

**Charity Registration No. 314125 (England and Wales)**

**THE ROTHERMERE FOUNDATION  
REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 30 SEPTEMBER 2020**

# THE ROTHERMERE FOUNDATION

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# THE ROTHERMERE FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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|------------------------------|---|
| <b>Trustees</b>              | The Fourth Viscount Rothermere<br>Viscountess Rothermere<br>Mr V P W Harmsworth   |
| <b>Administrative office</b> | Northcliffe House<br>2 Derry Street<br>London<br>W8 5TT   |
| <b>Charity number</b>        | 314125  |
| <b>Auditor</b>               | Buzzacott LLP<br>130 Wood Street<br>London<br>EC2V 6DL  |
| <b>Bankers</b>               | Messrs C. Hoare & Co.<br>37 Fleet Street<br>London<br>EC4P 4DQ  |
| <b>Investment Advisors</b>   | UBS Wealth Management<br>5 Broadgate<br>London<br>EC2M 2QS<br><br>Cazenove Capital<br>1 London Wall Place<br>London<br>EC2Y 5AU |
| <b>Legal Advisors</b>        | Farrer & Co LLP<br>66 Lincoln's Inn Fields<br>London<br>WC2A 3LH  |

# THE ROTHERMERE FOUNDATION

## TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

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The Trustees present their report and the financial statements of The Rothermere Foundation for the year ended 30 September 2020.

This annual report has been prepared in accordance with Part 8 of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 12 to 15 of the attached financial statements and comply with the Charity's Trust Deed, the Charities Act 2011, applicable law and 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 United Kingdom and Republic of Ireland (FRS 102).

### Structure, Governance and Management

#### *Constitution*

The Foundation was established under a Trust Deed dated 16 April 1956 and registered as a charity shortly thereafter. The Foundation was endowed with investments by The Second Viscount Rothermere.

#### *Risk management*

The Foundation's principal asset and therefore, given the grant-making nature of the charity, its principal risk, comprises listed investments, the value of which is dependent on movements in UK and international stock markets.

The Trustees have considered this and other major risks to which the charity is exposed, in particular those related to the operational areas of the Foundation, its investments and its finances. The Trustees believe that these risks are mitigated by:

- ◆ A body of Trustees with the necessary experience and competence to supervise all aspects of the Foundation's activities;
- ◆ An established set of procedures to determine the level of Trustee approval required for grants, as well as the extent of monitoring, follow up visits and staging of payments; and
- ◆ Regular Trustee meetings at which all aspects of the Foundation's activities are reviewed.

#### *Trustees*

The Trustees plan to meet twice a year to consider grant applications, review investment performance and discuss matters of a strategic and administrative nature.

The Trustees who served during the year are shown on page 2. The power to appoint new Trustees is vested in the existing Trustees of the Foundation.

The present Trustees have a wide knowledge and include the chairman of a quoted company and a retired regular army officer and specialist in public relations.

#### *Key management personnel*

The key management personnel of the Charity in charge of directing and controlling, running and operating the Foundation on a day to day basis comprise the Trustees. No Trustee receives remuneration for their work as a Trustee, however one Trustee (2019 – one) received fees for his work as Secretary to the Charity and this fee is increased annually using the Retail Prices Index as at 30 September. Further details are given in note 12 to the financial statements.

# THE ROTHERMERE FOUNDATION

## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### Objectives, Activities and Achievements

#### *Objects*

The principal objects of the Foundation are to enable graduates of the Memorial University of Newfoundland to continue their education in the United Kingdom and to advance other charitable purposes.

#### *Activities*

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and setting grant making policies.

The Rothermere Foundation supports post PhD graduates from Memorial University Newfoundland so that they may pursue their studies at a higher level and return to Newfoundland to make a significant contribution to the welfare of that province through their social, business or science skills.

Subsidiary activities support the Rothermere American Institute (RAI) at Oxford which fosters relationships between the two countries via academic studies and the Rothermere Foundation also supports the Vyvyan Harmsworth Professor of American History.

#### *Achievements*

The Rothermere Fellows are reported on annually by their teachers and supervisors and all have achieved their aims with very satisfactory or outstanding results.

The RAI grows in stature annually and is now an important part of Oxford University playing a major part in Anglo-American affairs.

#### *Grant making policy*

Decisions on grants are made by the Trustees. All Trustees are involved in the grant making process. Trustees will only approve grants or fund projects which demonstrate public benefit within the criteria of the Charity Commission's guidance.

### Financial Review

#### *Reserves policy*

The Trustees' policy is to maintain a level of cash reserves out of current income which will provide a stable base for its continuing activities whilst ensuring excessive funds are not accumulated. The Trustees believe that the reserves are sufficient for its current purposes and these are reviewed on a regular basis.

Several larger donations were made in the year ended 30 September 2020 to expend more of the Foundation's reserves, including £150,000 to Mail Force Charity CIO and £100,000 to St. Peter's College, Oxford. Details of grants made can be seen in note 5.

Owing to the Covid-19 pandemic, amongst other factors, the Foundation's listed investments have shown significant unrealised losses during 2019/20. The Trustees regularly review the performance of the listed investments, particularly the performance of Daily Mail and General Trust Plc., and are of the opinion these reviews will be sufficient to ensure that the business of the Foundation in supporting beneficiaries is able to continue. As such, the trustees have continued to adopt the going concern basis of preparation for these financial statements.

# THE ROTHERMERE FOUNDATION

## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### Financial Review

Total funds as at 30 September amounted to £36,345,431 (2019: £45,327,897), a significant proportion of which is represented by the permanent endowment funds of £30,327,633 and £1,332,477 (2019: £39,983,733 and £1,265,683). Funds totalling £3,092,609 (2019: £2,950,875) have been set aside to make grants to the Rothermere fellows. The general funds of the Charity as at 30 September 2020 totalled £1,592,712 (2019: £1,127,606).

#### *Financial results*

During the year donations of £393,410 (2019: £1,313,744) and fellowship grants of £129,688 (2019: £121,596) were made or committed. The recipients are detailed in note 5 to the financial statements.

The charity received £1,172,149 of Unrestricted investment income during the year (2019: £1,185,998) and Permanent Endowment Investment Income of £Nil (2019: £1,245,000). The sum of £1,245,000 in 2019 represents a cash dividend arising out of a Share reorganisation in Daily Mail and General Trust plc and was used to form a new Permanent Endowment.

The total net income for the year (before unrealised gains and losses) was £504,958 (2019: £813,774). This was the net result of net income of £465,106 in the Unrestricted General Fund (2019: net expenditure of £483,499), a net income of £39,852 in the Rothermere Fellows Fund (2019: £52,273) and net income of £Nil in the Permanent Endowment Investment Fund (2019: £1,245,000).

During the year ended 30 September 2020 the investments held by the Foundation had an unrealised loss on revaluation of £9,473,601 (2019: unrealised gain £5,776,616) as shown in note 8 to the financial statements. This reflects, amongst other factors, the shock to stock markets arising as a result of the Coronavirus pandemic, from which the markets had not fully recovered at the year end. As noted above, the Trustees regularly review the performance of the listed investments, particularly the performance of Daily Mail and General Trust Plc., and are of the opinion these reviews will be sufficient to ensure that the business of the Foundation in supporting beneficiaries is able to continue. Beyond the effect on the charity's listed investments, the coronavirus pandemic has had a limited impact on the charity's operations as the charity's assets are very materially in excess of its liabilities, which has allowed it to continue funding grants to beneficiaries. A substantial grant of £1m was made to the Imperial War Museum Foundation in 2019 and grant making in 2020 has returned to normal levels.

The total net movement in the funds for the year was a decrease of £8,982,466 (2019: increase £6,627,476). This was the net result of an increase of £465,106 (2019: net decrease of £483,499) in the Unrestricted General Fund, an increase of £141,734 (2019: £119,159) in the Rothermere Fellows Fund, a decrease of £9,656,100 (2019: net increase of £5,726,133) in the Permanent Endowment Fund and an increase of £66,794 (2019: £1,265,683) in the Permanent Endowment Investment Fund. The movements on the Foundation's funds are shown in detail in the Statement of Financial Activity on page 9 and in note 11.

#### *Investment policy*

Under the terms of the Trust Deed, the Trustees may, at their absolute discretion, buy or sell investments in any funds in any country worldwide. The Trustees have adopted the position that they will retain the Daily Mail and General Trust plc 12.5 pence A Ordinary Non-Voting Shares, as originally settled by the settlor, for so long as this does not prejudice the position of the Foundation. This position is reviewed at least once a year.

#### *Fundraising*

During the previous year the Charity employed a professional fundraiser incurring fees of £45,751 (2020: £Nil) which are disclosed in note 14 to these accounts. During 2019/20, the charity undertook no fundraising activity and received no complaints in respect of fundraising during the previous year.

# THE ROTHERMERE FOUNDATION

## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### Trustees

The Trustees who have held office since 1 October 2019 are as follows: -

The Fourth Viscount Rothermere

Viscountess Rothermere

Mr V P W Harmsworth

### Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the Foundation for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in Accounting and Reporting by charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102)
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts 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.

By order of the Trustees

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The Fourth Viscount Rothermere

12/02/2021

# **THE ROTHERMERE FOUNDATION**

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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### **Independent auditor's report to the Trustees of The Rothermere Foundation**

#### **Opinion**

We have audited the accounts of The Rothermere Foundation (the 'charity') for the year ended 30 September 2020 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditor's 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.



## THE ROTHERMERE FOUNDATION

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' annual report 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.

#### Respective responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to both 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 an auditor's report 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.

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 auditor's report.

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and with 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 19/02/2021

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# THE ROTHERMERE FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2020

|   |       | <u>Unrestricted</u>     |                          | <u>Permanent Endowment</u> |                         |                           |                          |
|---|-------|-------------------------|--------------------------|----------------------------|-------------------------|---------------------------|--------------------------|
|   | Notes | General Funds           | Rothermere Fellows Funds | Permanent Endowment Fund   | Investment Fund         | Total 2020                | Total 2019               |
|   |       | £                       | £                        | £                          | £                       | £                         | £                        |
| <b>Income and endowments from:</b>                                  |       |                         |                          |                            |                         |                           |                          |
| <b>Investments</b>  | 2     | 1,132,297               | 39,852                   | -                          | -                       | <b>1,172,149</b>          | 1,185,998                |
| <b>Capital repayment</b>  | 2     | -                       | -                        | -                          | -                       | -                         | 1,245,000                |
| <b>Total income</b>   |       | <u>1,132,297</u>        | <u>39,852</u>            | <u>-</u>                   | <u>-</u>                | <u><b>1,172,149</b></u>   | <u>2,430,998</u>         |
| <b>Expenditure on:</b>  |       |                         |                          |                            |                         |                           |                          |
| <b>Raising funds</b>  | 14    | -                       | -                        | -                          | -                       | -                         | 45,751                   |
| <b>Charitable activities</b>  | 3     | 129,688                 | -                        | -                          | -                       | <b>129,688</b>            | 121,596                  |
| <b>Expenditure relating to 14 Dunstan Road</b>                      | 4     | 39,841                  | -                        | -                          | -                       | <b>39,841</b>             | 25,028                   |
|   |       | <u>169,529</u>          | <u>-</u>                 | <u>-</u>                   | <u>-</u>                | <u><b>169,529</b></u>     | <u>192,375</u>           |
| <b>Charitable grant making</b>                                      |       |                         |                          |                            |                         |                           |                          |
| <b>Grants payable</b>   | 5     | 393,410                 | -                        | -                          | -                       | <b>393,410</b>            | 1,313,744                |
| <b>Support costs of making grants</b>                               | 6     | 104,252                 | -                        | -                          | -                       | <b>104,252</b>            | 111,105                  |
|   |       | <u>497,662</u>          | <u>-</u>                 | <u>-</u>                   | <u>-</u>                | <u><b>497,662</b></u>     | <u>1,424,849</u>         |
| <b>Total expenditure</b>  |       | <u>667,191</u>          | <u>-</u>                 | <u>-</u>                   | <u>-</u>                | <u><b>667,191</b></u>     | <u>1,617,224</u>         |
| <b>Net income/ (expenditure) before investment gains and losses</b> |       | 465,106                 | 39,852                   | -                          | -                       | <b>504,958</b>            | 813,774                  |
| <b>Other recognised gains and losses</b>                            |       |                         |                          |                            |                         |                           |                          |
| Unrealised gains/ (losses) on investments                           | 8     | -                       | 79,938                   | (9,656,100)                | 102,561                 | <b>(9,473,601)</b>        | 5,776,616                |
| Realised gains on investments                                       | 8     | -                       | 21,944                   | -                          | 760                     | <b>22,704</b>             | 16,403                   |
| Foreign exchange (losses)/ gains                                    |       | -                       | -                        | -                          | (36,527)                | <b>(36,527)</b>           | 20,683                   |
| Net income/ (expenditure)   |       | <u>465,106</u>          | <u>141,734</u>           | <u>(9,656,100)</u>         | <u>66,794</u>           | <u><b>(8,982,466)</b></u> | <u>6,627,476</u>         |
| Balances brought forward at 1 October 2019                          |       | <u>1,127,606</u>        | <u>2,950,875</u>         | <u>39,983,733</u>          | <u>1,265,683</u>        | <u><b>45,327,897</b></u>  | <u>38,700,421</u>        |
| <b>Balances carried forward at 30 September 2020</b>                |       | <u><b>1,592,712</b></u> | <u><b>3,092,609</b></u>  | <u><b>30,327,633</b></u>   | <u><b>1,332,477</b></u> | <u><b>36,345,431</b></u>  | <u><b>45,327,897</b></u> |

The results for the year all relate to continuing operations.

All recognised gains and losses are included in the statement of financial activities.

The accounting policies and notes on pages 12 to 24 form part of these financial statements.

Comparative information in respect of the year ended 30 September 2019 is provided in notes 15 and 16.

# THE ROTHERMERE FOUNDATION

## BALANCE SHEET AS AT 30 SEPTEMBER 2020

|   | Notes | Unrestricted     |                                | Permanent Endowment            |                    | Total<br>2020     | Total<br>2019     |
|---|-------|------------------|--------------------------------|--------------------------------|--------------------|-------------------|-------------------|
|   |       | General<br>Funds | Rothermere<br>Fellows<br>Funds | Permanent<br>Endowment<br>Fund | Investment<br>Fund |                   |                   |
|   |       | £                | £                              | £                              | £                  | £                 | £                 |
| Fixed assets                                      |       |                  |                                |                                |                    |                   |                   |
| Tangible fixed assets                             | 7     | 703,960          | -                              | -                              | -                  | 703,960           | 715,800           |
| Investments                                       | 8     | -                | 2,988,172                      | 30,327,633                     | 1,332,683          | 34,648,488        | 42,854,918        |
|   |       | <u>703,960</u>   | <u>2,988,172</u>               | <u>30,327,633</u>              | <u>1,332,683</u>   | <u>35,352,448</u> | <u>43,570,718</u> |
| Current assets                                    |       |                  |                                |                                |                    |                   |                   |
| Debtors   | 9     | 28,323           | 5                              | -                              | -                  | 28,328            | 54,417            |
| Cash at bank                                      |       | <u>902,032</u>   | <u>104,432</u>                 | <u>-</u>                       | <u>(206)</u>       | <u>1,006,258</u>  | <u>1,741,159</u>  |
|   |       | 930,355          | 104,437                        | -                              | (206)              | 1,034,586         | 1,795,576         |
| Creditors: amounts falling<br>due within one year | 10    | (41,603)         | -                              | -                              | -                  | (41,603)          | (38,397)          |
| Net current assets                                |       | <u>888,752</u>   | <u>104,437</u>                 | <u>-</u>                       | <u>(206)</u>       | <u>992,983</u>    | <u>1,757,179</u>  |
| <b>Net assets</b>                                 |       | <u>1,592,712</u> | <u>3,092,609</u>               | <u>30,327,633</u>              | <u>1,332,477</u>   | <u>36,345,431</u> | <u>45,327,897</u> |
| <b>Funds</b>                                      | 11    | <u>1,592,712</u> | <u>3,092,609</u>               | <u>30,327,633</u>              | <u>1,332,477</u>   | <u>36,345,431</u> | <u>45,327,897</u> |

The accounting policies and notes on pages 12 to 24 form part of these financial statements.

Approved by the Trustees on: 12/02/2021

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The Fourth Viscount Rothermere

# THE ROTHERMERE FOUNDATION

## STATEMENT OF CASH FLOWS YEAR ENDED 30 SEPTEMBER 2020

|   |                              | 30<br>September<br>2020<br>£ | 30<br>September<br>2019<br>£ |
|---|------------------------------|------------------------------|------------------------------|
| <b>Cash flows from operating activities:</b>  |                              |                              |                              |
| <i>Net cash used in operating activities</i>  | <b>A</b>                     | <b>(662,583)</b>             | <b>(1,624,746)</b>           |
| <b>Cash flows from investing activities:</b>  |                              |                              |                              |
| Investment income and interest receivable   |                              | 1,172,149                    | 1,185,998                    |
| Proceeds from sale of assets  |                              | -                            | 6,600                        |
| Purchase of investments   |                              | (1,872,731)                  | (530,538)                    |
| Capital distribution  |                              | -                            | 1,245,000                    |
| Proceeds from the disposal of investments   |                              | 919,574                      | 525,217                      |
| <i>Net cash provided by investing activities</i>  |                              | <b>218,992</b>               | <b>2,432,277</b>             |
| Change in cash and cash equivalents in the year   |                              | (443,591)                    | 807,531                      |
| Cash and cash equivalents at 1 October  |                              | 1,785,861                    | 978,330                      |
| <i>Cash and cash equivalents at 30 September</i>  | <b>B</b>                     | <b>1,342,270</b>             | <b>1,785,861</b>             |
| <b>A Reconciliation of net movement in funds to net cash flows from operating activities:</b> |                              |                              |                              |
| Net movement in funds for the year  |                              | (8,982,466)                  | 6,627,476                    |
| Adjustments for:  |                              |                              |                              |
| Depreciation charges  |                              | 11,840                       | 11,840                       |
| Losses/ (gains) on investments  |                              | 9,450,897                    | (5,793,019)                  |
| Investment income and interest receivable   |                              | (1,172,149)                  | (1,185,998)                  |
| Capital distribution  |                              | -                            | (1,245,000)                  |
| Profit on sale of fixed assets  |                              | -                            | (6,600)                      |
| Decrease/ (increase) in debtors   |                              | 26,089                       | (26,534)                     |
| Increase/ (decrease) in creditors   |                              | 3,206                        | (6,911)                      |
| <i>Net cash used in operating activities</i>  |                              | <b>(662,583)</b>             | <b>(1,624,746)</b>           |
| <b>B Analysis of changes in net debt</b>  |                              |                              |                              |
|   | 30<br>September<br>2019<br>£ | Cash flows<br>£              | 30<br>September<br>2020<br>£ |
| Cash at bank and in hand  | 1,741,159                    | (734,901)                    | 1,006,258                    |
| Cash held by investment managers  | 44,702                       | 291,310                      | 336,012                      |
|   | <b>1,785,861</b>             | <b>(443,591)</b>             | <b>1,342,270</b>             |

# THE ROTHERMERE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1. Principal Accounting Policies

#### 1.1. Accounting Convention

The financial statements which have been prepared for the year to 30 September 2020, are presented in sterling and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to the charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

#### 1.2. Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- estimating the liability for multi-year grant commitments; and
- estimating the useful economic life of tangible fixed assets

With respect to the next reporting period, the most significant areas of uncertainty are the carrying value of investment assets held by the charity, which will depend on the performance of investment markets and the investment income from these assets.

The full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries and the wider economy. Estimates used in the accounts, particularly with respect to the value of listed investments are subject to a greater degree of uncertainty and volatility.

As set out in these accounting policies under "going concern", below, the trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

#### 1.3. Going Concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

Owing to the Covid-19 pandemic, amongst other factors, the Foundation's listed investments have shown significant unrealised losses during 2019/20. The Trustees regularly review the performance of the listed investments, particularly the performance of Daily Mail and General Trust Plc., and are of the opinion these reviews will be sufficient to ensure that the business of the Foundation in supporting beneficiaries is able to continue. As such, the trustees have continued to adopt the going concern basis of preparation for these financial statements.

# THE ROTHERMERE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1.3. Going Concern (continued)

The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. This is because the value of assets held by the charity is very materially in excess of the liabilities of the charity and the level of commitments in respect of grants approved for projects payable in future years.

### 1.4. Investment income

Income is recognised in the period in which the Charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises dividends from listed investments and interest on cash deposits. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

### 1.5. Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure comprises the following:

- a) Expenditure on raising funds comprises the costs associated with the employment of a professional fundraiser.
- b) Educational and other grants payable are included in the Statement of Financial Activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions. Grants approved but not paid at the end of the financial period are accrued. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued but are noted as financial commitments in the notes to the financial statements.
- c) Expenditure relating to 14 Dunstan Road comprises the costs associated with the provision of accommodation for the Oxford Professor Fellowship.
- d) Support and governance costs represent indirect charitable expenditure incurred in order to facilitate the grant making activities of the Charity. The costs do not directly relate to the amount of time spent on processing and monitoring grants and so have not been allocated across fellowship and other educational grants respectively. Included within support and governance costs are all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

### 1.6. Tangible fixed assets

Tangible fixed assets are depreciated over the relevant useful economic life on a straight line basis as follows:

|                                    |   |               |
|------------------------------------|---|---------------|
| Freehold property (excluding land) | - | over 50 years |
| Computer equipment                 | - | over 3 years  |

Fixed asset items costing over £500 are capitalised.

The Trustees took the opportunity on the transition to FRS 102 for the year ended 30 September 2015 to revalue the Charity's freehold property to fair value and treat this figure as deemed cost. This has resulted in an increase to the depreciation charge of £9,530 for each of the remaining 36 years of the property's useful economic life.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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1.7. **Investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and are subsequently measured at their fair value, which is considered equivalent to their open market value, at the balance sheet date. Open market value is determined by reference to the Stock Exchange Daily Official List in respect of quoted investments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains (or losses) are calculated as the difference between the fair value at the year end and their carrying value at that date. Any movement in unrealised gains or losses is treated as a movement on the Statement of Financial Activities (SOFA).

1.8. **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

1.9. **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Included in cash at bank is an amount held in US Dollars equivalent to UK £Nil (2019: UK£1,265,683).

1.10. **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

1.11. **Financial instruments**

The charity holds only basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement bases are as follows:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

*Cash at bank* – is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

# THE ROTHERMERE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1.12. Fund Accounting

The general fund comprises those funds which the Trustees are free to use in accordance with the charitable objects.

Within the general fund is a designated fixed asset fund which represents the net book value of the tangible fixed assets.

A further designated fund has been set aside from unrestricted funds to make grants to the Rothermere fellows.

The permanent endowment funds represent those assets which must be held permanently by the charity, being the investments in UK equities as detailed in note 8 to the financial statements referred to in note 1.7. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included within the General Fund. Any capital gains or losses arising on the investments form part of the permanent endowment fund.

### 1.13. Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items are measured at historical cost and translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Financial Activities except when deferred in other comprehensive income as qualifying cash flow hedges.



## THE ROTHERMERE FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

| <b>2. Investment income</b>   | <b>2020</b>      | <b>2019</b>      |
|-------------------------------|------------------|------------------|
|                               | <b>£</b>         | <b>£</b>         |
| Dividends – UK equities       | 1,132,211        | 1,133,630        |
| Dividends – Fellows Portfolio | 39,852           | 52,273           |
| Interest on cash deposits     | 86               | 95               |
|                               | <u>1,172,149</u> | <u>1,185,998</u> |
| Capital repayment             | -                | 1,245,000        |
|                               | <u>1,172,149</u> | <u>2,430,998</u> |

### 3. Fellowship grants

Grants and expenses of £129,688 were made to support three Rothermere Fellows in the year (2019: three Fellows).

|          | <b>2020</b>    | <b>2019</b>    |
|----------|----------------|----------------|
|          | <b>£</b>       | <b>£</b>       |
| Grants   | 123,366        | 118,978        |
| Expenses | 6,322          | 2,618          |
|          | <u>129,688</u> | <u>121,596</u> |

### 4. Expenditure relating to 14 Dunstan Road

The following expenses relate to the accommodation provided by the Foundation for the Oxford Professor Fellowship:

|   | <b>2020</b>   | <b>2019</b>   |
|---|---------------|---------------|
|   | <b>£</b>      | <b>£</b>      |
| Overhead costs                                  | 6,785         | 8,129         |
| Repairs and maintenance, including garden costs | 10,461        | 4,426         |
| Motor expenses and insurance and travel costs   | 3,864         | 2,445         |
| Management fees and other costs                 | 6,891         | 4,788         |
| Profit on sale of fixed asset                   | -             | (6,600)       |
| Depreciation                                    | 11,840        | 11,840        |
|   | <u>39,841</u> | <u>25,028</u> |

# THE ROTHERMERE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 5. Grants payable

|                             | 2020<br>£      | 2019<br>£        |
|-----------------------------|----------------|------------------|
| Grants paid in the year     | 378,410        | 1,303,744        |
| Grant commitments (note 10) | 15,000         | 10,000           |
|                             | <u>393,410</u> | <u>1,313,744</u> |

### Grants payable for the year

|                                      | £            | £             |
|--------------------------------------|--------------|---------------|
| <b>Medical research</b>              |              |               |
| British Heart Foundation             | -            | 500           |
| Dorset and Somerset Air Ambulance    | -            | 4,000         |
| Julia's House Hospice                | 1,000        | -             |
| Marie Curie (Hotspur Geothermal Ltd) | -            | 1,000         |
| Robert Colville                      | -            | 5,000         |
| Wellbeing of Women                   | 5,000        | 1,000         |
|                                      | <u>6,000</u> | <u>11,500</u> |

|  | £              | £              |
|--|----------------|----------------|
| <b>Educational/Children's charities</b>          |                |                |
| Learning Skills Research                         | -              | 5,000          |
| RAI – First World War Project                    | -              | 45,000         |
| Royal National Children's Springboard Foundation | -              | 10,000         |
| Sandroyd School                                  | 26,310         | 26,310         |
| St Peter's College Oxford                        | 100,000        | 100,000        |
| University of Oxford Charitable Trust            | 30,000         | -              |
|  | <u>156,310</u> | <u>186,310</u> |

|                                | £        | £          |
|--------------------------------|----------|------------|
| <b>Religious organisations</b> |          |            |
| St Bride's Church              | -        | 250        |
|                                | <u>-</u> | <u>250</u> |

|                                  | £            | £             |
|----------------------------------|--------------|---------------|
| <b>The Arts/Sport</b>            |              |               |
| Cherubim Music Trust             | 1,000        | -             |
| The Chicken Shed Theatre Trust   | -            | 5,000         |
| The Fording Point Arts Centre    | -            | 10,000        |
| The Stour Music Festival Limited | 5,000        | 5,000         |
|                                  | <u>6,000</u> | <u>20,000</u> |

# THE ROTHERMERE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

| <b>5. Grants payable for the year (continued)</b> | <b>2020</b>    | <b>2019</b>      |
|---|----------------|------------------|
|   | <b>£</b>       | <b>£</b>         |
| <b>Other charitable donations</b>                 |                |                  |
| Apex 2100 Foundation Ltd                          | -              | 5,000            |
| Atlantic Salmon Trust                             | -              | 20,000           |
| Chalke Valley Festival                            | -              | 1,354            |
| Chalke Valley History Festival                    | (5,000)        | 4,850            |
| Countryside Alliance Foundation                   | -              | 5,000            |
| David Nott Foundation                             | -              | 2,000            |
| Diverse Abilities                                 | -              | 5,000            |
| Game Alliance Limited                             | 10,000         | 10,000           |
| Great Dexter                                      | 5,000          | -                |
| Hands Up Foundation                               | -              | 5,000            |
| Horatio's Garden                                  | 5,000          | -                |
| Imperial War Museum Foundation                    | 15,000         | 1,000,000        |
| Mail Force Charity CIO                            | 150,000        | -                |
| Make a Wish Foundation UK                         | -              | 830              |
| Plantlife   | -              | 1,500            |
| Plant Heritage                                    | -              | 5,000            |
| Project Trust                                     | -              | 1,000            |
| Rare Breeds Survival Trust                        | -              | 4,000            |
| Rothermere American Institute                     | -              | 150              |
| Royal British Legion                              | 10,000         | -                |
| Stars Appeal                                      | 100            | -                |
| The Normandy Memorial Trust                       | -              | 5,000            |
| The Royal Marsden                                 | -              | 10,000           |
| Urban Synergy                                     | 10,000         | -                |
| Water Harvest                                     | -              | 5,000            |
| War Memorial Trust                                | 10,000         | -                |
| World Horse Welfare                               | 5,000          | -                |
| Young Minds                                       | -              | 5,000            |
| Zoological Society of London                      | 10,000         | -                |
|   | <b>225,100</b> | <b>1,095,684</b> |
| <b>Total Grants Payable</b>                       | <b>393,410</b> | <b>1,313,744</b> |

# THE ROTHERMERE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

|    |   |                          |                           |
|----|---|--------------------------|---------------------------|
| 5. | <b>Grants payable (continued)</b>                 | <b>2020</b>              | <b>2019</b>               |
|    | <b>Summary of Total Grants Payable</b>            | <b>£</b>                 | <b>£</b>                  |
|    | Medical research                                  | <b>6,000</b>             | <b>11,500</b>             |
|    | Educational/Children’s charities                  | <b>156,310</b>           | <b>186,310</b>            |
|    | Religious organisations                           | <b>-</b>                 | <b>250</b>                |
|    | The Arts/Sport                                    | <b>6,000</b>             | <b>20,000</b>             |
|    | Other charitable donations                        | <b>225,100</b>           | <b>1,095,684</b>          |
|    |   | <b>393,410</b>           | <b>1,313,744</b>          |
| 6. | <b>Support costs</b>                              | <b>2020</b>              | <b>2019</b>               |
|    |   | <b>£</b>                 | <b>£</b>                  |
|    | V P W Harmsworth’s fees and expenses as Secretary | <b>44,811</b>            | <b>46,274</b>             |
|    | Professional fees                                 | <b>20,952</b>            | <b>23,210</b>             |
|    | Rothermere Fellows – investment portfolio fees    | <b>26,621</b>            | <b>28,856</b>             |
|    | Other costs                                       | <b>(555)</b>             | <b>241</b>                |
|    | Governance – Audit fee                            | <b>12,423</b>            | <b>12,524</b>             |
|    |   | <b>104,252</b>           | <b>111,105</b>            |
| 7. | <b>Tangible fixed assets</b>                      | <b>Freehold Property</b> | <b>Computer Equipment</b> |
|    | <b>Cost or valuation</b>                          | <b>£</b>                 | <b>Total £</b>            |
|    | At 1 October 2019                                 | <b>775,000</b>           | <b>772</b>                |
|    | At 30 September 2020                              | <b>775,000</b>           | <b>772</b>                |
|    | <b>Depreciation</b>                               |                          |                           |
|    | At 1 October 2019                                 | <b>59,200</b>            | <b>772</b>                |
|    | Charge for the year                               | <b>11,840</b>            | <b>-</b>                  |
|    | At 30 September 2020                              | <b>71,040</b>            | <b>772</b>                |
|    | <b>Net Book Value at 30 September 2020</b>        | <b>703,960</b>           | <b>-</b>                  |
|    | Net Book Value at 30 September 2019               | <b>715,800</b>           | <b>-</b>                  |

The Freehold Property was revalued at market value at 30 September 2015 at £775,000 by Reuben A Diffey MRICS RICS of Property Formula Ltd and the effect of this revaluation upon transition to FRS 102 which is treated as a deemed cost, is shown in the accounting policy 1.6 on page 13.

If the property had not been revalued it would have been included at its historical cost of £16,300. All assets are used for charitable purposes.

The charity will continue to adopt a policy of not revaluing its tangible fixed assets in accordance with Section 17 of Financial Reporting Standard 102.

Included within Freehold Property is land with a carrying value of £348,750 which has not been depreciated.

# THE ROTHERMERE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

| <b>8. Investments</b>   | <b>2020</b>        | <b>2019</b>       |
|---|--------------------|-------------------|
|   | <b>£</b>           | <b>£</b>          |
| UK Equities   |                    |                   |
| Market value at 1 October 2019  | <b>39,983,733</b>  | <b>34,257,600</b> |
| Unrealised (loss)/ gain on revaluation at 30 September 2020   | <b>(9,656,100)</b> | <b>5,726,133</b>  |
| Market value at 30 September 2020   | <b>30,327,633</b>  | <b>39,983,733</b> |
| Historic cost at 16 April 1956  | <b>50,000</b>      | <b>50,000</b>     |
| Fellows Fund  |                    |                   |
| Market value at 1 October 2019  | <b>2,826,483</b>   | <b>2,754,276</b>  |
| Additions at cost   | <b>1,872,731</b>   | <b>530,538</b>    |
| Disposals at opening market value (proceeds: £919,574, realised gains: £22,704)   | <b>(896,870)</b>   | <b>(508,814)</b>  |
| Unrealised gains  | <b>182,499</b>     | <b>50,483</b>     |
| Market value at 30 September 2020   | <b>3,984,843</b>   | <b>2,826,483</b>  |
| Cash held by investment manager   | <b>336,012</b>     | <b>44,702</b>     |
|   | <b>4,320,855</b>   | <b>2,871,185</b>  |
| Historic cost   | <b>3,469,078</b>   | <b>2,491,912</b>  |
| <b>Total investments at market value at 30 September 2020</b>   | <b>34,648,488</b>  | <b>42,854,918</b> |
| Material investments in individual entities held at 30 September 2020:<br>4,687,424 (2019: 4,687,424) Daily Mail and General Trust plc 12.5<br>pence per A Ordinary Non-Voting shares | <b>30,327,633</b>  | <b>39,983,733</b> |

The Fellows fund is held in a number of multi-asset funds holding assets in the UK and overseas. No holding within this fund is material to the charities investments in total.

# THE ROTHERMERE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| <b>9. Debtors</b>                    | <b>2020</b>   | <b>2019</b>   |
|                                      | <b>£</b>      | <b>£</b>      |
| Prepayments and accrued income       | <b>28,328</b> | <b>54,417</b> |
|                                      |               |               |
| <b>10. Creditors</b>                 | <b>2020</b>   | <b>2019</b>   |
|                                      | <b>£</b>      | <b>£</b>      |
| Amounts falling due within one year: |               |               |
| Grant commitments                    | <b>15,000</b> | <b>10,000</b> |
| Accruals and deferred income         | <b>26,603</b> | <b>28,397</b> |
|                                      | <b>41,603</b> | <b>38,397</b> |

### 11. Funds

**General funds** comprise those funds which the Trustees are free to use in accordance with the charitable objects.

There is a designated **Fixed asset fund**, within General funds which represents the net book value of the tangible fixed assets. At 30 September 2020 this amounted to £703,960 (2019: £715,800).

Unrestricted funds also include the **Rothermere Fellows Fund** details of which are given in note 1.12 to the financial statements.

The **permanent endowment funds** represents those assets which must be held permanently by the charity, being the investments in UK equities as detailed in note 8 and the cash held at bank. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included within the General Fund. Any capital gains or losses arising on the investments form part of the permanent endowment funds.

|   |                    |                   |
|---|--------------------|-------------------|
|   | <b>2020</b>        | <b>2019</b>       |
|   | <b>£</b>           | <b>£</b>          |
| Unrealised gains included above:                              |                    |                   |
| On tangible fixed assets                                      | <b>687,660</b>     | <b>699,500</b>    |
| On investments  | <b>31,129,410</b>  | <b>40,313,005</b> |
| Total unrealised gains at 30 September 2020                   | <b>31,817,070</b>  | <b>41,012,505</b> |
| Reconciliation of movements in unrealised gains               |                    |                   |
| Unrealised gains at 1 October 2019                            | <b>41,012,505</b>  | <b>35,235,302</b> |
| Add: Net (loss)/ gain arising on revaluations during the year | <b>(9,473,601)</b> | <b>5,776,616</b>  |
| Less: depreciation charged to the unrestricted general fund   | <b>(11,840)</b>    | <b>(11,840)</b>   |
| Add: movements in respect of disposals in the year            | <b>290,006</b>     | <b>12,427</b>     |
| Total unrealised gains at 30 September 2020                   | <b>31,817,070</b>  | <b>41,012,505</b> |

## THE ROTHERMERE FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### **12. Transactions with Trustees and key management personnel**

Mr V P W Harmsworth's amounts disbursed as Secretary for the year ended 30 September 2020 were £42,593 (2019: £41,500). He also received £2,218 (2019: £4,774) in reimbursed travel and other expenses. The other Trustees received no remuneration and were not reimbursed for any expenses in the year ended 30 September 2020 (2019: £nil). The aggregate fees as Secretary disbursed for the year ended 30 September 2020 were £44,811 (2018: £46,274).

#### **13. Related party transactions**

During the year ended 30 September 2020, the charity awarded a grant of £15,000 (2019: £1,000,000) to The Imperial War Museum Foundation. At the year end, no amounts were payable to The Imperial War Museum Foundation (2019: £nil). The Fourth Viscount Rothermere, a trustee of The Rothermere Foundation, is also a Trustee of The Imperial War Museum Foundation. Mr V P W Harmsworth, a trustee of The Rothermere Foundation, is the Secretary for The Imperial War Museum Foundation. At 30 September 2020.

The above grant was made in line with the charity's usual grant making policies and procedures.

The Foundation was due £1,000 from V P W Harmsworth at the year end which has now been received. Details of other transactions with trustees and key management personnel are given in note 12.

#### **14. Fundraising**

During the previous year, the Charity employed a professional fundraiser incurring fees of £45,751 (2020: £Nil).

# THE ROTHERMERE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 15 Comparative Statement of financial activities

|   |       | <u>Unrestricted</u> |                          | <u>Permanent Endowment</u> |                  |                   |
|---|-------|---------------------|--------------------------|----------------------------|------------------|-------------------|
|   | Notes | General Funds       | Rothermere Fellows Funds | Permanent Endowment Fund   | Investment Fund  | Total 2019        |
|   |       | £                   | £                        | £                          | £                | £                 |
| <b>Income and endowments from:</b>                                  |       |                     |                          |                            |                  |                   |
| Investments   | 2     | 1,133,725           | 52,273                   | -                          | -                | 1,185,998         |
| Capital repayment   |       | -                   | -                        | -                          | 1,245,000        | 1,245,000         |
| <b>Total income</b>   |       | <u>1,133,725</u>    | <u>52,273</u>            | <u>-</u>                   | <u>1,245,000</u> | <u>2,430,998</u>  |
| <b>Expenditure on:</b>  |       |                     |                          |                            |                  |                   |
| Raising funds   | 14    | 45,751              | -                        | -                          | -                | 45,751            |
| Charitable activities   | 3     | 121,596             | -                        | -                          | -                | 121,596           |
| Expenditure relating to 14 Dunstan Road                             | 4     | 25,028              | -                        | -                          | -                | 25,028            |
|   |       | <u>192,375</u>      | <u>-</u>                 | <u>-</u>                   | <u>-</u>         | <u>192,375</u>    |
| <b>Charitable grant making</b>                                      |       |                     |                          |                            |                  |                   |
| Grants payable  | 5     | 1,313,744           | -                        | -                          | -                | 1,313,744         |
| Support costs of making grants                                      | 6     | 111,105             | -                        | -                          | -                | 111,105           |
|   |       | <u>1,424,849</u>    | <u>-</u>                 | <u>-</u>                   | <u>-</u>         | <u>1,424,849</u>  |
| <b>Total expenditure</b>  |       | <u>1,617,224</u>    | <u>-</u>                 | <u>-</u>                   | <u>-</u>         | <u>1,617,224</u>  |
| <b>Net income/ (expenditure) before investment gains and losses</b> |       | (483,499)           | 52,273                   | -                          | 1,245,000        | 813,774           |
| <b>Other recognised gains and losses</b>                            |       |                     |                          |                            |                  |                   |
| Unrealised gains on investments                                     | 8     | -                   | 50,483                   | 5,726,133                  | -                | 5,776,616         |
| Realised gains on investments                                       | 8     | -                   | 16,403                   | -                          | -                | 16,403            |
| Foreign exchange gains  |       | -                   | -                        | -                          | 20,683           | 20,683            |
|   |       | <u>-</u>            | <u>66,886</u>            | <u>5,726,133</u>           | <u>20,683</u>    | <u>5,813,702</u>  |
| <b>Net (expenditure)/ income</b>                                    |       | (483,499)           | 119,159                  | 5,726,133                  | 1,265,683        | 6,627,476         |
| Balances brought forward at 1 October                               |       | <u>1,611,105</u>    | <u>2,831,716</u>         | <u>34,257,600</u>          | <u>-</u>         | <u>38,700,421</u> |
| <b>Balances carried forward at 30 September</b>                     |       | <u>1,127,606</u>    | <u>2,950,875</u>         | <u>39,983,733</u>          | <u>1,265,683</u> | <u>45,327,897</u> |



# THE ROTHERMERE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 16 Comparative balance sheet

|  | Notes | Unrestricted     |                                | Permanent Endowment            |                    | Total<br>2019     |
|--|-------|------------------|--------------------------------|--------------------------------|--------------------|-------------------|
|  |       | General<br>Funds | Rothermere<br>Fellows<br>Funds | Permanent<br>Endowment<br>Fund | Investment<br>Fund |                   |
|  |       | £                | £                              | £                              | £                  | £                 |
| Fixed assets   |       |                  |                                |                                |                    |                   |
| Tangible fixed assets                                | 7     | 715,800          | -                              | -                              | -                  | 715,800           |
| Investments  | 8     | -                | 2,871,185                      | 39,983,733                     | -                  | 42,854,918        |
|  |       | <u>715,800</u>   | <u>2,871,185</u>               | <u>39,983,733</u>              | <u>-</u>           | <u>43,570,718</u> |
| Current assets                                       |       |                  |                                |                                |                    |                   |
| Debtors  | 9     | 54,412           | 5                              | -                              | -                  | 54,417            |
| Cash at bank   |       | <u>395,791</u>   | <u>79,685</u>                  | <u>-</u>                       | <u>1,265,683</u>   | <u>1,741,159</u>  |
|  |       | 450,203          | 79,690                         | -                              | 1,265,683          | 1,795,576         |
| Creditors: amounts falling<br>due<br>within one year | 10    | <u>(38,397)</u>  | <u>-</u>                       | <u>-</u>                       | <u>-</u>           | <u>(38,397)</u>   |
| Net current assets                                   |       | <u>411,806</u>   | <u>79,690</u>                  | <u>-</u>                       | <u>1,265,683</u>   | <u>1,757,179</u>  |
| <b>Net assets</b>                                    |       | <u>1,127,606</u> | <u>2,950,875</u>               | <u>39,983,733</u>              | <u>1,265,683</u>   | <u>45,327,897</u> |
| <b>Funds</b>   | 11    | <u>1,127,606</u> | <u>2,950,875</u>               | <u>39,983,733</u>              | <u>1,265,683</u>   | <u>45,327,897</u> |