

The League of Remembrance

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1

Financial statements for the year ended 31 August 1997

Contents	Page
Council members, advisors etc	2 - 3
Report of the Council	4 - 5
Report of the auditors	6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9 - 15



The League of Remembrance

2

(Registered under the War Charities Act 1940)

(Registered under the Charities Act 1960)

55 Great Ormond Street

London

WC1N 3HZ

Telephone and fax: 0171 242 5660

A company limited by guarantee incorporated under the Companies Acts.

Patron-in-Chief

Her Majesty Queen Elizabeth The Queen Mother

Patrons

Lady Heald, CBE

General Sir John Archer KCB, OBE

Air Chief Marshal Sir John Barraclough, KCB, CBE, DFC, AFC

General Sir Peter Whiteley, GCB, OBE

Admiral Sir David Williams, GCB

J B Eldridge Esq

Council

The Council members during the year under review were:

Dr G J Piller Esq, OBE, JP, PhD, FRCP (Edin)

Chairman

Mr G M Redman-Brown MA, MSI

Honorary Treasurer

Mr R Creighton MA

Mrs C Bond, OBE, RGN, S St J

Dr C D M Drew, MA, MB, FRCP (Edin)

Mrs G H Mendoza

Major-General D G T Horsford, CBE, DSO

Miss S G Nethercott RGN, RSCN, BA, MSC

Mr M Samuelson, CBE

Secretary

Miss B M Barchard, OBE, RGN, RSCN

The League of Remembrance

3

Solicitors

Trowers & Hamlins
6 New Square
Lincoln's Inn
WC2A 3RP

Bankers

Royal Bank of Scotland PLC
28 Great Ormond Street
London
WC1N 3JG

Honorary auditors

Coopers & Lybrand
1 Embankment Place
London
WC2N 6NN

Investment Advisers

Cantrade Investment Management Ltd
4 Chiswell Street
Finsbury Square
London
EC1Y 4UP

Report of the Council

The members of the Council, who are also the trustees of the Charity, have pleasure in presenting their report and the audited financial statements for the year ended 31 August 1997.

Principal activities and review of the year

The League of Remembrance cares for dependants of members of the Armed Forces and retired nurses who make dressings and other ward requirements and perform other services in several London hospitals. This provides useful work, companionship, a sense of duty and a small, but needed income for Remembrance Workers who are in need of help through bereavement, slender means or loneliness. No significant change in activities is foreseen.

Results and dividends

There was a net increase in funds for the year of £85,887 (1996: £43,707), which was accounted for by net outgoing resources for the year of £2,214 (1996: £3,214), a realised loss of £27 (1996: gain of £80,414) on the sale of investments, and unrealised gains on investments of £88,128 (1996: loss of £33,493).

Taxation

The League is a registered charity and as such is not liable to corporation tax on its charitable activities.

Council members

The Council members during the year are shown on page 2.

Statement of Council's responsibilities

The Council is required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs and the net income /expenditure of the company as at the end of the financial year.

The Council confirms that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 August 1997. The Council also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Council is responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Honorary Auditors

A resolution to re-appoint Coopers & Lybrand as the company's honorary auditors will be proposed at the Annual General Meeting.

By order of the Council

A handwritten signature in black ink, appearing to be 'B M Barchard', written in a cursive style.

Miss B M Barchard, OBE, RGN, RSCN
Secretary

Report of the auditors to the members of The League of Remembrance

We have audited the financial statements on pages 7 to 15.

Respective responsibilities of the Council and auditors

As described on page 4 the company's Council are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

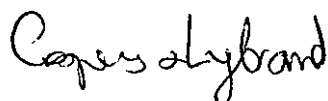
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 August 1997 and of its net outgoing resources and net increase in funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand

Chartered Accountants and Registered Auditors 21 April 1998
London

Statement of financial activity for the year ended 31 August 1997

	Operating Fund 1997	Endowment Fund 1997	Total 1997	Total 1996
Income and expenditure	Notes			
	£	£	£	£
Incoming resources				
Subscriptions and donations (including income tax recoverable thereon)	11,043	-	11,043	6,406
Legacies	1,000	-	1,000	6,672
Investment income				
Listed investments	36,910	2,026	38,936	30,206
Unlisted investments	5,495	-	5,495	4,635
Bank deposit interest	2,120	9	2,129	1,220
Total incoming resources	56,568	2,035	58,603	49,139
Resources expended				
Direct charitable expenditure	3 45,761	-	45,761	37,190
Management and administration of the charity	4 15,056	-	15,056	15,163
Total resources expended	60,817	-	60,817	52,353
Net (outgoing)/incoming resources before transfers	(4,249)	2,035	(2,214)	(3,214)
Transfer to operating fund	2,035	(2,035)	-	-
Net (outgoing)/incoming resources for the year	(2,214)	-	(2,214)	(3,214)
Other recognised gains and losses				
Realised (loss)/gain on disposal of investments	(27)	-	(27)	80,414
Unrealised gain/(loss) on investments	82,665	5,463	88,128	(33,493)
Net increase in funds	80,424	5,463	85,887	43,707
Balance brought forward at 1 September	871,678	55,940	927,618	883,911
Balance carried forward at 31 August	952,102	61,403	1,013,505	927,618

The company has no recognised gains and losses other than those noted above and therefore no separate statement of total recognised gains and losses has been presented.

An income and expenditure account is presented in note 9.

There is no difference between the excess of income over expenditure stated above and their historical cost equivalents.

The notes on pages 9 to 15 form an integral part of these financial statements.

Balance sheet at 31 August 1997

	Notes	Operating fund 1997 £	Endowment fund 1997 £	Total 1997 £	Total 1996 £
Fixed assets					
Tangible assets	5	1,474	-	1,474	1,965
Investments	6	931,879	61,403	993,282	907,619
		<u>933,353</u>	<u>61,403</u>	<u>994,756</u>	<u>909,584</u>
Current assets					
Debtors	7	4,732	-	4,732	5,564
Cash at bank and in hand		15,253	-	15,253	13,642
		<u>19,985</u>	<u>-</u>	<u>19,985</u>	<u>19,206</u>
Creditors: amounts falling due within one year	8	(1,236)	-	(1,236)	(1,172)
Net current assets		<u>18,749</u>	<u>-</u>	<u>18,749</u>	<u>18,034</u>
Total assets less current liabilities		<u>952,102</u>	<u>61,403</u>	<u>1,013,505</u>	<u>927,618</u>
Represented by					
Restricted fund					
Endowment fund		-	61,403	61,403	55,940
Unrestricted fund					
Operating fund		952,102	-	952,102	871,678
		<u>952,102</u>	<u>61,403</u>	<u>1,013,505</u>	<u>927,618</u>

The notes on pages 9 to 15 form an integral part of these financial statements.

The financial statements on pages 7 to 15 were approved by the Council of the League on 21st April '98 and were signed on its behalf by:

G J Piller



Chairman



G M Redman-Brown

Honorary Treasurer

Notes to the financial statements for the year ended 31 August 1997

1 Accounting policies

The financial statements have been prepared in accordance with Accounting Standards applicable in the United Kingdom including the Statement of Recommended Practice ("SORP"), "Accounting by Charities", published by the Charity Commissioners and issued in October 1995.

A summary of the more important accounting policies, which have been applied consistently, is set out below:

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting. All income and expenditure is dealt with on the accruals basis unless otherwise indicated below.

Income

Income is accounted for on an accruals basis and includes income received by the investment managers on behalf of the League of Remembrance but not paid over to the League by the year end (classified as income due from investment managers within debtors). Franked investment income received includes the related tax credits. Income tax recoverable from covenants, is accounted for on an accruals basis.

Direct charitable expenditure

Direct charitable expenditure includes those expenses incurred directly by the remembrance workers. The remaining expenditure is classified under management and administration of the charity.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. The cost of furniture, fittings and other office contents is charged to income and expenditure in the year of acquisition, where such costs per item are less than £500.

Depreciation is calculated so as to write off the cost of valuation of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The annual rate used for this purpose is:

Computer equipment 20%

1 Accounting policies (continued)

Fixed asset investments

Fixed asset investments are recorded at market value at the balance sheet date. Changes in value during the year, and profits and losses on sales, are reported in the Statement of Financial Activities.

Cash flow statement

The company qualifies as a 'small company' under Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

2 Council and employees

No members of the Council received or were entitled to receive any remuneration or re-imbursement of expenses. The average weekly number of persons employed by the League during the year was:

	1997 Number	1996 Number
Remembrance workers	25	20
Secretary	1	1
	<u>26</u>	<u>21</u>
	<u><u>26</u></u>	<u><u>21</u></u>
Staff costs	£	£
Grants-in-aid and salaries	48,761	41,851
Social security costs	574	574
	<u>49,335</u>	<u>42,425</u>
	<u><u>49,335</u></u>	<u><u>42,425</u></u>

No employee received more than £40,000 per annum.

3 Direct charitable expenditure

	1997 £	1996 £
Grants-in-aid	43,335	34,925
Laundry	1,030	922
Annual visits	1,396	1,187
Wool	-	156
	<u>45,761</u>	<u>37,190</u>
	<u><u>45,761</u></u>	<u><u>37,190</u></u>

4 Management and administration of the charity

	1997 £	1996 £
Secretary	6,000	7,500
Printing and stationery	1,518	1,532
Investment managers fees	2,500	2,745
Depreciation	491	491
Indemnity insurance	1,367	-
Other overheads	3,180	2,895
	<u>15,056</u>	<u>15,163</u>

Indemnity Insurance cover for the sum of £1,000,000 was introduced for council members at a premium of £2,050 per annum.

5 Tangible fixed assets

	£
Cost	
At 1 September 1996	2,456
Additions	-
At 31 August 1997	<u>2,456</u>
Depreciation	
At 1 September 1996	491
Charge for the year	491
At 31 August 1997	<u>982</u>
Net book value	
At 1 September 1997	<u>1,474</u>
At 31 August 1996	<u>1,965</u>

6 Fixed asset investments

	Operating Fund £	Endowment Fund £	Total £
Investments			
At 1 September 1996	851,679	55,940	907,619
Additions	155,763	-	155,763
Disposals	(158,397)	-	(158,397)
Unrealised (losses)/gains	82,665	5,463	88,128
Increase in cash awaiting investment	169	-	169
At 31 August 1997	931,879	61,403	993,282
Market Value represents			
	UK £	Overseas £	1997 Total £
			1996 £
Investments listed on a recognised stock exchange:			
- Operating Fund	638,589	57,745	696,334
- Endowment Fund	52,430	8,843	61,273
Unlisted investments - Operating Fund	196,340	-	196,340
Cash awaiting investment	39,335	-	39,335
	<u>926,694</u>	<u>66,588</u>	<u>993,282</u>
			<u>907,619</u>
			Book cost £
			Market value at 31 August 1997 £
At book cost and market value at 31 August 1997			
Operating Fund			
General listed investments			
18,000 10% Treasury 2003		17,916	20,452
19,000 9½% Conversion 2004		18,263	22,139
5,500 Anglo & Overseas Trust plc		3,531	30,745
45,000 7.75% Treasury 2006		44,531	46,737
45,000 8% Treasury 2009		44,716	49,887
46,500 7.75% Treasury loan 2012/2015		45,126	49,485
45,000 8% Treasury stock 2013		44,145	50,402
3,000 Dunedin Worldwide Inv Ord 25p		24,593	27,000
3,500 Edinburgh Inv Trust Ord 25p		11,865	13,456
800 British Telecommunications plc		1,040	3,196
1,530 Alliance Trust plc		14,946	36,131
20,000 Securities Trust of Scotland		12,908	21,900
16,000 City of London Trust		20,182	34,480
43,000 9% Conversion Loan 2011		43,615	50,625
11,000 M&G Charifund Income Units		69,135	98,170
80,000 M&G Recovery Fund		30,138	42,800
3,250 Dunedin Income Growth Ord 25p		23,630	24,944
14,000 City Merchants High Yield Ord 25p		23,296	22,050
20,000 Henderson High Income Inv Trust Ord 25p		23,799	24,956
6,100 Temple Bar Inv plc Ord 25p		23,775	26,779
		<u>541,150</u>	<u>696,334</u>

6 Fixed asset investments (continued)

	Book cost	Market value at 31 August 1997
	£	£
Unlisted investments		
24,800 EFM Unit Trust Managers Limited		
International Income Units	14,086	31,384
11,714 Income shares in Charities Official		
Investment Fund	11,788	103,819
Hill Samuel Unit Trust Inc	38,371	37,393
Cazenove Unit Trust Management	22,892	23,744
Total unlisted investments	87,137	196,340
Total Operating Fund	628,287	892,674
At book cost and market value at 31 August 1997		
Endowment fund		
Listed investments		
5,930 National Provident Insurance Managers		
Limited Growth Unit Trusts	6,523	30,649
18,500 9% Conversion Loan 2011	18,818	21,781
4,500 GT Japan Investment Trust Ord 25p	7,044	8,843
Total endowment fund investments	32,385	61,273
	1997	1996
	£	£
Investment ranges at market value		
Wider range:		
Operating Fund	750,196	680,802
Endowment Fund	39,475	35,783
Narrower range:		
Operating Fund	181,802	170,877
Endowment Fund	21,809	20,157
	993,282	907,619

7 Debtors

	1997 £	1996 £
Amounts falling due within one year:		
Income tax recoverable	572	1,592
Prepayments	1,137	580
Due from investment managers	2,986	3,362
Interest receivable	37	30
	<u>4,732</u>	<u>5,564</u>

8 Creditors

	1997 £	1996 £
Amounts falling due within one year:		
Other taxation and social security payable	803	658
Accruals	433	514
	<u>1,236</u>	<u>1,172</u>

9 Income and expenditure account

	1997 £	1996 £
Income		
Gross income of continuing operations	58,603	49,139
(Loss)/gain on disposal of fixed asset investments	(27)	80,414
	<u>58,576</u>	<u>129,553</u>
Expenditure		
Total expenditure of continuing operations	60,817	52,353
	<u>60,817</u>	<u>52,353</u>
Net (expenditure)/income for the year	<u>(2,241)</u>	<u>77,200</u>

The income and expenditure account is presented in order to ensure compliance with the Companies Act 1985. The major difference in figures presented from those in the statement of financial activities is that unrealised gains/losses on investments are not recognised.

10 Accumulated fund

	Operating fund £	Endowment fund £	Total £
At 1 September 1996	871,678	55,940	927,618
Add: excess of income over expenditure	78,389	7,498	85,887
Transfer to operating fund	2,035	(2,035)	-
At 31 August 1997	<u>952,102</u>	<u>61,403</u>	<u>1,013,505</u>

The Council of the League acts as Trustee of the Endowment Fund, which must be preserved for the purpose of Endowment. All contributions to the Fund are invested in the name of the League, and the investments must be kept separate from the other funds of the League.

The income of the Fund is available for the general purposes of the League.

11 Limited by guarantee

The League of Remembrance is a company limited by guarantee. The liability of each member is limited to £1.