

Charity Registration No. 314125 (England and Wales)

**THE ROTHERMERE FOUNDATION
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2021**

THE ROTHERMERE FOUNDATION

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LEGAL AND ADMINISTRATIVE INFORMATION

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THE ROTHERMERE FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Trustees present their report and the financial statements of The Rothermere Foundation for the year ended 30 September 2021.

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 13 to 16 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. Mr G J Holbourn, a Chartered Accountant, was appointed as a Trustee on 4th November 2021.

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 (2020 – 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 6.

THE ROTHERMERE FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 to a higher degree 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.

Substantial donations were made in the year ended 30 September 2021 to expend more of the Foundation's reserves, including £100,000 to The Royal Society for Blind Children and £100,000 to the Wildlife Conservation Trust and £50,000 to The Platinum Jubilee Pageant Ltd. Details of grants are given in note 5, on pages 18 and 19.

Total funds as at 30 September 2021 amounted to £57,319,235 (2020: £36,345,431), a significant proportion of which is represented by the permanent endowment of £50,249,185 (2020: £30,327,633). The permanent endowment investment fund totalled £1,529,559 (2020: £1,332,477). Funds totalling £3,624,067 (2020: £3,092,609) have been set aside to make grants to the Rothermere fellows. The general funds of the Charity as at 30 September 2021 totalled £1,916,424 (2020: £1,592,712).

THE ROTHERMERE FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2021

Financial Review

Financial results

During the year donations of £501,025 (2020: £393,410) and fellowship grants of £165,202 (2020: £129,688) were made or committed. The recipients are detailed in note 5, pages 18 and 19.

The charity received £1,181,762 of Unrestricted investment income during the year (2020: £1,172,149). Permanent Endowment Investment Income of £Nil (2020: £Nil) and Permanent Investment fund of £Nil (2020: £Nil).

The total net income for the year (before unrealised gains and losses) was £357,755 (2020: £504,958). This was the net result of net income of £323,712 in the Unrestricted General Fund (2020: £465,106), a net income of £34,043 in the Rothermere Fellows Fund (2020: £39,852).

During the year ended 30 September 2021 the investments held by the Foundation had an unrealised gain on revaluation of £20,207,107 (2020: unrealised loss £9,473,601) as shown in note 8.

The total net movement in the funds for the year was an increase of £20,973,804 (2020: decrease £8,982,466). This was the net result of an increase of £323,712 (2020: £465,106) in the Unrestricted General Fund, an increase of £531,458 (2020: £141,734) in the Rothermere Fellows Fund, an increase of £19,921,552 (2020: net decrease of £9,656,100) in the Permanent Endowment Fund and an increase of £197,082 (2020: £66,794) in the Permanent Endowment Investment Fund. The movements on the Foundation's funds are shown in detail on page 10.

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 had adopted the position where they would retain the Daily Mail and General Trust plc 12.5 pence A Ordinary Non-Voting Shares, as originally settled by the settlor.

Subsequent to the year end, the holding in Daily Mail and General Trust plc shares were acquired by Rothermere Continuation Limited, details of which are disclosed under post balance sheet events.

Post balance sheet events

In December 2021 the Trustees accepted an offer to acquire their holding of 4,687,424 shares of 12.5 pence A ordinary Non-Voting shares in Daily Mail and General Trust plc ("DGMT") from Rothermere Continuation Limited. The offer was made to all shareholders of DGMT in accordance with the rules of the London Stock Exchange and the City Code on Takeovers and Mergers. The Trustees obtained an order from the Charity Commission pursuant to section 105 Charities Act 2011 to authorise the Trustees to accept the offer, notwithstanding the potential conflict of interests of some of the Trustees in relation to the transaction. In January 2022, the Trustees received £39.281 million in cash together with a holding of 2,694,800 in Cazoo Group shares which at the time of this report are valued at £8.381 million. The Trustees are now seeking professional advice as to the reinvestment of these funds in accordance with their investment duties.

Under section 280 of the Charities Act 2011 (the "Act"), the Trustees of the Foundation have the power to modify any provisions of the Foundation's Trust Deed (dated 16 April 1956) which relate to any of the powers exercisable by the Trustees in the administration of the Charity. On 4 November 2021, the Trustees passed a resolution in exercise of the power at section 280 of the Act, to amend the Trust Deed in order to update the provisions around the appointment and removal of Trustees; insert provisions to allow for Trustee meetings to be held virtually and insert provisions around the management of conflicts of interest.

THE ROTHERMERE FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2021

Trustees

The Trustees who have held office since 1 October 2020 are as follows: -

The Fourth Viscount Rothermere

Viscountess Rothermere

Mr V P W Harmsworth

Mr G J Holbourn (appointed on 4th November 2021)

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

18 Mar

2022

THE ROTHERMERE FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 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, 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 2021 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 (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

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 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 2021

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 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.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011), and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

THE ROTHERMERE FOUNDATION

Auditor's responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates for the calculation of the annual depreciation charge; and the estimation of future income and expenditure flows for the purpose of assessing going concern were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at 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: 31 May 2022

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 2021

		<u>Unrestricted</u>		<u>Permanent Endowment</u>			
	Notes	General Funds	Rothermere Fellows Funds	Permanent Endowment Fund	Investment Fund	Total 2021	Total 2020
		£	£	£	£	£	£
Income and endowments from:							
Investments	2	1,147,719	34,043	-	-	1,181,762	1,172,141
Total income		<u>1,147,719</u>	<u>34,043</u>	<u>-</u>	<u>-</u>	<u>1,181,762</u>	<u>1,172,141</u>
Expenditure on:							
Charitable activities	3	165,202	-	-	-	165,202	129,681
Expenditure relating to 14 Dunstan Road	4	37,171	-	-	-	37,171	39,841
		<u>202,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,373</u>	<u>169,522</u>
Charitable grant making							
Grants payable	5	501,025	-	-	-	501,025	393,410
Support costs of making grants	6	120,609	-	-	-	120,609	104,251
		<u>621,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>621,634</u>	<u>497,661</u>
Total expenditure		<u>824,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>824,007</u>	<u>667,191</u>
Net income before investment gains and losses		323,712	34,043	-	-	357,755	504,951
Other recognised gains and losses							
Unrealised gains/ (losses) on investments	8	-	171,664	19,921,552	113,891	20,207,107	(9,473,601)
Realised gains on investments	8	-	325,751	-	90,486	416,237	22,701
Foreign exchange (losses)		-	-	-	(7,295)	(7,295)	(36,527)
Net income/ (expenditure)		<u>323,712</u>	<u>531,458</u>	<u>19,921,552</u>	<u>197,082</u>	<u>20,973,804</u>	<u>(8,982,466)</u>
Balances brought forward at 1 October 2020		<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>45,327,891</u>
Balances carried forward at 30 September 2021 (Note 11)		<u>1,916,424</u>	<u>3,624,067</u>	<u>50,249,185</u>	<u>1,529,559</u>	<u>57,319,235</u>	<u>36,345,431</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 13 to 25 form part of these financial statements.

Comparative information in respect of the year ended 30 September 2020 is provided in notes 15 and 16.

THE ROTHERMERE FOUNDATION

BALANCE SHEET AS AT 30 SEPTEMBER 2021

		<u>Unrestricted</u>		<u>Permanent Endowment</u>			
	Notes	General Funds	Rothermere Fellows Funds	Permanent Endowment Fund	Investment Fund	Total 2021	Total 2020
		£	£	£	£	£	£
Fixed assets							
Tangible fixed assets	7	692,120	-	-	-	692,120	703,960
Investments	8	-	3,492,805	50,249,185	1,530,352	55,272,342	34,648,488
		692,120	3,492,805	50,249,185	1,530,352	55,964,462	35,352,448
Current assets							
Debtors	9	36,451	-	-	-	36,451	28,328
Cash at bank		1,266,719	131,262	-	(793)	1,397,188	1,006,258
		1,303,170	131,262	-	(793)	1,433,639	1,034,586
Creditors: amounts falling due within one year	10	(78,866)	-	-	-	(78,866)	(41,603)
Net current assets		1,224,304	131,262	-	(793)	1,354,773	992,983
Net assets		<u>1,916,424</u>	<u>3,624,067</u>	<u>50,249,185</u>	<u>1,529,559</u>	<u>57,319,235</u>	<u>36,345,431</u>
Funds	11	<u>1,916,424</u>	<u>3,624,067</u>	<u>50,249,185</u>	<u>1,529,559</u>	<u>57,319,235</u>	<u>36,345,431</u>

The accounting policies and notes on pages 13 to 25 form part of these financial statements.

Approved by the Trustees on 18 MAY 2022

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The Fourth Viscount Rothermere



THE ROTHERMERE FOUNDATION

STATEMENT OF CASH FLOWS YEAR ENDED 30 SEPTEMBER 2021

		30 September 2021 £	30 September 2020 £
Cash flows from operating activities:			
<i>Net cash used in operating activities</i>	A	(790,323)	(662,583)
Cash flows from investing activities:			
Investment income and interest receivable		1,181,762	1,172,149
Purchase of investments		(1,996,962)	(1,872,731)
Proceeds from the disposal of investments		1,737,862	919,574
<i>Net cash provided by investing activities</i>		922,662	218,992
Change in cash and cash equivalents in the year		132,339	(443,591)
Cash and cash equivalents at 1 October		1,342,270	1,785,861
<i>Cash and cash equivalents at 30 September</i>	B	1,474,609	1,342,270
A Reconciliation of net movement in funds to net cash flows from operating activities:			
Net movement in funds for the year		20,973,804	(8,982,466)
Adjustments for:			
Depreciation charges		11,840	11,840
(Gains)/ losses on investments		(20,623,344)	9,450,897
Investment income and interest receivable		(1,181,762)	(1,172,149)
(Increase)/ decrease in debtors		(8,124)	26,089
Increase in creditors		37,263	3,206
<i>Net cash used in operating activities</i>	A	(790,323)	(662,583)
B Analysis of cash and cash equivalents			
Cash at bank and in hand		1,397,188	1,006,258
Cash held by investment managers		77,421	336,012
	B	1,474,609	1,342,270

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

THE ROTHERMERE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. Principal Accounting Policies

1.1. Accounting Convention

The financial statements which have been prepared for the year to 30 September 2021, 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 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.

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 of a period of one year from the date of approval of these financial statements.

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.

THE ROTHERMERE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 probably 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) 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.
- b) Expenditure relating to 14 Dunstan Road comprises the costs associated with the provision of accommodation for the Oxford Professor Fellowship.
- c) 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.

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 in the Statement of Financial Activities (SOFA).

THE ROTHERMERE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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.

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.

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.

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.

Within the permanent endowment funds, there is an investment fund held for the Fellows.

THE ROTHERMERE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 2021

2. Investment income	2021	2020
	£	£
Dividends – quoted and listed	1,147,406	1,132,211
Dividends – fellows portfolio	34,043	39,852
Interest on cash deposits	313	86
	<u>1,181,762</u>	<u>1,172,149</u>

3. Fellowship grants

Grants and expenses of £165,202 were made to support four Rothermere Fellows in the year (2020: three Fellows).

	2021	2020
	£	£
Grants	161,066	123,366
Expenses	4,136	6,322
	<u>165,202</u>	<u>129,688</u>

4. Expenditure relating to 14 Dunstan Road

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

	2021	2020
	£	£
Overhead costs	5,422	6,785
Repairs and maintenance, including garden costs	10,431	10,461
Motor expenses and insurance and travel costs	1,921	3,864
Management fees and other costs	7,557	6,891
Depreciation	11,840	11,840
	<u>37,171</u>	<u>39,841</u>

THE ROTHERMERE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

5. Grants payable

	2021 £	2020 £
Grants paid in the year	453,715	378,410
Grant commitments (note 10)	47,310	15,000
	<u>501,025</u>	<u>393,410</u>

Grants payable for the year

	£	£
Medical research		
Alzheimer's Research	10,000	-
Dorset and Somerset Air Ambulance	5,000	-
Julia's House Hospice	-	1,000
St Bartholomews	15,000	-
Wellbeing of Women	-	5,000
	<u>30,000</u>	<u>6,000</u>

	£	£
Educational/Children's charities		
Royal Society for Blind Children	100,000	-
Oxford University Development Fund	30,000	-
Sandroyd School	26,310	26,310
St Mary's School	10,000	-
St Peter's College Oxford	-	100,000
The Magpie Project	3,000	-
University of Oxford Charitable Trust	15,609	30,000
	<u>184,919</u>	<u>156,310</u>

	£	£
The Arts/Sport		
Cherubin Music Trust	-	1,000
The Stour Music Festival Limited	5,000	5,000
	<u>5,000</u>	<u>6,000</u>

THE ROTHERMERE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

5. Grants payable (continued)	2021 £	2020 £
Other charitable donations		
Blandford Forum PCC	5,000	-
Chalke Valley History Festival	10,206	(5,000)
Challock Church	5,000	-
Deepest Books	41,500	-
Duke UK Trust	14,700	-
Fairy Water Trust Living Uplands	2,700	-
Fitzroy Lodge	5,000	-
Game Alliance Limited	-	10,000
Great Dixter	-	5,000
Hands Up Foundation	5,000	-
Horatio's Garden	-	5,000
Imperial War Museum Foundation	-	15,000
Journalists Charity	1,000	-
Mail Force Charity CIO	-	150,000
Northcliffe Centenary	1,000	-
Police Arboretum	5,000	-
Royal British Legion	-	10,000
Stars Appeal	-	100
Summer Fields	10,000	-
The Caring Family	2,000	-
The Dominican Count	2,000	-
The Hill 112 MF	4,000	-
The Platinum Jubilee Pageant Ltd.	50,000	-
Urban Synergy	15,000	10,000
War Memorial Trust	-	10,000
Wild Waves	1,000	-
Wildlife Conservation Trust	100,000	-
World Horse Welfare	1,000	5,000
Zoological Society of London	-	10,000
	281,106	225,100
Total Grants Payable	501,025	393,410

THE ROTHERMERE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

5.	Grants payable (continued)	2021	2020
	Summary of Total Grants Payable	£	£
	Medical research	30,000	6,000
	Educational/Children’s charities	184,919	156,310
	The Arts/Sport	5,000	6,000
	Other charitable donations	281,106	225,100
		<u>501,025</u>	<u>393,410</u>
6.	Support costs	2021	2020
		£	£
	V P W Harmsworth’s fees and expenses as Secretary	43,558	44,811
	Professional fees	19,789	20,952
	Rothermere Fellows – investment portfolio fees	43,547	26,621
	Other costs	515	(555)
	Governance – Audit fee	13,200	12,423
		<u>120,609</u>	<u>104,252</u>
7.	Tangible fixed assets	Freehold Property	Computer Equipment
	Cost or valuation	£	Total £
	At 1 October 2020	775,000	772
	At 30 September 2021	<u>775,000</u>	<u>772</u>
	Depreciation		
	At 1 October 2020	71,040	772
	Charge for the year	11,840	-
	At 30 September 2021	<u>82,880</u>	<u>772</u>
	Net Book Value at 30 September 2021	<u>692,120</u>	<u>-</u>
	Net Book Value at 30 September 2020	703,960	-

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 14.

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 2021

8. Investments	2021 £	2020 £
UK Equities		
Market value at 1 October 2020	30,327,633	39,983,733
Unrealised gain/(loss) on revaluation at 30 September 2021	19,921,552	(9,656,100)
Market value at 30 September 2021	50,249,185	30,327,633
Historic cost at 16 April 1956	50,000	50,000
Fellows Fund		
Market value at 1 October 2020	3,984,845	2,826,485
Additions at cost	1,996,962	1,872,731
Disposals at opening market value (proceeds: £1,737,863, realised gains: £416,237)	(1,321,626)	(896,870)
Unrealised gains	285,555	182,499
Market value at 30 September 2021	4,945,736	3,984,845
Cash held by investment manager	77,421	336,010
	5,023,157	4,320,855
Represented by:		
Rothermere Fellows unrestricted fund	3,492,805	2,988,172
Rothermere Endowment investment fund	1,530,352	1,332,683
	5,023,157	4,320,855
Historic cost	4,145,519	3,469,078
Total investments at market value at 30 September 2021	55,272,342	34,648,488
Material investments in individual entities held at 30 September 2021:		
4,687,424 (2020: 4,687,424) Daily Mail and General Trust plc 12.5 pence per A Ordinary Non-Voting shares	50,249,185	30,327,633

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

THE ROTHERMERE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

9. Debtors	2021	2020
	£	£
Prepayments and accrued income	36,451	28,328
10. Creditors	2021	2020
	£	£
Amounts falling due within one year:		
Grant commitments	47,310	15,000
Accruals and deferred income	31,556	26,603
	78,866	41,603

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 2021 this amounted to £692,120 (2020: £703,960).

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.

Within the permanent endowment funds, there is an investment fund held for the Fellows.

	2021	2020
	£	£
Unrealised gains included above:		
On tangible fixed assets	675,820	687,660
On investments	51,076,823	31,129,410
Total unrealised gains at 30 September 2021	51,752,643	31,817,070
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 October 2020	31,817,070	41,012,505
Add: Net gain/ (loss) arising on revaluations during the year	20,207,107	(9,473,601)
Less: depreciation charged to the unrestricted general fund	(11,840)	(11,840)
Add: movements in respect of disposals in the year	(259,694)	290,006
Total unrealised gains at 30 September 2021	51,752,643	31,817,070

THE ROTHERMERE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

12. Transactions with Trustees and key management personnel

Mr V P W Harmsworth's fees as Secretary for the year ended 30 September 2021 were £43,211 (2020: £42,593). He also received £347 (2020: £2,218) in reimbursed travel and other expenses. At the year-end a balance of £Nil (2020: £ Nil) was due. The other Trustees received no remuneration and were not reimbursed for any expenses in the year ended 30 September 2021 (2020: £nil). The aggregate fees as Secretary disbursed for the year ended 30 September 2021 were £43,558 (2020: £44,811). The payment of Mr V P W Harmsworth as Secretary has been approved by the Charity Commission.

13. Related party transactions

During the year ended 30 September 2020, the charity awarded a grant of £15,000 to The Imperial War Museum Foundation. £15,000 was payable to The Imperial War Museum Foundation at 30 September 2020, which has been paid in the year ended 30 September 2021. 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 Secretary for The Imperial War Museum Foundation.

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

There were no such transactions with The Imperial War Museum Foundation during the year ended 30 September 2021.

At 30 September 2020, the Foundation was due £1,000 from V P Harmsworth. This was received during the year ended 30 September 2021, and no outstanding balances were due at 30 September 2021.

Details of other transactions with trustees and key management personnel are given in note 12.

14. Post balance sheet events

In December 2021 the Trustees accepted an offer to acquire their holding of 4,687,424 shares of 12.5 pence A ordinary Non-Voting shares in Daily Mail and General Trust plc ("DGMT") from Rothermere Continuation Limited. The offer was made to all shareholders of DGMT in accordance with the rules of the London Stock Exchange and the City Code on Takeovers and Mergers. The Trustees obtained an order from the Charity Commission pursuant to section 105 Charities Act 2011 to authorise the Trustees to accept the offer, notwithstanding the potential conflict of interests of some of the Trustees in relation to the transaction. In January 2022, the Trustees received £39.281 million in cash together with a holding of 2,694,800 in Cazoo Group shares which at the time of this report are valued at £2.991 million. The Trustees are now seeking professional advice as to the reinvestment of these funds in accordance with their investment duties.

THE ROTHERMERE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 2020
		£	£	£	£	£
Income and endowments from:						
Investments	2	1,132,297	39,852	-	-	1,172,149
Total income		<u>1,132,297</u>	<u>39,852</u>	<u>-</u>	<u>-</u>	<u>1,172,149</u>
Expenditure on:						
Charitable activities	3	129,688	-	-	-	129,688
Expenditure relating to 14 Dunstan Road	4	39,841	-	-	-	39,841
		<u>169,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,529</u>
Charitable grant making						
Grants payable	5	393,410	-	-	-	393,410
Support costs of making grants	6	104,252	-	-	-	104,252
		<u>497,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>497,662</u>
Total expenditure		<u>667,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>667,191</u>
Net income before investment gains and losses		465,106	39,852	-	-	504,958
Other recognised gains and losses						
Unrealised gains/ (losses) on investments	8	-	79,938	(9,656,100)	102,561	(9,473,601)
Realised gains on investments	8	-	21,944	-	760	22,704
Foreign exchange losses		-	-	-	(36,527)	(36,527)
		<u>-</u>	<u>101,882</u>	<u>(9,656,100)</u>	<u>103,321</u>	<u>(9,450,917)</u>
Net income/ (expenditure)		465,106	141,734	(9,656,100)	66,794	(8,982,466)
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>45,327,897</u>
Balances carried forward at 30 September 2020		<u><u>1,592,712</u></u>	<u><u>3,092,609</u></u>	<u><u>30,327,633</u></u>	<u><u>1,332,477</u></u>	<u><u>36,345,431</u></u>

THE ROTHERMERE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

16 Comparative balance sheet

	Notes	<u>Unrestricted</u> General Funds	<u>Rothermere Fellows Funds</u>	<u>Permanent Endowment</u> Permanent Endowment Fund	Investment Fund	Total 2020
		£	£	£	£	£
Fixed assets						
Tangible fixed assets	7	703,960	-	-	-	703,960
Investments	8	-	2,988,172	30,327,633	1,332,683	34,648,488
		<u>703,960</u>	<u>2,988,172</u>	<u>30,327,633</u>	<u>1,332,683</u>	<u>35,352,448</u>
Current assets						
Debtors	9	28,323	5	-	-	28,328
Cash at bank		<u>902,032</u>	<u>104,432</u>	<u>-</u>	<u>(206)</u>	<u>1,006,258</u>
		930,355	104,437	-	(206)	1,034,586
Creditors: amounts falling due within one year	10	(41,603)	-	-	-	(41,603)
Net current assets		<u>888,752</u>	<u>104,437</u>	<u>-</u>	<u>(206)</u>	<u>992,983</u>
Net assets		<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>
Funds	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>