

# THE HOSPITAL *Saturday* FUND

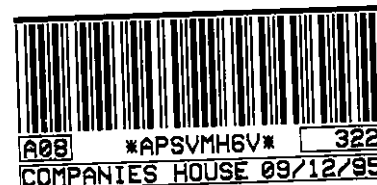
A Company Limited by Guarantee No. 30869

Founded in 1873 Incorporated 1890

**Patron: Her Majesty The Queen**

**Officers and Advisers 1994-95**

<b>President</b>	The Right Honourable The Lord Mayor of London
<b>Vice-Presidents</b>	The Right Honourable The Earl of Meath The Right Honourable The Lord Provost of Glasgow The Right Honourable The Lord Mayor of Dublin The Right Honourable The Lord Mayor of Belfast Mr K Fleming Roberts MWI Mr F E Sard
<b>Life Members</b>	Mr F Barnes Mr L I Fellman Mrs P Shaw
<b>Chairman</b>	Miss D O Denton JP
<b>Vice-Chairman</b>	Mr E W Smith
<b>Treasurer</b>	Mr K L Joy FFA MIMgt
<b>Medical Adviser</b>	Dr I J Sawtell MB BS MSc MFOM
<b>Bankers</b>	Midland Bank plc
<b>Solicitors</b>	Messrs Iliffes Booth Bennett Messrs Breeze Patterson & Chapman
<b>Auditors</b>	Pannell Kerr Forster, Chartered Accountants
<b>Investment Managers</b>	Henry Cooke, Lumsden
<b>Chief Executive and Secretary</b>	Mr K R Bradley MIMgt



## BOARD OF DIRECTORS 1994/5

Mr D C Barnes	Miss D M C Harvey (resigned July 1994)	Mr E W Smith
Mr P Battams	Mr K L Joy FFA MIMgt	Mr W N Smith ACIS
Mr R Dool	Mr J F Mulready	Mr A F Tierney
Mr P P Groat	Miss I Racher	Mrs L M C Warner
Mr W Hamilton (died September 1994)	Mrs P Shaw	Miss E C Winter

The Chairman of the Association is also Chairman of the Board of Directors.

### Head Office

24 Upper Ground  
LONDON SE1 9PQ  
Telephone: 0171-928 6662  
Fax: 0171-928 0446

### Branch Offices

Suite 230, 109 Hope Street  
GLASGOW G2 6LL  
Telephone: 0141-221 1711  
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### Ulster Bank Chambers

1-2 Lower O'Connell Street  
DUBLIN 1  
Telephone: 01-8742136/8742432  
Fax: 01-8786030

Affiliated to the



# **REPORT OF THE BOARD OF DIRECTORS**

**for the year ended 31st March 1995**

## **INTRODUCTION**

The Board of Directors is pleased to present the 121st Annual Report and the audited Financial Statements for the year ended 31st March 1995.

## **BACKGROUND AND PRINCIPAL ACTIVITIES**

The Hospital Saturday Fund, a Company Limited by Guarantee, is a health care benefit contributory organisation. Founded in 1873, the Fund has adapted to the needs of the times, particularly since the National Health Service came into being in 1948. Contributors' interests are represented by Association Members who, in turn, elect the Honorary Officers and Directors.

## **THE NEW STRUCTURES**

The Board of Directors has settled down to its 'new' responsibilities having completed its first year. The names of those who have served the Fund entirely voluntarily in this capacity are printed on the front page of the Annual Report. Mention must be made of the service given both to the Council and the Board by Miss Dorothy Harvey, who resigned for personal reasons in July 1994, and by Mr William Hamilton of Glasgow who died very suddenly on 21st September 1994.

## **CONTRIBUTORY INCOME AND PAYMENTS TO MEMBERS**

Total contributions have increased by 1.6% to £4,042,492. Benefits payable increased by 11.7% to a total of £2,793,154.

Benefits payable for the year represent 69.1% of contribution income.

## **CHARITABLE DONATIONS**

The Fund continued to support The Hospital Saturday Fund Charitable Trust by providing the sum of £46,667 under Gift Aid.

## **FIXED ASSETS**

Changes in tangible fixed assets are shown in Note 10 to the financial statements.

## **INVESTMENTS AND RESERVES**

The market value of our investments has decreased by £108,270 to £4,443,445. The revenue surplus after taxation of £75,753 has increased the Fund's reserves to £3,959,428.

## **BENEFITS AND SCHEMES**

Ever mindful of the needs of our contributors, we have made the following enhancements to our benefits. Chiropody was introduced, at no extra cost, in January 1995. At the same time the benefit rates were increased in Scheme 300 for hospital, nursing home and hospice, day case and specialist/investigations; and specialist, pathology and radiography were combined into a flexible specialist/investigations benefit in Schemes 100 and 200 (to make it the same as Scheme 300).

In January 1995, Schemes 125, 250 and 375 were introduced for new members who pay their contributions direct to the Fund's offices, rather than payroll or pension deduction. In effect this was a price increase, as the scheme titles match the new costs. Existing direct members and all those who transfer from company to direct membership will still be able to enjoy the lower priced company rates whilst they remain in their current scheme, or if they increase at the time of transferring to direct member status.

## **MARKETING AND DEVELOPMENT**

The commission scheme for Local Representatives introduced in April 1994, to give some recognition of the work undertaken by those at their place of work who introduce new contributors to the Fund, or persuade existing ones to increase, became popular during the year, and at its end almost 100 had been enrolled in the scheme, and were receiving the commission payments.

The Fund exhibited at two trades union conferences: General Municipal and Boilermakers in Blackpool, and the Manufacturing, Science and Finance in Brighton, and both of these were considered to be worthwhile.

A management consultant was engaged to undertake a study of the Fund's sales and marketing activities and to provide some staff training. The development team was increased by one and, just outside the year covered by this report, Mr Stephen Duff was appointed as Sales and Marketing Manager, a post which had been vacant since August 1994.

At the year end the total membership stood at 87,500, a 9% decrease on the figure a year earlier.

## **ADMINISTRATION**

The Fund lost one of its longest serving members of staff in May 1994 when Miss Eleanor Bennett retired as Branch Office Supervisor in Dublin after nearly 20 years' service.

The computer system was extended to Dublin in the early part of 1995, to add to the efficiency of the Fund's overall administration, and provide a better service to the increasing number of contributors in Ireland.

## ANNUAL GENERAL MEETING 1994

It was a great pleasure to return to the Mansion House, following its refurbishment, on 2nd November, and we were honoured by the attendance of our President, the Lord Mayor of London, Sir Paul Newall, and the Lady Mayoress, Lady Newall for the first part of our meeting.

The Lord Mayor elect, Alderman Christopher Walford, was elected as our next President and three new civic leaders succeeded their predecessors as Vice-Presidents: The Lord Provost of Glasgow, Mr James Shields; The Lord Mayor of Dublin, Councillor John Gormley and the Lord Mayor of Belfast, Alderman Hugh Smyth. The Fund considers it a great honour to maintain these civic links with the Presidency and Vice-Presidencies.

Two new Life Members of the Association were also elected at the meeting. Mr Frederick Barnes and Mr Leslie Fellman, had served as members for 29 and 22 years respectively and for most of that time as Council Members as well. Mrs Peggy Shaw and Miss Iris Racher were presented with bouquets expressing the gratitude of the Association for their six years' service as Chairman and Honorary Treasurer respectively.

Following the statutory business there was an address by Her Grace, The Duchess of Norfolk, Chairman and Founder of Help the Hospices. The Duchess began by speaking briefly about the hospice movement generally and of her own involvement, which was clearly considerable. She spoke about the founding of Help the Hospices ten years earlier, and of its current work as a national charity, giving assistance to hospices all over the country.

## INSURANCE PREMIUM TAX

The Government's imposition of this tax at 2.5% of premium income (not applying to Ireland, the Channel Islands and the Isle of Man) began on 1st October 1994, and Directors made a decision to absorb it for as long as possible and not make any increases in contribution rates, or decreases in benefits, but the Fund's donation to the HSF Charitable Trust was unfortunately reduced.

## BRITISH HEALTH CARE ASSOCIATION

The 1994 Annual Conference was held in Sheffield generously hosted by the Westfield Contributory Health Scheme. Our Fund was represented by eight Directors and two members of staff.

The British Health Care Awards sponsored by the BHCA, again with the help of local newspapers in many parts of the country, seeking the "Health Carer of the Year", culminated in a reception at St. James' Palace on 21st February 1995, when HRH Prince Philip, Duke of Edinburgh, Patron of the BHCA, presented prizes to the national winners. Mrs Virginia Bottomley MP, Secretary of State for Health, and TV personality Esther Rantzen, Patron of the Awards, also took part in this most prestigious occasion in the history of the BHCA.

The Fund was involved in six local presentations, and one of these was to one of the two national runners-up, Sister Irene Gillies of Brechin in Scotland.

## APPRECIATION

Although this paragraph tends to read much the same each year it nevertheless demonstrates the much valued continuity of service of many people. The co-operation which the Fund receives from employers whose payroll deduction facilities ensure that their members of staff are able to have the simplest method possible to pay their contributions to the Fund, and allow our development staff to recruit on their premises, or arrange mailings, are vitally important to us. The workplace representatives, whether they receive commission or not, perform a much appreciated role in promoting the Fund and undertaking recruitment themselves. Support for the Fund by trades union representatives is also greatly appreciated. The Fund relies on the co-operation of hospitals whose staff validate our claim forms and play a very necessary role in the benefit paying procedures.

The Directors are particularly grateful to all the members of the Fund's staff in the three offices in London, Glasgow and Dublin, and to the team of development officers who cover the length and breadth of the United Kingdom and Ireland.

No appreciation would be complete without mentioning our Chief Executive and Secretary, Keith Bradley. All the Directors join me in recording our gratitude to him for his enthusiasm, loyalty and conscientious hard work throughout this year.

## CONCLUSION

Whilst the Fund is still financially stable, a further loss in total membership has been disappointing and alarming. The concluding message is therefore much the same as a year ago - we must have a prosperous 'today' or else there will not be a 'tomorrow'.

21st June 1995

DOROTHY O DENTON, Chairman  
KEITH R BRADLEY, Chief Executive and Secretary

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*KR Bradley*

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements the directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

## AUDITORS' REPORT TO THE MEMBERS OF THE ASSOCIATION OF THE HOSPITAL SATURDAY FUND

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 8.

### Respective responsibilities of directors and auditors

As described above the company's directors 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. 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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.

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Hospital Saturday Fund at 31st March 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PANNELL KERR FORSTER  
Chartered Accountants  
Registered Auditors

London 1995

# THE HOSPITAL *Saturday* FUND ❖

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
<b>INCOME</b>			
Contributions	3	4,042,492	3,977,153
Income from fixed asset investments	7	171,495	141,442
Interest receivable		64,609	65,754
		<hr/> 4,278,596	<hr/> 4,184,349
<b>EXPENDITURE</b>			
Benefits payable to contributors	4	2,793,154	2,501,432
Insurance Premium Tax		48,094	-
Personal accident underwriting premium		65,371	40,098
Donation to Charitable Trust	5	46,667	66,667
Administrative staff costs	6	411,857	382,090
Other administrative expenses		552,251	497,841
Development staff costs	6	137,020	150,999
Other development expenses		126,082	140,844
Interest payable under finance lease		1,052	2,254
Interest payable		67,691	70,157
Policyholders protection levy		9,341	35,031
		<hr/> 4,258,580	<hr/> 3,887,413
<b>SURPLUS OF INCOME OVER EXPENDITURE</b>		<hr/> 20,016	<hr/> 296,936
<b>NET SURPLUS ON DISPOSAL OF FIXED ASSETS</b>		<hr/> 57,847	<hr/> 47,601
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	7	77,863	344,537
<b>TAX ON SURPLUS ON ORDINARY ACTIVITIES</b>	8	2,110	36,837
<b>SURPLUS FOR THE YEAR</b>	9	<hr/> 75,753	<hr/> 307,700
<b>STATEMENT OF RECOGNISED GAINS AND LOSSES</b>			
Surplus for the year		75,753	307,700
Prior year adjustment - understatement of cost of Fund's investment in earlier years (see notes 9 and 11)		162,893	-
<b>Total recognised gains</b>		<hr/> 238,646	<hr/> 307,700

The surplus on ordinary activities before taxation is wholly attributable to continuing activities. Movements on reserves are shown in note 9 to the financial statements.

# THE HOSPITAL *Saturday* FUND

## BALANCE SHEET 31st MARCH 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
<b>GENERAL FUND</b>	9	3,959,428	3,883,675
Represented by:-			
<b>FIXED ASSETS</b>			
Tangible assets	10	845,840	867,133
Investments	11	1,806,850	1,756,494
		<u>2,652,690</u>	<u>2,623,627</u>
<b>CURRENT ASSETS</b>			
Contributions due		285,709	369,481
Other debtors and payments in advance		85,878	76,206
Corporation tax		2,472	-
Cash at bank and in hand		1,974,782	1,802,438
		<u>2,348,841</u>	<u>2,248,125</u>
<b>CREDITORS: Amounts falling due within one year:</b>			
Benefit claims		171,570	140,447
Sundry creditors		92,917	66,180
Corporation tax		-	11,000
Other taxation		9,764	16,666
Contributions received in advance		201,307	174,064
Obligations under finance lease		1,945	7,030
Bank loan	15	3,644	3,242
		<u>481,147</u>	<u>418,629</u>
<b>NET CURRENT ASSETS</b>		1,867,694	1,829,496
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,520,384	4,453,123
<b>CREDITORS: Amounts falling due after more than one year:</b>			
Obligations under finance lease (due between two and five years)		-	1,945
Bank Loan	15	560,956	567,503
		<u>560,956</u>	<u>569,448</u>
		3,959,428	3,883,675

Approved by the Board of Directors on 21st June 1995

Chairman: DOROTHY O DENTON

*D O Denton*

Secretary: KEITH R BRADLEY

*K R Bradley*

# THE HOSPITAL *Saturday* FUND

## CASH FLOW STATEMENT YEAR ENDED 31st MARCH 1995

	<u>1995</u>		<u>1994</u>
	£	£	£
<b>Operating activities</b>			
Surplus of income over expenditure	20,016		296,936
Income from fixed asset investments	(171,495)		(141,442)
Interest receivable	(64,609)		(65,754)
Interest payable	68,743		72,411
Loss on sale of fixed assets	-		548
	<hr/>		<hr/>
Operating (deficit) surplus	(147,345)		162,699
Depreciation	46,695		45,011
Decrease/(increase) in contribution due and other debtors	74,100		(48,814)
Increase in benefit claims and other creditors	78,201		74,026
	<hr/>		<hr/>
Net cash inflow from operating activities		51,651	232,922
<b>Returns on investments and servicing of finance</b>			
Interest received	64,609		65,754
Dividends received	171,495		141,442
Interest element of finance lease rental payments	(1,052)		(2,254)
Bank interest	(67,691)		(70,157)
	<hr/>		<hr/>
Net cash inflow from returns on investments and servicing of finance		167,361	134,785
<b>Taxation</b>			
Corporation tax paid	(15,582)		(2,077)
	<hr/>		<hr/>
Tax paid		(15,582)	(2,077)
<b>Investing activities</b>			
Purchase of other tangible fixed assets	(25,402)		(1,264)
Purchase of investments	(403,976)		(657,138)
Sale of investments	411,467		377,773
	<hr/>		<hr/>
Net cash inflow (outflow) from investing activities		(17,911)	(280,629)
		<hr/>	<hr/>
Net cash inflow before financing		185,519	85,001
<b>Financing</b>			
Capital element of finance lease rental payments	(7,030)		(7,906)
Repayment of bank loan	(6,145)		(3,002)
	<hr/>		<hr/>
Cash outflow from financing		(13,175)	(10,908)
		<hr/>	<hr/>
Increase (decrease) in cash and cash equivalent		172,344	74,093
		<hr/>	<hr/>

### Analysis of changes in cash and cash equivalents during the year

	<u>Balance sheet</u>			<u>Change in year</u>	
	<u>At 31.3.95</u>	<u>At 31.3.94</u>	<u>At 31.3.93</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£	£
Cash at bank and in hand	1,974,782	1,802,438	1,728,345	172,344	74,093
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



## NOTES to the FINANCIAL STATEMENTS For the year ended 31st March 1995

### 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The principal accounting policies applied in the preparation of the financial statements are as follows:

- (a) **Accounting convention**  
The financial statements have been prepared under the historical cost convention.
- (b) **Benefits payable**  
Benefits payable to members include provision for claims in respect of the period to 31st March settled after that date.
- (c) **Contributions income**  
Contributions income includes an estimate of amounts due at 31st March and subsequently received from groups and firms.
- (d) **Depreciation**  
Depreciation is calculated to write off the cost of assets in equal instalments over their expected useful lives.

The rates used are as follows:

Freehold properties	2%
Furniture and equipment	20%

- (e) **Translation of foreign currency**  
Transactions in foreign currencies are converted monthly at the relevant month end rates of exchange. At the year end assets and liabilities are converted at the exchange rates ruling at that date.

Exchange differences are dealt with through the Income and Expenditure Account.

- (f) **Pension costs**  
The Fund operates a defined contribution pension scheme providing benefits for certain employees and makes contributions to employees' personal pension plans. The pension cost charge represents contributions payable by the Fund to the scheme in respect of the year.
- (g) **Leases**  
Assets held under finance leases are recorded in the balance sheet at the fair value of the assets at the inception of the leases and depreciation is provided accordingly. The amount by which the obligations exceed the fair value is treated as a finance charge which is classified as interest and amortised over the term of each lease. Outstanding obligations, net of finance charges, are included as a liability.

Rental costs payable under operating leases are charged to the Income and Expenditure Account over the period of each lease.

### 2. FORMAT OF ACCOUNTS

The financial statements have been presented in compliance with Section 255 of, and schedule 9 (as amended) to, the Companies Act 1985.

The Board of Directors has adapted the arrangement, headings and sub-headings of the financial statements otherwise required by the Companies Act 1985 to provide a format which is more relevant to the special nature of the Fund's activities.



### 3. CONTRIBUTION INCOME

The Fund is engaged in only one class of business all of which arises in the United Kingdom and Ireland.

### 4. BENEFITS PAYABLE TO CONTRIBUTORS

	<u>1995</u>	<u>1994</u>
	£	£
Hospital	1,178,181	1,044,748
Day Case	4,371	912
Recuperation	87,659	20,830
Maternity	179,111	185,421
Specialists / Investigations	83,646	77,215
Dental	489,407	456,377
Optical	646,394	596,635
Home help	6,955	5,157
Physiotherapy	85,349	82,549
Miscellaneous	32,081	31,588
	<hr/>	<hr/>
	2,793,154	2,501,432
	<hr/>	<hr/>

### 5. DONATION

Donation represents amounts paid under Gift Aid to The Hospital Saturday Fund Charitable Trust, a registered charity.

### 6. STAFF COSTS

	£	£
Wages and salaries	463,139	467,493
Social security costs	46,240	47,970
Other pension costs	39,498	17,626
	<hr/>	<hr/>
	548,877	533,089
	<hr/>	<hr/>

	<u>Number</u>	<u>Number</u>
The average number of persons employed during the year was:		
Sales and development	9	10
Administration	25	25
	<hr/>	<hr/>
	34	35
	<hr/>	<hr/>

None of the directors received any remuneration for their services during the year (1994 : £Nil).

### 7. SURPLUS OF INCOME OVER EXPENDITURE

	£	£
Surplus of income over expenditure is stated after charging/(crediting):		
Depreciation - owned assets	41,868	40,185
- leased assets	4,826	4,826
Auditors' remuneration	15,877	15,422
Operating leases - computer equipment	112,508	103,012
- others	45,870	45,318
Recharge of administrative expenses to The Hospital Saturday Fund Charitable Trust	(11,550)	(11,000)
	<hr/>	<hr/>
Income from fixed asset investments:		
Income from listed investments	171,495	141,442
	<hr/>	<hr/>

**NOTES to the FINANCIAL STATEMENTS - Continued**

**8. TAXATION**

Corporation tax is payable at 25% (1994 : 25%) on investment income (except UK dividends), bank deposit interest and capital gains less charges on income. The charge for taxation in the Income and Expenditure account is made up as follows:-

	<u>1995</u>	<u>1994</u>
	£	£
On investment income, bank deposit interest, and capital gains	4000	11,000
UK Corporation tax	(34,704)	(2,149)
Overprovision in prior years		
	<u>(30,704)</u>	<u>8,851</u>
Tax credits on UK dividends	32,814	27,986
	<u>2,110</u>	<u>36,837</u>

**9. GENERAL FUND**

	£
At 1st April 1994 - as previously reported	3,720,782
Prior year adjustment - understatement of cost of Fund's investments in earlier years (see note 11)	162,893
At 1st April 1994 - as restated	3,883,675
Surplus for the year	<u>75,753</u>
At 31st March 1995	<u>3,959,428</u>

**10. FIXED ASSETS**

	<u>Freehold Properties</u>	<u>Furniture &amp; equipment</u>	<u>Total</u>
	£	£	£
Cost			
At 1st April 1994	822,500	143,497	965,997
Additions	-	25,402	25,402
	<u>822,500</u>	<u>168,899</u>	<u>991,399</u>
At 31st March 1995	<u>822,500</u>	<u>168,899</u>	<u>991,399</u>
Depreciation			
At 1st April 1994	32,900	65,964	98,864
Charge for year	16,450	30,245	46,695
	<u>49,350</u>	<u>96,209</u>	<u>145,559</u>
At 31st March 1995	<u>49,350</u>	<u>96,209</u>	<u>145,559</u>
Net book value			
At 31st March 1995	<u>773,150</u>	<u>72,690</u>	<u>845,840</u>
At 1st April 1994	<u>789,600</u>	<u>77,533</u>	<u>867,133</u>
Included in the above figures at 31st March 1995 are assets held under finance lease;			
Cost	-	24,130	24,130
Accumulated depreciation	-	19,304	19,304
	<u>-</u>	<u>4,826</u>	<u>4,826</u>
Net book value	<u>-</u>	<u>4,826</u>	<u>4,826</u>

# 11. INVESTMENTS

	£	
Cost		
At 1st April 1994 - as previously reported	1,593,601	
Prior year adjustment - understatement in earlier years (see note 9)	162,893	
At 1st April 1994 - as restated	1,756,494	
Additions	403,976	
Disposals	(353,620)	
At 31st March 1995	1,806,850	
	<u>1995</u>	<u>1994</u>
	£	£
Market Value at end of year	4,443,445	4,551,715

All investments are listed on a recognised stock exchange.

# 12. PENSION COSTS

The Fund operates a defined contribution pension scheme and makes contributions to employees' personal pension plans. The assets of the scheme are held separately from those of the Fund in an independently administered fund. The pension cost charge represents contributions payable for the year by the Fund to the scheme and personal pension plans and amounted to £39,498 (1994: £17,626).

At the balance sheet date, there were no outstanding or prepaid contributions (1994: £Nil).

# 13. OPERATING LEASE COMMITMENTS

At 31st March 1995 the Fund had annual commitments under operating leases which expire as follows:

	<u>1995</u>		<u>1994</u>	
	<u>Land and buildings</u>	<u>Others</u>	<u>Land and buildings</u>	<u>Others</u>
	£	£	£	£
Within one year	-	33,058	9,400	1,187
In the second to fifth years inclusive	5,500	40,002	5,500	132,751
Over five years	-	-	-	-
	<u>5,500</u>	<u>73,060</u>	<u>14,900</u>	<u>133,938</u>

# 14. CONTINGENT LIABILITIES

No provision has been made for any levy which the Fund may be called upon to pay under the provisions of the Policyholders Protection Act 1975. The maximum amount of any such levy in respect of the current financial year would be £39,944 (1994: £38,982).

# 15. BANK LOAN

The bank loan is repayable in equal monthly instalments over 25 years with an option to repay the whole outstanding balance in March 1997. Interest is payable at 12.375% per annum, fixed until March 1997.

The bank loan is secured by a first charge over the Fund's freehold property.