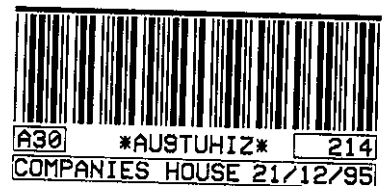


DISTRESSED GENTLEFOLK'S AID ASSOCIATION

Registered Charity No. 207812

ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1995



**Gane Jackson Scott
Chartered Accountants
Holborn Hall
100 Gray's Inn Road
London WC1X 8AY.**

DISTRESSED GENTLEFOLK'S AID ASSOCIATION**(A COMPANY LIMITED BY GUARANTEE)****REPORT OF THE COUNCIL OF MANAGEMENT**

As required by the Companies Act 1985 the Council, who are also Directors under the Companies Act, submit their Report and Statement of Accounts for the year to 31st March 1995.

PRINCIPAL ACTIVITIES

The Objects of the Association are those for which it was originally established - to alleviate need and distress among gentlefolk of both sexes of British and Irish nationality, irrespective of religious denomination or political creed. Translated into modern terms, this means that we set out to help people, drawn typically from the professional classes, who have fallen upon hard times, trying in particular to ensure that those we place in our residential or nursing homes will prove compatible with those already there. In fulfilment of these Objects the Association staffs and maintains 12 Residential Care and Nursing Homes, with accommodation for 133 residents and 249 patients.

FINANCE

The Balance Sheet, the Income and Expenditure Account, Cash Flow Statement and the Notes to the Accounts are set out in pages 5 to 15 of these Accounts.

The Association benefited from surpluses on the sale of shares in the year of some £779,000 and these helped us to achieve an overall surplus of income over expenditure of £1,338,000. Our programme of refurbishing and redeveloping our existing nursing and residential homes is now well under way and will take another three years to complete. To finance these costs, £2,000,000 has been transferred out of the surplus and added to the Refurbishment and Redevelopment Fund. With £781,000 of the Fund expended in the year, £118,000 was added to the Accumulated Fund.

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 profit or loss of the company for that period. In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping 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.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE COUNCIL OF MANAGEMENT
(Continued)

MANAGEMENT

The names of the members of the Council of Management are shown in the Annual Report. As part of the restructuring of the governance of the Association all members offered their resignations to be effective at the end of the Annual General Meeting held on 30th November 1994. These were accepted apart from the following who were re-appointed for the terms shown:

Mr. F. Carbutt FCA	(one year)
The Viscountess Downe	(two years)
The Hon. Mrs. Charles Cecil	(one year)
Mr. M.A. Fisher FCA	(one year)
The Rt. Hon. The Lord Derwent LVO DL	(two years)
Lady Taylor	(three years)
Mrs. E. Whitmore	(two years)

Trustees holding office during the year were:

Priscilla, Lady Bacon DL	(resigned 30th November 1994)
Lt. Col. Sir Simon Bland KCVO	(resigned 30th November 1994)
Mr. N.C.V. Bowater	(resigned 30th November 1994)
Miss M. Bridgland MBE	(resigned 30th November 1994)
Mr. M.M. Brooke	(resigned 30th November 1994)
Mr. Simon Burns MP	(resigned 21st July 1994)
Mr. F. Carbutt FCA	
The Hon. Mrs. Charles Cecil	
Mrs. D. Clifford	(resigned 30th November 1994)
Anne, Countess De La Warr	(resigned 30th November 1994)
Sir Anthony Dawson KCVO	(appointed 9th February 1995)
The Rt. Hon. The Lord Derwent LVO DL	
The Viscountess Downe	
Mrs. R. Elletson	(resigned 30th November 1994)
Mr. M.A. Fisher FCA	
Dr. Elizabeth Frankland Moore OBE LLD	(resigned 30th November 1994)
Mr. M. Greenwood RIBA MRTPI	(resigned 30th November 1994)
Mrs. J.J. Gurney	(resigned 30th November 1994)
Mrs. G.F.C. Hawkins JP	(resigned 30th November 1994)
Lady Heald CBE	(resigned 30th November 1994)
Mrs. W.H. Hindle	(resigned 30th November 1994)
Miss S. Hindson	(resigned 30th November 1994)
Sir Jasper Hollom KBE	(resigned 30th November 1994)
Dr. David Jamison	(resigned 30th November 1994)
Mr. N. Lund	(resigned 30th November 1994)
Mr. H.E. Montagu	(resigned 30th November 1994)
Mrs. P. Negretti	(resigned 30th November 1994)
Mrs. H.M. Priestley	(resigned 30th November 1994)

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE COUNCIL OF MANAGEMENT
(Continued)

Trustees holding office during the year were:

Mrs. F. Quint	(appointed 9th February 1995)
Miss S.M. Smith	(resigned 30th November 1994)
Dr. Margaret Suttill MRCP MB BS	(resigned 30th November 1994)
Lady Taylor	
Mrs. J.R.A. Townsend	(resigned 30th November 1994)
Mrs. E.B.M. Tremlett	(resigned 30th November 1994)
Mr. M. Vass	(resigned 30th November 1994)
Mr. A.S.R. Villar	(resigned 30th November 1994)
Mrs. E.O. Walwyn Jones	(resigned 30th November 1994)
Mr. G. Waud	(resigned 30th November 1994)
Mrs. E. Whitmore	(appointed 5th April 1994)

The membership of the principal Committees set up by the Council of Management and the names of the senior staff at Headquarters are set out in the Annual Report.

The Association operates a policy for equality of opportunity of employment. It recognises its obligations towards disabled people and endeavours to provide employment for them as the work being undertaken allows.

The names of the office bearers in the County organisations are set out in the Annual Report and the names of the Chairman and the Honorary Treasurers of the House Committees are also shown.

Annual General Meeting

The Annual General Meeting of the members of the Association has been arranged for 1st November 1995.

BY ORDER OF THE COUNCIL OF MANAGEMENT



P.J. Roberts
Chief Executive

**REPORT OF THE AUDITORS TO THE MEMBERS OF
DISTRESSED GENTLEFOLK'S AID ASSOCIATION**

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 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.

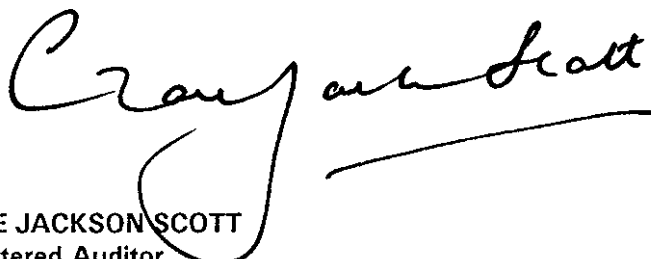
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 the company's affairs as 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.



GANE JACKSON SCOTT
Registered Auditor
Chartered Accountants
Holborn Hall,
100, Gray's Inn Road,
London, WC1X 8AY

13th July 1995

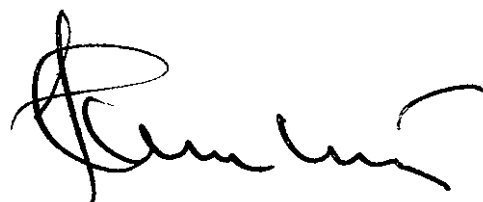

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

BALANCE SHEET AS AT 31ST MARCH 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	8	3,973,665	3,819,538
Investments	9	24,578,394	23,590,868
		<u>28,552,059</u>	<u>27,410,406</u>
CURRENT ASSETS			
Debtors	11	743,746	780,008
Cash at bank and in hand	12	4,663,977	4,301,015
		<u>5,407,723</u>	<u>5,081,023</u>
LESS CURRENT LIABILITIES			
Creditors	13	(464,994)	(398,992)
NET CURRENT ASSETS		<u>4,942,729</u>	<u>4,682,031</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>33,494,788</u></u>	<u><u>32,092,437</u></u>
Represented by:			
ACCUMULATED FUND	14	20,947,732	20,727,266
REFURBISHMENT AND REDEVELOPMENT FUND	14	5,718,616	4,500,000
FUTURE DEVELOPMENT FUND	14	6,675,000	6,675,000
SPECIFIC FUNDS	14	153,440	190,171
		<u><u>33,494,788</u></u>	<u><u>32,092,437</u></u>

APPROVED BY THE COUNCIL ON 24TH MAY 1995

AND SIGNED ON BEHALF OF THE COUNCIL


F. Carbutt, FCA
Chairman

M.A. Fisher, FCA
Honorary Treasurer

**DISTRESSED GENTLEFOLK'S AID ASSOCIATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1995**

	Note	1995 £	1994 £
OPERATIONS:			
HOMES			
Fees from patients and residents		5,626,328	5,136,592
Contributions to meet the deficit on Administered Homes from Worshipful Co. of Innholders' Charities and Florence Cohen Trust		57,050	151,948
HOMES INCOME		<u>5,683,378</u>	<u>5,288,540</u>
HOMES EXPENDITURE	7	<u>7,493,196</u>	<u>7,246,631</u>
DEFICIT ON HOMES		<u>(1,809,818)</u>	<u>(1,958,091)</u>
CASEWORK			
Grants received for Specific Case Expenditure		57,454	60,385
Counselling, grants and allowances to beneficiaries	7	1,196,635	983,254
NET CASEWORK EXPENDITURE		<u>1,139,181</u>	<u>922,869</u>
NET CHARITABLE EXPENDITURE		<u>2,948,999</u>	<u>2,880,960</u>
Publicity and appeals	7	445,402	444,038
Headquarters' administration	7	626,996	538,189
		<u>1,072,398</u>	<u>982,227</u>
OPERATING DEFICIT		<u>(4,021,397)</u>	<u>(3,863,187)</u>
DONATIONS AND SECOND HAND CLOTHES SALES	6	378,910	400,163
INCOME FROM LISTED INVESTMENTS AND DEPOSITS		1,179,421	1,124,399
LEGACIES		3,217,351	3,824,325
		<u>4,775,682</u>	<u>5,348,887</u>
SURPLUS ON CURRENT ACTIVITIES		754,285	1,485,700
PROFIT ON SALE OF INVESTMENTS		779,183	2,552,452
(LOSS)/PROFIT ON EXCHANGE OF FOREIGN CURRENCY		(195,895)	157,711
PROFIT ON SALE OF PROPERTY		-	384,847
OVERALL SURPLUS		<u>1,337,573</u>	<u>4,580,710</u>
TRANSFER FROM:			
Refurbishment and Redevelopment Fund		781,384	-
		<u>2,118,957</u>	<u>4,580,710</u>
TRANSFERS TO:			
Refurbishment and Redevelopment Fund		2,000,000	4,500,000
Specific Funds		1,000	1,393
SURPLUS FOR THE YEAR TRANSFERRED TO ACCUMULATED FUND		<u>117,957</u>	<u>79,317</u>

All activities in the year were continuing. The company has no recognised gains or losses other than the surplus for the above two financial years.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 1995

	Note	1995	1994
		£	£
Net cash inflow from operating activities		785,751	1,533,338
Investing activities			
Capital expenditure	8	(279,224)	-
Purchase of investments	9	(19,764,716)	(24,148,143)
Proceeds on sale of investments	9&10	19,556,373	22,891,449
Surplus on sale of property		-	384,847
Assets received on consolidation of subsidiary charities	14	64,778	-
		<u>(422,789)</u>	<u>(871,847)</u>
Increase in cash		<u><u>362,962</u></u>	<u><u>661,491</u></u>

NOTES:

1. Reconciliation of surplus on current activities with net cash inflow from operating activities.

	1995	1994
	£	£
Surplus on current activities	754,285	1,485,700
Depreciation charge for the year	125,097	110,076
Disposal of fixed assets	-	12,143
Decrease/(Increase) in debtors	36,262	(392,830)
Increase in creditors	66,002	160,538
(Loss)/profit on exchange of foreign currencies	(195,895)	157,711
Net cash inflow from operating activities	<u><u>785,751</u></u>	<u><u>1,533,338</u></u>

2. Analysis of changes in balances of cash during the year.

	1995	1994	Change in Year
	£	£	£
Cash at bank and in hand	<u><u>4,663,977</u></u>	<u><u>4,301,015</u></u>	<u><u>362,962</u></u>

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1995

1. STATUS OF COMPANY

The Distressed Gentlefolk's Aid Association is a company limited by guarantee and not having a share capital.

Ordinary members of the Association are each required to contribute annually. All members, in the event of the Association being wound up whilst they are members or within one year of their ceasing to be members, are required to contribute an amount not exceeding £1.

The Association is a registered charity - No. 207812, and is not liable to UK taxation as it has no taxable activities. The Association is, however, unable to reclaim VAT on expenditure incurred.

2. THE ASSOCIATION'S HOMES COMPRISE:

Colehaven, Coleshill, Birmingham.
 The Grove, Woodbridge, Suffolk.
 Hampden House, Harrogate.
 Halliwell, Tunbridge Wells.
 The Lodge, Exeter.
 Merlewood, Virginia Water, Surrey.
 Rashwood, Wychbold, Worcestershire.
 Rush Court, Wallingford, Oxon.
 Vicarage Gate House, Kensington, London.
 Greathed Lodge, St. John's Wood, London.
 Condover House, Eastbourne.
 (administered on behalf of the Florence Cohen Trust)
 Florence Balls House, Tunbridge Wells.
 (administered on behalf of the Worshipful Company of Innholders)

3. ACCOUNTING POLICIES

- a) The accounts are prepared on a historical cost basis and in accordance both with applicable accounting standards and with Statement of Recommended Practice (SORP 2).
- b) Income is credited to the Income and Expenditure Account on an accruals basis except that donations, legacies and investment income are not credited until received.
- c) Expenditure is charged to the Income and Expenditure Account on an accruals basis including the charge for VAT which is not recoverable.
- d) Fixed Assets
Depreciation is provided as follows:

i)	Land and buildings	2%)
ii)	Furniture and equipment	20%) on the reducing balance
iii)	Motor vehicles	25%)
iv)	Derry Street office refurbishment	10%	on straight line basis

Contributions received from the public towards the redevelopment or refurbishment of existing Homes are set against expenditure on such work and the net cost is written off against revenue. Expenditure on new Homes is capitalised.

Expenditure on computer equipment and sundry small items of equipment is written off as revenue expenditure as incurred.

- e) Investments are stated at cost or value on date of acquisition, less amounts written off where it is considered there is a permanent diminution in value.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

(Continued)

3. ACCOUNTING POLICIES - Continued

- f) Foreign currency balances have been converted at the rate ruling at 31st March 1995.
- g) Staff costs have been allocated between Homes, Counselling, Appeals and Administration according to the duties and responsibilities of the staff concerned. Other overheads have been allocated on the basis of staff costs.

4. STAFF COSTS

Aggregate staff costs are made up as follows:

	1995	1994
	£	£
Wages and salaries	4,415,870	4,462,908
Agency fees	80,061	67,538
Social security costs	362,175	369,036
Other pension costs (Note 17)	158,644	150,206
Other staff related costs	168,626	218,336
	<u>5,185,376</u>	<u>5,268,024</u>

5. EMPLOYEES

The average number of employees, a variable number of whom are part-time, during the year was 546 (1994: 524) of which 511 (1994: 491) were employed by the Homes and the remainder at Headquarters. The cost of agency staff at Headquarters and the Homes was £80,061 (1994: £67,538).

6. DONATIONS AND SECOND HAND CLOTHES SALES

These comprise:

	1995	1994
	£	£
Non-covenanted	207,450	198,903
Covenanted (including income tax recovery)	28,534	33,319
Special events	26,726	15,569
County treasurers	105,028	143,960
	<u>367,738</u>	<u>391,751</u>
Set off against Homes operating costs	-	(16,588)
	<u>367,738</u>	<u>375,163</u>
Second hand clothes sales	11,172	25,000
	<u>378,910</u>	<u>400,163</u>

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
(Continued)

7. OPERATING EXPENSES

	Homes	Counselling Grants and Allowances	Publicity and Appeals	Headquarters Administration	1995 Total	1994 Total
	£	£	£	£	£	£
DIRECT COSTS						
Staff	4,305,538	-	-	-	4,305,538	4,357,536
Depreciation	85,255	-	-	-	85,255	95,176
Other operating costs	2,104,799	-	-	-	2,104,799	1,981,889
Grants and allowances	-	931,702	-	-	931,702	748,736
Outside services	-	-	232,532	-	232,532	210,676
Refurbishment of existing Homes	781,384	-	-	-	781,384	607,480
HEADQUARTERS' COSTS						
Staff	144,009 (1)	176,453 (2)	141,778	417,598	879,838	910,488
Depreciation	6,521	7,991	6,420	18,910	39,842	14,900
Other operating	63,673	78,018	62,687	184,640	389,018	270,547
Auditors' remuneration	2,017	2,471	1,985	5,848	12,321	14,684
	<u>7,493,196</u>	<u>1,196,635</u>	<u>445,402</u>	<u>626,996</u>	<u>9,762,229</u>	<u>9,212,112</u>

NOTE (1) Includes cost of handling 346 enquiries

(2) Includes cost of counselling some 1,045 applicants

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
(Continued)

8. TANGIBLE FIXED ASSETS

	Land	Freehold Buildings	Furniture and Equipment	Derry Street Offices	Motor Vehicles	Total
	£	£	£	£	£	£
Cost at 1.4.94.	979,278	3,436,467	957,053	-	104,815	5,477,613
Additions	-	-	-	279,224	-	279,224
Cost at 31.3.95	979,278	3,436,467	957,053	279,224	104,815	5,756,837
Depreciation at 1.4.94.	-	811,681	773,267	-	73,127	1,658,075
Charge for year	-	52,496	36,757	27,922	7,922	125,097
Depreciation at 31.3.95.	-	864,177	810,024	27,922	81,049	1,783,172
NET BOOK VALUE AT						
31.3.95.	979,278	2,572,290	147,029	251,302	23,766	3,973,665
31.3.94.	979,278	2,624,786	183,786	-	31,688	3,819,538

The cost of refurbishing and redeveloping existing Homes is written off as revenue expenditure in the year in which incurred.

During the year this amounted to £781,384 (1994: £607,480).

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
(Continued)9. INVESTMENTS
Listed

	General	Specific	Total
	£	£	£
Cost at 1.4.94.	23,442,301	148,567	23,590,868
Acquisitions	19,760,658	4,058	19,764,716
Disposals	(18,776,310)	(880)	(18,777,190)
Cost at 31.3.95.	<u>24,426,649</u>	<u>151,745</u>	<u>24,578,394</u>

Market Value	UK	Overseas	Total
31.3.95.	11,544,481	18,688,501	30,232,982
31.3.94.	9,717,323	22,907,978	32,625,301

Unlisted

Unlisted investments which have no book value have an estimated market value of £20,000.

10. STATEMENT OF INVESTMENT GAINS

	1995	1994
	£	£
Realised gains on disposals of investments	779,183	2,552,452
Change in unrealised gains on investments	(3,379,845)	1,116,320
Net Investment (Losses)/Gains	<u>(2,600,662)</u>	<u>3,668,772</u>

11. DEBTORS

	1995	1994
	£	£
Trade debtors	425,801	351,924
Other debtors	29,015	14,124
Prepayments	288,930	413,960
	<u>743,746</u>	<u>780,008</u>

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

(Continued)

12. CASH AT BANK

	1995	1994
	£	£
General Purposes		
Cash on deposit and at bank	2,144,728	174,067
Cash in hand	6,643	5,464
	<u>2,151,371</u>	<u>179,531</u>
Awaiting Investment		
Cash on deposit	2,510,445	4,121,284
Specific Purposes		
Cash on deposit at bank	2,161	200
	<u>4,663,977</u>	<u>4,301,015</u>

13. CREDITORS

	1995	1994
	£	£
Trade creditors	136,036	104,262
Social security and taxation	118,628	103,898
Accruals	210,330	190,832
	<u>464,994</u>	<u>398,992</u>

All creditors fall due within one year.

14. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	Accumulated Fund	Refurbishment and Redevelopment Fund	Future Development Fund	Specific Funds	Total
	£	£	£	£	£
Balances at 1.4.94.	20,727,266	4,500,000	6,675,000	190,171	32,092,437
Transfer to accumulated fund	883,893	(781,384)	-	(102,509)	-
Transfer from accumulated fund	(2,001,000)	2,000,000	-	1,000	-
Monies received during the year	1,337,573	-	-	64,778	1,402,351
Balances at 31.3.95.	<u>20,947,732</u>	<u>5,718,616</u>	<u>6,675,000</u>	<u>153,440</u>	<u>33,494,788</u>

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

(Continued)

14. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS - Continued

	Accumulated Fund	Refurbishment and Redevelopment Fund	Future Development Fund	Specific Funds	Total
	£	£	£	£	£
Fixed assets	3,973,665	-	-	-	3,973,665
Investments	24,426,649	-	-	151,745	24,578,394
NCA	4,940,568	-	-	2,161	4,942,729
Amounts owed between Funds	(12,393,616)	5,718,616	6,675,000	-	-
Amounts owed to DGAA	466	-	-	(466)	-
	<u>20,947,732</u>	<u>5,718,616</u>	<u>6,675,000</u>	<u>153,440</u>	<u>33,494,788</u>

Specific Funds include:

Brighton, Hove and Sussex Gentlewomen's Aid Society
 The Colehaven Trust
 The Ellen Stanley Coleman Colehaven Trust
 The C.J. and E.J. Melbourne Trust
 The Adelaide Franklin Charity
 Norman Frederick Wood, Deceased, Charitable Trust

- 1) The Future Development Fund is to finance large capital projects at the Association's homes.
- 2) The Refurbishment and Redevelopment Fund is to finance a programme of refurbishment and redevelopment at existing Homes over the next 3 years.

15. CAPITAL COMMITMENTS

There was £1.2 million of expenditure committed and contracted for at 31st March 1995 (1994:nil).

There was £2.3 million of expenditure approved but not contracted for at 31st March 1995 (1994:£1.5 million).

16. FEES FROM PATIENTS AND RESIDENTS

Residents and patients in the Homes pay fees as a contribution to the cost of running the Homes. Even the maximum fees charged are less than enough to cover the full costs. Where the financial circumstances of a patient or resident do not permit them to pay the full fee, a lower fee is assessed.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

(Continued)

17. PENSION SCHEMES

The Company currently operates two pension schemes. These are:

a) A defined contribution scheme

The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the Fund and amounted to £75,232 (1994: £70,921). The contributions of the Company and employees will remain at 10% and 5% of earnings respectively.

b) A defined benefit scheme

The Company operates this pension scheme to provide benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company, being invested with insurance companies. Contributions to the scheme are charged in the income and expenditure account so as to spread the cost of pensions over employees' working lives with the Company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was as at 1st July 1994. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 9% per annum, that salary increases would average 8% per annum and that present and future pensions would increase at the rate of 5% per annum.

The pension charge for the year was £69,523 (1994: £73,627).

The most recent actuarial valuation showed that the market value of the scheme's assets was £837,500 and that the actuarial value of those assets represented 112% of the benefits that had accrued to members, after allowing for expected future increases in earnings. No adjustment has been made in respect of the amortisation of the experience surplus, which would normally be recognised over the average remaining service lives of the employees, as the amount involved is immaterial.