

The Macfarlane Trust

**Annual Accounts
for the year ending
31st March 1996**

Auditors

**Pinkney Keith Gibbs
35-37 Belmont Road
Uxbridge
Middlesex UB8 1RH**

The Macfarlane Trust

TRUSTEES

Appointed by the Haemophilia Society:

The Reverend Prebendary Alan Tanner (Chairman) ♦ London
Clifford Grinsted (Deputy Chairman) ♦ Eastbourne
Sheila Cowe ♦ Edinburgh
GRO-A ♦ Bolton (to March 1996)
GRO-A
Christopher Hodgson ♦ Alresford
Kathy Stubbs ♦ Hartley Wintney (from March 1996)

Appointed by the Secretary of State for Health:

John Cashman ♦ Croydon
Christine Harrington ♦ London (Royal Free Hospital)
Dr Elizabeth Mayne ♦ Belfast (Royal Victoria Hospital) (to March 1996)
Alan Palmer ♦ Richmond (to March 1996)
Dr Mark Winter ♦ Sandwich (Canterbury Hospital) (from March 1996)
Patricia Winterton ♦ Bromley (from March 1996)

Trust Staff

John Williams ♦ Administrator
Tudur Williams ♦ Social Worker
Jenny Jackson ♦ Benefits Adviser
Patricia Le Sage ♦ Secretary
Funmi Hassan ♦ Clerical Officer

Bankers

National Westminster Bank plc
57 Victoria Street
London SW1H 0HN

Investment Managers

PRINCIPAL Investment Management Ltd
16 South Park
Sevenoaks
Kent TN13 1AN

Charities Official Investment Fund
St Alphage House
2 Fore Street
London EC2Y 5AQ

Solicitors

Paisner & Co
Bouverie House
154 Fleet Street
London EC4A 2DQ

Auditors

Pinkney Keith Gibbs
35-37 Belmont Road
Uxbridge
Middlesex UBS 1RH

Registered Charity Number 298863
Registered Office PO Box 627 London SW1H 0QG

THE MACFARLANE TRUST

Chairman's Report

This formal Annual Report and Accounts covers the eighth year of operation of the Macfarlane Trust, from 1st April 1995 to 31st March 1996.

An active programme to consolidate and improve the work of the Trust has been pursued and is covered in detail in the Report. Items of particular significance include the following.

- We have further increased our efforts to communicate with people registered, by meetings, visits to individuals and by improvements in our Newsletters and Handbook, and to take account of their views.
- A Government Grant of £2,500,000 to 'top-up' the Trust Fund was received on 15th March 1996.
- This has been the Trust's most successful year in the returns obtained on investments. Whilst this rests considerably on a buoyant year on the investment market, it also reflects a sound and careful policy by the Trustees and good work by our managers.
- In accordance with the terms of the Section 64 grants (made for the administration costs of the Trust) a management audit was conducted by agents appointed by the Department of Health. They gave a very favourable report on the Trust which concluded that it was a "... well managed organisation, with a skilled and committed staff team, and conscientious and capable Trustees".

With many people dying and others in severe need we cannot speak of a "good year" for the Trust, but we can claim to have done a good year's work. We shall not rest on our laurels but will continue to work for improvements and to react to any changes in the needs of those for whom the Trust exists.

I take this opportunity to pay tribute to the work of Wing Commander John Williams and the members of his staff who continue to administer our affairs with such dedication and efficiency.

GRO-C

Introductory Note

This full report is distributed only as necessary to meet statutory requirements but is available to any other bona fide enquirer.

A separate and informal report on the work of the Trust for the year and its financial situation at 31st March 1996 will be distributed to all people eligible for help from the Trust, and will be available to meet any enquiry from the general public.

Information on the ongoing work of the Trust and the help it offers is published, as for the previous two years, in the Trust Handbook. For 1996 the date of publication of the Handbook was brought forward to March, in advance of the change in State welfare benefits.

TRUSTEES' REPORT

The Work of the Trust

The Task

Whilst the palliative care of HIV related illnesses continues to improve, the hoped for breakthrough in treating the root cause of the illnesses continues to be elusive. Thus although thankfully a large number of people maintain good health, the course of HIV and AIDS continues to take its toll on the people registered with the Trust and during the year another 71 have died bringing the number of deaths to 677 (out of the total of 1238 registered). An illustration of age distribution is shown on page 8.

In this year also three more partners have died from HIV causes bringing the total to 19, and one more partner has been diagnosed as HIV positive making a total of 47.

Although the number of registered persons has now been reduced to 561 there are in addition over 300 widows and over 200 dependant children who still look to the Trust for help, and since the youngest children are still infants these dependants will be a charge on the Trust for up to 20 years.

Although a significant number of those registered appear to be still in good health, on what is known of the progress of HIV, even these people who are now well must be assumed to be vulnerable and likely to need increasing levels of help from the Trust.

The task of the Trust therefore remains the same in principle as when the Trust objectives were written into the Deed, although the balance of this task is progressively moving more towards care of dependants of people who have died.

Not all those who die leave dependants for whom the Trust has a responsibility and this leads to a reduction in the number of families for whom the Trust has, or might still have, a financial commitment. This latter number is now down to under 900, of whom over 730 are receiving regular financial support.

To date the growing needs of deteriorating health and bereavement have counter-balanced the reduction in the number eligible for help. As a result the Trust's annual expenditure has been remarkably constant over the past five years (see illustration on page 8). Nevertheless it is to be expected that some reduction in annual expenditure will begin to appear in the future.

Meeting the Needs of People Registered

Our previous Annual Report recorded the independent survey of needs conducted for the Trust by Public Attitude Surveys Ltd. (PAS). The final PAS report was received late in April 1995 and following review by Trustees copies were sent to the Department of Health. A copy of the PAS Summary (without the statistical workings) was sent in June 1995 to every person registered and to all haemophilia centres and to other interested organisations.

The report did not bring to light any major unmet needs and indicated that all but a small minority were generally satisfied with what the Trust was doing, and how this was being done. Two of the more significant areas which were shown to require greater emphasis were a wish for more personal contact, and for increased support for widows and dependants.

A programme of regional meetings had already begun in order to consolidate the statistical results of the survey and this has also served to increase the personal contact between Trustees and the people registered.

The programme of meetings continues, although in practice the demand is not so great as it had originally appeared, and two meetings which had been proposed have had to be cancelled. The reasons for this are probably twofold, first that the number of personal visits has in the meantime been increased and secondly that a more personal style has been introduced into our Newsletters and Handbook.

It was clear that the increase in regular personal contact suggested by the survey could only be met by increasing the number of staff, and urgent action was taken to do this. A Benefits Adviser was appointed in November 1995 enabling the combined number of visits by her and our Social Worker to be significantly increased. Visits by members to the Trust Office are also now arranged when this is mutually convenient.

A meeting of widows has also been arranged and others are in the planning stage. As an interim measure the period of financial support following bereavement has been extended and further support, both financial and advisory, is under review.

Financial Assistance

The emphasis on monthly and winter payments, which give choice of priority of spending to the individual, has been continued. There has been no general cost of living addition to these payments for three years and the level of payments is now being examined by Trustees. A decision was deferred until after the Annual Accounts and the expected increase of funds from the Government. It is probable that a final decision will be taken early in the new financial year and any changes implemented immediately.

Advice, Guidance and Information

We continue to improve this service. As already mentioned, the recruitment of a specialist Benefits Adviser enables an increased level of personal service both on our telephone helpline and in visits to people in their homes, in hospitals, and at haemophilia centres, and in welcoming people to the Trust Office.

The Handbook has also been further developed into a comprehensive advice guide and its date of publication brought forward to coincide with the annual changes of State benefits (April 1st). This has produced a very positive response.

A copy of the Handbook explaining this service is being sent with each copy of this Annual Report.

Governance and Administration

Four Trusteeships have changed, one in November and three at the end of the year in March.

The continuing Trustees wish to pay tribute to the work of their retiring colleagues, Mrs Margaret Brierly, Mrs Norma Guy, Dr Elizabeth Mayne and Mr Alan Palmer and to welcome the new Trustees, Mr GRO-A and Mrs Kathy Stubbs, Dr Mark Winter and Miss Patricia Winterton.

No staff have left. The Trustees welcome Mrs Jenny Jackson who has quickly made her mark as Benefits Adviser and thank all the staff for their continued loyalty and hard work.

Routine relations and co-operation with the Department of Health continue to be excellent, and the Trustees wish to record their thanks for this ongoing support. The extent of this support was highlighted when the Deputy Chief Medical Officer, Dr Jeremy Metters received the Chairman, Deputy Chairman and Administrator at Richmond House on 5th October 1995 at a meeting to discuss the current and future work of the Trust.

The Department of Health has this year exercised its prerogative under the terms of the Section 64 Grant to examine the organisation and working of the Trust. This independent inspection was welcomed and took place during the end of February and early March.

The Department of Health have expressed their satisfaction at the report of this examination and have made the relevant parts available to the Trust. The Trustees are well pleased with the assessment of current effectiveness, and accept the pointers on future planning. These were already under consideration and will be reported on next year.

Associated Activities

Hepatitis C

The haemophilia community has been heavily hit by infection with the hepatitis C virus (HCV) from the same blood product sources as the HIV. They have, particularly in recent months, been actively seeking recompense from the Government for the loss of health and life suffered already or likely to affect them later.

In this context it is important not to lose sight of the fact that the overwhelming majority of those infected with HIV were also infected with HCV.

Occasionally the HCV can be even more virulent than the HIV, and the Trust has long been aware that a small number of the deaths recorded have been from this cause rather than from HIV. At worst the two conditions may aggravate each other and at best the loss of immunity caused by HIV makes the infected person more vulnerable to the HCV virus as it enters an active stage.

The Trust has taken no part in the campaign for recompense for infection with HCV. Prima facie it is the Trust's view that if any similar arrangements are made for people with HCV this would have to involve an organisation separate from the Macfarlane Trust. Nonetheless, should a new organisation be established for this purpose, the Trust will be ready to advise (if asked) and to co-operate fully with the new organisation.

Other Trusts

The Macfarlane Trust acts as host to three other Trusts. The two Special Payments Trusts are discretionary (non-charitable) Trusts whose work concerns only those people registered with the Macfarlane Trust, or their dependants and relatives. These two trusts have the same five Trustees, all of whom are or have been Trustees of the Macfarlane Trust.

The Eileen Trust is an independent charitable Trust. Three of its five Trustees are appointed (by the Secretary of State for Health) from the Trustees of the Macfarlane Trust.

The Macfarlane (Special Payments) Trust

This is the Trust which deals with the ex-gratia (1990) special payment. Arrangements were made for the one new registrant during the current year to be paid direct from Department of Health funds. No new payment was made during the year, none is outstanding and the Trust remains dormant.

The Macfarlane (Special Payments) (No.2) Trust

This is the Trust dealing with the settlement (1991) payment. One payment upgrading from category 3 to 4 was made to a registered person and two new payments were made to infected partners during the year.

The Eileen Trust

This Trust was set up in 1993 to help people, other than those with haemophilia, infected with HIV from contaminated blood or tissue transfer. The Eileen Trust is independently funded and pays the Macfarlane Trust for the administration services which it provided.

Work done on behalf of the Eileen Trust has not interfered with work for the Macfarlane Trust and the sharing of facilities continued to work satisfactorily.

FINANCIAL REVIEW

Accounts

The Accounts that follow cover the financial year of the Macfarlane Trust, ending 31st March 1996.

Statement of Trustees' Responsibilities

The Rules of the Trust require the Trust to procure the preparation of financial statements. In doing so the Trustees have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent, and followed applicable accounting standards.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the Financial Statements comply with the requirements of the Trustee Rules. They are responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of errors, fraud and other irregularities.

Accounting Policies

Accounting policies are summarised in Note 1 to the Accounts (page 11).

General Summary

The sum of £2,024,591 paid out to beneficiaries was 6.7% lower in cash terms than the previous year and showed at least a small reduction in each of the categories of single, regular and winter payments. On a 'per capita' basis of people eligible for help there was virtually no change in real terms. This expenditure would have involved a net reduction to the Trust Fund of £1,699,939 before revaluation, reduced to £863,806 after taking account of unrealised gains in portfolio values.

As in previous years the Trustees reluctantly accept this reduction in capital as the inevitable result of their first priority in meeting the needs of the community being served. Nevertheless they record with satisfaction the Trust's most successful year in return obtained from investments, which have resulted in this year's "deficit" of £863,806 being the lowest ever, even though expenditure has been comparable with previous years.

At the end of the year a further capital grant of £2,500,000 was received from HM Government. Since this addition was in recognition of a depletion of capital of around £4 million in the last three years, the resulting increase of the fund of £1,636,194 compared with the previous year should not be seen as an annual surplus.

Payments

Payments continued in a similar manner to previous years, by maintaining the emphasis on the individual's control of his/her own priorities through regular payments, and by giving the highest priority for single payments to health-related needs.

Regular Payments

A total of £1,383,707 was paid during the year to over 780 people (reduction £97,757, 6.6%). At the end of the year, 731 people were still receiving payments at an annual rate of £1,270,750.

Single Payments

A total of £342,384 was paid out in 548 payments (reduction £3,843, 1%). The change is not significant. Since the total includes no change in types of single payments, it is an indication that the rising cost of help with sickness and bereavement tends to balance the lower number of people registered. The amounts paid for the various types of payment are shown in a chart on page 8.

Winter Payments

The special payments to cover extra costs of winter clothing, domestic heating and diet were again made in November. 597 payments of £500 were made totalling £298,500 (reduction £43,000, 12.6%).

Administrative Expenditure

The Department of Health again funded the administration of the Trust through a Section 64 grant of £162,000. Costs were held to £157,904 and the surplus of £4,096 is returnable.

Investments

The investment market in the past year has risen steadily and the Trust investment policy has exploited this to the full.

It has been necessary to make progressive withdrawals from the two portfolios to meet the cashflow requirements, but by keeping cash holdings as low as possible the maximum available yield has been obtained from the investments.

The revenue of £324,652 plus realised gains of £207,861 on the assets sold represent a yield of approximately 9.5% on the average capital in the fund during the year (£5,600,000) and the unrealised gains remaining at the end of the year (£628,272) bring the yield to over 20%, which is considered to be a very satisfactory result.

Future Policy

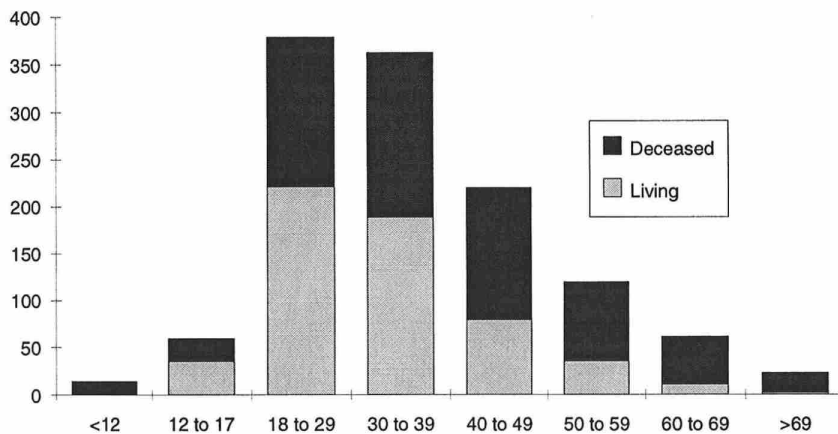
Expenditure

While the number of people registered with the Trust is sadly reducing steadily, the health-related needs of the remainder are still growing. The Trustees will continue their policy of treating these needs as their highest priority and will continue to examine whether any changes in the type or amount of expenditure are called for. In spite of the reduced numbers it is not expected that the financial call on the Trust will decrease significantly in the immediate future.

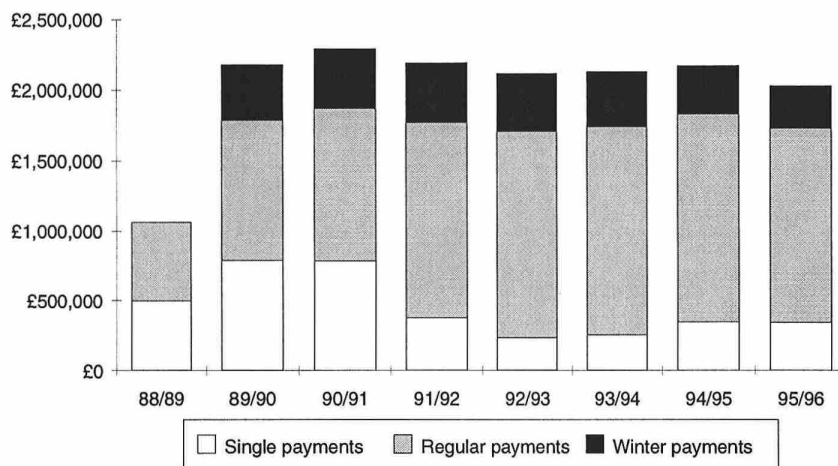
Investment

Following the market gains of 1995-96, the coming year promises to offer a much reduced growth with the possibility of loss periods. The new grant of £2,500,000 from the Government comes therefore at a very opportune time since it will provide all the cashflow requirements for the year, with a margin to spare. At least for the present this new money will therefore be held in cash or "near cash" investments. Since the Trustees are well satisfied with the respective managements, the two existing portfolios can be left to ride out any potential uncertainties of the coming year in the hope and expectation of longer term gains before cashflow requirement dictates further withdrawals.

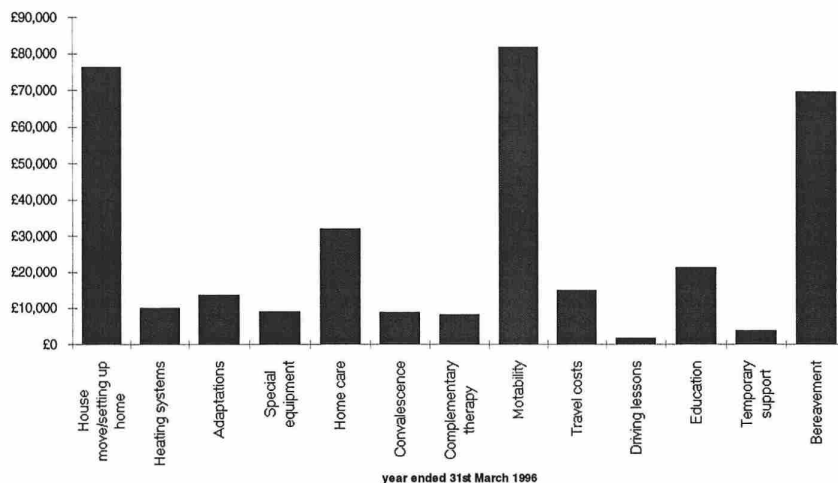
Demography as at 31st March 1996



Annual Payments



Single payments by type



REPORT OF THE AUDITORS TO THE TRUSTEES OF THE MACFARLANE TRUST

We have audited the financial statements on pages 10 to 14 which have been prepared on the basis of the accounting policies set out on page 13.

Respective responsibilities of the Trustees and Auditors

As described on page 6 the Trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust'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 reassurance 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 on the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Trust at 31 March 1996 and of its changes in resources for the year then ended, and have been properly prepared in accordance with the Trust deed and the Charities Act 1993.

GRO-C

35-37 Belmont Road
Uxbridge, Middlesex
UB8 1RH

PINKNEY KEITH GIBBS
Registered Auditors
Chartered Accountants

6 June 1996

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 1996

			1996	1995
	Notes	Unrestricted Funds	Total	
	(1)	General Designated (Management)		
Resources Arising				
Donations		1,070	-	1,070
Investment Income				190
Loan Stock Interest		-	-	103,505
Bank Deposit Interest		6,950	-	6,950
Money Market/COIF Deposit Interest		13,313	-	13,313
COIF Income Share Dividend		134,308	-	134,308
PRINCIPAL Portfolio Dividend		168,959	-	168,959
Interest from other sources		52	-	52
Section 64 Grant		-	162,000	162,000
Annual operating total		324,652	162,000	486,652
New Government Grant (15.3.96)		2,500,000	-	2,500,000
Gross resources arising in the year		2,824,652	162,000	2,986,652
Use of Resources				
Direct Charitable Expenditure	(2)			
Grants		342,384	-	342,384
Special Winter Payments		298,500	-	298,500
Regular Payments		1,383,707	-	1,383,707
Administrative Costs	(3,4)	-	157,904	157,904
Returnable Sect 64 Grant	(5)	-	4,096	4,096
Debit carried fwd	(6)	-	-	-
Resources used in year		2,024,591	162,000	2,186,591
Changes in resources before transfers & valuations				
From Trust activities		(1,699,939)	-	(1,699,939)
From new Government Grant		2,500,000	-	2,500,000
Net total		800,061	-	800,061
Realised & Unrealised Gains & Losses				
Unrealised gain (loss) on property	(7b)	-	-	-
Unrealised gain (loss) on investments	(7a)	628,272	-	628,272
Realised gain (loss) on sale of investments	(7a)	207,861	-	207,861
Net increase (decrease) of resources in year		1,636,194	-	1,636,194
Arising from:				
Increase by Government Grant (15.3.96)		2,500,000	-	2,500,000
(Decrease) from Trust activities		(863,806)	-	(863,806)

BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 1996

		Unrestricted Funds		1996	1995
	Notes	General	Management	Total	
Fund at beginning of year 1 Apr 95		5,997,746	-	5,997,746	7,933,129
Movements in year					
Changes to fixed assets		-	-	-	-
Net increase (decrease) of resources		(863,806)	-	(863,806)	(1,935,383)
Government payment 15 Mar 96		2,500,000	-	2,500,000	-
Fund at end of year 31 Mar 96		<u>£7,633,940</u>	<u>-</u>	<u>£7,633,940</u>	<u>£5,997,746</u>
Represented by					
Fixed assets:					
Investments	(7)	4,889,230	-	4,889,230	5,853,098
Property	(1)	69,250	-	69,250	61,000
Cash Assets:					
Bank		192,652	6,128	198,780	24,674
COIF Deposit		2,482,808	-	2,482,808	59,495
Sundry Debtors	(6)	-	-	-	1,418
Sundry (Creditors)	(1)	-	(2,032)	(2,032)	(1,939)
Returnable Section 64 Grant		-	(4,096)	(4,096)	-
		<u>£7,633,940</u>	<u>-</u>	<u>£7,633,940</u>	<u>£5,997,746</u>

Approved by Trustees on 21st May 1996

GRO-C

Chairman of Trustees

Date

21 May 1996.

GRO-C

Deputy Chairman

Date

21 May 1996.

The notes on pages 13 to 14 form part of these Accounts

CASH FLOW STATEMENT FOR YEAR ENDING 31 MARCH 1996

	Note	1996	1995
Net cash inflow (outflow) from general activities	(A)	(1,699,939)	(1,785,056)
Government Grant 15 March 96	(A)	2,500,000	-
Investing Activities			
Purchase of property		(8,250)	-
Disposals:(Accounts note 6a)			-
Sale of investments		1,800,000	1,524,934
PRINCIPAL dividends 93/94 taken late		-	107,908
Increase (decrease) in cash and cash equivalents	(B)	2,591,811	(152,214)
Cash and cash equivalent 1 Apr 95		83,648	235,862
Cash and cash equivalent 31 Mar 96		<u>2,675,459</u>	<u>£83,648</u>

Notes to the Cash Flow Statement

- A. Net cash inflow (outflow) is equivalent to the changes in resources (page 8) 1,699,939
- B. Analysis of changes in cash and cash equivalents during the year

	1996	1995	change in yr
COIF Deposit Account	2,482,808	59,495	2,423,313
Bank (General Fund)	192,652	24,153	168,499
	<u>£2,675,460</u>	<u>£83,648</u>	<u>£2,591,812</u>

Notes to the Accounts

1. Accounting Policies
 - a. The Accounts have been prepared under the historical costs convention and in accordance with the Statement of Recommended Practice No.2.
 - b. The Accounts have been prepared on an accruals basis.
 - c. Where the purchase of a property or the redemption of a threatened mortgage is the only means of maintaining adequate housing for a person registered the Trustees may make an interest-free loan in return for a percentage share in the equity of the property. These are not revenue earning investments.
 - d. Listed investments are valued using the mid-market price at the year end date.
 - e. No restricted funds are maintained, and the only designated fund is the Management (Administration) account, which is closed at each year-end.
 - f. All investment income and all donations and voluntary income are applied directly to the current account of the General Fund.
2. Direct Charitable Expenditure
 - a. 548 single grants were made of amounts varying from £10 to £8,500.
 - b. 597 winter payments were made at a standard rate of £500.
 - c. 790 people have received regular payments at rates varying from £70 to £225 a month according to circumstances. To this a supplement of £50 per month may be added for health reasons. At the end of the year 731 people were still receiving payment.
3. Administrative Costs

	1996	1995
Salaries	80,762	71,241
Staff recruitment and training	1,102	152
Travel and subsistence	6,299 (8)	3,347
Rent and rates	17,187	28,971
Premises maintenance	6,326	4,946
Insurance	320	302
Telephone and fax	2,738	2,801
Equipment & furniture-Purchases	3,259	2,174
Equipment leasing & servicing	5,000	5,351
Printing	2,802	1,657
Stationery and publications	2,124	1,891
Postage	3,293	2,651
Legal and professional fees	998	635
Audit and accountancy	2,033	1,939
Investment Management	15,563	18,383
Bank charges	3,840	4,607
General expenses	271	211
Evaluation Survey	-	16,627
Meetings	2,569	-
Deficit from previous year	1,418	
	£157,904	£167,886
4. The Trust provides full administration services for the Eileen Trust (Registered Charity No: 1028027) which is run from the same address. Costs of common functions are shared on the basis of a formal agreement signed between the two Trusts. On this basis the Eileen Trust paid a share amounting to £14,300 and the total of £157,904 is the amount borne by the Macfarlane Trust comprising its own individual costs plus shared costs after deduction of the £14,300.
5. Section 64 Grant

The grant approved for routine annual expenditure was £162,000. Costs were held down to £157,904 leaving £4,096 returnable to the Department of Health.

6. The administrative cost deficit of £1,418 from 31 March 95 is included in the total cost of £157,904 for the year 95/96 (see note 3).

7. Fixed assets

			Previous Year	
			1996	1995
a. Managed Funds			Total	Total
Market value at 1 Apr 95	Principal (i) 2,876,208	COIF (ii) 2,976,890	5,853,098	7,636,267
				[net 7,528,359]
Trading at market value				
Additions	237,835	-	237,835	460,628
Disposals	(1,137,835)	(900,000)	(2,037,835)	(1,985,562)
Net Disposals	(900,000)	(900,000)	(1,800,000)	(1,524,934)
Realised gain/(loss)	136,435	71,426	207,861	(28,011)
Unrealised gain/(loss)	313,042	315,230	628,272	(122,316)
Market value at 31 Mar 96	<u>2,425,685</u>	<u>2,463,545</u>	<u>4,889,230</u>	<u>5,893,098</u>
Historical cost at 31 Mar 96	<u>2,111,771</u>	<u>1,875,000</u>	<u>3,986,771</u>	<u>5,639,844</u>

Notes

- PRINCIPAL Investment Management Ltd. control a portfolio (original investment £3,000,000 in May 1993) with discretion within guidelines stipulated by the Trustees in the management agreement. Dividends and interest are withdrawn quarterly. Capital was withdrawn as required for cashflow.
- An initial sum of £3,000,000 was invested with COIF on 27 May 1993 purchasing units of their Income fund. Income is received quarterly and capital has been withdrawn as required each month to meet the cashflow requirement.

b. Property (see note 1c)	1996	1995
Market value at 1 Apr 95	61,000	61,000
Additions during year at market value	8,250	-
Disposals during year at market value	-	-
Unrealised gain/(loss)	-	-
Market value at 31 Mar 96	<u>69,250</u>	<u>61,000</u>
Cost at 31 Mar 96	<u>74,250</u>	<u>66,000</u>

A share in one further property has been bought during the year bringing the total to three. The retail cost of houses has been relatively static in the past year and hence no revaluation has been made of the two properties held at the beginning of the year.

8. The travel and subsistence costs shown in note 3 includes the sum of £3,974 reimbursed to Trustees for travel and other out-of-pocket expenses. This amount of £3,974 is the total sum paid to Trustees during the year.