

**Queen Mary's
Roehampton
Trust**

**Annual Report and Financial
Statements**

31 March 2019

Charity Registration Number
211715

Contents

Reports

Reference and administrative information	1
Trustees' report	3
Independent auditor's report	10

Financial statements

Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Principal accounting policies	16
Notes to the financial statements	20

Reference and administrative information

Trustees

Air Marshal Sir Barry Thornton KCB RAF (Chairman)
Mr J J Macnamara MStJ TD JP VR MA FCA (Honorary Treasurer)
Lieutenant Commander H Betts RN (from 19 June 2018)
Colonel R Bhabutta OBE L/RAMC
Mrs D J Bowles
Mr S Coltman OBE (Nominated by BLESMA)
Mrs A Child
Colonel P B G Cummings
Commander S Farrington QGM RN
Mr C H Green CBE
Ms M Thompson-Schwab (from 19 June 2018)
Mr H Tilley (from 19 June 2018)
Mr E Tytherleigh

Grants Sub-Committee

Mr S Coltman OBE (Chairman to 19 June 2018)
Lieutenant Commander H Betts RN (from 19 June 2018)
Colonel R Bhabutta OBE
Mrs D Bowles (Chairman from 19 June 2018)
Mrs A Child
Colonel P B G Cummings
Mr J J Macnamara MStJ TD JP VR MA FCA *ex officio*
Mr H Tilley (from 19 June 2018)
Air Marshal Sir Barry Thornton KCB RAF *ex officio*
Mr E Tytherleigh

Finance & Investments Sub-Committee

Mr J J Macnamara MStJ TD JP VR MA FCA (Chairman)
Commander S Farrington QGM RN
Mr C H Green CBE
Ms M Thompson-Schwab
Air Marshal Sir Barry Thornton KCB RAF

Reference and administrative information

Clerk to the Trustees	Colonel S D Rowland-Jones
Telephone	01722 501413
Email	QMRT@hotmail.co.uk
Registered office	2 Sovereign Close Quidhampton Salisbury SP2 9ES
Charity registration number	211715
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Investment managers	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5JA
Solicitors	Wilson Solicitors Alexandra House St John's Street Salisbury SP1 2SP

The Trustees present this annual report and financial statements of Queen Mary's Roehampton Trust for the year ended 31 March 2019.

The financial statements have been prepared in accordance with the accounting policies set out on pages 16 to 19 of the attached financial statements and comply with the applicable laws 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).

GOVERNANCE, STRUCTURE AND MANAGEMENT

Constitution

The conduct of the Trust is governed by an Order of the Charity Commissioners dated 10 April 1972, which superseded earlier Orders, as varied later by the Schemes of 7 November 1990, 3 September 1999 and 30 October 2006 and as amended by Resolutions of the Trustees at Special Meetings held on 18 June 2002, 1 December 2005, 21 June 2007 and 16 June 2009.

Trustees

The names of the Trustees who served during the period are set out as part of the reference and administrative information on page 1 of these annual report and financial statements.

The Board of Trustees consists of not fewer than ten and not more than thirteen Trustees.

During the period, three new Trustees were appointed.

The Board of Trustees has an open and transparent recruitment policy. New Trustees receive the benefit of a comprehensive induction which includes attending meetings prior to their formal appointment in order to assist them in becoming familiar with the duties and requirements of a Trustee as well as becoming familiar with the Trust.

The Board of Trustees normally meets twice a year. It is assisted in its work by a Grants Sub-Committee and a Finance & Investments Sub-Committee, whose members are appointed by the Trustees.

The day-to-day management of the Trust's affairs is in the hands of the Clerk to the Trustees who reports to the Chairman of the Board of Trustees.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and financial statements 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 financial statements 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 charity for that period. In preparing these financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then 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 financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are 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 financial statements comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. 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.

Risk management

The Trustees reviewed their approach to risk during the year, reviewing and, when necessary, updating the risk register. The chief risks to the Trust remain those associated with safeguarding the value of the funds whilst generating appropriate levels of income that may be awarded to beneficiary organisations and ensuring that suitable financial systems are in place including those relating to the awarding and monitoring of grants.

The Trustees minimise investment risk through the use of a firm of investment managers and maintaining a diversified portfolio with a balance of asset allocations. The investment risk is further minimised through the detailed scrutiny by the Finance & Investment sub-committee, which is comprised of knowledgeable and financially astute members. Contingency meetings with the investment managers are programmed during the year should the investment situation demand. General operating risk is minimised through the regular review of the Trust's activities by the Trustees.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

The Trustees are satisfied that the arrangements which are in place to manage and reduce risk to a minimum are appropriate in the circumstances.

Key management personnel

The Trustees consider that they, along with the Clerk to the Trustees, comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The salary of the Clerk is reviewed and set by the Trustees using the annual retail price index as a guide.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Charitable objectives and activities

The object of the Trust is to relieve persons of the following classes who are in need of assistance:

- ◆ Persons who served in any of the Armed Forces of the Crown and who were disabled in such service and the widows and other dependants¹ of such persons.
- ◆ Persons who served in the mercantile marine or in any service established under the Civil Defence Acts 1937 and 1939 and who were disabled in such service and the widows and other dependants of such persons.

The Trustees meet the object of the Trust by making grants to any charitable institutions or organisations whose objects include the reception, accommodation, treatment or after-care of persons who come within the Trust's object as set out above. The Trustees may also make grants in aid of medical or surgical research having particular regard to the needs of disabled persons who served in the Armed Forces of the Crown.

Mindful of the ever-changing landscape within the serving and ex-service community, and the evolving needs of beneficiaries, the Trustees review the grant-giving policy on an annual basis and have a robust programme of visits to previous and current beneficiary organisations.

¹ Other dependants may include any partner of a beneficiary by marriage, civil partnership, or a surviving adult dependant cohabiting as a partner in a substantial and exclusive relationship, those who are divorced or separated partners, widowers and any eligible child.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Public benefit

The Trustees have had regard to the guidance issued by the Charity Commission concerning public benefit. They are satisfied that the information given in this Report, particularly regarding the activities undertaken when read in conjunction with the objects of the Trust, demonstrates that the requirements to identify public benefit have been met.

The Trustees publicise the work of the Trust and each year invite relevant organisations to apply to it for assistance.

Grant making policy

The Trustees consider application for grants from charitable institutions or organisations whose objects come within the Trust's object as set out above.

There is no minimum or maximum grant and the amount awarded is reviewed on a case-by-case basis. Terms and conditions for grants are discussed and drafted by the Trustees based on the applications, also on a case-by-case basis, but mindful of available funds. In some circumstances, the Trustees may decide to award grants without any accompanying conditions.

Investment policy and performance

The Trust invests in accordance with the Trustee Investment Act 2000.

Under the present law, the Trustees cannot spend the Trust's capital endowment or any capital gains which derive from it, unless special permission is obtained from the Charity Commission.

The future numbers of potential beneficiaries depend on a wide range of significant factors including:

- ◆ the mass mobilisation in 1939-45 of men and women who are now in their nineties, and the large number of casualties incurred by that group during their war service;
- ◆ the subsequent decade and a half of National Service involving a significant proportion of the male population, serving for short periods, although with a limited number of injuries and deaths in service;
- ◆ the progressive reduction thereafter of the Armed Forces (although noting recent operations and casualties, many of whom would not have survived in earlier conflicts but who will need expensive and long-term help);
- ◆ an increasing recognition of the long-term nature and often debilitating effects of the severe mental stress that may be incurred by persons with military service; and

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Investment policy and performance (continued)

- ◆ the additional life expectancy of widows extending the life-long period of need of each generation of beneficiaries.

This is expected to result in a peak in numbers of war disabled, extended by a peak in their widows' numbers, followed by a decline in the medium term. This numerical profile is expected to be extended in financial terms by the development of medical and care services which are prolonging both life length and quality at an accelerating cost.

The Trustees' continuing aim is to balance the interests of current and future beneficiaries by maximising investment income, subject to the agreed risk profile, for distribution, while seeking to maintain the value of the undistributed capital endowment by no less than the RPI measure of inflation and more recently, CPI. Since 1990, the Trustees have distributed over £16 million in grants from income generated by the capital fund. The Trustees resolve to continue their long-term defensive approach to the Trust's investment policy, applying due diligence through quarterly reviews.

The Trustees wish to record their appreciation of Cazenove Capital for their management of the Trust's portfolio during the period under review in the face of volatile and uncertain investment markets.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

In keeping with the Trust's procedures, the Trustees reviewed the grant giving policy during the year to ensure the needs of beneficiaries and potential beneficiaries could be matched with available funds. The Trustees considered the policy was appropriate but agreed to continue to review it on an annual basis.

The Trustees continued their programme of visits to beneficiary organisations during the year.

FINANCIAL REVIEW

Results for the year

A summary of the year's results can be found on page 13 of this report and financial statements.

The Trust's total income for the year ended 31 March 2019 was £567,392 (2018 – £563,591), comprising investment income and interest receivable.

FINANCIAL REVIEW (continued)

Results for the year (continued)

After grants and other expenses, the net expenditure of the unrestricted general fund was £29,356 (2018 – net income of £70,031). The net expenditure is subtracted from the unrestricted general fund and the balance of the fund is available for distribution. At 31 March 2019 the balance of the fund was £119,759 (2018 – £149,115).

92% of total outgoings were attributed to charitable expenditure (2018 – 94%).

Investment safe custody charges of £54,126 (2018 – £28,888) and net gains on investments of £175,690 (2018 – net losses of 222,339) are charged to the endowed capital fund in accordance with the Charity Commission's Statement of Recommended Practice. The balance of the endowed capital fund at 31 March 2019 was £14,564,106 (2018 – £14,442,542).

Reserves policy

It is the Trustees' policy to maintain a level of free reserves necessary to meet any sudden and unforeseen needs of Trust beneficiaries and to enable the Trust's level of support for beneficiaries to be maintained in any year when income falls below expectations. At present, the Trustees judge the appropriate level of such reserves to be in the region of £50,000 to £100,000. Where it becomes necessary to use up any of these reserves, the aim is to restore them to the desired level as soon as practicable. Where the Trust's accumulated income reserves exceed the desired level, the Trustees seek to disburse the excess by way of grants to beneficiaries.

At 31 March 2019 the free reserves of the Trust exceeded the desired level, at £119,759 (2018 – £149,115).

In the coming financial year, the Trustees will be looking to apply the additional funds in grants to beneficiaries.

Going concern

The Trustees have assessed the position of the charity as a going concern in preparing this report and financial statements and have made this assessment in respect to a period of one year from the date of approval of these accounts, based on the expected level of activity during 2019/20 and 2020/21. The charity had net current assets at 31 March 2019 and significant fixed asset investments which can be converted to cash if necessary in order to meet future grant commitments as they are made.

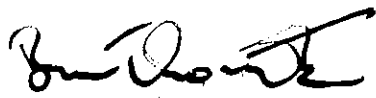
The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern, and the charity will have sufficient resources to meet its liabilities as they fall due.

FUTURE PLANS

It is the view of the Trustees that there will continue to be a charitable need to support those who have been injured during their service in the Armed Forces and their dependents, in perpetuity. As a consequence the Trustees will continue to meet, to the extent that resources permit, the needs of organisations which provide services for persons who come within the objects of the Trust and to adopt prudent investment policies designed to maximise the Trust's income and maintain, where possible, the value of the endowment.

In the present climate of uncertainty and economic austerity, the needs of beneficiary organisations can be expected to increase in the short term. The medium and longer term demands are less easy to predict but the likelihood is that the need will continue to rise albeit at a slower rate in part as a consequence of reducing levels of operational commitments. However, the costs of supporting those with disabilities is increasing on an individual basis. When awarding grants, the Trustees will continue to give priority to those organisations supporting people who are most in need of help.

Signed on behalf of the Trustees:



Chairman

Approved by the Trustees on:

18/6/19

Independent auditor's report to the trustees of Queen Mary's Roehampton Trust

Opinion

We have audited the accounts of Queen Mary's Roehampton Trust (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2019 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- ◆ the trustees have not disclosed in the accounts 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 accounts 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 and accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

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 accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our 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: 30 July 2019

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

Statement of financial activities Year to 31 March 2019

	Notes	Endowment funds £	Unrestricted funds £	Total 2019 £	Endowment funds £	Unrestricted funds £	Total 2018 £
Income and endowments from:							
Donations	1	—	—	—	—	137	137
Investments	2	—	567,392	567,392	—	563,454	563,454
Total income		—	567,392	567,392	—	563,591	563,591
Expenditure on:							
Raising funds							
Investment management costs	3	54,126	—	54,126	28,888	—	28,888
Charitable activities	4	—	596,748	596,748	—	493,560	493,560
Total expenditure		54,126	596,748	650,874	28,888	493,560	522,448
Net (expenditure) income before investment gains (losses)	8	(54,126)	(29,356)	(83,482)	(28,888)	70,031	41,143
Net gains (losses) on investments	11	175,690	—	175,690	(222,339)	—	(222,339)
Net income (expenditure) and net movement in funds		121,564	(29,356)	92,208	(251,227)	70,031	(181,196)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2018		14,442,542	149,115	14,591,657	14,693,769	79,084	14,772,853
Fund balances carried forward at 31 March 2019		14,564,106	119,759	14,683,865	14,442,542	149,115	14,591,657

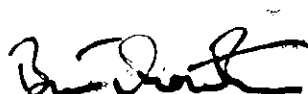
The statement of financial activities includes all gains and losses recognised in the year.

All of the Trust's activities derived from continuing operations during the above two financial periods.

Balance sheet as at 31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Investments	11		14,559,756		14,438,192
Current assets					
Debtors	12	13,564		13,564	
Cash at bank and in hand		116,173		145,361	
Total current assets		<u>129,737</u>		<u>158,925</u>	
Creditors: amounts falling due within one year	13	<u>(5,628)</u>		<u>(5,460)</u>	
Net current assets			124,109		153,465
Total net assets			<u>14,683,865</u>		<u>14,591,657</u>
The funds of the charity:					
Endowment funds	15		14,564,106		14,442,542
Unrestricted funds					
General fund			119,759		149,115
Total charity funds			<u>14,683,865</u>		<u>14,591,657</u>

Approved by the Trustees
and signed on their behalf by:



Trustee

Approved on:

18/6/19

Statement of cash flows 31 March 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(650,706)	(524,474)
Cash flows from investing activities:			
Dividends and interest from investments		567,392	563,454
Proceeds from the disposal of investments		1,747,170	1,360,000
Purchase of investments		(1,722,367)	(1,516,191)
Net cash provided by Investing activities		592,195	407,263
Change in cash and cash equivalents in the year		(58,511)	(117,211)
Cash and cash equivalents at 1 April 2018	B	184,490	301,701
Cash and cash equivalents at 31 March 2019	B	125,979	184,490

Notes to the statement of cash flows for the year to 31 March 2019

A Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net movement in funds (as per the statement of financial activities)	92,208	(181,196)
Adjustments for:		
(Gains) losses on investments	(175,690)	222,339
Dividends and interest from investments	(567,392)	(563,454)
Increase in debtors	—	(2,183)
Increase in creditors	168	20
Net cash used in operating activities	(650,706)	(524,474)

B Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	116,173	145,361
Cash held by investment managers	9,806	39,129
Total cash and cash equivalents	125,979	184,490

The cash held by investment managers is part of the permanent endowment and is therefore unavailable for use.

Principal accounting policies 31 March 2019

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2019.

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

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) issued on 16 July 2014, 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.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees to make significant judgements and estimates.

The trustees do not consider that there are any sources of estimation uncertainty or any key judgements made in the preparation of the financial statements.

Assessment of 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.

The trustees of the charity 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. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 March 2020, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

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 donations, interest receivable and investment income. All income is accounted for on an accruals basis in accordance with the conditions of the SORP.

Donations are recognised when the charity has confirmation of both the amount and settlement date.

Investment income from listed investments is recognised once the income has been declared and notification has been received of the amount due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

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.

All expenditure is accounted for on an accruals basis and includes attributable VAT which cannot be recovered. Expenditure comprises direct costs and support costs. All expenditure, including support costs, is allocated or apportioned to the applicable expenditure headings.

Expenditure comprises the following:

- a. Expenditure on raising funds includes the fees payable to the investment managers in connection with the management of the charity's investments.
- b. Expenditure on charitable activities comprises grants payable to relieve persons who are in need of assistance who served in any of the armed forces of the Crown or in the mercantile marine or in any service established under the Civil Defence Acts 1937 and 1939 and who were disabled in such service and their dependants, together with the cost of administering the grant programme.

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.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the object of the charity it is necessary to provide support in the form of financial and governance procedures, provision of office services and equipment and a suitable working environment.

Allocation of support and governance costs (continued)

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are allocated to the charity's single charitable activity as any apportionment between expenditure on raising funds and charitable activities would be immaterial.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

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 and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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.

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. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

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.

Fund accounting

The unrestricted funds represent funds available for the general charitable purposes of the Trust at the discretion of the Trustees.

The endowment fund comprises monies which must be held indefinitely as capital. The income therefrom can be used for general purposes and is credited directly to unrestricted funds.

1 Income from donations

	Unrestricted and total funds 2019 £	Unrestricted and total funds 2018 £
Donations ²	—	137

2 Income from investments

	Unrestricted and total funds 2019 £	Unrestricted and total funds 2018 £
Income from listed investments	567,182	563,102
Interest receivable	210	352
	567,392	563,454

3 Expenditure on raising funds

	Endowment and total funds 2019 £	Endowment and total funds 2018 £
Investment manager costs	54,126	28,888

4 Expenditure on charitable activities

	Grants payable (note 5) £	Support costs (note 6) £	Unrestricted and total funds 2018 £	Grants payable (note 5) £	Support costs (note 6) £	Unrestricted and total funds 2018 £
Grant making activities	562,000	34,748	596,748	461,500	32,060	493,560

² This was from an anonymous donor, the identity of whom could not be traced.

5 Grants payable

	Unrestricted and total funds 2019 £	Unrestricted and total funds 2018 £
British Limbless Ex-Service Men's Association – routine expenditure and relief work	30,000	40,000
Broughton House – routine expenditure and relief work	30,000	30,000
Combat Stress – routine expenditure and relief work	30,000	30,000
Erskine Hospital – routine expenditure and relief work	30,000	30,000
Stoll (previously Sir Oswald Stoll Foundation) – routine expenditure and relief work	30,000	30,000
Royal British Legion Industries – routine expenditure and relief work	30,000	20,000
Soldiers, Sailors, Airmen and Families Association – routine expenditure and relief work	25,000	35,000
Royal Naval Benevolent Trust – routine expenditure and relief work	25,000	30,000
The 'Not Forgotten' Association – routine expenditure and relief work	25,000	22,000
Poppy Factory	25,000	21,000
Veterans Aid – re-roofing project	25,000	—
Bournemouth War Memorial Homes – routine expenditure and relief work	20,000	20,000
Gurkha Welfare Trust – welfare support to eligible pensioners and in support of their two care homes in Nepal and earthquake relief	20,000	15,000
Royal Commonwealth Ex-Services League – routine expenditure and relief work	20,000	12,000
Defence Medical Welfare Service	20,000	—
Open University	20,000	—
British Ex-Services Wheelchair Sports Association – routine expenditure and relief work and participation in National Wheelchair Games	17,000	14,000
Scottish Veterans' Residences – capital plans and projects	15,000	17,000
Step Together	12,000	10,000
Royal Navy and Royal Marine Children's Fund – routine expenditure and relief work	10,000	10,000
Spinal Injuries Association – routine expenditure and relief work	10,000	10,000
William Simpson's Home, Stirling – routine expenditure and relief work	10,000	6,500
AF&V Launch pad	10,000	6,000
Kart Force – routine expenditure and relief work	10,000	5,000
Canine Partners – routine expenditure and relief work	10,000	—
E Hayes Dashwood Foundation – maintenance and upgrade of facilities	8,000	10,000
Queen Alexandra Hospital Home – routine expenditure and relief work	8,000	8,000
National Gulf Veterans and Families Association – routine expenditure and relief work	8,000	5,000
Vitalise – routine expenditure and relief work for war pensioners	7,000	6,000
RAF Benevolent Fund	7,000	—
Royal Star and Garter Homes – routine expenditure and relief work	5,000	5,000
Veterans Outreach Support	5,000	5,000
Turn to Starboard	5,000	2,000
Team Rubicon	—	5,000
Association of Jewish Ex-Service Men and Women – routine expenditure and relief work	—	2,000
Total grants payable to institutions	562,000	461,500

6 Support costs

	Unrestricted and total funds 2019 £	Unrestricted and total funds 2018 £
Staff costs (note 9)	22,830	22,050
Governance costs (note 7)	5,628	5,460
Other costs	6,290	4,550
	34,748	32,060

7 Governance costs

	Unrestricted and total funds 2019 £	Unrestricted and total funds 2018 £
Auditor's remuneration		
. Audit fees	5,628	5,460
	5,628	5,460

8 Net expenditure for the year before net investment gains

This is stated after charging:

	2019 £	2018 £
Auditor's remuneration		
. Audit fees	5,628	5,460

9 Staff costs and remuneration of key management personnel

	2019 £	2018 £
Salaries and wages	21,742	21,000
Pension contributions	1,088	1,050
	22,830	22,050

No employee earned £60,000 or more in the year (2018 – none).

The average number of employees during the year was 1 (2018 – 1).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the Clerk to the trustees. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £22,830 (2018 – £22,050).

9 Staff costs and remuneration of key management personnel (continued)

No remuneration or other benefits have been paid or are payable to any Trustee or person connected with such a Trustee directly or indirectly from the funds of the Trust (2018 – none).

During the year the Trust reimbursed to 9 Trustees (2018 – 7) travel, subsistence and meeting expenses of £2,951 (2018 – £1,873). Expenses of £1,659 were incurred to facilitate Trustees' meetings during the year (2018 – £1,529).

10 Taxation

The Queen Mary's Roehampton Trust is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

11 Investments

	2019 £	2018 £
Market value at 1 April 2018	14,399,063	14,465,211
Additions at cost	1,722,367	1,516,191
Disposals at opening market value (proceeds £1,747,170; realised gains £123,783)	(1,623,387)	(1,327,207)
Unrealised investment gains (losses)	51,907	(255,132)
Market value at 31 March 2019	14,549,950	14,399,063
Cash held by investment managers for re-investment	9,806	39,129
	<u>14,559,756</u>	<u>14,438,192</u>
Historical cost of investments at 31 March 2019	<u>12,930,014</u>	<u>12,944,968</u>

Investments held at 31 March 2019 comprised the following:

	2019 £	2018 £
UK Equities - Unit Trust	6,463,425	6,535,309
International Equities - Unit Trust	2,566,587	2,439,779
UK Bonds - Unit Trust	1,412,121	1,398,562
UK Property - Unit Trust	989,878	974,100
UK Multi-Asset Holding - Unit Trust	962,553	967,520
Overseas bonds	801,778	808,216
UK Multi-Strategy Property Trust	686,626	669,420
Other Trusts	666,982	606,157
	<u>14,549,950</u>	<u>14,399,063</u>

11 Investments (continued)

At 31 March 2019 investments included the following individual material holdings when compared to the total portfolio valuation as at that date:

Holding at 31 March 2019	%	£
Schroder Equity Income Trust	14.66	2,133,081
J O Hambro UK Equity Income	10.61	1,544,400
Schroder Charity Equity Fund	9.60	1,396,448
Capita Finland Managers – Trojan Income Fund	9.55	1,389,496
Vanguard S&P 500 UCITS ETF	7.65	1,113,479
Charities Property Trust	6.80	989,878

Holding at 31 March 2018	%	£
Cazenove Investment Fund Management Equity Income Trust for Charities	15.41	2,219,327
Majedie Asset UK Income Fund Class X	11.20	1,613,403
Capita Finland Managers – Trojan Income Fund	9.21	1,326,293
Schroder Charity Equity Fund	9.56	1,376,286
Vanguard S&P 500 UCITS ETF	6.67	963,251
Charities Property Trust	6.77	974,100

12 Debtors

	2019 £	2018 £
Accrued investment income	13,564	13,564
	13,564	13,564

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals	5,628	5,460
	5,628	5,460

14 Related party transactions

All Trustees sitting as members of the Grants Sub-Committee are required to declare any interests they may have with organisations that are applying for support at every meeting. The following Trustees were also trustees of, or connected with, other voluntary organisations which received grants and donations from Queen Mary's Roehampton Trust during the year ended 31 March 2019:

Trustee	Voluntary organisation	Amount 2019 £
Commander Stephen Farrington QGM RN	Royal Commonwealth Ex-Services League	20,000
Mr Stephen Coltman	British Limbless Ex-Service Men's Association	30,000
Mr Edward Tytherleigh	Stoll	30,000
Major James J Macnamara	Defence Medical Welfare Service	20,000
Colonel Paul Cummings	Veterans Aid	25,000

14 Related party transactions (continued)

Trustee	Voluntary organisation	Amount 2018 £
Commander Stephen Farrington QGM RN	Royal Commonwealth Ex-Services League	12,000
Mr Stephen Coltman	British Limbless Ex-Service Men's Association	40,000
Mr Edward Tytherleigh	STOLL	30,000

15 Endowment funds

	At 1 April 2018 £	Income £	Expenditure, gains and losses £	At 31 March 2019 £
Endowment funds	14,442,542	—	121,564	14,564,106

	At 1 April 2017 £	Income £	Expenditure, gains and losses £	At 31 March 2018 £
Endowment funds	14,693,769	—	(251,227)	14,442,542

The endowment fund of the charity derives originally from the sale of real estate, the proceeds of which were invested. It is not therefore available for distribution by the Trustees.

16 Analysis of net assets between funds

	Endowment funds £	Unrestricted general fund £	Total funds 2019 £
Fund balances at 31 March 2019 are represented by:			
Investments	14,559,756	—	14,559,756
Current assets	4,350	125,387	129,737
Creditors: amounts falling within one year	—	(5,628)	(5,628)
Total net assets	14,564,106	119,759	14,683,865

	Endowment funds £	Unrestricted general fund £	Total funds 2018 £
Fund balances at 31 March 2018 are represented by:			
Investments	14,438,192	—	14,438,192
Current assets	4,350	154,575	158,925
Creditors: amounts falling within one year	—	(5,460)	(5,460)
Total net assets	14,442,542	149,115	14,591,657

Notes to the financial statements 31 March 2019

16 Analysis of net assets between funds (continued)

The total unrealised gains as at 31 March 2019 constitute movements on revaluation and are as follows:

	2019 £	2018 £
Unrealised gains included above:		
On investments	1,619,936	1,454,095
Total unrealised gains at 31 March 2019	1,619,936	1,454,095
Reconciliation of movements in unrealised gains (losses)		
Unrealised gains at 1 April 2018	1,454,095	2,265,042
Movements in respect of disposals in the year	113,934	(555,814)
Net (losses) gains arising on revaluation in the year	51,907	(255,133)
Total unrealised gains at 31 March 2019	1,619,936	1,454,095