

THE EILEEN TRUST
ANNUAL REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009

Trustees' Report – General Information

Trustees

Mr Peter Stevens - London (Chairman)
Mrs Susan Phipps - London
Mr Russell Mishcon - London
Dr Mark Winter - D.O.H (retired 31 3 2009)
Mr Patrick Spellman - D.O.H
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, 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 provided assistance to 23 beneficiaries of the Trust. These included 1 minor and 4 widowed dependents of "qualifying persons" – that is registrants – who have died. With sadness the Trustees record the death during the year of two of its registrants, reducing the number of registrants at the year-end to 16.

In recent years there have been a number of new registrants of the Trust, who were infected many years earlier but whose exposure to the virus had only recently been recognised. There were no new registrants this year.

Assistance from the Trust consists primarily of financial help which continues to be given in three ways:

- regular monthly payments, which during most of the year were made to 23 individuals or families. These are designed to contribute to meeting the additional costs of living with HIV, or to assist those who have been bereaved. The aggregate payments made during the year totalled £103,860, 9.4% below the corresponding figure in the previous year;
- single payments are made in response to specific requests for help, which are reviewed by the Trustees, or by the case worker under delegated authority, and approved if they are deemed to come within the terms of the Trust Deed. During the year 36 individual grants were made, (50 in the previous year) amounting to a total of £22,969, 16% below the total in the previous year.
- winter payments, which are in effect supplements to regular payments made in recognition of the additional costs of remaining healthy during winter months, made solely to registrants. These were raised this year to a standard rate of £750. 18 winter payments and 16 special winter payments were made totalling £21,700.

The Trust's total disbursement of funds in these activities during the year was, therefore, £148,529, 2% below that of the previous year.

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 most grateful to Mrs Daniels for her commitment and sympathetic work helping the Trust's beneficiaries.

TRUSTEES' REPORT - continued**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 the Macfarlane Trust ("MFT"); the other has been a Trustee of this Trust for many years.

At the end of March Dr Mark Winter, who had been a Trustee for many years, retired. His work and expert advice has been an immense help to the Trust and its beneficiaries, and we wish him well in his retirement with gratitude for his years of service. Mrs Elizabeth Boyd, an MFT Trustee, has joined the Board.

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 the case worker's knowledge and recommendations. The Trustees will continue to review on a regular basis each person or family's circumstances and the help that the Trust provides them.

The Trustees are also helped in their work by the office staff, who respond quickly and sympathetically to requests for help of any kind 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 express their gratitude to Martin Harvey, Rosamund Riley and Linda Haigh for their work on behalf of the Trust and its beneficiaries.

FINANCE

The Trust is funded wholly by the Department of Health. Following the grant of £1/2 million at inception, there was no further funding until a second grant of the same amount in 2002. In December 2005, to enable the Trust to meet its continuing commitments, a business case was submitted to the Department jointly with MFT for additional funding to enable the Trust to raise its annual disbursements to its community of care to about £250,000. The core of the argument for increased funding was the greater length of time that registrants now survive their infection, an increase in longevity which is welcome but which carries with it substantially increased financial and other needs from those envisaged when the Trust was established and originally funded.

The business case was not accepted by the Department. Subsequently the Department have changed their method of funding of the Trust to annual awards. In the first year of this new arrangement the total grant was £177,000. This was supplemented by a Section 64 grant, following practice since the Trust was established, to cover the cost of administration. For the future the annual funding has been maintained at roughly the same level (now £178,000) but the Section 64 grant has been discontinued, leaving the Trustees to cover the costs of administration out of an award that hitherto had been made solely for funding support to beneficiaries.

The Trustees have expressed their intense disappointment and dissatisfaction with this substantial reduction in their means of meeting the objects of the Trust and will continue to attempt to increase funding levels.

The Trustees keep under review means of reducing costs of administration, which this year, at £32,259, were 28% 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.

TRUSTEES' REPORT – continued

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

The Trustees believe that the requirement for a reserving policy is met by the Department of Health's undertaking to continue to fund the Trust on an annual basis, even if the level of this funding is regarded by the Trustees as insufficient to enable them properly to execute the responsibilities which the Government laid on them.

THE ARCHER INQUIRY

The Trust made a submission to the independent public inquiry, chaired by a former Solicitor-General, Lord Archer of Sandwell, into the use by the NHS of contaminated blood, which was the cause of the infection of all the Trust's registrants. The Inquiry Report was published in February 2009. The Trustees note that the Inquiry found that the use of contaminated blood products by the NHS followed a number of administrative and political decisions that were flawed, not just with the benefit of hindsight. However, no individual responsibility was determined. The Trustees hope that the Government will respond positively and helpfully to the Inquiry's findings and recommendations, which include an increase in the funding both to the Trust's beneficiaries and to those caring for them who have been prevented from working. At the time of writing this Report the Trustees understand that officials in the Department of Health have been asked by Ministers to consider the Department's response and its recommendations.

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 6 to 9 have been prepared in accordance with these responsibilities. The Auditors Report is on pages 10-11.

Approved by the trustees on 13/7/09 and signed on their behalf by:

GRO-C
Chairman

Consolidated Statement of Financial Activities for the year ended 31 March 2009

Notes

	<u>General</u>	<u>Designated</u>	<u>Restricted Fund</u>	<u>Total</u>	<u>Previous</u>
	<u>£</u>	<u>(Management)</u>	<u>£</u>	<u>£</u>	<u>Year</u>
		<u>£</u>			<u>31.3.08</u>
					<u>£</u>
Incoming Resources					
Incoming resources from generated funds					
Investment Income					
Principal Investment	4,166	-	-	4,166	4,355
Management Income					
Bank Deposit Interest	2,668	-	-	2,668	3,273
Block grant – D.O.H.	178,000	-	21,500	199,500	140,000
Section 64 Grant (2)	-	-	-	-	38,000
Total incoming resources	<u>184,834</u>	<u>-</u>	<u>21,500</u>	<u>206,334</u>	<u>185,628</u>
Resources Expended					
Charitable Activities					
Direct Charitable Expenditure (3)					
Grants	22,969	-	21,500	44,469	27,347
Event for registrants	-	-	-	-	1,770
Winter Payments	21,700	-	-	21,700	13,500
Regular Payments	103,860	-	-	103,860	110,385
Governance costs (4)	32,259	-	-	32,259	41,461
Total Resources Expended	<u>180,788</u>	<u>-</u>	<u>21,500</u>	<u>202,288</u>	<u>194,463</u>
Net Incoming Resources/ (Resources Expended)	4,046	-	-	4,046	(8,835)
Other Recognised Gains & Losses					
Losses on investments	(6,682)	-	-	(6,682)	(3,722)
Net Movement in Funds	<u>(2,636)</u>	<u>-</u>	<u>-</u>	<u>(2,636)</u>	<u>(12,557)</u>
Balance at 1 April 2008	143,253	-	-	143,253	155,810
Transfer between Funds	-	-	-	-	-
Balance at 31 March 2009	<u>140,617</u>	<u>-</u>	<u>-</u>	<u>140,617</u>	<u>143,253</u>

Balance Sheet as at 31 March 2009

	Notes	General	Designated (Management)	Designated (Registrants)	Total	Previous year 2008
		£	£	£	£	£
Fixed Assets						
Investments						
Principal Group	(5)	85,756	-	-	85,756	89,529
Current Assets						
Cash at Bank & in Hand:						
Lloyds		14,563	-	-	14,563	17,016
Principal		11,322	-	37,696	49,018	39,602
Bank of Scotland		31,536	-	-	31,536	30,000
		57,421	-	37,696	95,117	86,618
Current Liabilities						
Accruals and receipts in						
Advance – falling due		(2,560)	-	-	(2,560)	(2,784)
within one year						
Net Current assets		54,861	-	37,696	92,557	83,834
		140,617	-	37,696	178,313	173,363
Creditors falling due after						
more than one year	(7)	-	-	(37,696)	(37,696)	(30,110)
Total Net Assets		140,617	-	-	140,617	143,253
Unrestricted Funds		140,617	-	-	140,617	143,253

The financial statements on pages 6 to 9 were approved by the Trustees on 13/7/09
and are signed on their behalf by:-

GRO-C
Secretary to the Trustees

GRO-C
Chairman

Notes to the Accounts for the year ended 31 March 2009

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 from the Department of Health are recognised as income upon receipt.

2. Section 64 Grant

Section 64 Grants were made on the understanding that unused funds were returnable to the Department of Health. These grants have now been discontinued.

3. Direct Charitable Expenditure

- a. 36 single grants were made of amounts varying from £50 to £2,800.
- b. 18 winter payments were made at a standard rate of £750 with a further 16 additional payments at rates varying from £300 to £800.
- c. 21 people have received regular payments at rates varying from £100 to £550 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 2009 was set at a round sum of £15,000

	Payments		2009	2008
	<u>by fee</u>	<u>direct</u>	<u>Total</u>	<u>Total</u>
	£	£	£	£
Salaries & fees	15,000	12,840	27,840	30,008
Travel & Subsistence	-	953	953	1,076
Rent & Rates	-	-	-	2,654
Premises maintenance	-	-	-	500
Equipment & Furniture	-	118	118	945
Telephone, fax & post	-	-	-	397
Stationery & Printing (incl. Newsletter)	-	-	-	257
Audit & Accountancy	-	2,079	2,079	2,115
Legal & Professional	-	1,175	1,175	2,326
Bank charges	-	94	94	73
Insurance	-	-	-	604
General expenses	-	-	-	506
	<u>15,000</u>	<u>17,259</u>	<u>32,259</u>	<u>41,461</u>

5. Investments

Principal Investment Management Limited	2009	2008
	£	£
Portfolio - at cost	93,170	92,376
- unrealised gains/(losses) to date	(7,414)	(2,847)
	<u>85,756</u>	<u>89,529</u>

6. Trustees' Expenses

A total of £479 (2008 - £314) 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, which is currently accruing at £6,510 per annum.

8. Employees

The Trust employed 1 full time employee during the year (2008 - 1) at a gross salary of £12,000 (2008 - £12,000).

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 2009 set out on pages 6 to 9. These financial statements have been prepared in accordance with the accounting policies set out therein, the Charities Act 1993, and the requirements of the Charities SORP 2005.

This report is made solely to the charity's trustees, as a body. 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 company and the charity's 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

The trustees responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of trustees responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared. We also report to you whether in our opinion the information given in the trustees' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements in it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charity'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.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charity's affairs as at 31 March 2009 and of its incoming resources and resources expended for the year then ended;
- the financial statements have been properly prepared in accordance with the provisions of the Charities Act 1993, and the Charities SORP 2005; and
- the information given in the in Trustees' Report is consistent with the financial statements.

GRO-C

Glazers
Chartered Accountants
Registered Auditors
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Date: 15/7/09

GLAZERS

CHARTERED ACCOUNTANTS

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