

Accounts of Greenwich Hospital and the Foundation of Samuel Travers, Esquire, showing the Income and Expenditure for the year ended 31 March 1995 and Balance Sheet as at 31 March 1995, together with the report of the Comptroller and Auditor general thereon. (In continuation of House of Commons Paper No. 118 of 1994–95.)

Presented pursuant to Acts 28 & 29 Vict., c.89, ss. 47 & 49, and Armed Forces Act 1976 c.52

Greenwich Hospital and Travers Foundation Accounts 1994–95

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 18 DECEMBER 1995

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Foreword

History and Background of Greenwich Hospital

Greenwich Hospital was founded in 1692—a Royal Charter being granted in 1694—as a home for retired seamen, to provide support for seamen’s widows and education for their children. The Hospital closed in 1869 and the resources of the foundation were devoted to the payment of pensions and the education of children. Pensions are still paid and funds devoted to sheltered housing for elderly people. However, the main beneficiary today is the Royal Hospital School founded in Greenwich in 1712 and transferred to Holbrook, near Ipswich, in 1933. The costs of running the school are met partly from school fees and partly from the income derived from properties and investments held for the exclusive benefit of the Hospital by the Secretary of State for Defence, as sole Trustee, on behalf of Her Majesty. Since 1873 the original buildings of the Hospital at Greenwich have been rented for use by the Royal Naval College; and those previously occupied by the school were taken over by the National Maritime Museum in 1934.

Travers Foundation

This Foundation was created by Act of Parliament in 1892 and provides pensions to retired officers of the Royal Navy. In accordance with Section 21 of the Armed Forces Act 1976 the Foundation Account is shown separately. Surplus income from the Foundation can be applied for the general purposes of Greenwich Hospital.

Reade Foundation

This Foundation consists of an estate at Holbrook, in Suffolk of about 850 acres, the gift of the late G S Reade Esq. to be held for the exclusive benefit of Greenwich Hospital. The Royal Hospital School occupies part of the estate. The rest is let. Mr Reade died in 1929 and left under his will almost the whole of his estate in trust for Greenwich Hospital. In 1946 the Trustees handed over the greater part of the estate to the Admiralty, retaining a sum to provide income to pay annuities in accordance with Mr Reade’s will.

Reade Accumulation Fund

In addition to the above, under Mr Reade’s will a further £100,000 was bequeathed for the purpose of cumulative investment for 56 years. The Fund matures in the year 2002.

Rotely Bequest Account

This consists of the proceeds from a freehold property in Swansea bequeathed by Miss J D Rotely in 1896, the income from which provides grants for the education of sons of officers of the Royal Navy and Marines.

Review of activities

- (1) The year 1994 marked the Tercentenary of the granting of the Royal Charter to Greenwich. This important anniversary was celebrated in a number of ways (attention was drawn to some of those in last year’s foreword, but for completeness they are included here.)
 - (a) On 10 May 1994 Her Majesty the Queen attended a ceremonial review of the Royal Hospital School at its original site at the National Maritime Museum. Her Majesty also opened a special Tercentenary Exhibition in the Queen’s House, displaying art and artefacts illustrating the Hospital’s charitable activities, both past and present.
 - (b) The Under Secretary of State for Defence attended a Service of Thanksgiving at Westminster Abbey on 13 June 1994 at which a wreath was laid on the Tombs of King William and Queen Mary.
 - (c) At a Thanksgiving Service in the Chapel of the Royal Naval College at Greenwich on 21 September 1994, the past and present charitable works and activities of the Hospital were commemorated.

- (d) The Secretary of State for Defence, in his capacity as sole Trustee of Greenwich Hospital, hosted a banquet in the Painted Hall at the Royal Naval College on 4 November 1994, to mark the Tercentenary year. The Guest of Honour was the Duke of York, who announced that he had accepted the Hospital's invitation to become Patron.
- (2) The programme of modernisation and refurbishment of the boarding houses at the Royal Hospital School continues. At the end of the financial year, ten of the eleven houses had been completed at a cost of some £4 million.
- (3) The Hospital's income is used principally to subsidise the fees of the 600 boys and girls who are boarding pupils at the Royal Hospital School, the great majority of whom have parents or grand-parents with seafaring service. The maximum fee is significantly lower than that at comparable schools and further reductions are given because this support is also related to parental ability to pay. The Hospital also pays pensions to more than a thousand ex-seafarers or their widows.
- (4) The advertising campaign for the Dreadnought Seamen's Hospital and the Devonport Nurses' Home has brought forward several possible tenants. We are negotiating with short-listed candidates, on the terms of a long lease for these historic buildings.
- (5) The Command and Staff Courses of the Ministry of Defence are to vacate the Royal Naval College buildings at Greenwich, of which Greenwich Hospital is the freeholder, in late 1997. These are the buildings in which the original Greenwich pensioners, all ex-seafarers, lived from 1705 until 1869. In 1873 the buildings were occupied by the Royal Naval College. With the departure of the courses Ministers have stated that one option is to bring in a reconstituted Defence School of Languages; they also wished to seek expressions of interest from other appropriate bodies.
- (6) The Ministry of Defence, as tenant, is responsible for paying rent to the Hospital of £400,000 per annum. On behalf of Greenwich Hospital it is at present engaged, with the Department of National Heritage, in a search for an alternative tenant. Greenwich Hospital is committed to finding an appropriate and enduring tenant for these magnificent and historic buildings.
- (7) For more than a year the Hospital has been searching in Greenwich for a site for the establishment of its third sheltered housing development. Some possible sites have been identified, and in the coming months it is hoped that the costings and feasibility studies will be completed. Such a return to the original home of the Hospital is seen as an especially auspicious means of commemorating the Tercentenary.
- (8) My thanks are extended to the staff, who have all supported me splendidly and contributed fully to what has been a memorable and, I believe, successful year for Greenwich Hospital.

Dr G H Mungeam MA DPhil
Director of Greenwich Hospital

13 December 1995

Statement of Trustee's and Director's responsibilities

1. The Secretary of State for Defence is the Trustee of Greenwich Hospital and answerable to Parliament for the affairs of Greenwich Hospital.
2. The Trustee is supported in the exercise of his responsibilities by the Parliamentary Under-Secretary of State for Defence and charges the Admiralty Board with the administration of the Hospital which is overseen by the Director. The latter is appointed by the Trustee on the advice of the Admiralty Board.
3. The Director has responsibility (Section 47 of the Greenwich Hospital Act 1865, as amended by Section 4 of the Greenwich Hospital Act 1885) for preparing the Annual Accounts for Greenwich Hospital and Travers Foundation and submitting them for audit.
4. The Annual Accounts of the Travers Foundation are to be kept separate from those of Greenwich Hospital in accordance with Section 21 (3) of the Armed Forces Act 1976.
5. Both sets of accounts are to be prepared according to applicable accounting standards to give a true and fair view of transactions and the position at the end of each financial year.
6. As accounting officer for Greenwich Hospital and the Travers Foundation, the Director is responsible for the propriety and regularity of the records, finances and affairs of Greenwich Hospital and the Travers Foundation.

Dr G H Mungeam MA DPhil
Director of Greenwich Hospital

13 December 1995

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 9 to 15.

Respective responsibilities of the Trustee, the Director and Auditors

As described on page 3, the Trustee and the Director of the Greenwich Hospital are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of opinion

I certify that I have examined the financial statements referred to above in accordance with the Greenwich Hospital Act 1865 and the National Audit Office auditing standards, which include relevant 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 Trustee and the Director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the body's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the state of affairs of Greenwich Hospital at 31 March 1995 and of its surplus, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Greenwich Hospital Act 1865.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

14 December 1995

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Greenwich Hospital

Income and Expenditure Account for the year ended 31 March 1995

	Notes	1994-95 £	1993-94 £
Income			
Net Rental Income:	2		
Northern Estates		279,725	279,776
Greenwich Estates		1,508,302	1,376,342
Other property		1,233,365	1,311,611
		3,021,392	2,967,729
 Income from Investments:			
	3		
General Investments		1,407,818	1,576,107
Reade Foundation		98,350	107,738
Reade Accumulation Fund		173,949	149,104
Rotely Bequest		567	647
		1,680,684	1,833,596
 Other Income:			
Transfer from Travers Foundation		57,943	51,000
Other income		800	65
		58,743	51,065
Tercentenary- Net Income/(Expenditure)	4	(25,319)	41,199
		4,735,500	4,893,589
 Expenditure:			
Royal Hospital School (excess of expenditure over income)	5	3,089,981	2,827,029
Pensions, annuities and other benefits	6	445,316	447,503
HQ Administration	7	560,569	546,287
		4,095,866	3,820,819
Operating surplus		639,634	1,072,770
Transfer from building repair reserve		—	575,000
Surplus for the Financial Year	4	639,634	1,647,770

The statements on pages 7 and 8 and notes on pages 9 to 15 form part of these accounts.

Greenwich Hospital

Balance Sheet as at 31 March 1995

	Notes	1994-95 £	1993-94 £
Fixed Assets			
Tangible Assets			
Investment Property (Estimated Market Value)	8	49,822,910	47,685,945
Royal Hospital School, Holbrook	9	14,000,000	14,000,000
Sheltered Housing	10	3,529,606	3,481,512
Other Tangible Assets	11	725,620	875,817
		68,078,136	66,043,274
Quoted Investments at Market Value	12	38,721,584	41,510,518
Current Assets			
Debtors, Rents Receivable and Prepayments		1,030,716	1,142,360
Loans and Deposits	13	2,483,080	1,258,857
Cash at Bank and in Hand	14	342,469	328,027
		3,856,265	2,729,244
Current Liabilities			
Creditors, Rent Received in advance and Accrued Charges	4	(1,590,706)	(796,518)
Net Current Assets		2,265,559	1,932,726
Total Assets Less Current Liabilities		109,065,279	109,486,518
Capital and Reserves			
Financed by:			
Accumulated fund as at beginning of year		69,003,229	63,027,853
Income and Expenditure Account		639,634	1,647,770
Profit realised on sale of Investments		1,827,538	4,327,606
		71,470,401	69,003,229
Revaluation reserves:			
Property		31,134,732	29,582,111
Investments		1,460,146	5,901,178
Other reserves:			
Pension		5,000,000	5,000,000
		37,594,878	40,483,289
		109,065,279	109,486,518

The statements on pages 7 and 8 and notes on pages 9 to 15 form part of these accounts

Dr G H Mungeam MA DPhil
Director of Greenwich Hospital

13 December 1995

Greenwich Hospital

Statement of Total Recognised Gains and Losses

	1994-95		1993-94	
	£	£	£	£
Net Surpluses (Deficits) on Realisation of Assets				
Investments	<u>1,827,538</u>		<u>4,327,606</u>	
		1,827,538		4,327,606
Net Increases (Decreases) on revaluation of Assets				
Properties	1,552,621		2,112,128	
Investments	<u>(4,441,032)</u>		<u>(221,787)</u>	
		<u>(2,888,411)</u>		<u>1,890,341</u>
Total Capital Gains (Losses) for the year		<u>(1,060,873)</u>		<u>6,217,947</u>
Net general fund income after administration costs	4,174,931		4,347,301	
Total general fund expenditure on behalf of Greenwich Hospital	<u>(3,535,297)</u>		<u>(3,274,532)</u>	
Surplus of income against expenditure for the year	639,634		1,072,769	
		<u>639,634</u>		<u>1,072,770</u>
Total recognised gains (losses) for the year		<u>(421,239)</u>		<u>7,290,717</u>

The Total recognised gains and net general fund income after administration for the year ended 31 March 1995 have been subject to a prior year adjustment. See note 4. The cumulative effect of the prior year adjustment is an increase in the total recognised gains for the year of £41,199.

Greenwich Hospital Cash Flow Statement for the year ended 31 March 1995

	Notes	1994-95 £	1993-94 £
Net Cash inflow from Operating Activities	17	1,817,793	1,118,918
Investing Activities			
Payments to acquire investments		(30,448,931)	(28,665,487)
Receipts from sale of investments		30,623,834	29,279,473
Payments to acquire or improve property		(1,142,476)	(1,515,518)
Receipts from sale of property and other capital receipts		488,275	59,204
Payments to acquire tangible fixed assets		(99,669)	(124,676)
Net Cash Outflow from Investing Activities		(578,967)	(967,004)
Financing			
Repayment of loan		<u>569</u>	<u>515</u>
Increase/(Decrease) in Cash and Cash Equivalents	18	1,239,394	152,429

Greenwich Hospital

Notes to the Accounts

Accounting Policies 1 The Accounts of both Greenwich Hospital and the Travers Foundation are Policies prepared under the historical cost convention as modified below.

Tangible Assets

Freehold Land and Buildings are shown at market value as approved by the Director, and based upon informal valuations provided by Chartered Surveyors.

Other fixed assets, with the exception of Works of Art and Artefacts, are shown at original cost (estimated where necessary).

Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land and buildings. All buildings are constantly maintained in a proper state of repair. Depreciation on other assets is calculated on the following bases:

Motor Vehicles	20 per cent per annum
Plant and Machinery	10 per cent per annum
Office Equipment	20 per cent per annum
Educational Equipment	20 per cent per annum
Furniture	10 per cent per annum,

Assets under construction are shown on the basis of cash expended to date. Depreciation is not charged until the asset is in use.

Unrealised Gains and Losses

Unrealised gains or losses arising out of changes in estimated market values are set aside to or withdrawn from Property Revaluation Reserves, gains and losses within the financial period being offset against each other.

Investments

Quoted Investments are shown at market value. Unrealised gains or losses arising out of fluctuation in market values are set aside to or withdrawn from Investment Revaluation Reserve, gains or losses within the financial period being offset against each other.

Pension Scheme

Greenwich Hospital operates a contracted out non-contributory pension scheme to provide retirement and related benefits to all eligible employees. The scheme is analogous to that of the Civil Service, and Greenwich Hospital is responsible for paying pensions to retired employees other than former teachers or seconded Civil Servants. After an actuarial valuation at 31 March 1993, using the projected unit method, an additional £1,000,000 was set aside from the Accumulated Fund, resulting in a pension reserve which currently stands at £5,000,000.

Cash and Bank

Capital and Income bank accounts are maintained with the Paymaster General in accordance with the provisions of the Greenwich Hospital Act 1865. The balances of these accounts are not shown separately as no useful purpose would be served by so doing.

Without limiting the information given the accounts meet the accounting and disclosure requirements of the Companies Act and accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate.

Net Rental Income	2			Surplus/	Surplus	
		Income	Expendi- ture	(deficit)	1993-94	
		£	£	£	£	
		Northern Estates				
		Farms and Residential Properties	433,011	129,592	303,419	291,670
		Woodlands	1,198	24,892	(23,694)	(11,894)
			<u>434,209</u>	<u>154,484</u>	<u>279,725</u>	<u>279,776</u>
		Comprises:				
		Management fees		11,341		
		Salaries and wages		60,150		
		Pensions to former employees		12,930		
		Other expenses		65,407		
		Depreciation		4,656		
				<u>154,484</u>		
		Greenwich				
		Rent from Royal Naval College	400,000		400,000	400,000
		Residential property	311,476			
		Agents fees and Legal fees		51,743	206,674	168,221
		Repairs and Maintenance		29,550		
		Rates and other Properly Expenses		23,509		
		Commercial Property	1,209,868			
		Agents fees and Legal fees		223,209	901,628	808,121
		Repairs and Maintenance		10,428		
		Rates and other Properly Expenses		74,603		
			<u>1,921,344</u>	<u>413,042</u>	<u>1,508,302</u>	<u>1,376,342</u>
		Other Property				
		Holbrook Estate	49,513	16,420	33,093	49,036
		London and Provincial	673,749	5,881	667,868	683,030
		Pollen Estate	493,588	—	493,588	556,380
		Sheltered Housing	180,758	141,942	38,816	23,165
			<u>1,397,608</u>	<u>164,243</u>	<u>1,233,365</u>	<u>1,311,611</u>

Income from Investments	3			1994-95	1993-94
				£	£
		General Investments			
		British Government Securities		427,500	607,960
		Ordinary Stock/Shares		960,370	973,090
		Loan and Deposit Interest		96,998	67,500
		Underwriting Commission		16,308	21,535
				<u>1,501,176</u>	<u>1,670,085</u>
		Less: Stockbrokers' Fees		(93,358)	(93,978)
				<u>1,407,818</u>	<u>1,576,107</u>
		Reade Foundation:			
		Ordinary shares		98,350	107,738
		Accumulation Fund		173,949	149,104
		Bequests:			
		Rotely		567	647
				<u>567</u>	<u>647</u>
				<u>1,680,684</u>	<u>1,833,596</u>

Tercentenary	4	1994-95	1993-94
		£	£
Sponsorship and other receipts		67,358	47,122
Expenses		<u>92,677</u>	<u>5,923</u>
		<u>(25,319)</u>	<u>41,199</u>

The Tercentenary celebrations included: scholarships to the Royal Hospital School; Bursaries; an exhibition at the National Maritime Museum; a composition of music for the Royal Hospital School and a banquet. These events were financed by sponsorship and other fund raising activities.

A prior year adjustment has been made to show separately preliminary income and expenditure incurred during the 1993-94 financial year, which has necessitated a reduction in creditors of £41,199.

Royal Hospital School	5	1994-95	1993-94
		£	£
Income			
School Fees		2,542,131	2,652,515
Dept. for Education Grant		5,328	5,591
Rents from School Residences		27,022	33,927
Miscellaneous		<u>15,286</u>	<u>7,900</u>
		2,589,767	2,699,933
Expenditure			
Teachers' Salaries		1,879,687	1,789,705
Admin. Salaries and Wages		727,961	707,081
Works Dept:			
Salaries and Wages		547,457	532,530
Contracts		202,410	341,905
Stores		184,095	194,875
Superannuation and Pensions		429,722	361,187
Fuel and Abstraction charges		217,267	219,503
Rates and Community charges		64,283	60,981
Insurance		54,574	44,438
Provisions and Catering*		579,522	586,963
Clothing, Bedding, General Stores		197,386	135,363
Books and Educational Equipment		166,068	153,682
Marketing and Publicity		48,761	42,667
Depreciation		231,993	215,601
Loss on disposal of fixed asset		—	1,105
Office Services		115,848	112,471
Pupils' Welfare		<u>32,714</u>	<u>26,905</u>
		5,679,748	5,526,962
Excess of Expenditure over Income		<u>(3,089,981)</u>	<u>(2,827,029)</u>

* The cost of catering has been arrived at after deducting £13,974 (1994 – £22,013) received by way of an EC subsidy for milk products. Had this subsidy not been received it would have been necessary to increase school fees by £23 per annum per pupil (1994 £37)

Pensions	6	1994-95	1993-94
		£	£
Pensions to seamen and marines		70,214	73,584
Pensions to widows and education of children		—	—
Jellicoe Annuities		<u>375,102</u>	<u>373,919</u>
		<u>445,316</u>	<u>447,503</u>

HQ Administration	7	1994-95	1993-94
		£	£
Salaries and Wages		321,141	329,663
Superannuation and Pensions		39,177	35,943
PMG Services		3,366	3,438
Audit Fee		25,000	25,000
Professional, legal and consultancy fees		23,524	40,806
Depreciation		13,409	10,827
Office Expenses		<u>134,952</u>	<u>100,610</u>
		<u>560,569</u>	<u>546,287</u>

Investment Property	8	1994-95	1993-94
		£	£
Freehold Land and buildings:			
Holbrook Estate		1,074,000	1,074,000
Pollen Estate		12,517,520	11,009,555
London and Other Properties		8,370,000	8,760,000
Greenwich Estate		20,281,390	19,747,390
Northern Estates		<u>7,580,000</u>	<u>7,095,000</u>
		<u>49,822,910</u>	<u>47,685,945</u>

Investment property is shown at market value on 31 March 1995, based upon valuations provided by the appointed Chartered Surveyors for the estates.

Royal Hospital School	9	The Royal Hospital School occupies approximately 150 acres of the Holbrook Estate. Although the current insurance valuation is approximately £48 million the likely market value after taking into account possible alternative uses for the building and development potential is estimated at approximately £14 million.
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Sheltered Housing	10	Greenwich Court, Portsmouth and Greenwich Place, Saltash are being administered on behalf of Greenwich Hospital by Church of England Soldiers' Sailors' and Airmen's Clubs (A Church of England charity). The properties are shown at cost at 31 March 1995, as it is considered that a market valuation would not be appropriate.
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Other Tangible Assets	11	Motor Vehicles	Plant and Machinery	Office Equipment	Educational Equipment	Furniture	Total
		£	£	£	£	£	£
Cost:		210,061	1,553,517	169,184	673,969	713,837	3,320,568
Purchases Year to 31.3.95		46,364	9,883	12,529	30,567	4,037	103,380
Cost of Disposals for Year to 31.3.95							
Cost 31.3.95		256,425	1,563,400	181,713	704,536	717,874	3,423,948
Accumulated Depreciation at 31.3.94		130,135	1,182,366	110,299	404,924	617,027	2,444,751
Depreciation Year to 31.3.95		31,239	106,495	18,191	79,661	17,991	253,577
Accumulated Depreciation on Disposals 31.3.95							
Accumulated Depreciation 31.3.95		161,374	1,288,861	128,490	484,585	635,018	2,698,328
Book Value: at 31.3.95		95,051	274,539	53,223	219,951	82,856	725,620
Book Value: at 31.3.94		79,926	371,151	58,885	269,045	96,810	875,817

In addition to the Tangible Fixed Assets included in the Balance Sheet, Greenwich Hospital owns over 600 works of art and artefacts. Since the works of art and artefacts are not assets from which Greenwich Hospital derives an Income and as there is no intention to sell them, a market valuations not considered appropriate.

Investment Account	12	1994-95		1993-94	
		£	£	£	£
Balance (at cost) 1.4.94		35,609,334		31,914,615	
Plus purchases (a)		30,448,931		28,721,584	
Less Sales (b)		(28,796,833)		(25,026,865)	
Balance (at cost) 31.3.95		<u>37,261,432</u>		<u>35,609,334</u>	
Market values at 31.3.95					
UK Fixed Interest Stock		6,308,610		7,488,278	
Overseas investments		8,444,302		6,622,516	
Equities		23,968,672		27,399,724	
		<u>38,721,584</u>		<u>41,510,518</u>	
Realised gains/(losses) on sales:					
UK Fixed Interest Stock		(19,000)		105,741	
Overseas investments		789,652		361,071	
Equities		1,056,886		3,860,794	
		<u>1,827,538</u>		<u>4,327,606</u>	
Included in the the above is stock held on behalf of:					
		Cost Price	Market Value	Market Value	
		£	31.3.95	31.3.94	
		£	£	£	
Reade Foundation		1,366,670	1,751,164	1,799,934	
Reade Accumulation Fund		5,750,659	5,123,547	5,841,620	
Rotely Bequest		8,185	7,892	5,803	
Willoughby Trust Fund		19,301	31,102	30,633	

(a) Purchases mean stock bought or otherwise acquired.

(b) Sales mean stock sold or otherwise disposed of.

Loans and Deposits	13	The following balances are normally reinvested for capital growth.			
			31.3.95	31.3.94	
			£	£	
		Reade Accumulation Fund	23,206	125,672	
		Reade Fund	—	15,750	
		Stockbroker's Liquidity	1,246,287	839,229	
<hr/>					
Cash at Bank and in Hand	14 a)	The balance at 31 March 1995 includes interest and dividends held at Greenwich Hospital's stockbroker (£101,757). These balances are shown in debtors in the financial year 1993-94 (£164,103).			
	b)	The cash at bank and in hand includes the end of year balances for the following bequest:			
			31.3.95	31.3.94	
			£	£	
		Rotely bequest	11	2,120	
<hr/>					
Revaluation of Property	15		Charitable Property £	Investment Property £	Total £
		Valuation at 31.3.94	17,481,513	47,685,945	65,167,458
		Purchases and improvements	988,839	131,874	1,120,713
		Less: Sales and capital receipts	—	(488,275)	(488,275)
			<u>18,470,352</u>	<u>47,329,544</u>	<u>65,799,896</u>
		Adjustment as a result of revaluation			
		Valuation at 31.3.95	(940,745)	2,493,366	1,552,621
	<u>17,529,607</u>	<u>49,822,910</u>	<u>67,352,517</u>		
<hr/>					
Capital Commitments	16		31.3.95	31.3.94	
			£	£	
		Contracted:			
		Refurbishment of Boarding Accommodation (RHS)	—	760,000	
		Approved in principle but not contracted for:	380,000	380,000	
<hr/>					
Reconciliation of Operating Surplus to Net Cash Flow from Operating Activities	17		31.3.95	31.3.94	
			£	£	
		Operating surplus	639,634	1,072,770	
		Depreciation charge	253,577	234,819	
		Provisions	18,750	49,851	
		Non cash dividend	—	(31,110)	
		Loss/(Profit) on sale of tangible fixed assets	—	1,105	
		(Increase)/Decrease in debtors	111,644	(124,121)	
(Decrease)/increase in creditors	794,188	(84,396)			
		Net cash inflow from Operating Activities	1,817,793	1,118,918	

The Operating Surplus and movement in creditors for the year ended 31 March 1994 have been subject to a prior year adjustment. See note 4.

Analysis of Changes in Cash and Cash Equivalents During the year	18	1994-95		1993-94	
		£		£	
		Balance at 1 April 1994 and 1 April 1993	1,582,128	1,429,699	
		Net Cash Inflow/(Outflow)	1,239,394	152,429	
		Balance at 31 March 1995 and 31 March 1994	<u>2,825,549</u>	<u>1,582,128</u>	

Analysis of the Balances of Cash and Cash Equivalents as shown in the Balance Sheet	19	1995		1994		Change in Year
		£		£		
		Cash at bank and in hand	342,469	323,271	19,198	
		Short-term deposits	2,483,080	1,258,857	1,224,223	
			<u>2,825,549</u>	<u>1,582,128</u>	<u>1,243,421</u>	

20 Reconciliation of Movement in Government Funds
There are no changes in government funds other than those reported in the Income and Expenditure Account and Statement of Total recognised Gains.

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I have audited the financial statements on pages 17 to 21 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 21.

Respective responsibilities of the Trustee, the Director and Auditors

As described on page 3 the Trustee and the Director of the Greenwich Hospital are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of opinion

I certify that I have examined the financial statements referred to above in accordance with the Armed Forces Act 1976 and the National Audit Office auditing standards, which include relevant 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 Trustee and the Director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the body's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the state of affairs of The Travers Foundation at 31 March 1995 and of its surplus, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Armed Forces Act 1976.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

14 December 1995

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Travers Foundation Income and Expenditure Account for the year ended 31 March 1995

	1994-95	1993-94
	£	£
Income		
Rents and other receipts from property in Essex	25,797	19,977
Dividends from stocks and shares	34,365	41,131
	60,162	61,108
Expenditure		
Cost of repairs, fees etc on property in Essex	3,236	2,045
	3,236	2,045
	56,926	59,063
Surplus for the Financial Year		
Transferred to Greenwich Hospital	57,943	51,000
Transferred to/(from) Accumulated Fund	(1,017)	8,063
	56,926	59,063

Travers Foundation

Balance Sheet as at 31 March 1995

	Notes	1994-95 £	1993-94 £
Fixed Assets			
Investment Property at Estimated Market Value	7	235,000	235,000
Stocks and shares at Market Value (Cost £435,194)		<u>413,489</u>	<u>437,275</u>
		648,489	672,275
Current Assets			
Debtors, Rents receivable and prepayments		254	10,658
Cash at Bank	5	<u>28,370</u>	<u>19,324</u>
		28,625	29,982
Less current Liabilities			
Creditors		<u>(1,130)</u>	<u>(1,470)</u>
Net Current Assets		27,495	28,512
Total Assets Less Current Liabilities		<u>675,984</u>	<u>700,787</u>
Financed by:			
Accumulated Fund as at 31.3.94		607,710	599,647
Income and Expenditure account		<u>(1,017)</u>	<u>8,063</u>
		606,693	607,710
Revaluation reserve			
Investments		44,191	67,977
Property		<u>25,100</u>	<u>25,100</u>
		675,984	700,787

The statements on pages 19 and 20 and notes on page 21 form part of these accounts

Dr G H Mungeam MA DPhil
Director of Greenwich Hospital

13 December 1995

Travers Foundation

Statement of Total Recognised Gains and Losses

	1994-95		1993-94	
	£	£	£	£
Net Increases (Decreases) on Revaluation of Assets				
Investments	<u>(23,786)</u>		<u>(7,010)</u>	
		<u>(23,786)</u>		<u>(7,010)</u>
Total Capital Gains (Losses) for the year		(23,786)		(7,010)
Net general fund income after administration costs	<u>56,926</u>		<u>59,063</u>	
Surplus of income against expenditure for the year	56,926		59,063	
Total income for the year		<u>56,926</u>		<u>59,063</u>
Total recognised gains for the year		<u>33,140</u>		<u>52,053</u>

Travers Foundation
Cash Flow Statement for the year ended
31 March 1995

	Notes	1994-95 £	1993-94 £
Net Cash inflow from Operating Activities	3	<u>9,046</u>	<u>17,397</u>
Increase in Cash and Cash Equivalents	4	<u>9,046</u>	<u>17,397</u>

Travers Foundation Notes to the Accounts

- 1 The Accounts of the Travers foundation are prepared under the historical cost convention modified to include the revaluation of property and investments.

- 2 Where they are relevant to the Travers Foundation the accounting policies followed are those prescribed in note 1 to the Greenwich Hospital Accounts.

Reconciliation of Operating Surplus to Net Cash Flow from Operating Activities	3		1994-95	1993-94
			£	£
		Operating surplus	56,926	59,063
		Transfer to Greenwich Hospital Account	(57,943)	(51,000)
		(Increase)/Decrease in debtors	10,404	8,442
		Increase/(Decrease) in creditors	(340)	892
			<u>9,046</u>	<u>17,397</u>

Analysis of Changes in Cash and Cash Equivalents During the year	4		1994-95	1993-94
			£	£
		Balance at 1 April 1994 and 1 April 1993	19,324	1,927
		Net Cash Inflow/(Outflow)	9,046	17,397
		Balance at 31 March 1995 and 31 March 1994	<u>28,370</u>	<u>19,324</u>

Analysis of the Balances of Cash and Cash Equivalents as shown in the Balance Sheet	5		1995	1994	Change in Year
			£	£	£
		Cash at bank and in hand	28,370	19,324	9,046
			<u>28,370</u>	<u>19,324</u>	<u>9,046</u>

The balance at 31 March 1995 includes interest and dividends held at Greenwich Hospital's stockbroker (£8,250). This balance is shown in debtors in the financial year 1993-94 (£10,278).

- 6 There are no movements in government funds other than those reported in the Income and Expenditure Account and Statement of Total Recognised Gains.

- 7 **Property Valuation** The valuation of property in Essex was carried out by a Chartered Surveyor.

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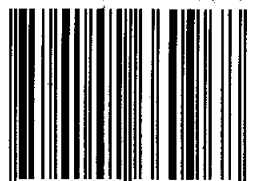
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