



# **ROWLAND HILL MEMORIAL AND BENEVOLENT FUND**

## **ANNUAL REPORT**

**For the year ending 31 March 2021**

**Registered Charity number 207479**

## Trustees' Report

### 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 Management

Fund Manager:	Grace Owen Mary Jeffery (retired in August 2020)
Fund Coordinators:	Frances Kodjie Dawn Moir
Communications Manager:	Shan Lawrence
Accountant:	John Elson

#### Principal Office

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

**Telephone:** 0800 232 1762

**Website:** [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).

## **Board of Trustees**

**Chairman:** Dale Haddon

**Deputy Chairman:** Dr Shaun Davis

Alan Wiltshire, TD (Resigned June 2020)

Bryan Roberts (Resigned September 2020)

David Blake

Ernie Dudley

Ian McKnight

Louise Alexander

Mel Tomlin

Pauline Vickers (Resigned November 2020)

Richard Poole

Rodney Jagelman

## **Auditors**

Knox Cropper LLP, 65, Leadenhall Street, London EC3A 2AD

## **Chair's Report**

The Rowland Hill Fund has a simple and important mission: to support postal people in their time of greatest need. This took on a new meaning of importance during the year 2020/2021, as the COVID-19 global pandemic created unprecedented demand for financial assistance.

### **Relationship with Royal Mail Group (RMG)**

Royal Mail Group (RMG) gave the Rowland Hill Fund two grants totalling £750,000; £500,000 in April 2020 and £250,000 in December 2020. The partnership's aim was to support RMG employees experiencing financial difficulties as a result of COVID-19; thus the 'Hardship Grants' programme was created. Whilst RMG provides generous terms and conditions for its employees, it could not mitigate for every eventuality COVID-19 inevitably caused and continues to cause. It was the Fund's well-established and well-trusted logistical process which helped ensure the collaboration was successful.

The Fund's fundraisers and donors have been invaluable over the last twelve months. They have shared our COVID-19 messages to a wide operational audience at a critical time and invited the Fund to join video conference calls with Managers to share updates. Winter fundraising initiatives brought in over £60,000, which was an incredible effort considering the numerous nationwide lockdowns.

I would also like to express our gratitude to the Civil Service Insurance Society Charity Fund and Tim Parker, Chairman of Post Office Limited, who generously sponsored our work this year.

In other projects, we launched a new branding and digital marketing strategy, which included a new logo, website and communications plan. Our presence now has both 'internal' (RMG) and external relevance, the latter of which we aim to facilitate new income streams in the coming year.

Our new digital platforms now allow us to collect specific user data. This gives us a deeper understanding of who our audience are, where they are accessing our information from, the Google search terms they used to reach us, and what information they find most useful. In the coming year, this data will help us to define and inform our marketing and fundraising strategies.

### **The year in numbers**

2020/2021 marked a record-breaking year for grant giving. We distributed £820,351 to beneficiaries, a 98.7% increase on the previous year's total of £412,860. Of this, £496,032 was awarded for COVID-19 specific cases. We supported 486 postal people, a 50% increase on the previous year.

***Dale Haddon, Chair***

## **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, two part-time Fund Coordinators, a part-time Communications Manager 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 are agreed on by the Fund Manager and Fund Coordinator.

The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

### **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.

### **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.

## **The charity's objectives**

- To make appropriate awards in the form of one-off grants for specific need; and regular cost of living grants (the latter of which is less frequent)
- To attract regular contributions and donations to the Fund from external supporters and serving Royal Mail Group 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

## **Types of applications**

The Fund continues to fulfil its mission: to help postal people in need.

As previously reported, £496,032 of the £820,351 awarded in the year 2020/2021 was awarded for COVID-19 specific cases, to 235 beneficiaries. A further 313 cases unrelated to the pandemic were supported. The effects of the pandemic continue to be felt in 2021/22, and we anticipate a continued demand for assistance when the longer-lasting effects of the crisis start to be realised.

The nature of applications is evolving. Whereas previously submissions were for a specific need, they are now becoming more complex. We are recognising a more significant link between financial health and mental health. There is also evidence of an increase in gambling addictions, which may reflect the ever-expanding and now-mainstream world of online gambling. We now provide resources on our website to signpost applicants to additional resources. We have strengthened our relationships with charities including StepChange Debt Charity and Christians Against Poverty, who specialise in debt-specific remediation. We believe that working with expert charities provides long-term, more impactful support to postal people.

Other applications during the year included requests for support of utility bills, rent, mortgage and council tax. We continue to receive applications from those navigating long-term sickness and/or unexpected health challenges. We have also awarded grants towards disability aids such as Electrically Powered Vehicles, home and heating repairs, funeral expenses, white goods and travelling to and from hospital for treatment.

A small number of regular grants continue to be paid to individuals on low incomes. As at 31 March 2021, we awarded regular grants to six beneficiaries, three less than in the previous year. A total of £5,700 was distributed during the year (2020 - £13,155).

## **Securing the future**

Sustainability of the Fund remains a priority for 2021/2022. The launch of our brand-new website in 2020/2021 now allows us to regularly communicate with our audience. We receive c.1200 visitors each month, which grows month-on-month. We also launched an entirely digital monthly newsletter which keeps our audience updated with our work. This is underpinned by a communications strategy which addresses both 'internal' (Royal Mail Group) and external audiences. The pandemic has reminded society of the vital importance of postal people, and we are looking forward to building new income streams via these communities.

We undertook full analysis of our fundraising and donor user journeys. This resulted in a streamlined process for those wishing to donate. We now predominantly use PayPal Giving Fund, a platform which ensures that 100% of each donation goes to the Fund. In the first six months of use, we have reduced administration fees by 10%, which thus increased our donations by c. £1000.

Going forward, it is clear that we need to address the decline of RMG colleagues and pensioner regular donors. We completed a mailing of 125,000 flyers to the pensioner list in April 2021, and are looking to run specific campaigns during the following year.

## **Acknowledgements**

Royal Mail Group remains a strong advocate of the Fund. We receive incredible support in terms of accommodation, the Helpline, Pensions, Accounts Payable and HR Services. The confidential Helpline acts as our "frontline" contact for applicants and prepare cases for consideration. Without this support, we would be unable to deal with the scale of requests from serving employees and pensioners. This support has been particularly important over the last year, and we are incredibly grateful.

Sincere thanks go to the Civil Service Insurance Society for their continued sponsorship through the annual donation from the CSiS Charity Fund. Thank you also to Commsave Credit Union, Penny Post Credit Union and Tim Parker, Chairman of Post Office Limited. We value their support greatly and we look forward to working with them on future initiatives.

We would also like to acknowledge Ruffer LLP and Investec/Ninety-One who manage our financial assets and R E Jones Ltd who acted as our auditors for the year 2019/2020.

We continue to work closely with the Post Office Orphans Benevolent Institution (POOBI), a charitable organisation dedicated to helping RMG colleagues' families with educational grant schemes. They also provide quarterly grants to vulnerable families to supplement income and household activities. We are responsible for the administration of the regular grants and University Bursaries and we will continue to work collaboratively whenever possible.

## **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, and 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 may be placed on financing our grant giving from investments.

Since April 2019, our funds have been handled by two investment managers: Ninety-One and Ruffer. We believe that their performance over the two years has fully justified their appointment; our portfolio is now valued at £5,131,124. This performance was achieved during a difficult period for the markets. We feel confident that we have funds to sustain our work into the foreseeable future for both grant distribution and administration.

The current level of free reserves stands at £5,655,425 (2020 – £4,506,222).

## **Funding sources**

The principal funding sources during the year were:

- Employee and pensioner contributions
- Donations from the Civil Service Insurance Society Charity Fund, Commsave and Penny Post Credit Unions, CMA, 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. The Trustees are confident that the performance of the current investment managers meets this policy.

## **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

## **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 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 several fundraising initiatives to increase donations
- Insufficient reserves caused by increased awards and falling stock markets. We have recently appointed new investment managers
- Loss or reduction in donations from the employers. We are aware that donations from Royal Mail and Post Office Ltd vary from year to year and we take that into consideration. In 2020/21 we received a considerable Royal Mail donation to help employees suffering as a result of the COVID-19 pandemic
- Loss of Civil Service Insurance Society donations. We continue to liaise with them and 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 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 and 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 coordinated 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 a net surplus on resources of £219,428, (2020 – a deficit of £158,375). Much of this surplus was achieved with the generous help of Royal Mail Ltd who donated £750,000 to the Fund to help with the large number of COVID-19 cases during the year.

This year we received legacies of £83,886, (which included the final settlement of a legacy which had been ongoing for over seven years) and a further £14,725 from Gift Aid tax relief. We also received a generous donation of £50,000 from the Civil Service Insurance Society Charity Fund. During the year our regular income from employee and pensioner donations fell by 5.6%. This is a continuing trend which we hope to be able to stem in the future. During the year we gave £820,351 in grants, a record figure. Despite the numerous nationwide lockdown restrictions, we enjoyed some very welcome fundraising which raised over £70,000.

## Resources

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

<b>Comparison of Accounts</b>	<b>2020/21 (£)</b>	<b>2019/20 (£)</b>	<b>2018/19 (£)</b>
Employee Contributions	63,612	62,146	66,732
Pensioner Contributions	133,872	147,088	160,829
Other Contributions	128,422	170,419	170,593
Total Donations from Royal Mail Group Staff and the Public	325,906	379,653	398,154
Royal Mail Group Ltd Donation	750,000	-	-
CSIS Charity Fund Donation	50,000	50,000	-
Donated services from RMG Ltd	60,100	60,100	60,100
Legacies	162,906	2,500	500
Gift Aid Tax Relief	14,725	15,663	14,795
Investment Income	-	-	60,000
Interest Income	398	1,772	4,727
Sundry Income	15,890	14,575	14,295
<b>Total Incoming Resources</b>	<b>1,379,925</b>	<b>524,263</b>	<b>552,571</b>
Regular Grants	(7,736)	(13,155)	(13,225)
One Off Grants	(812,615)	(399,705)	(458,042)
Total Grants Paid Out	(820,351)	(412,860)	(471,267)
Costs of generating funds	(180,351)	(99,780)	(67,920)
Support Costs (inc Royal Mail Group Ltd support)	(114,097)	(120,567)	(120,200)
Management and Administration	(45,698)	(49,431)	(46,128)
<b>Total Resources Expended</b>	<b>(1,160,497)</b>	<b>(682,638)</b>	<b>(705,515)</b>
<b>Surplus/(Deficit)</b>	<b>219,428</b>	<b>(158,375)</b>	<b>(152,944)</b>

## **Investment performance**

Performance of the new investment managers was monitored monthly throughout the year. The Fund's investments are now held in accumulation funds with Ninety-One and Ruffer. Income generated by the underlying investments within those funds is reflected in the value of the units held. At 31 March 2020, the value of the investments was £4,406,346. During the year we withdrew £457k when we felt we might need additional cash, and later re-invested £300k. At 31 March 2021 our portfolio stood at £5,131,124, an increase in value over the year of £929,775. We feel the performance fully justifies our decision to move to Ninety-One and Ruffer and we are very pleased at the result achieved during a difficult year.

## **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.

## **Beneficiary Case Studies**

### **Martin S.**

Martin, a postman since 1993, was hospitalised with COVID-19 in May 2020. He was ventilated and put into an induced coma. He was close to death twice and given experimental treatments.

The experience left him with badly damaged lungs, resulting in breathlessness after minimal activity. He experiences severe muscle pain for which he is prescribed morphine when needed. Martin is extremely grateful to be alive and has a steely determination to return to work.

The Fund were delighted to be able to help with mortgage payments during his recovery.

*"I am so grateful to the Fund for easing my financial worries so that I can concentrate on my return to fitness as I relish getting back to work and seeing my colleagues."*

### **Nigel D. and son Joshua**

Nigel, a postman for 35 years, first approached the Fund in 2014 for his son Joshua, who suffers from a severe form of cerebral palsy and chronic lung disease. He is also blind and is fed through his stomach. The Fund has supported Joshua with several special moulded chairs called 'P-Pods'.

Nigel's home has now been adapted to suit the needs of Joshua with the help of a disability facilities grant. The Fund helped further in 2021 with flooring, and will continue to support Nigel and Joshua with financial help as his needs change.

*"It's fantastic to see Joshua so happy thanks to the kindness and helpfulness of the Fund. A big thank you for making this possible."*

### **Chris M. and family**

Chris, a postman since 2014, is married to Gina. They have 2 children: Stefan (15) and Vanessa (13). Stefan was diagnosed in February 2020 with Ewings Sarcoma, a rare form of cancer. The family had to relocate 200 miles to accommodation at to Edinburgh Hospital for treatment.

The Fund supported the family in July with council tax and mortgage payments and again in November when Stefan required further treatment.

*"Thank you so much for all your help and ongoing support. Your generosity is greatly appreciated. You guys have helped us so much with our finances and I find it quite moving that so many people at Rowland Hill want to help us get through this nightmare."*

### **Kevin C. and daughter Georgia**

Kevin joined Royal Mail in 2016. He lives with his wife Katrina, who is their daughter Georgia's full-time carer. 13-year-old Georgia was diagnosed with Gorlins Syndrome at birth. She communicates using a computer and can only consume liquid food.

Georgia is a wheelchair user, suffers with uncontrollable epilepsy and is blind to everything other than bright lights. At school, Georgia responds well to light and sound, so the family wanted to create a soft and safe sensory area at home for her.

The Fund purchased a double therapy chair and a vibroacoustic ball pit. The ball pit has a corner musical seat and has speakers and lights which Georgia loves and responds to.

Sister Amy says: *"Georgia was so happy to receive a grant from the Fund and has always benefited from sensory lights and music, as they help her remain calm and help her to self-regulate when she is heightened."*

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

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved on behalf of the Trustees

Trustee  
Richard Poole



Date 6 January 2022

# **Independent auditor's report to the Officers and Trustees of the Charity for the year ended 31 March 2021**

## **Opinion**

We have audited the financial statements of Rowland Hill Memorial and Benevolent Fund (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for 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 the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.



### **Our responsibilities for the audit of the financial statements**

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override and the assessment procedures to validate beneficiaries.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Knox Cropper LLP

Rowland Hill Memorial and Benevolent Fund

Chartered Accountants and Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

65 Leadenhall Street

London

EC3A 2AD

11 January 2022

## Statement of Financial Activities

### For the year ended 31 March 2021

		2021	2020
		Unrestricted	Unrestricted
		Funds	Funds
			(restated
			note 17)
	Notes	£	£
<b>Income and endowments from:</b>			
<b>Donations and legacies:</b>			
Donations from Royal Mail Group Ltd staff and the public		325,906	379,653
Donations from Royal Mail Group Ltd	8	750,000	-
Donations from Civil Service Insurance Society Charity Fund	8	50,000	50,000
Value of donated services from Royal Mail Group Ltd	8	60,100	60,100
Legacies	2	162,906	2,500
Gift Aid Tax Relief		14,725	15,663
<b>Other:</b>			
Interest income	3	398	1,772
Sundry income		15,890	14,575
<b>Total</b>		<b>1,379,925</b>	<b>524,263</b>
<b>Expenditure on:</b>			
Raising funds			
Investment management fees	10	(48,207)	(40,907)
Costs of generating voluntary income	5,7	(177,842)	(108,304)
Charitable activities:			
Grants payable in furtherance of the Fund's objects (net	4	(820,351)	(412,860)
Support costs relating to grants and loans payable	6	(114,097)	(120,567)
<b>Total</b>		<b>(1,160,497)</b>	<b>(682,638)</b>
Gains / (Losses) on investment assets	10	929,775	(152,747)
<b>Net movement in funds</b>		<b>1,149,203</b>	<b>(311,122)</b>
<b>Reconciliation of funds</b>			
Total funds brought forward		4,506,222	4,817,344
<b>Total funds carried forward</b>		<b>5,655,425</b>	<b>4,506,222</b>

The accompanying notes form part of the financial statements

## Balance Sheet

### at 31 March 2021

		2021 <i>Unrestricted Funds</i> £	2020 <i>Unrestricted Funds</i> £
	<i>Notes</i>		
<b>Fixed assets</b>			
Investments	10	5,131,124	4,406,346
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	14,584	118,299
Debtors: amounts falling due after more than one year	12	21,083	25,778
Cash at bank and in hand held in a deposit account		656,622	227,488
		<hr/>	<hr/>
		<b>692,289</b>	<b>371,565</b>
<b>Liabilities</b>			
Creditors: amount falling due within one year	13	(167,988)	(271,689)
		<hr/>	<hr/>
<b>Net current assets</b>		524,301	99,876
		<hr/>	<hr/>
<b>Total net assets</b>		5,655,425	4,506,222
		<hr/> <hr/>	<hr/> <hr/>
<b>The funds of the Charity</b>			
Unrestricted funds	14	5,655,425	4,506,222
		<hr/>	<hr/>
Total Charity funds		<b>5,655,425</b>	<b>4,506,222</b>
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Board of Trustees and authorised for issue on 22 November 2021 and were signed on its behalf by,

**Trustee**  
Richard Poole



**Date** 6 January 2022

**The accompanying notes form part of the financial statements**

## Notes to the financial statements at 31 March 2021

### Statement of Cash Flow

AS AT 31<sup>ST</sup> March 2021

### Statement of Cash Flows for the year ending 31 March 2021

	2021 £	2020 £
<b>Cash flows from operating activities:</b>		
<b>Net cash provided by/(used in) operating activities</b>	223,739	(25,402)
<b>Cash flows from investing activities:</b>		
Dividends and interest from investments	398	1,772
Net disinvestment/(investment) in portfolios	204,997	(4,559,093)
<b>Net cash provided by/(used in) investing activities</b>	205,395	(4,557,321)
<b>Change in cash and cash equivalents in the reporting period</b>	429,134	(4,582,723)
<b>Cash and cash equivalents at the beginning of the reporting period</b>	227,488	4,810,211
<b>Cash and cash equivalents at the end of the reporting period</b>	656,622	227,488
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities:</b>		
	2021 £	2020 £
Net income/(expenditure) for the reporting period	219,428	(158,375)
Dividends and interest from investments	(398)	(1,772)
Decrease in debtors	108,410	43,005
(Decrease)/increase in creditors	(103,701)	91,740
<b>Net cash provided by/(used in) operating activities</b>	223,739	(25,402)

## **Notes to the financial statements at 31 March 2021**

### **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.

The trustees consider that there are no material uncertainties about the Fund's ability to continue as a going concern.

#### **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 2021 no loans were written off (2020 – no loans were written off).

**Notes to the financial statements (Continued)**

at 31 March 2021

**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 £162,906 (2020 - £2,500).

Legacies are brought to account at the time the money is received. However, in the case of the protracted legacy claim (See Note 15) the costs and settlements to date have been accrued until a final settlement is complete.

**3. Interest income**

	2021 £	2020 £
Deposit Accounts	398	1,772
	<b>398</b>	<b>1,772</b>

**4. Grants payable**

	2021 £	2020 £
The amounts payable in the year comprise:		
Cost of living grants to relieve financial hardship	7,736	13,155
Lump sum grant payments	812,615	399,705
Total grants payable	<b>820,351</b>	<b>412,860</b>

	2021 £	2020 £
Reconciliation of grants payable		
Commitments at 1 April	<b>3,400</b>	<b>2,950</b>
Commitments made during the year	820,351	412,860
Grants paid during the year	(823,090)	(412,410)
Commitments at 31 March (Note 13)	<b>661</b>	<b>3,400</b>

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

## Notes to the financial statements (Continued)

### at 31 March 2021

<b>5. Costs of generating voluntary income</b>	<b>2021</b>	<b>2020</b>
	£	£
Salaries (Note 9)	46,909	46,869
Advertising	3,547	4,570
Sundries	2,668	7,434
Legal fees	79,020	-
Governance costs (Note 7)	45,698	49,431
	<u>177,842</u>	<u>108,304</u>
<b>6. Support costs</b>		
	£	£
Salaries (Note 9)	61,374	67,584
Accommodation costs	22,200	22,200
Welfare costs	30,500	30,500
Other costs	23	283
	<u>114,097</u>	<u>120,567</u>
<b>7. Governance costs</b> (Included in Note 5)	<b>2021</b>	<b>2020</b>
	£	£
Salaries (Note 9)	31,307	33,650
Accommodation costs	7,400	7,400
Insurance	1,883	1,753
Audit fees	5,100	4,320
Other costs	8	2,308
	<u>45,698</u>	<u>49,431</u>

## 8. Related party transactions

During 2020/21 we received £750,000 from Royal Mail Group Ltd to assist with providing grants for staff who were affected by the Covid 19 crisis. We are very grateful to Royal Mail for this funding.

We received a donation of £50,000 from the Civil Service Insurance Society Charity Fund in March 2020 which related to the 2020/21 accounts. We also received a donation of £40,000 in May 2021. We thank them for their continued valued funding,

The Fund received the following donated services:-

Accommodation valued at £29,600 (2019 – £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 (2019 – £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 2020

#### 9. Staff costs

	2021	2020
	£	£
Gross wages and salaries	122,005	129,132
Employer's national insurance costs	10,877	11,768
Employer's pension contributions	6,707	7,203
	<u>139,589</u>	<u>148,103</u>
	<i>Number</i>	<i>Number</i>
The average number of employees during the year, calculated on a full-time equivalent basis, was:	<u>3.3</u>	<u>3.3</u>

No employee received remuneration of more than £60,000 in either year. No Trustee claimed travelling expenses during the year.

#### 10 Investments

In 2018 our investments with Brewin Dolphin were liquidated and were re-invested in equal parts with Investec/Ninety-One and Ruffer.

The investment performance of the funds during 2020/21 is set out below.

	2021	2020
	£	£
<b>Investec/Ninety-One</b>		
Market Value at 31 March 2020 / Sum invested in April	2,037,750	2,300,000
Increase/(Decrease) in Investment value	443,461	(245,737)
Net Reinvestments / (Cash withdrawals) during year	(213,000)	-
Management fees	(18,995)	(16,513)
Market Value as at 31st March 2021	2,249,216	2,037,750
<b>Ruffer</b>		
Market Value at 31 March 2020 / Sum invested in April	2,368,596	2,300,000
Increase/(Decrease) in Investment value	486,314	92,990
Net Reinvestments / (Cash withdrawals) during year	56,210	-
Management fees	(29,212)	(24,394)
Market Value as at 31st March 2021	2,881,908	2,368,596

## Notes to the financial statements (Continued)

### at 31 March 2021

#### 11. Indemnity insurance

The insurance premium of £1,883 covers the cost of personal accident and the travel for the staff and Trustees, Trustees liability indemnity and employers' liability insurance (2020 – £1,753).

#### 12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Loans outstanding	0	360
Accrued income:		
Donations due & fees paid	14,584	117,939
	<u>14,584</u>	<u>118,299</u>
	2021 £	2020 £
Amounts falling due after more than one year:		
Individual loans granted	21,083	25,778
	<u>21,083</u>	<u>25,778</u>

#### 13. Creditors

	2021 £	2020 £
Grants and loans authorised but not paid	661	3,400
Amount due to Royal Mail Group Ltd	161,869	173,464
Legacy carried forward		40,365
Sundry creditors	5,458	54,460
	<u>167,988</u>	<u>271,689</u>

#### 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. All of these widows have now passed away. The Trustees have designated all the funds as unrestricted.

## **Notes to the financial statements (Continued) at 31 March 2021**

### **15. Ongoing Legacy Claim**

There has been an ongoing legacy claim since 2017 for which legal expenses have been prepaid to the sum of £79,020 in 2019/20. We received a part payment of the legacy of £40,365 during 2019/20 which was deferred to the current year. Both the deferred legacy income and prepaid legal expenses have been recognised in the current year. During 2021 the full legal fees were recovered, and we received the final settlement of the legacy. Total income recognised in respect of this legacy in the current year is £145,263 and includes reimbursed legal fees of £79,020, recognised within the costs of generating voluntary income.

### **16. COVID-19 Pandemic**

Since 31<sup>st</sup> March 2020, the COVID-19 pandemic has affected the Fund. We assisted, and continue to assist, many Royal Mail staff who have been impacted. The Fund received a generous donation of £750,000 from Royal Mail to enable us to meet these extra commitments. We were also unable to conduct many of our usual fundraising events during the year.

### **17. Restatement of comparatives**

In the financial statements of the Fund for the year ended 31 March 2020, net withdrawals from the investment portfolios of £40,907 were incorrectly disclosed as investment income. The investments of the Fund are held as accumulation units with Ninety-One and Ruffer (see note 10) and income generated from the underlying holdings is reflected in the movement in market value of the fund units.

This error has been corrected in the current year comparatives by decreasing income from investments for 2020 to £nil and the loss on investments by £40,907 to £152,747. The adjustment has no impact on net assets of the charity at 31 March 2020 or its performance for that year.