MEMORANDUM

To: Accounts
Cc Chairman

From: Chief Executive

Subject: 1823A

Date: 10 October 2005

I have consulted with the Chairman on this particular case.

The objects of the Trust are to relieve those person suffering from haemophilia who through infected blood products, contract HIV and who are in need of assistance. 1823A has HIV, the original cause being that this was (via her husband) through infected blood products. Spouses are given specific mention in the Trust Deed. The need of the registrant is to move back nearer her family; this is primarily for health and care reasons as she is now clearly unwell. The prognosis is fluid. There are personal reasons for her to be near her family and these are part of the overall "need" rationale.

The key here is to establish if we are giving 1823A favourable treatment that would not be applied to individuals in similar circumstances. We do have individuals in similar circumstances but the amount of the equity share arrangement is (in cash terms) unique as is the agreement (I believe) to deduct a sum representing the amount 1823 & 1823A spent on the property after the original ESA arrangement was put in place.

The trustees would, in my opinion, apply an even handed policy on foregoing some of the equity gained in another arrangement if it was to the future benefit of the registrant. I also believe that they would take a sympathetic view on deducting a sum if the registrant could reasonably demonstrate it was an "improvement" to the property that had been self-financed and where the Trust would have made a gain arising from that expenditure.

There may well be a legal argument if we were to challenge the arrangement about deducting capital expenditure undertaken by 1823A and whether it not that benefit/gain should pass to this sale. Any delay could possibly risk 1823A loosing the sale and the Trust would risk being seen in a bad light and may lead to a charge of not taking the "need" for the move as the Trust's prime duty. I accept that it is arguable.

Therefore, the Trust will forego the amount of £4000.00 (not £4260.39 as stated) representing the expenditure on the property after the purchase. This amount is to be deducted from the equity share amount that is being transferred and NOT the amount to be repaid to the Trust i.e. the 50% of the loan of 26k which is coming from the sale of the Wood Green property.

The Trustees do not have to put themselves in the position of a commercial lender but have to reasonably safeguard the Trust assets and the same time balancing the "need" of registrants, spouses etc. The original advance does now demonstrate a return to the Trust albeit less than it would have received.

Unless the NSSC deem otherwise, the Trust will NOT lend any money to fund the purchase. As with all registrants, there is an arrangement with the Trust's IFA to secure mortgages through the Nationwide Building Society and the advice must be for CW to contact Susan Daniels in the usual way.

I think that covers it.