Continued)

### Resources

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

Comparison of Accounts	2017/18 (£)	2016/17 (£)	2015/16 (£)
Employee Contributions	69,906	69,426	71,757
Pensioner Contributions	152,481	151,224	165,076
Other Contributions	153,468	77,568	47,795
Total Donations from Royal Mail Group Staff and the Public	375,855	298,218	284,628
Royal Mail Group Ltd Donation	30,000	55,000	50,000
CSIS Charity Fund Donation	65,000	50,000	53,775
Donated services from RMG Ltd	60,100	60,100	60,100
Legacies	40,220	29,926	1,685
Gift Aid Tax Relief	16,022	16,899	18,994
Investment Income	60,000	50,000	-
Interest Income	44	2,751	3,605
Sundry Income	13,725	13,175	11,438
Total Incoming Resources	660,966	576,069	484,225
Regular Grants	15,275	34,975	35,150
One Off Grants	476,446	411,743	330,224
Total Grants Paid Out	491,721	446,718	365,374
Costs of generating funds	84,479	86,587	77,352
Support Costs (inc Royal Mail Group Ltd support)	117,992	118,194	115,213
Management and Administration	45,166	45,473	43,299
Total Resources Expended	739,358	696,972	601,238
Surplus	(78,392)	(120,903)	(117,013)

## **Trustees' Report (Continued)**

### **Investment performance**

Investment performance is monitored at Trustee Meetings and enhanced where necessary by intervening meetings with the investment managers. 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, represented by the Brewin Dolphin portfolio, rose by 1.84%.

### **Public Benefit clause**

The Trustees have taken account of the Charity Commission's guidelines regarding the public benefit that arises in meeting the Charity's aims.

We will support colleagues, pensioners and dependants irrespective of whether they contribute to the Fund. The Trustees consider that this represents a significant size of population eligible for help.

### **Review of the year**

2017/2018 was another busy year for the Fund where we distributed £491,721 in grants, an increase of 10% on the previous year (£446,718) and 34% above the year before.

Regular contributors continued to fall despite our best efforts; however a communication to our regular contributors in 2017 produced a very positive response with many increasing their contributions and giving one-off donations. We are extremely grateful to them as they underpin the work we do.

We are delighted that our efforts to ensure all employees are aware of the services and help we offer has resulted in a 14% increase on the previous year. We regularly see how money worries lead to anxiety, stress and depression and how it impacts on people's health and wellbeing. Caring for a family member often means reduced working hours leaving them unable to cope financially; hospital travelling expenses too leave a dent in funds. For those who are disabled, independence is critical, however, independence costs. In the current economic climate, with the high level of personal debt, there is an on-going need for advice and financial help.

The support from the Royal Mail CEO Post & Parcels in backing our awareness and fundraising campaigns has been invaluable to us. The Operations Leads and Senior Leadership Teams have been fantastic in helping us engage with staff by cascading messages and encouraging people to call for help. The growth of our Ambassador Programme nationally has given impetus to our awareness mission. It is vitally important to have people engaged in the Fund's work and for them to be able to communicate the help available.

We are very grateful to all those who have raised much needed funds through fundraising. During 2017/2018 we raised £145K, the highest amount ever recorded. Our superb fundraisers worked with much energy and enthusiasm. They competed in sporting events, baked cakes, sold food, organised bucket collections, hosted quizzes and auctions, rode bikes and climbed mountains! We are really indebted to all of them as not only have they raised much needed funds, they have also raised awareness.

## **Trustees' Report (Continued)**

We want to encourage staff and pensioners to ask for help when they need it and remove the stigma attached to approaching a charity for help, especially for money. To succeed we need sustained communication and a share of the voice and are working closely with Royal Mail, Post Office Ltd, CWU and Unite. We are using social media to help promote our work. It is wide-ranging and powerful and we are using this form of media as a tool to engage with organisations and individuals.

The Fund continues to communicate through the employers' internal communications channels and payslip messages as well as the Courier giving us additional reach.

We are working closely with the Post Office Orphans Benevolent Institution (POOBI) which is a charitable organisation dedicated to helping colleagues' families with educational grant schemes. They also provide quarterly grants to vulnerable families that can supplement income and benefits to provide additional help to children. We are responsible for the administration of the regular grants and University Bursaries and we will continue to work collaboratively whenever possible.

We continue to work with other charities to share the grant funding and have built excellent relationships with many of them.

We are thankful to our key sponsors, Royal Mail Group and the Civil Service Insurance Society Charity Fund. The relationships we have nurtured are vitally important to us and we look forward to working with them in the coming year. We are also thankful to the employees and pensioners for their on-going support.

The Fund is still seen as a major source of help and what remains ever present is people's need for support when their personal circumstances alter. We are focused on ensuring the longevity of the Fund and are proactively looking at new initiatives to make the Fund relevant and to fulfil the Fund's principal objective which is to help those in need. As the current difficult economic environment places strain on household finances, the need for assistance is only likely to increase.

## **Trustees' Report (Continued)**

### **Examples of help given by the Fund**

Grace worked for Royal Mail for 22 years before being medically retired. Grace has a number of chronic health conditions and felt very isolated as she was unable to leave her home without assistance. The Fund supplied her with the money to purchase a lightweight mobility scooter. She can now visit the local shops and some local groups and socialise more with her family and friends.

Valerie was struggling financially and debts had built up gradually since the death of her husband in January 2017. Valerie suffers with diabetes and had not been buying enough of the right foods and she suffered a seizure and blackout in November 2017. She was prescribed anti-depressants after her husband passed away and managed to come off them but is now taking them again following her diabetic incident and the stress of owing rent. The Fund was pleased to be able to support Valerie and clear her rent arrears.

Andrea worked for Royal Mail for 17 years and had to leave work in order to care for her husband Darryl. In June 2017 Daryl was diagnosed with aggressive and incurable Glioblastoma Grade 4 Tumour and the family found themselves struggling with debt. Daryl had regular visits to the hospital for chemotherapy and radiotherapy and Andrea has to drive her husband to all his appointments which is costly. To cope with the financial situation they had taken out loans and credit cards. They had utility bill arrears and the Fund was delighted to help relieve some financial stress by paying off their arrears.

James is a serving postman of 34 years in Chelmsford Mail Centre. His wife, Helen, has been forced to leave her employment as an NHS Nurse after she suffered complications after a hysterectomy leaving her with abdominal nerve damage. Due to the severity of her condition she is no longer able to work. They have one son, Ryan. James explained how stressful the ordeal has been, having to care for his wife during her illness, whilst working all the hours available to him. The Fund were pleased to help towards advance payments for rent to help alleviate the families financial pressures and concerns as James cares for his wife's ongoing medical issues.

### **Extracts from some of the many letters and cards of thanks received.**

"I am just writing to say a huge thank you to the Trustees of the Rowland Hill Fund for awarding me a grant to purchase a mobility scooter. It will be invaluable on family days out. Our son is a wheelchair user and my wife can only push one of us at a time! It also means that I can at last join my wife on walks around the village with our dog, Barley-Bramble. The application process was quick and easy and the advisor we spoke to was very polite."

"A huge thank you to the Rowland Hill Fund for making the impossible, possible. I have carried a huge weight on my shoulders for many years. A huge debt that I would have taken to my grave. But thanks to the Rowland Hill Fund for paying my bankruptcy fees, I can shout from the highest mountain "I am now debt free" an incredible, emotional feeling."

"Today I received a payment of 2 months mortgage. I rang the helpline and the process was so easy and reassuring. I can't thank all you lovely people who give to this cause. It has taken such a weight off my shoulders. Hopefully, when I get back into a position to be able to do so, I will be donating. Once again thank you from the bottom of my heart."

## Trustees' Report (Continued)

### Statement of Trustees' responsibilities in respect of the Trustees' Report and the financial statements

Under the trust deed of the charity and charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees have elected to prepare the financial statements in accordance with Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of income over expenditure or expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements; and
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Approved on behalf of the Trustees

Trustee

Date

## **Independent auditor's report to the Trustees of Rowland Hill Benevolent Fund**

We have audited the financial statements of Rowland Hill Benevolent Fund ("the charity") for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We have been appointed as auditor under section 144/145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Other information**

The trustees are responsible for the other information, which comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.
- We have nothing to report in these respects.

## **Independent auditor's report to the Trustees of Rowland Hill Benevolent Fund**

### **Matters on which we are required to report by exception**

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Trustees' responsibilities**

As explained more fully in their statement set out on page 14, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Ian Griffiths**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London E14 5GL

## Statement of Financial Activities

For the year ended 31 March 2018

	<i>Notes</i>	2018 Unrestricted Funds £	2017 Unrestricted Funds £
<b><i>Income and endowments from:</i></b>			
<b>Donations and legacies:</b>			
Donations from Royal Mail Group Ltd staff and the public		375,855	298,218
Donations from Royal Mail Group Ltd	8	30,000	55,000
Donations from Civil Service Insurance Society Charity Fund	8	65,000	50,000
Value of donated services from Royal Mail Group Ltd	8	60,100	60,100
Legacies	2	40,220	29,926
Gift Aid Tax Relief		16,022	16,899
<b>Other:</b>			
Income from Investments		60,000	50,000
Interest income	3	44	2,751
Sundry income		13,725	13,175
<b>Total</b>		<b>660,966</b>	<b>576,069</b>
<b><i>Expenditure on:</i></b>			
Raising funds			
Investment management fees		(18,670)	(17,553)
Costs of generating voluntary income	5,7	(110,975)	(114,506)
Charitable activities:			
Grants payable in furtherance of the Fund's objects (net of grants returned)	4	(491,721)	(446,718)
Support costs relating to grants and loans payable	6	(117,992)	(118,195)
<b>Total</b>		<b>(739,358)</b>	<b>(696,972)</b>
Gains on investment assets	10	43,862	702,083
<b>Net movement in funds</b>		<b>(34,530)</b>	<b>581,180</b>
<b><i>Reconciliation of funds</i></b>			
Total funds brought forward		4,808,176	4,226,996
<b>Total funds carried forward</b>		<b>4,773,646</b>	<b>4,808,176</b>

**Balance Sheet**

at 31 March 2018

	<i>Notes</i>	<i>2018</i> <i>Unrestricted</i> <i>Funds</i> <i>£</i>	<i>2017</i> <i>Unrestricted</i> <i>Funds</i> <i>£</i>
<b>Fixed assets</b>			
Investments	10	<u>4,657,742</u>	<u>4,632,537</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	225,535	183,820
Debtors: amounts falling due after more than one year	12	37,428	38,028
Cash at bank and in hand		<u>34,658</u>	<u>86,676</u>
		<b>297,621</b>	<b>308,524</b>
<b>Liabilities</b>			
Creditors: amount falling due within one year	13	(181,717)	(132,885)
		<u>115,904</u>	<u>175,639</u>
<b>Net current assets</b>		<u>115,904</u>	<u>175,639</u>
<b>Total net assets</b>		<u>4,773,646</u>	<u>4,808,176</u>
<b>The funds of the Charity</b>			
Unrestricted funds	14	<u>4,773,646</u>	<u>4,808,176</u>
Total Charity funds		<u><b>4,773,646</b></u>	<u><b>4,808,176</b></u>

**Trustee****Date**

## **Notes to the financial statements at 31 March 2018**

### **1. Accounting policies**

#### **Basis of preparation**

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

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and Section 1A of the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice applicable to Smaller Entities.

#### **Incoming resources**

Donations, legacies and donated services are recognised when entitlement, probable and measurable criteria have all been met. 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. Commitments represent the grants and loans authorised by the Trustees but not paid at that date. 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 assistance to actual and potential applicants. Management and administration comprises costs for the running of the Fund itself as an organisation. Where costs cannot be directly attributed to either of these two categories it is estimated based on activity levels that 75% of non-staff costs are attributable to support costs with the balance attributable to management and administration. For staff, the costs of those working on case-work are regarded as support costs and the accountant as management and administration. In the case of the manager it has been decided to apportion her costs as one third to management and administration, one third to support and one third to generating funds.

#### **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 backed by an agreement to remit the balance to the Fund on death or sale of the beneficiary's property or 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 2018, no loans were written off (2017 – no loans written off).

## Notes to the financial statements (Continued)

### at 31 March 2018

#### 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 Fund and which have not been designated for other purposes.

#### 2. Legacies

Legacies were received during the year to the value of £40,220 (2017 - £29,926).  
Legacies are brought to account at the time the money is received

#### 3. Interest income

	2018 £	2017 £
Deposit Accounts	44	227
Other interest (Anchor Housing)	-	2,524
	<u>44</u>	<u>2,751</u>

#### 4. Grants payable

The amounts payable in the year comprise:

	2018 £	2017 £
Cost of living grants to relieve financial hardship	15,275	34,975
Lump sum grant payments	476,446	411,743
Total grants payable	<u>491,721</u>	<u>446,718</u>

	2018 £	2017 £
Reconciliation of grants payable		
Commitments at 1 April	<b>16,205</b>	<b>12,736</b>
Commitments made during the year	491,721	446,718
Grants paid during the year	(502,319)	(443,249)
Commitments at 31 March (Note 13)	<u>5,607</u>	<u>16,205</u>

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

## Notes to the financial statements (Continued)

### at 31 March 2018

<b>5. Costs of generating voluntary income</b>	<b>2018</b>	<b>2017</b>
	£	£
Salaries (Note 9)	45,847	43,884
Advertising	7,867	14,280
Sundries	12,095	10,869
Governance costs (Note 7)	45,166	45,473
	<u>110,975</u>	<u>114,506</u>
<b>6. Support costs</b>	<b>2018</b>	<b>2017</b>
	£	£
Salaries (Note 9)	64,507	62,885
Accommodation costs	22,200	22,200
Welfare costs	30,500	30,500
Other costs	785	2,610
	<u>117,992</u>	<u>118,195</u>
<b>7. Governance costs</b>	<b>2018</b>	<b>2017</b>
	£	£
Salaries (Note 9)	32,203	31,389
Accommodation costs	7,400	7,400
Insurance	1,593	1,552
Audit fees	3,600	4,440
Other costs	370	692
	<u>45,166</u>	<u>45,473</u>

### 8. Related party transactions

We are very grateful to Royal Mail Group Ltd who made a donation of £30,000.

We were very grateful to receive the sum of £65,000 (2017 - £50,000) from the Civil Service Insurance Society Charity Fund and we thank them for their valued funding, which included financing our Awareness Initiative.

The Fund received the following donated services:-

Accommodation valued at £29,600 (2017 – £29,600) based on current accommodation costs, (it is not considered there is a significant difference between this and the open market) and the provision of welfare services at £30,500 (2017 – £30,500). 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”, in line with the Charities SORP (FRS 102). In addition, the Rowland Hill Benevolent 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 Group Ltd pay units, and the provision of postage and telephones.

## Notes to the financial statements (Continued)

### at 31 March 2018

#### 9. Staff costs

	2018 £	2017 £
Gross wages and salaries	125,735	121,992
Employer's national insurance costs	11,721	11,238
Employer's pension contributions	5,100	4,928
	<u>142,556</u>	<u>138,158</u>
	<i>Number</i>	<i>Number</i>
The average number of employees during the year, calculated on a full-time equivalent basis, was:	<u>3.4</u>	<u>3.4</u>

No employee received remuneration of more than £60,000 in either year. Trustee expenses to the value of £470 were paid during the year for travelling.

#### 10 Investments

Brewin Dolphin manages a portfolio specifically for us and we meet at intervals to discuss their performance and to guide them according to our requirements.

	2018 £	2017 £
<b>Portfolio managed by Brewin Dolphin</b>		
Market value at 1 April	4,632,537	3,947,496
New investment	-	-
Increase/(Decrease) in investment value	43,862	702,083
Management fees	(18,657)	(17,042)
Market value at 31 March	<u>4,657,742</u>	<u>4,632,537</u>
Investments at market value comprised:		
UK investments	3,466,441	2,494,282
Foreign investments	1,121,022	2,043,699
Cash held as part of the investment portfolio	70,279	94,556
Market value at 31 March	<u>4,657,742</u>	<u>4,632,537</u>
Historic cost as at 31 March	<u>4,140,283</u>	<u>3,617,319</u>

There are currently no holdings which are more than 5% of the portfolio.

## Notes to the financial statements (Continued)

### at 31 March 2018

<b>Gains on Investment Assets</b>	2018 £	2017 £
<b>Total gain / (loss) per financial statements</b>	<u>43,862</u>	<u>702,083</u>

#### 11. Indemnity insurance

The insurance premium of £1,593 covers the cost of personal accident and the travel for the staff and Trustees, Trustees liability indemnity and employers' liability insurance (2017 – £1,551).

<b>12 Debtors</b>	2018 £	2017 £
Amounts falling due within one year:		
Loans outstanding	600	600
Interest due	-	-
Accrued income:		
Donations due & fees paid	224,935	183,220
	<u>225,535</u>	<u>183,820</u>
Amounts falling due after more than one year:		
Individual loans granted	37,428	38,028
	<u>37,428</u>	<u>38,028</u>

<b>13. Creditors</b>	2018 £	2017 £
Grants and loans authorised but not paid	5,607	16,205
Amount due to Royal Mail Group Ltd	165,398	107,773
Sundry creditors	10,712	8,909
	<u>181,717</u>	<u>132,887</u>

**Notes to financial statements (Continued)**  
**at 31 March 2018**

**14. 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 Insurance 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 grants as part of the normal grant making process. The Trustees have designated all the funds as unrestricted.

**15. Ongoing Legacy Claim**

There is an ongoing legacy claim for which legal expenses have been accrued to the sum of £26,773 in 2017/18. (2016/17 - £24,379) These are currently included within debtors and will be released to the Statement of Financial Activities once the claim has been settled. These costs will be covered by the legal insurance policy held by the Rowland Hill Fund should the claim be unsuccessful.