

SKIPTON FUND LIMITED

(A company limited by guarantee and not having a share capital)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

SKIPTON FUND LIMITED

COMPANY INFORMATION

Directors Professor G M Dusheiko
P Spellman
P R Stevens
Professor H C Thomas

Secretary N M D Fish

Company number 05084964

Registered office Bay Lodge
36 Harefield Road
Uxbridge
Middlesex
UB8 1PH

Auditors Ward Williams
39-43 Monument Hill
Weybridge
Surrey
KT13 8RN

Business address Alliance House
12 Caxton Street
London
SW1 0QS

Bankers Lloyds Bank
Butler Place Branch
PO Box 132
1 Butler Place
London
SW1H 0PR

Solicitors Wilsons Solicitors LLP
Steynings House
Summerlock Approach
Salisbury
Wiltshire
SP2 7RJ

SKIPTON FUND LIMITED

CONTENTS

	Page
Directors' report	1 - 6
Independent auditors' report	7 - 8
Income and Expenditure account	9
Balance sheet	10
Notes to the financial statements	11 - 15

SKIPTON FUND LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and financial statements for the year ended 31 March 2016.

Skipton Fund Limited ("the Company") is a company limited by guarantee and does not have a share capital.

Principal activities

The principal activity of the Company is to implement and manage the UK-wide ex gratia payments scheme for people infected with the hepatitis C virus ("HCV") from treatment with NHS blood, blood products or tissue ("the scheme"). The Company acts as agent for the Department of Health ("the Department"), which in turn acts for the health departments of the Devolved Administrations.

The Company was established in 2004 following the announcement of the scheme on 29 August 2003 by the Secretary of State for Health. The Company began operating on 5 July 2004. The scheme, which was at that time limited to people who were alive on the announcement date, initially comprised Stage 1 payments of £20,000 to anybody who had been infected, with additional Stage 2 payments of £25,000 to those whose infection had led to cirrhosis or primary liver cancer.

On 10 January 2011 the Secretary of State announced enhancements of the scheme, principally doubling the Stage 2 payment to £50,000, adding B cell non-Hodgkin's lymphoma to the Stage 2 qualifying criteria, introducing an annual index-linked payment to people who had received a Stage 2 payment and opening the scheme to the estates of those who had died before 29 August 2003.

The number of payments made annually by the Company has been as follows:

Year ending 31 March	Stage 1 Living or dec'd after 29 August 2003	Dec'd before 29 August 2003	Stage 2 Living or dec'd after 29 August 2003	Dec'd before 29 August 2003	"Top-up" payments +	Receiving annual payments at 31 March	PPC *	Cumulative proportion of Stage 2 to Stage 1
2005	3,034	n.a.	294	n.a.	n.a.	n.a.	n.a.	10
2006	433	n.a.	188	n.a.	n.a.	n.a.	n.a.	14
2007	245	n.a.	101	n.a.	n.a.	n.a.	n.a.	16
2008	204	n.a.	101	n.a.	n.a.	n.a.	n.a.	17
2009	130	n.a.	76	n.a.	n.a.	n.a.	n.a.	19
2010	162	n.a.	78	n.a.	n.a.	n.a.	n.a.	20
2011	116	-	82	-	-	-	-	21
2012	148	436	148	169	697	548	104	26
2013	111	19	116	24	14	615	101	27
2014	86	8	79	40	152	709	110	29
2015	93	9	70	11	2	730	240	30
2016	87	18	82	6	4	764	224	31
Total	4,849	490	1,415	250	869	n.a.	n.a.	31

* Prescription Pre-payment Certificates, available only in England.

+ Top-up payments of £25,000 were made after 10 January 2011 to those who had previously received Stage 2 payments at the original rate.

The Company analyses its disbursements according to the location of the treatment that gave rise to the infection, the Department recovering the costs of funding from the respective Devolved Administration. The cost to each region is broadly the same for each category of payment and throughout the Company's history, namely 78% England, 14% Scotland, 5% Wales and 3% Northern Ireland.

SKIPTON FUND LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Cumulative Stage 2 payments as a proportion of cumulative Stage 1 payments have had an upward trend, reaching 31% by 31 March 2016. The acceleration in recent years is a result of two factors:

- the extension of the scheme to those who died before 29 August 2003.
- the progression of the disease among the proportion of the infected community who remain chronically infected with hepatitis C.

The proportion of conversion from Stage 1 to Stage 2 criteria is lower for those with bleeding disorders (other than those who are co-infected with HIV) than for others, probably because they will generally have received more frequent clinical attention than those whose infection arose as a result of a single treatment for a non-chronic situation.

The new drug regimes that have been developed for HCV are expected to moderate the overall rate of progression to cirrhosis, and to reduce the mortality rate, which in the year was 5% of those people at Stage 2 receiving regular payments. The Company does not hold reliable data for the number of deaths at Stage 1, but the new drug regimes would be expected to reduce the overall mortality rate by more than the reduction in the rate of just those at Stage 2 by preventing the development of cirrhosis in many cases. Following the approval by the Department of the use of the new drugs in cases of non-cirrhotic chronic hepatitis C, the directors hope that there will be a steady increase in the numbers of those infected who will benefit from the clearance of the virus and a consequent reduction in the calls on support from the Department through the Company.

By 31 March 2016 the total number of applications for Stage 1 payments that had been received since the start of the scheme was about 6,400. Of these, around 750 were rejected because:

- the applicant had cleared the hepatitis C virus during the acute stage of infection and were in consequence not eligible for the scheme, or
- there were more significant risk factors, such as intravenous drug abuse, or
- there was no or insufficient evidence that infection resulted from treatment with NHS blood, blood products or tissue before September 1991; in such cases, which are increasing in frequency as the time between infection and application to the Company is extending, the Company makes every effort to establish the balance of probability, as required by the scheme.

People whose applications have been declined by the Company can refer their cases to the independent Appeals Panel, which to date has reviewed about 400 stage 1 applications and 35 Stage 2, upholding the Company's decision in respect of about 200 and 24 respectively. Appellants can submit more evidence to the Panel than the application process is designed to request, which in many cases provides the Panel, which contains a number of experienced clinicians, with grounds for concluding that infection probably resulted from treatment with NHS blood, blood products or tissue.

Payments of both Stages in respect of people who died before 29 August 2003 remain low, albeit with a slight increase of Stage 1 applications from the previous year. The Directors believe that there may potentially still be some applications in respect of people who died before September 2003, particularly from the estates of people who did not have a bleeding disorder, where the estates are unaware of the existence of the scheme or that their deceased relative had hepatitis C. The Company has worked hard to trace applicants who are eligible for the £25,000 "top up" payment introduced in the January 2011 revisions to the scheme; by 31 March 2016 there remain 83 unclaimed payments with respect to applicants who are known to have died and 11 to applicants who may still be alive but whose whereabouts remain unknown.

At 31 March 2016 some 240 Stage 2 applications had been deferred because they did not yet meet the scheme criteria. 9 of these had been referred to the Appeals Panel which had upheld the deferral in all 9 cases. 85 Stage 2 applications in respect of people who were deceased had been rejected because there was no evidence that it was probable that a qualifying condition had developed prior to death; 15 of these decisions were upheld by the Appeals Panel and 11 were approved.

The annual payment made to living recipients of Stage 2 payments was £14,749 for the year ended 31 March 2016 and will be unchanged for the year beginning 1 April 2016. The aggregate of such payments was about 63% of the Company's total disbursements in the current year of just over £18 million. In the year to 31 March 2017 the Company expects to disburse about the same as in the previous year of £18million, of which the annual payments will account for about 66%.

SKIPTON FUND LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Since inception, total scheme payments made by the Company were, by 31 March 2016, about £240 million, nearly one-third of which were made in its first year of operation and a further fifth in the 2011/12 year after the expansion of the scheme in January 2011.

Note on the financial statements

The Company receives its income from the Department on the basis of periodic invoices to meet forecast costs, which largely consist of scheme payments. Income during the year of some £18.2 million was about 108% of that of the previous year in consequence of the slightly higher volume of scheme payments that had to be made, especially annual payments. Differences in timing of these cash flows result in considerable variations from year to year in the Company's operating surplus on 31 March.

The Company operates, as it has done from the outset, in offices in Alliance House, Caxton Street, London SW1, which it shares with a number of other entities involved with financial support to people infected, with HIV or HCV or both, through the use of contaminated blood, blood products and tissue during NHS treatment. All of these entities are funded by the Department. Before 2011 the principal such entity was The Macfarlane Trust ("MFT").

As a further consequence of the January 2011 announcement, a new charity, The Caxton Foundation ("Caxton") was established to provide discretionary support to those infected with HCV; this support supplements the non-discretionary payments made by the Company.

For reasons of efficiency, Caxton, which began operating on 1 October 2011, took over the administrative functions formerly provided by MFT, including the employment of the staff of the various Alliance House entities and the ownership of the lease for the space occupied by the entities, including the Company. The costs of performing these functions are now borne by Caxton. To avoid a number of cross-charges that were previously made between the various entities in order to allocate the costs of services to the entities for which they were performed, that part of Caxton's service delivery costs, comprising salaries and related expenses and property expenses, which is attributable to the Company is the subject of an adjustment through the Department's funding mechanism, which appears in a supplementary note (Note 11) to the Company's Accounts.

The Company's Accounts still show as administrative expenses its own direct costs, such as legal fees and bank charges and its proportion of service costs that are shared with the other Alliance House entities, such as IT services and stationery. During the year these administrative expenses amounted to £46,113, compared with £48,447 in the previous year. Note 11 explains the various re-charges made and received by the Company in respect of shared service costs.

The future of the Company

Towards the end of the last financial year the All-Party Parliamentary Group on Haemophilia and Contaminated Blood published a report on its inquiry into the support for those affected by the use of contaminated blood. Later in that year the Rt Hon Lord Penrose published his report of the Scottish Public Inquiry into hepatitis C and HIV infection acquired from NHS treatment.

After prolonged consideration of these reports, the Department published in January 2016 its proposals for "infected blood: reform of financial and other support", and launched a consultation on these proposals, to end on 15 April 2016. Among a wide range of proposals, this document proposed the replacement of all five existing Alliance House operations, including the Company, by a single new body.

The document also proposed a new payment to be made on the basis of a health assessment, to supplement the payments currently made by the company based on objective criteria relating to the impact of HCV infection. The Directors were concerned by this proposed combination of objective - i.e. measurable - criteria and subjective assessments in the same payment scheme - and made strong representations to the Department that this proposal should be reviewed, along with some other aspects of the proposals which caused concern such as the cessation of index linking the stage 2 regular payments to the Consumer Prices Index and the stricter qualifying criteria for third party transmission applications.

SKIPTON FUND LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

On 13 July 2016 the Government announced its response to the consultation on these proposals. The key elements of the reformed scheme contained in this response as far as the company is concerned are:

- a new annual payment of £3,500 to each person infected with hepatitis C who has received a Stage 1 payment, with effect from the current year (2016/17) and without the need for individual assessment (*meeting one of the Directors' concerns about the earlier proposals*). This payment would rise to £4,500 in 2018/19.
- an increase in the rate of annual payments to those who have received Stage 2 payments from the company to £15,500 in the current year (from £14,749), rising to £18,500 in 2018/19
- for those co-infected with HIV and hepatitis C who have received a Stage 1 payment, annual payments will be £18,500 in the current year and in 2017/18 and £22,500 in 2018/19
- those co-infected who have received a Stage 2 payment will receive annual payments of £30,500 this year and next year rising to £36,500 in 2018/19
- *annual payments will be linked to the Consumer Price Index (meeting another concern).*
- from 2017/18, and under a new administrative system, there will be a new appeals mechanism for those who have received a Stage 1 payment but believe that the impact of their infection should qualify them to receive Stage 2 payments (annual and lump sum)

The existing Alliance House operations would be replaced by a single scheme administrator.

These proposals would affect only those whose infection originated as a result of treatment in England.

The Directors are unable to forecast the effect on the company of these proposals, the implementation of which is, at the time of writing, under review by the Department together with representatives of the three charities, the company, MFET Limited and other interested parties.

At the same time as the consultation was under way, the Scottish Executive accepted all the key financial support recommendations of the Financial Review Group established after the publication of the Penrose Report. These would include:

- an increase in the annual payments made both to those who have received Stage 2 payments and to those who are co-infected (regardless of whether they are at Stage 1 or Stage 2).
- the introduction of annual payments to widows and widowers of those who have died as a result of advanced Hepatitis C (i.e. who had received a Stage 2 payment), amounting to 75% of the amount to which the infected person would have been entitled, under these new arrangements, if still alive.
- a lump sum of £30,000 to all at Stage 1 in addition to the £20,000 payment already made by the Company under the existing scheme whilst at the same time reducing the Stage 2 lump sum payment by £30,000 to £20,000.

At the time of writing it is not known whether

- the Company will be asked to administer these arrangements
- a new payment mechanism will be established by the Scottish Executive
- these new Scottish arrangements will have any implication for the reformed scheme under review by the Department
- whether the Welsh and Northern Ireland administrations will adopt either the English or Scottish proposals or other schemes of their own.

SKIPTON FUND LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Directors

The following directors have held office since 1 April 2015:

E A C Boyd (Deceased **GRO-C** 2016)
Professor G M Dusheiko
P Spellman
P R Stevens
Professor H C Thomas

The directors record with sadness the death of Mrs Boyd in **GRO-C** 2016. She had been a respected colleague who had worked hard for the Company from the time of its establishment, bearing much of the burden of assessing applications during the periods of highest activity in the first year of the Company's existence and after the January 2011 changes to the scheme.

The directors are most grateful for the hard work of the Administrator and of other staff in the Alliance House office, in particular in devising and implementing means of tracing those who became eligible for further payments under the scheme after the January 2011 announcement.

The directors also wish to express their considerable gratitude to the chairman and members of the independent Appeals Panel, who have continued to be extraordinarily generous in the time and commitment that they give to the Company to enable the eligibility of applications to be established when the evidence is not clear-cut.

Auditors

The auditors, Ward Williams, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SKIPTON FUND LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

GRO-C

P R Stevens

Director

8/9/2016

SKIPTON FUND LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SKIPTON FUND LIMITED

We have audited the financial statements of Skipton Fund Limited for the year ended 31 March 2016 set out on pages 9 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SKIPTON FUND LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SKIPTON FUND LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.

GRO-C

Colin Hamilton (Senior Statutory Auditor)
for and on behalf of Ward Williams

15/9/16

Chartered Accountants
Statutory Auditor

Belgrave House
39-43 Monument Hill
Weybridge
Surrey
KT13 8RN

SKIPTON FUND LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Direct Income	2	18,151,229	16,847,597
Direct costs	3	(18,111,421)	(16,807,139)
		<u>39,808</u>	<u>40,458</u>
Administrative expenses		(46,113)	(48,447)
Operating deficit	4	<u>(6,305)</u>	<u>(7,989)</u>
Other interest receivable and similar income		3,346	3,030
Deficit on ordinary activities before taxation		<u>(2,959)</u>	<u>(4,959)</u>
Tax on deficit on ordinary activities	5	(669)	(606)
Deficit for the year	9	<u><u>(3,628)</u></u>	<u><u>(5,565)</u></u>

SKIPTON FUND LIMITED

BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	6		2,405		6,033
Current assets					
Debtors	7	56,890		14,158	
Cash at bank and in hand		462,430		567,254	
		519,320		581,412	
Creditors: amounts falling due within one year	8	(19,320)		(81,412)	
Net current assets			500,000		500,000
Total assets less current liabilities			502,405		506,033
Reserves					
Revenue reserves	9		502,405		506,033
Member funds			502,405		506,033

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the Board for issue on 8/9/2016

GRO-C

P Spellman
Director

GRO-C

P R Stevens
Director

Company Registration No. 05084964

SKIPTON FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Direct Income

Direct income represents amounts receivable from H.M. Government and the devolved administrations to fund the company's principal activity, net of VAT payable on recharged administration expenses. The company has since de-registered for VAT with effect from 1 April 2016 due to administration expenses being under the VAT thresholds.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	20% on cost
Fixtures, fittings & equipment	20% on cost

2 Direct Income

Geographical Split

	2016	2015
	£	£
England	13,996,536	12,949,511
Northern Ireland	469,540	466,519
Scotland	2,922,364	2,742,925
Wales	762,789	688,642
	<u>18,151,229</u>	<u>16,847,597</u>

SKIPTON FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

3 Direct Expenses

	England £	Northern Ireland £	Scotland £	Wales £	2016 Total £	2015 Total £
New stage 1 claims	1,400,000	20,000	220,000	100,000	1,740,000	1,860,000
New stage 2 claims	3,300,000	150,000	450,000	200,000	4,100,000	3,500,000
Stage 2 'top up' payments	75,000	-	25,000	-	100,000	50,000
Pre 2003 claims stage 1	210,000	-	160,000	-	370,000	175,833
Pre 2003 claims stage 2	100,000	-	200,000	-	300,000	550,000
Non-Discretionary payments	8,848,519	299,540	1,867,364	462,789	11,478,212	10,647,328
Prescription payments	23,209	-	-	-	23,209	23,978
	<u>13,956,728</u>	<u>469,540</u>	<u>2,922,364</u>	<u>762,789</u>	<u>18,111,421</u>	<u>16,807,139</u>

The company analyses its payments according to the location of the treatment that gave rise to the infection. The Funding with regards the above payments has come from H.M. Government, or the relevant devolved administration.

4 Operating deficit	2016 £	2015 £
Operating deficit is stated after charging:		
Depreciation of tangible assets	3,628	5,196
Auditors' remuneration	2,500	2,500
Directors' emoluments	1,015	-
	<u>7,143</u>	<u>7,696</u>

5 Taxation	2016 £	2015 £
Domestic current year tax		
U.K. corporation tax	669	606
Total current tax	<u>669</u>	<u>606</u>

The company is a non-trading company which administers a hepatitis C ex gratia payment scheme on behalf of the Department of Health. Corporation tax is payable only on profits and gains from non-trading loan relationships.

SKIPTON FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

6 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2015 & at 31 March 2016	59,358
Depreciation	
At 1 April 2015	53,325
Charge for the year	3,628
At 31 March 2016	56,953
Net book value	
At 31 March 2016	2,405
At 31 March 2015	6,033

7 Debtors

	2016 £	2015 £
Funding debtors	40,104	-
Other debtors	16,786	14,158
	56,890	14,158

8 Creditors: amounts falling due within one year

	2016 £	2015 £
Funding creditors	-	62,585
Taxation and social security	5,584	8,713
Other creditors	13,736	10,114
	19,320	81,412

SKIPTON FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

9 Statement of movements on revenue reserves

	Revenue Reserves £
Balance at 1 April 2015	506,033
Deficit for the year	(3,628)
	<hr/>
Balance at 31 March 2016	502,405
	<hr/>

In 2012/13 the company agreed with the Department of Health to maintain an operating reserves level of £500,000.

In the event of the company ceasing after completion of all payments, the company has agreed to pay any funds remaining in reserves to the Department of Health.

10 Control

There is no one controlling party as the company is limited by guarantee and does not have share capital. The directors have effective control and the day to day administration of the company is carried out by the Scheme Administrator.

SKIPTON FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

11 Related party transactions

The company operates from offices in Alliance House, Caxton Street, London SW1, which it shares with a number of other entities involved with financial support to people infected through the use of contaminated blood, blood products and tissue. These other entities are The Macfarlane Trust, The Caxton Foundation, The Eileen Trust, and MFET Limited. Together they are sometimes referred to as the Alliance House entities.

One of the directors of the company is also a director of MFET Limited, as well as being a trustee of The Eileen Trust. One of the directors is a trustee of both The Macfarlane Trust and The Eileen Trust, while a former director was also a trustee of The Eileen Trust until her death during the year. One of the directors is also a director of Caxton Trustee Limited, the corporate trustee of The Caxton Foundation.

On 22 June 2011 The Caxton Foundation ("Caxton") was established. Caxton is a charity established to provide discretionary support payments to those infected with hepatitis C. These would supplement the non-discretionary payments made by the company. With effect from 1 October 2011 Caxton took over the administrative functions formerly provided by The Macfarlane Trust, including the employment of the staff of the various Alliance House entities and the ownership of the lease for the Alliance House offices. The costs of performing these functions are now borne by Caxton.

Hitherto a number of recharges were made between the various entities in order to allocate the costs of services to the entities for which they were performed. Under revised arrangements that came into force previously, the part of Caxton's costs that was attributable to the company was the subject of an adjustment through the Department of Health's funding mechanism. Actual services costs incurred by Caxton on behalf of the company in the year totalled £129,833 (2015: £124,981). Caxton received funding in the year from the Department of Health to cover these costs totalling £129,833 (2015: £124,981). No adjustments have been made to the figures in the company's accounts regarding the above costs borne by Caxton and refunded to them by the Department of Health.

As well as the above service delivery costs, the Alliance House entities also have various shared costs. The company incurred various shared costs which it then recharged to the other entities. The company recharged, including VAT, £14,304 (2015: £19,512) to The Caxton Foundation, £7,932 (2015: £8,259) to The Macfarlane Trust, £2,218 (2015: £2,957) to MFET Limited, and £425 (2015: £464) to The Eileen Trust.

In addition some of the other entities incurred shared costs themselves, and therefore the company incurred recharges of £15,962 (2015: £18,948) from The Caxton Foundation and £374 (2015: £208) from The Macfarlane Trust to cover the company's share of such expenses.

At the year end the company was owed £7,558 (2015: £6,447) by The Macfarlane Trust, £4,627 (2015: £2,409) by MFET Limited and £808 (2015: £383) by the Eileen Trust. In addition the company owed £391 to The Caxton Foundation (2015: £1,267 was owed to the company by Caxton).

Finally during the year the company received short term loans from MFET Limited totalling £320,000. These loans were fully repaid in the year. In addition the company made short term loans to The Caxton Foundation during the year totalling £190,000. Again these loans were fully repaid in the year.