

The Eileen Trust

Annual Report and Audited Accounts

For the year ended 31 March 2011

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Trustees' Report – General Information

Trustees

Mr Peter Stevens (Chairman)
Mrs Susan Phipps
Mr Russell Mishcon
Mr Patrick Spellman
Mrs Elizabeth Boyd

Trust Staff

Martin Harvey - Secretary*
Rosamund Riley - Office Manager*
Linda Haigh - Finance Manager*
Susan Daniels - Case Worker

*Staff of the Macfarlane Trust ("MFT"), appointed by the Trustees to act for the Eileen Trust in their respective capacities

Bankers

Lloyds TSB plc
1 Butler Place
Victoria Street
London
SW1H 0PR

Auditors

Glazers
Chartered Accountants and Registered Auditors
843 Finchley Road
London
NW11 8NA

Registered Office

Alliance House
12 Caxton Street
London
SW1H 0QS

Registered Charity Number

1028027

TRUSTEES' REPORT**OBJECTIVES**

The Eileen Trust was established in 1993 to administer a £500,000 fund provided by Her Majesty's Government to assist people, other than those with bleeding disorders, who had contracted HIV through NHS treatment with contaminated blood products. The Trust's objectives, as set out in the Trust Deed, are "to relieve those qualifying persons who are in need of assistance or the ... dependants of qualifying persons and ... of qualifying persons who have died".

THE TRUST'S OPERATIONS

During the year the Trust continued to provide to 16 registrants – that is, "qualifying persons" and to 3 widowed dependents of registrants who have died.

The Trust's beneficiaries now receive annual non-discretionary payments from the Department of Health through a company called MFET Ltd, as detailed in the Annual Report for the year ended 31 March 2010. These payments totalled nearly £205,000 in the year ended 31 March 2011. In consequence their need for further assistance from the Trust has in general decreased substantially.

During the year the Trust made regular monthly payments to supplement the MFET payments to 7 individuals (some with families) in order to bring their household income up to a level that the Trustees determined to be an acceptable minimum. As in previous years a small number of single grants were also made in response to specific requests for help, which were reviewed by the Trustees, or by the case worker under delegated authority, and approved if they were deemed to come within the terms of the Trust Deed. The Trust also held a weekend event at which registrants and their families were able to meet, which past experience has shown to be particularly welcome. The total resulting expenditure on beneficiaries was about £55,000, much less than in previous years, the reduction being more than offset by the registrants' income from MFET.

The Trust liaises with the community of care on a regular basis. Visits to beneficiaries are undertaken mainly by the case worker, Mrs Susan Daniels; this important activity to help the Trust meet the needs of beneficiaries is supported by the office staff. Applications for assistance are received in the main via the case worker and from time to time by direct approach to the office. The Trustees are immensely grateful to Mrs Daniels for her commitment and sympathetic work helping the Trust's beneficiaries.

ADMINISTRATION

The Trust is governed by the Trust Deed and is under the control of Trustees who are appointed by the Secretary of State for Health and met as a Board on a number of occasions during the year. Four of the Trustees are or have been Trustees of MFT; Mrs Phipps has been a Trustee of this Trust since its inception.

At their meetings the Trustees undertake a detailed case-by-case review of the Trust's work for and contacts with each of the beneficiaries, greatly aided by Mrs Daniels' knowledge and recommendations. The Trustees will continue to review each person or family's circumstances on a regular basis.

The Trustees are also helped in their work by the office staff, who respond quickly and sympathetically to requests for help of and who try to ensure that all registrants and families are aware of the types of assistance that they can receive from the Trust. The Trustees are grateful to Martin Harvey, Rosamund Riley and Linda Haigh for their work on behalf of the Trust and its beneficiaries.

TRUSTEES' REPORT - continued**FINANCE**

The Trust is funded wholly by the Department of Health.

In January 2011 the Secretary of State for Health announced further changes to the Government's policies in respect of the use of contaminated blood during NHS treatment. Most of the changes concerned infection with Hepatitis C, to which only one of the Trust's registrants has been exposed. However, an important change affecting the Trust's community was that the non-discretionary payments, through MFET Ltd., were to be index-linked. For the year from 1 April 2011 they have been increased from £12,800 to £13,200. The Trust welcomes this improvement.

The Trustees hope that the Trust will continue to be funded sufficiently to enable it to respond to its registrants' needs in a way that is consistent with its objectives, taking into account the payments from MFET Ltd. The Trustees note, however, that the Department has given no assurances about the levels of annual funding after the current year, and are concerned that, in times of exceptional economic stringency, there will over time be an erosion of the real value of the funding levels.

The Trustees keep under review means of reducing costs of administration, which this year, at £34,266, were 12% below those of the previous year. Certain administrative services are provided by MFT under a management agreement between the Trustees of the two Trusts, which share premises and staff, have a number of Trustees in common, and are both similarly funded by the Department. While MFT charges the minimum possible for these services, for which the Trustees are most grateful, the small number of beneficiaries of the Trust inevitably leads to a relatively high average cost of administration per beneficiary.

It is hoped that, consequent upon the implementation of the Secretary of State's announcement, further reductions in these costs will be achieved in the next two years.

The Trustees are satisfied that an adequate risk management strategy is pursued, in line with that undertaken for MFT.

The Trustees believe that it would be prudent to continue to maintain reserves at around the current levels. This policy is reviewed annually.

RESPONSIBILITIES OF THE TRUSTEES

The Trustees of the Eileen Trust are responsible for the preparation of the financial statements for each financial year, which give a true and fair view of the state of affairs of the charity at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing the financial statements the Trustees should follow best practice and:

- 1) select suitable accounting policies and apply them consistently;
- 2) make judgements that are reasonable and prudent;
- 3) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- 4) prepare financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue on that basis.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed.. The Trustees 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.

The financial statements on pages 5 to 9 have been prepared in accordance with these responsibilities. The Auditors Report is on pages 10 to 11.

Approved by the trustees on 13/6/2011 and signed on their behalf by:

GRO-C

Chairman

Consolidated Statement of Financial Activities for the year ended 31 March 2011

	<u>Notes</u>	<u>General</u> £	<u>Designated</u> <u>(Management)</u> £	<u>Restricted</u> <u>Fund</u> £	<u>Total</u> £	<u>Previous</u> <u>Year</u> <u>31.3.10</u> £
Incoming Resources						
Incoming resources from generated funds						
Investment Income						
Principal Investment		2,978	-	-	2,979	3,892
Management Income						
Bank Deposit Interest		296	-	-	296	482
Grants received	(2)	97,725	-	-	97,725	181,705
Donation of interest		131			131	-
Total incoming resources		<u>101,130</u>	<u>-</u>	<u>-</u>	<u>101,130</u>	<u>186,079</u>
Resources Expended						
Charitable Activities						
Direct Charitable Expenditure	(3)					
Grants		17,540	-	-	17,540	40,692
Event for registrants		9,714	-	-	9,714	-
Winter Payments		-	-	-	-	11,250
Regular Payments		27,700	-	-	27,700	109,269
Governance costs	(4)	34,266	-	-	34,266	38,798
Total Resources Expended		<u>89,220</u>	<u>-</u>	<u>-</u>	<u>89,220</u>	<u>200,009</u>
Net Incoming Resources/ (Resources Expended)		11,910	-	-	11,910	(13,930)
Other Recognised Gains & Losses						
Profit/(loss) on investments		328			328	7,593
Net Movement in Funds		<u>12,238</u>			<u>12,238</u>	<u>(6,337)</u>
Balance at 1 April 2010		134,280			134,280	140,617
Transfer between Funds		-				
Balance at 31 March 2010		<u>146,518</u>	<u>-</u>	<u>-</u>	<u>146,518</u>	<u>134,280</u>

Balance Sheet as at 31 March 2011

	Notes	General	Designated (Management)	Designated (Registrants)	Total	Previous year 2010
		£	£	£	£	£
Fixed Assets						
Investments						
Principal Group	(5)	79,193	-	-	79,193	77,421
Current Assets						
Debtors		1,968	-	-	1,968	-
Cash at Bank & in Hand:						
Lloyds		32,049	-	-	32,049	27,857
Principal		34,402	-	-	34,402	32,238
Bank of Scotland		32,252	-	-	32,252	31,977
		100,671	-	-	100,671	92,072
Current Liabilities						
Accruals and receipts in						
Advance – falling due		(2,669)	-	-	(2,669)	(4,689)
within one year						
Net Current assets		98,002	-	-	98,002	87,383
Creditors falling due after more than one year	(7)	(30,677)	-	-	(30,677)	(30,524)
Total Net Assets		146,518	-	-	146,518	134,280
Unrestricted Funds		146,518	-	-	146,518	134,280

The financial statements on pages 5 to 9 were approved by the Trustees on 13/6/2011 (Minute)
and are signed on their behalf by:-

... GRO-C
Trustee

GRO-C
Chairman

Notes to the Accounts for the year ended 31 March 2011

1. Principal Accounting Policies

a. Accounting Convention

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005 and applicable UK Accounting Standards and the Charities Act 1993.

b. Investment Income

Investment Income is accounted for in the period in which the charity is entitled to its receipt.

c. Resources Expended

Expenditure is included on an accruals basis.

d. Fixed Asset Investments

Investments are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

e. Grants Receivable

Grants are recognised as income upon receipt.

2. Grants Received

The figure for 2011 consists of £97,725 received via MFET Ltd, the comparative figure representing £178,000 received from the Department of Health directly and £3,705 received via The Macfarlane (Special Payments) No 2 Trust.

3. Direct Charitable Expenditure

- a. 4 single grants were made of amounts varying from £500 to £13,889.
- b. 7 people have received regular payments at rates varying from £150 to £800 per month according to circumstances.

4. Governance Costs

A proportion of administrative costs are paid by fee to the Macfarlane Trust under the terms of a management agreement made between the Trustees of the two Trusts. The fee for the year ended 31 March 2010 was set at a round sum of £15,000

	Payments		2011	2010
	by fee	direct	Total	Total
	£	£	Costs	Costs
Salaries & fees	17,500	12,803	30,303	34,858
Travel & subsistence	-	401	401	1,391
Equipment & furniture	-	10	10	109
Audit & accountancy	-	2,400	2,400	2,350
Legal & professional	-	1,058	1,058	-
Bank charges	-	59	59	55
General expenses	-	35	35	35
	<u>17,500</u>	<u>16,766</u>	<u>34,266</u>	<u>38,798</u>

5. Investments

Principal Investment Management Limited	2011	2010
	£	£
Portfolio - at cost	76,941	74,624
- unrealised gains/(losses) to date	2,252	2,797
	<u>79,193</u>	<u>77,421</u>

6. Trustees' Expenses

A total of £174 (2010 - £72) was paid to trustees in respect of travelling costs relating to trustee meetings.

7. Creditors - amounts falling due after more than one year

This sum represents arrears of regular payments etc. owing to the minor children of a deceased registrant, payable, in whole or in part in the event of need being established, on their reaching the age of 18. This potential liability and corresponding assets are shown on the balance sheet as a designated fund.

8. Employees

The Trust employed 1 full time employee during the year (2010 - 1) at a gross salary, together with a performance-related bonus in 2010, of £12,000 (2010 - £18,250).

9. Related party transactions

Fees of £17,500 (2010 £15,000) were charged by the Macfarlane Trust, a charity of which Mr Patrick Spellman, Mr Russell Mishcon and Mrs Elizabeth Boyd are trustees.

The charity receives its grant income from the Department of Health via MFET Limited, of which Mr Peter Stevens is a director.

Independent Auditors Report to the Trustees of The Eileen Trust

We have audited the financial statements of The Eileen Trust for the year ended 31 March 2011 set out on pages 5 to 9. The financial reporting framework that has been applied to their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under Section 44 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

As explained more fully in the Trustees Responsibilities statement set out on pages 3 and 4, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. 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 Practice Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs at 31 March 2011, and of its incoming resources and application of resources, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities
- have been properly prepared in accordance with the requirements of the Charities Act 1993

Independent Auditors Report to the Trustees of The Eileen Trust (contd.)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion,

- the information given in the Trustees' Annual Report is inconsistent in any material aspect with the financial statements, or
- the charity has not kept sufficient accounting records, or
- the financial statements are not in agreement with the accounting records, or
- we have not received all the information and explanations we require for our audit

GRO-C

Jessie Kho (Senior Statutory Auditor)
For and on behalf of Glaziers Chartered Accountants
Statutory Auditor

843 Finchley Road
London NW11 8NA

Date: 13 June 2011

GLAZERS

CHARTERED ACCOUNTANTS

843 Finchley Road · London · NW11 8NA
Tel 020 8458 7427 · Fax 020 8458 8504
email quality@glazers.co.uk · www.glazers.co.uk