

# **ELIZABETH FINN TRUST**

Company No. 515297  
Charity No. 207812

## **CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31ST MARCH 2004**



30-Jun-04  
10:19 AM

# **Elizabeth Finn Trust**

## **Report of the Board of Trustees**

### **For the year ended 31st March 2004**

The Trustees, who are also Directors under the Companies Act 1985, submit their Report and Statement of Accounts for the year to 31st March 2004.

#### **Legal and Administrative Details**

The Elizabeth Finn Trust (charity registration number 207812) is governed by its Memorandum and Articles of Association and is constituted as a Company limited by guarantee (registered number 515297).

The Charity's Trustees during the financial year ended 31st March 2004 were:

- \* The Viscountess Downe DL (Chairman)
- \* Mr. Richard Down (Deputy Chairman and Treasurer)
  - Mr. Charles Anson CVO
  - Mr. David Astor CBE (Appointed March 2004)
  - The Hon. Albemarle Bowes Lyon
- \* Mr. F. Carbutt
  - The Hon. Mrs. Charles Cecil
- \* Mr. Richard Halcrow
  - Dr. Michael Harding
  - Mrs. D. Mackenzie
  - Mrs. F. Quint
  - Mr. John Rich
  - Lady Toulson CBE
- \* Mr. Adrian White (Appointed March 2004)

\*Members of the Audit Committee.

New Trustees are appointed by the existing members of the Board and Trustees appointed in this manner hold office until the next Annual General Meeting.

The following Trustees retired in 2003 in accordance with Article 3.4 of the Articles of Association and, after offering themselves for re-election, were re-appointed at the Annual General Meeting in November 2003:

Mr. F. Carbutt  
The Viscountess Downe DL  
Mr. Richard Halcrow

The following Trustees retired in 2003 in accordance with Article 3.7 of the Articles of Association and, after offering themselves for re-election, were re-appointed at the Annual General Meeting in November 2003:

Mr. Charles Anson CVO  
Lady Toulson CBE

All Trustees are Directors under the Companies Act and all served in both capacities throughout the year.

# **Elizabeth Finn Trust**

## **Report of the Board of Trustees**

### **For the year ended 31 March 2004 (Continued)**

#### **Principal Activities**

The Trust continues with its objective of reducing poverty and distress among people of British and Irish nationality who come from a professional or similar background. During the year it gave advice to some 1,650 people and provided financial assistance to 1,928. Those we helped were predominantly elderly, but many were younger with 34% being aged between 20 and 60 and with a further 18% under 70. The Trust is very keen to help younger people, particularly in cases where such help enables them to become self-supporting again. The 11 Care Homes, and the 10 Almshouse Cottages at Colehaven, continued to maintain good levels of occupancy at 95% for those Homes not in the process of being refurbished; this was some 2% lower than in the previous year, but close to the sector average. The Homes remained very successful at providing a high standard of care. The Trust's 11 Care Homes provide residential accommodation for 207 older people and nursing care for a further 300, all in single rooms mostly with en-suite facilities.

The joint venture with the Dementia Care Trust targeted at helping those with dementia, and live at home, or care for those who do, has started slowly. This is not due to a lack of need or of effort on the part of the Dementia Care Trust or of ourselves, but reflects the reluctance of people in the Trust's client group to ask for such help and is being addressed in these terms. At present the joint venture is limited geographically to the Bristol area and nearby parts of Gloucestershire and Somerset. During the year, another joint venture, this one a collaborative scheme with Help the Aged to provide advice on the availability of services for elderly people, was set up. More than 200 telephone calls have been received with the callers raising concerns mainly about nursing home fees and house repairs. In excess of 1,000 advisory booklets have been sent out to callers since the start of this initiative.

The Board of Trustees met five times during the year and the Executive Committee, appointed by the Trustees, on 11 occasions to receive financial and other reports from the Chief Executive and senior staff and to review the implementation of budgets and strategy.

#### **Trustees' Responsibilities**

Company law requires the Trustees, as 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 which enable them to ensure that the financial statements comply with the Companies Act 1985. Furthermore, they are also responsible for seeing that the accounts comply with the Trust's Memorandum and Articles of Association (the Trust's governing document) and with the requirements of the Charity Commission's Statement of Recommended Practice 2000 (Accounting and Reporting by Charities). They have responsibility for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Reserves**

It is the policy of the Trustees that the Trust's unencumbered reserves, being the sum of the shares, bonds and cash held in the Investment Portfolio, should not fall below £25 million in order to provide sufficient income, together with voluntary income and fees received from those in the Trust's Care Homes, to support the Trust's charitable activities. At 31st March 2004 such reserves amounted to £36.3 million (2003: £25.8 million) and were part of the Trust's total reserves of £45.1 million (2003: £41.6 million).

# **Elizabeth Finn Trust**

## **Report of the Board of Trustees**

### **For the year ended 31 March 2004 (Continued)**

#### **Investments**

The Trust's powers of investment are set out in Clause 4 of the Memorandum of Association. The investment policy of the Trustees is to optimise the total return of income and capital from the portfolio. In order to achieve this they have appointed investment managers and have agreed asset allocations with them and benchmarks against which performance is measured. The Trustees, with the advice of the investment managers, determined to increase the portion of the portfolio invested in equities and over the 12 months this rose from 40% to 55% of the total with the balance being held on bank deposit and in bonds, mostly index linked. Asset allocations are reviewed regularly. The investment managers are responsible for stock selection. Gains, both realised and unrealised, during the year under review totalled £2.2 million.

#### **Major risks**

The Trustees believe that they have identified the major risks to which the Trust is exposed. They review the adequacy of protection against these risks and where this appears insufficient put in place appropriate procedures to mitigate these risks. In some instances protection is provided by insurance cover; in others by monitoring, reporting, continually assessing the risks concerned and the development of contingency plans.

#### **Staff**

The work of the charity relies on the commitment and hard work of its valued staff. It is managed on a day to day basis by the Chief Executive who is supported by a staff of 39 (together with six part-timers) at its Headquarters in Derry Street and 650 in its Homes of whom 369 are part-time. These are averages for the financial year under review and details are shown in Note 5 to the Financial Statements. The Trust continues to promote and develop a healthy staff relations climate. It aims to promote equality of opportunity for all with the right mix of talent, skills and potential. The Trust welcomes applications for employment from candidates of diverse backgrounds. Furthermore it recognises its obligations towards disabled people and endeavours to provide such employment for them as the work undertaken allows.

#### **Progress since April 2003**

The year has been one of steady progress with the number of beneficiaries supported by the Case Department increasing by 2.5% to 1,928. It is encouraging to note that significant numbers of younger beneficiaries have been helped to financial independence and, having been given a vital period of support while they re-established their independence, no longer need the Trust's help.

During the year the Trustees approved plans for the refurbishment of The Lodge, Exeter and work on this began in May 2004. When completed in the January of 2006, the Home will provide us with 46 single rooms, all with en-suite facilities, for nursing residents. The Homes continue to provide excellent standards of care with Pat Hamilton, one of our Matron/Managers, winning the Caring Times Manager of the Year Award. The Director of Homes, Sharon Blackburn, won the Nursing Standard Leadership Award. Excellent results were also achieved when Lang & Buisson were engaged to conduct a *satisfaction* survey of our residents and their families; a cause for much celebration.

The pilot dementia care project commenced in partnership with the Dementia Care Trust. Whilst the uptake of services has been slower than anticipated, those helped have provided positive feedback. Additionally, the slow up-take has given us significant insights into our client group's reluctance to ask for help, especially in respect of memory impairment. The Trustees have agreed that the project may continue for a second year.

**Elizabeth Finn Trust**  
**Report of the Board of Trustees**  
**For the year ended 31 March 2004 (Continued)**

**Finance**

The Statement of Financial Activities, Balance Sheet, Summarised Income and Expenditure Account, Cash Flow Statement and the Notes to the Accounts are set out in pages 8 to 26 of these Accounts.

Overall, the Trust's financial position has continued to improve with Net Incoming Resources increasing from a small surplus of £32,000 to £1.3 million. The Trust's investments have seen gains of £2.2 million (2003: losses £3.6 million) during the year, following the losses of previous years, and there was a positive Movements in Funds of £3.5 million (2003: £1.2 million after an exceptional item).

The Trust's support for Casework including the grants and allowances made to some 1,928 beneficiaries, and including administrative costs, increased to £2.5 million (2003: £2.4 million).

The deficit on Homes after charging Headquarters' support costs was £160,000 (2003: £756,000) but this did not include any finance charges or a full charge for depreciation, both of which continue to be absorbed within the Trust's overall finances. Following a detailed assessment of needs the lower charge for refurbishment of £218,000 (2003: £677,000) also contributed to the improvement in the Homes' figures.

There was a welcome increase in legacy income during the year with a rise from £2.5 million during 2003 to £3.2 million. Investment income resulting from the higher value of the Trust's portfolio also increased by £206,000 to £1.4 million.

Reserves at 31st March 2004 amounted to £36.3 million, but these will be reduced by an estimated £3.8 million due to refurbishment at The Lodge, Exeter.

**Associated Charities**

The assets and income of five small charities have been consolidated with those of the Trust. The total capital and reserves of these charities at 31st March 2004 amounted to £339,000 and has been described on the Trust's Balance Sheet as Endowment Funds. The corresponding assets have been included in Investments. The income of all five charities has been spent in accordance with the terms of their trusts to supplement the charitable activities of the Elizabeth Finn Trust. The associated charities are:

- Brighton, Hove and Sussex Gentlewomen's Aid Society (registered charity no. 211846)
- The Colehaven Trust (registered charity no. 218609)
- The Ellen Stanley Coleman Colehaven Trust (subsidiary charity of the Colehaven Trust, charity no. 218609/1)
- The CJ and EJ Melbourne Trust (subsidiary charity of the Elizabeth Finn Trust, charity no. 207812/1)
- The Edna Lipson Charity (subsidiary charity of the Elizabeth Finn Trust, charity no. 207812/3)

The Trust continues to provide casework management for the Lloyds Support Fund including a full administrative and secretarial service.

**Elizabeth Finn Trust**  
**Report of the Board of Trustees**  
**For the year ended 31 March 2004 (Continued)**

**Registered Office and Professional Advisors**

**Registered office:** 1 Derry Street  
London W8 5HY

**Bankers:** Lloyds TSB Bank plc  
179 Earl's Court Road  
London SW5 9RE

**Auditors:** Kingston Smith  
Devonshire House  
60 Goswell Road  
London EC1M 7AD

**Solicitors:** Farrer & Co.  
66 Lincoln's Inn Fields  
London WC2A 3LH

**Investment managers:** NCL Investments Limited trading as NCL Smith & Williamson  
Bartlett House  
9-12 Basinghall Street  
London EC2V 5NS

**Pension Consultants** Entegria Limited  
3rd Floor, 110 Fenchurch Street  
London  
EC3M 5JT

**Annual General Meeting**

The Annual General Meeting of the members of the Trust will be held on 3rd November 2004.

28 September 2004

On behalf of the Trustees



**The Viscountess Downe**  
Chairman

Date: 6 July 2004

# **The Elizabeth Finn Trust**

## **Independent Auditors' Report to the Members of The Elizabeth Finn Trust**

We have audited the financial statements of The Elizabeth Finn Trust for the year ended 31st March 2004 which comprise the consolidated Statement of Financial Activities, the Balance Sheets, the consolidated Cash Flow Statement, the consolidated Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the historical cost convention, modified for the revaluation of investment assets, and the accounting policies set out therein.

This report is made solely to the Trust's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the Trust's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the Trust and Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of Trustees and Auditors**

The Trustees' (who are also the Directors of The Elizabeth Finn Trust for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the Trust has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the Trust is not disclosed.

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of Audit Opinion**

We conducted our audit in accordance with United Kingdom 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 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.

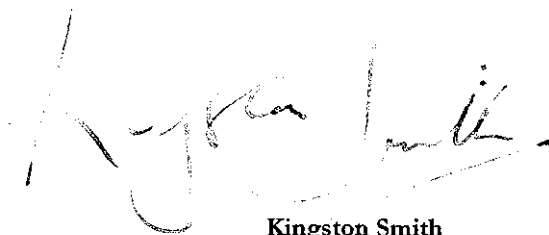
**The Elizabeth Finn Trust**  
**Independent Auditors' Report to the Members of**  
**The Elizabeth Finn Trust (Continued)**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Trust and the group as at 31st March 2004 and of the incoming resources and application of resources, including the income and expenditure, of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Devonshire House  
60 Goswell Road  
London EC1M 7AD

Date: 27<sup>th</sup> July 2004



**Kingston Smith**  
Chartered Accountants  
and Registered Auditors



**Elizabeth Finn Trust**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31st March 2004**

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2004	Total 2003
		£	£	£	£	£
<b>INCOMING RESOURCES</b>						
<b>Activities in Furtherance of the Charity's Objectives:</b>						
Fees from patients and residents:						
On a continuing basis		13,018,831	360,014	-	13,378,845	12,323,664
At homes under refurbishment		640,381	-	-	640,381	623,243
Contributions to meet deficits on administered homes		-	(35,325)	-	(35,325)	11,932
Grants received for case expenditure		-	66,010	-	66,010	74,141
Appeals for Homes' building costs and refurbishments		-	11,099	-	11,099	5,196
Other donations	8	467,381	63,013	1,559	531,953	548,026
Legacies		3,141,755	44,604	-	3,186,359	2,472,064
<b>Activities for generating funds:</b>						
Income from listed investments and deposits	9	1,348,201	14,001	-	1,362,202	1,156,176
<b>Total Incoming Resources</b>		<b>18,616,549</b>	<b>523,416</b>	<b>1,559</b>	<b>19,141,524</b>	<b>17,214,442</b>
<b>RESOURCES EXPENDED</b>						
<b>Costs of Generating Funds:</b>						
Investment management fees		97,045	-	-	97,045	77,018
Fundraising costs		411,641	-	-	411,641	369,214
<b>Direct Charitable Expenditure:</b>						
Homes expenditure:						
On a continuing basis		11,566,916	326,488	-	11,893,404	11,578,977
At homes under refurbishment		995,178	14,609	-	1,009,787	916,777
Grants and allowances to beneficiaries		1,862,055	109,669	-	1,971,724	1,958,700
Dementia project		1,719	-	-	1,719	8,308
Support costs		1,721,319	42,650	-	1,763,969	1,688,776
		16,655,873	493,416	-	17,149,289	16,597,770
<b>Other Expenditure:</b>						
Marketing and communications		611,110	-	-	611,110	494,738
Headquarters' administration		88,058	-	-	88,058	89,974
		699,168	-	-	699,168	584,712
<b>Total Resources Expended</b>	10	<b>17,355,041</b>	<b>493,416</b>	<b>-</b>	<b>17,848,457</b>	<b>17,182,482</b>
<b>NET INCOMING RESOURCES BEFORE EXCEPTIONAL ITEM</b>		<b>1,261,508</b>	<b>30,000</b>	<b>1,559</b>	<b>1,293,067</b>	<b>31,960</b>
<b>Exceptional Gain</b>	19		-	-	-	4,810,441
<b>NET INCOMING RESOURCES AFTER EXCEPTIONAL ITEM</b>		<b>1,261,508</b>	<b>30,000</b>	<b>1,559</b>	<b>1,293,067</b>	<b>4,842,401</b>

**Elizabeth Finn Trust**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31st March 2004 (Continued)**

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2004	Total 2003
		£	£	£	£	£
<b>NET INCOMING RESOURCES AFTER EXCEPTIONAL ITEM</b>		<u>1,261,508</u>	<u>30,000</u>	<u>1,559</u>	<u>1,293,067</u>	<u>4,842,401</u>
<b>Gains and Losses on Investment Assets:</b>						
Realised gains/(losses)	12	225,093	-	-	225,093	(1,427,867)
Unrealised gains/(losses)	12	1,956,556	-	40,493	1,997,049	(2,198,513)
Loss on foreign currency exchange		(13,013)	-	-	(13,013)	(105)
Realised loss on disposal of motor vehicles			-	-	-	(3,348)
<b>NET MOVEMENT IN FUNDS</b>	16	<u>3,430,144</u>	<u>30,000</u>	<u>42,052</u>	<u>3,502,196</u>	<u>1,212,568</u>
<b>Fund Balances Brought Forward at 1st April 2003</b>	16	<u>41,328,911</u>	<u>-</u>	<u>297,417</u>	<u>41,626,328</u>	<u>40,413,760</u>
<b>FUND BALANCES CARRIED FORWARD AT 31ST MARCH 2004</b>	16	<u><u>44,759,055</u></u>	<u><u>30,000</u></u>	<u><u>339,469</u></u>	<u><u>45,128,524</u></u>	<u><u>41,626,328</u></u>

There were no acquisitions and there were no businesses discontinued in the above two years.

# Elizabeth Finn Trust

## Balance Sheets as at 31 March 2004

	Notes	Group		Company	
		2004 £	2003 £	2004 £	2003 £
<b>Fixed Assets</b>					
Tangible assets	11	8,376,661	8,570,909	8,376,661	8,570,909
Investments	12	<u>27,157,194</u>	<u>16,300,603</u>	<u>27,157,196</u>	<u>16,300,605</u>
		35,533,855	24,871,512	35,533,857	24,871,514
<b>Current Assets</b>					
Debtors	13	606,636	7,519,843	706,636	7,619,843
Cash at bank and in hand	14	<u>10,561,706</u>	<u>11,220,925</u>	<u>10,561,706</u>	<u>11,220,925</u>
		11,168,342	18,740,768	11,268,342	18,840,768
<b>Creditors: Amounts Falling Due Within One Year</b>	15	<u>(1,573,673)</u>	<u>(1,985,952)</u>	<u>(1,673,675)</u>	<u>(2,085,954)</u>
<b>Net Current Assets</b>		<u>9,594,669</u>	<u>16,754,816</u>	<u>9,594,667</u>	<u>16,754,814</u>
<b>Total Assets less Current Liabilities</b>		45,128,524	41,626,328	45,128,524	41,626,328
<b>Total Net Assets</b>	17	<u><u>45,128,524</u></u>	<u><u>41,626,328</u></u>	<u><u>45,128,524</u></u>	<u><u>41,626,328</u></u>
Represented by:					
<b>Funds:</b>					
Unrestricted	16	44,227,435	40,978,921	44,227,435	40,978,921
Designated	16	531,620	349,990	531,620	349,990
Restricted	16	30,000	-	30,000	-
Endowment	16	<u>339,469</u>	<u>297,417</u>	<u>339,469</u>	<u>297,417</u>
		<u><u>45,128,524</u></u>	<u><u>41,626,328</u></u>	<u><u>45,128,524</u></u>	<u><u>41,626,328</u></u>

Approved by the Board of Trustees on 6 July 2004

*28/8/04 [Signature] DD.*  
STET

Signed on Behalf of the Board

*[Signature]*  
The Viscountess Downe - Chairman

*[Signature]*  
R. Down, FCA - Treasurer

**Elizabeth Finn Trust**  
**Consolidated Income and Expenditure Account**  
**For the year ended 31st March 2004**

	Notes	2004	2003
		£	£
Gross Income:			
Continuing operations		18,501,143	16,591,199
At homes under refurbishment		640,381	623,243
		<u>19,141,524</u>	<u>17,214,442</u>
Total Expenditure:			
Continuing operations		16,838,670	16,265,705
At homes under refurbishment		1,009,787	916,777
		<u>-</u>	<u>-</u>
	10	<u>17,848,457</u>	<u>17,182,482</u>
Surplus on operations before exceptional item		1,293,067	31,960
Exceptional Gain	19	-	4,810,441
Surplus on operations after exceptional item		<u>1,293,067</u>	<u>4,842,401</u>
Realised (loss)/gain on disposal of motor vehicles		-	(3,348)
Surplus/(Deficit)/ on disposal of investments		225,093	(1,427,867)
Loss on exchange of foreign currency		<u>(13,013)</u>	<u>(105)</u>
Surplus for the year		<u>1,505,147</u>	<u>3,411,081</u>

- Total income comprises £18,616,549 for unrestricted funds, £523,416 for restricted funds and £1,559 for endowment funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.
- Detailed analyses of the expenditure are provided in the Statement of Financial Activities and note 10.
- There was a surplus on operations (Net Incoming Resources) of £1,293,067 comprising of a surplus of £1,261,508 in unrestricted funds, a surplus of £30,000 in restricted funds and a surplus of £1,559 in endowment funds, as shown in the Statement of Financial Activities.
- The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on pages 8 and 9 which, together with the notes on pages 14 to 26, provides full information on the movements during the year on all funds of the Trust.

**Elizabeth Finn Trust**  
**Consolidated Statement of Total Recognised Gains and Losses**  
**For the year ended 31st March 2004**

	Note	2004 £	2003 £
Surplus for the year as shown in the Income and Expenditure Account, page 11		1,505,147	3,411,081
Unrealised gains/(losses) on investments included in the Statement of Financial Activities, page 9	12	<u>1,997,049</u>	<u>(2,198,513)</u>
Net Movement in Funds as shown in the Statement of Financial Activities, page 9		<u><u>3,502,196</u></u>	<u><u>1,212,568</u></u>

**Elizabeth Finn Trust**  
**Consolidated Cash Flow Statement**  
**For the year ended 31st March 2004**

	Notes	2004	2003	
		£	£	
<b>Net Cash Outflow Movement in Funds</b>	a) below	6,595,028	(9,191,127)	
Returns on Investments and servicing of Finance Investment Income	9	<u>1,362,202</u>	<u>1,156,176</u>	
		1,362,202	1,156,176	
<b>Capital Expenditure and Financial Investment</b>				
Price adjustment to the build costs of the Cotswold Home	11	18,000		
Proceeds from sale of motor vehicles		-	1,080	
Proceeds from sale of Vicarage Gate House	19	-	7,000,000	
Payments to acquire investment securities	12	(19,341,268)	(11,883,772)	
Receipts from sale of investment securities	12	<u>10,706,819</u>	<u>19,513,888</u>	
		<u>(8,616,449)</u>	<u>14,631,196</u>	
<b>(Decrease)/Increase in Cash</b>	b) below	<u>(659,219)</u>	<u>6,596,245</u>	
<b>a) Reconciliation of Net Movement in Funds to Net Cash Inflow/(Outflow)</b>				
		£	£	
Net incoming resources before revaluations and investment asset disposals		1,293,067	4,842,401	
Depreciation charges		176,248	188,297	
Decrease/(increase) in debtors		6,913,207	(6,890,614)	
(Decrease)/increase in creditors		(412,279)	473,927	
Profit on sale of Vicarage Gate House (Sale proceeds less historic book value)	19	-	(6,648,857)	
Investment income	9	(1,362,202)	(1,156,176)	
Foreign exchange loss		<u>(13,013)</u>	<u>(105)</u>	
<b>Net Cash Inflow/(Outflow) from Movements in Funds</b>		<u>6,595,028</u>	<u>(9,191,127)</u>	
<b>b) Cash at Bank and in Hand</b>				
		Balance at 31.3.2003	Movements in the Year	Balance at 31.3.2004
		£	£	£
Cash awaiting investment		9,510,539	(386,410)	9,124,129
Other cash		<u>1,710,386</u>	<u>(272,809)</u>	<u>1,437,577</u>
Total cash at bank and in hand		<u>11,220,925</u>	<u>(659,219)</u>	<u>10,561,706</u>

The analysis of net cash is disclosed in note 14 to the accounts.

**Elizabeth Finn Trust**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31st March 2004**

**1 Status of Company**

The Elizabeth Finn Trust is a company limited by guarantee and not having a share capital.

Ordinary members of the Trust are each required to contribute annually. All members, in the event of the Trust 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 Trust is a registered charity - No. 207812, and has no taxable activities. The Trust is, however, unable to reclaim VAT on expenditure incurred, although it does benefit from the zero rating of certain supplies.

**2 The Trust's Homes comprise:**

Colehaven, Coleshill, Birmingham  
The Cotswold Home, Burford, Oxon  
Eversfield, Reigate, Surrey  
Greathed Lodge, St. John's Wood, London  
Grove Court, Woodbridge, Suffolk  
Halliwell, Tunbridge Wells  
Hampden House, Harrogate  
The Lodge, Exeter  
Merlewood, Virginia Water, Surrey  
Rashwood, Wychbold, Worcestershire  
Rush Court, Wallingford, Oxon  
Condoover House, Eastbourne  
(administered on behalf of the Florence Cohen Trust)

**3 Accounting Policies**

The accounting policies have remained unchanged from the previous year.

- a) The accounts are prepared on a historical cost basis, except for investments as described in e) overleaf, and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (2000 Revised).
- b) Group Accounts  
These Financial Statements consolidate the results of the Charity and its wholly owned subsidiary Elizabeth Finn Trading Limited on a line by line basis.
- c) Income is credited to the Statement of Financial Activities and the Income and Expenditure Account on an accruals basis except that donations, legacies and investment income are not credited until received.
- d) Expenditure is charged to the Statement of Financial Activities and the Income and Expenditure Account on an accruals basis including the charge for VAT which is not recoverable.
- e) Fixed Assets  
Depreciation is provided as follows:
  - i) Freehold buildings 2% on the reducing balance basis
  - ii) Mini Buses and Motor Cars 25% on the reducing balance basis
  - iii) Derry Street office refurbishment 10% on a straight line basis

Expenditure on the renovation and refurbishment of existing Homes is written off to revenue as it is incurred. Expenditure on building new Homes is capitalised, although the cost of equipping them is charged to revenue. The Trustees believe that this policy generally reflects the economic life of the expenditure incurred and that the recoverable amounts and the present value of the future cash flows of the equipment would be negligible.

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

# Elizabeth Finn Trust

## Notes to the Consolidated Financial Statements

### For the year ended 31st March 2004 (Continued)

#### 3 Accounting Policies (Continued)

- f) Investments are stated at market valuation as at 31st March 2004. Gains and losses on disposal and revaluation of investments are charged or credited to the Statement of Financial Activities.
- g) Foreign currency balances have been converted at the rate ruling at 31st March 2004.
- h) Benefactors sometimes express a wish that their legacy or gift should be used for a defined purpose. If this purpose is more limited than the full objectives of the Trust, such income is treated in the Statement of Financial Activities as restricted and any balance unspent at the end of the financial year is described as Restricted Funds on the Balance Sheet. Likewise, the Trust has five permanent endowments, the capital and income of which are shown separately in the Statement of Financial Activities and on the Balance Sheet and are referred to in Note 17.

Staff costs have been allocated between Homes, Advice to Beneficiaries, Fundraising, Communications and Administration according to the duties and responsibilities of the staff

- i) concerned. Other overheads have been allocated on the basis of staff costs.
- j) Certain expenditure relating to fundraising events has been netted off against income from the same events.

- k) Unrestricted funds - these are funds than can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds - are funds that have been set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular

Endowment funds - these represent funds held in trust for the charity.

For further details on endowment funds see note 17 to the accounts.

- l) Pension Fund details are set out in note 20.

#### 4 Staff Costs

Aggregate staff costs are made up as follows:

	2004 £	2003 £
Wages and salaries	8,451,205	8,039,749
Agency fees	250,712	158,184
Social security costs	717,161	611,875
Other pension costs (note 20)	362,348	376,990
Other staff related costs	313,136	249,992
	<u>10,094,562</u>	<u>9,436,790</u>



**Elizabeth Finn Trust**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31st March 2003 (Continued)**

**5 Employees**

The average number of employees, both full and part time, during the year was 696 (2003: 733). The total comprised:

	2004 Full-time	2004 Part-time
In the Homes	281	369
At Headquarters:		
Homes Department	3	-
Casework	9	1
Property services	3	-
Development and Communications, including Regional Co-ordinators	10	1
Finance	7	3
Personnel	4	-
Chief Executive's Department (including IT)	4	1

The number of staff whose emoluments fell within each of the following bands was:

	2004	2003
£50,000 to £59,999	2	3
£60,000 to £69,999	1	-
£70,000 to £79,999	-	1
£80,000 to £89,999	1	-

Emoluments for this purpose equate to gross salaries.

**6 Trustees' Remuneration and Expenses**

None of the Trustees received any remuneration from the Trust during the year. Expenses totalling £89 (2003: £47) were reimbursed to two Trustees (2003: one Trustee) for costs incurred in attending meetings.

During the year the company provided indemnity insurance for the Trustees at a cost of £9,975 (2003: £6,300).

**Elizabeth Finn Trust**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31st March 2004 (Continued)**

**7 Trustees' Interest in Contract**

No Trustee had any interest in any contract entered into or in services during the year (2003: none).

**8 Donations**

	2004	2003
	£	£
These comprise:		
Donations	303,288	346,386
Income Tax recovered	7,250	4,511
Special events	86,679	68,655
County treasurers	<u>134,736</u>	<u>128,474</u>
	<u><u>531,953</u></u>	<u><u>548,026</u></u>

**9 Income from Listed Investments and Deposits**

	2004	2003
	£	£
Dividends from listed equity investments	221,486	256,514
Interest on bonds and cash deposits	<u>1,140,716</u>	<u>899,662</u>
	<u><u>1,362,202</u></u>	<u><u>1,156,176</u></u>

**Elizabeth Finn Trust**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31st March 2004 (Continued)**

**10 Resources Expended**

	Homes £	Advice Grants and Allowances £	Dementia £	Marketing and Communications £	Fundraising £	Investment Management Fees £	Headquarters Administration £	2004 Total £	2003 Total £
<b>Costs of Generating Funds</b>									
Investment managers fees	-	-	-	-	-	97,045	-	97,045	77,018
Fundraising:									
Staff	-	-	-	-	129,436	-	-	129,436	85,076
Other operating costs	-	-	-	-	187,513	-	-	187,513	209,411
<b>Sub-total (a)</b>	-	-	-	-	316,949	97,045	-	413,994	371,505
<b>Direct Costs</b>									
Staff	8,296,257	-	-	-	-	-	-	8,296,257	7,690,522
Depreciation	148,326	-	-	-	-	-	-	148,326	160,375
Other operating costs	4,240,785	-	-	-	-	-	-	4,240,785	3,968,229
Grants and allowances	-	1,971,724	-	-	-	-	-	1,971,724	1,958,700
Outside services	-	-	1,719	334	2,028	-	-	4,081	10,151
Refurbishment of existing homes and equipping of new homes	217,823	-	-	-	-	-	-	217,823	676,628
<b>Sub-total (b)</b>	12,903,191	(1) 1,971,724	1,719	334	2,028	-	-	14,878,996	14,464,605
<b>Headquarters' Costs</b>									
Staff	905,067	379,019 (2)	-	287,924	32,611	-	64,248	1,668,869	1,649,245
Depreciation	14,053	5,885	-	4,470	2,516	-	998	27,922	27,922
Other operating costs	310,111	133,875	-	314,804	55,523	-	22,014	836,327	650,734
Auditors' remuneration	11,248	4,711	-	3,578	2,014	-	798	22,349	18,471
<b>Sub-total (c)</b>	1,240,479	(3) 523,490	(3)	610,776	92,664	-	88,058	2,555,467	2,346,372
<b>Sub-total (b + c)</b>	14,143,670	2,495,214	1,719	611,110	94,692	-	88,058	17,434,463	16,810,977
<b>Total Resources Expended</b>	14,143,670	2,495,214	1,719	611,110	411,641	97,045	88,058	17,848,457	17,182,482

Notes (1) This comprises £11,893,404 spent on Homes on an ongoing basis and £1,009,787 spent on Homes being refurbished and is described as such in the Statement of Financial Activities.

(2) Includes cost of advising 1,650 applicants.

(3) Reported on the Statement of Financial Activities as Support Costs totalling £1,763,969.

(4) In addition the auditors received £10,635 for non audit services.

**Elizabeth Finn Trust**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31st March 2004 (Continued)**

11 Tangible Fixed Assets	Land £	Freehold Buildings £	Furniture and Equipment £	Derry Street Offices £	Mini Buses and Motor Cars £	Total £
Cost at 1st April 2003	1,703,126	8,203,219	1,145,183	279,224	268,256	11,599,008
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Price Adjustment	-	(18,000)	-	-	-	(18,000)
Cost at 31st March 2004	1,703,126	8,185,219	1,145,183	279,224	268,256	11,581,008
Depreciation at 1st April 2003	-	1,415,046	1,145,183	251,302	216,568	3,028,099
Written back on disposals	-	-	-	-	-	-
Charge for year	-	135,404	-	27,922	12,922	176,248
Depreciation at 31st March 2004	-	1,550,450	1,145,183	279,224	229,490	3,204,347
<b>Net Book Value at</b>						
31st March 2004	1,703,126	6,634,769	-	-	38,766	8,376,661
31st March 2003	1,703,126	6,788,173	-	27,922	51,688	8,570,909

With the exception of Derry Street Offices above, all fixed assets are used for direct charitable purposes.

**Elizabeth Finn Trust**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31st March 2004 (Continued)**

12 Investments Group	Land at Cost £	Listed		Total £
		Unrestricted £	Endowed £	
Valuation at 1st April 2003	165,000	15,838,386	297,217	16,300,603
Additions	-	19,341,268	-	19,341,268
Disposals at opening book values (proceeds: £10,706,819; gains: £225,093)	-	(10,481,726)	-	(10,481,726)
Net unrealised gains	-	1,956,556	40,493	1,997,049
Valuation at 31st March 2004	165,000	26,654,484	337,710	27,157,194

Market Value	Listed		Total £
	UK £	Overseas £	
31st March 2004	14,894,358	12,097,836	26,992,194
31st March 2003	9,077,259	7,058,344	16,135,603
		2004 £	2003 £
Historical Cost as at 31st March		25,211,054	17,090,828

At 31st March 2004 there were two holdings that exceeded 5% of the value of the portfolio. These were £1,830,000 of Thames Water Utilities 3.375% Index Linked (market value: £2,034,960) and £955,000 of Treasury 2.5% Index Linked Notes 2013 (market value: £2,054,778). (2003: £5,900,000 of bonds with a market value of £6,250,670).

**Unlisted Investments**

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

The Charity owns the whole of the ordinary share capital, consisting of two ordinary shares of £1 each, of Elizabeth Finn Trading Limited. The subsidiary company was dormant throughout the period.

13 Debtors	Group 2004 £	Company 2004 £	Group 2003 £	Company 2003 £
Trade debtors	119,910	119,910	118,086	118,086
Amounts due from subsidiary undertaking	-	100,000	-	7,100,000
Other debtors	235,564	235,564	7,220,047	220,047
Prepayments and accrued income	251,162	251,162	181,710	181,710
	606,636	706,636	7,519,843	7,619,843

Group other debtors at the 31st March 2004 included £Nil (2003: £7,000,000 due with respect to the sale of Vicarage Gate House).

All the above are recoverable within one year.

14 Cash at Bank	2004 £	2003 £
<b>General Purposes</b>		
Cash on deposit and at bank allocated to meet scheduled development expenditure	1,426,676	1,699,786
Cash in hand	10,700	10,400
	1,437,376	1,710,186
<b>Awaiting Investment</b>		
Cash on deposit	9,124,129	9,510,539
<b>Specific Purposes</b>		
Cash on deposit at bank	201	200
	10,561,706	11,220,925

**Elizabeth Finn Trust**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31st March 2004 (Continued)**

15 Creditors: Amounts falling due within one year	Group 2004 £	Company 2004 £	Group 2003 £	Company 2003 £
Trade creditors	627,891	627,891	456,012	456,012
Social security and other taxes	206,530	206,530	186,373	186,373
Accruals and deferred income	370,212	470,214	843,567	943,569
Provision (note 19)	369,040	369,040	500,000	500,000
	<u>1,573,673</u>	<u>1,673,675</u>	<u>1,985,952</u>	<u>2,085,954</u>

Analysis of Deferred Income	2004 £	2003 £
Balance brought forward at 1st April	(165,021)	(73,495)
Deferred during the year	166,459	165,021
Amounts released during the year	165,021	73,495
Balance carried forward at 31st March	<u>166,459</u>	<u>165,021</u>

16 Reconciliation of Movements in Funds	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Endowment Funds £	Total £
Balances at 1st April 2002	40,025,250	63,973	-	324,537	40,413,760
Net movement in funds for the year	<u>953,671</u>	<u>286,017</u>	<u>-</u>	<u>(27,120)</u>	<u>1,212,568</u>
Balances at 1st April 2003	<u>40,978,921</u>	<u>349,990</u>	<u>-</u>	<u>297,417</u>	<u>41,626,328</u>
Net movement in funds for the year	<u>3,248,514</u>	<u>181,630</u>	<u>30,000</u>	<u>42,052</u>	<u>3,502,196</u>
Balances at 31st March 2004	<u>44,227,435</u>	<u>531,620</u>	<u>30,000</u>	<u>339,469</u>	<u>45,128,524</u>

The Trustees have determined that expenditure on planned preventative maintenance be charged against a designated fund. This fund is credited each year with an appropriate sum based on a ten year programme to ensure the continuing maintenance of the Trust's properties.

Restricted Funds comprise £30,000 donated towards the garden room project at the Cotswold Home.

Unrestricted funds, as at the year end, are sufficient to cover any deficits with respect to Pensions (note 20).

**Elizabeth Finn Trust**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31st March 2004 (Continued)**

17 Analysis of Net Assets between Funds	Unrestricted Fund	Designated Fund	Restricted Fund	Endowment Funds	Total
	£	£	£	£	£
Fixed assets	8,376,661	-	-	-	8,376,661
Investments	26,819,484	-	-	337,710	27,157,194
Net current assets	9,031,290	531,620	30,000	1,759	9,594,669
	<u>44,227,435</u>	<u>531,620</u>	<u>30,000</u>	<u>339,469</u>	<u>45,128,524</u>

**Endowment funds:**

Brighton, Hove and Sussex Gentlewomen's Aid Society (Charity No. 211846)

The income of the Society is used to support beneficiaries of the Elizabeth Finn Trust living in Sussex.

The Colehaven Trust (Charity No. 218609) and The Ellen Stanley Coleman Colehaven Trust (Charity No. 218609/1)

The income from these Trusts is used to defray the cost of operating sheltered housing in Colehaven.

The C.J. and E.J. Melbourne Trust (Charity No. 207812/1)

The income supports the general charitable activities of the the Elizabeth Finn Trust.

Miss Edna Lipson's Charity (Charity No. 207812/3)

The income supports the general charitable activities of the the Elizabeth Finn Trust.

**18 Commitments**

**Capital Commitments**

There was no capital expenditure committed and contracted for at 31st March 2004 (2003: £Nil).

There was £3.892 million of capital expenditure that had been approved but not contracted for at 31st March 2004 (2003: £Nil).

**Operating Lease Commitments**

At 31st March 2004 the Company had annual commitments under operating leases as set out below:

	Headquarters Premises 2004	Motor Vehicles 2004	Headquarters Premises 2003	Motor Vehicles 2003
	£	£	£	£
Commitments falling due within one year	120,042	-	-	-
Commitments falling due within two to five years	-	9,475	240,083	6,284
	<u>120,042</u>	<u>9,475</u>	<u>240,083</u>	<u>6,284</u>

The charge for Headquarters premises for the year at £225,420 (2003: £225,420) was less than the amount of £240,083 due to the benefit from a one year rent free period being spread over the term of the lease.

**Elizabeth Finn Trust**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31st March 2004 (Continued)**

**19 Exceptional Item and Restatement of Comparative Figures**

There were no exceptional items during the year to 31 March 2004 (2003: £4,810,441 net exceptional gain from the sale of Vicarage Gate House. This was after setting against the sale proceeds the original cost, disposal and selling expenses and a provision for the higher fees payable by former residents at their new Home). During the year £130,960 was utilised for this purpose.

	2004 £	2003 £
Gross Income:		
Fees received from residents of alternative accommodation		741,015
Proceeds from the sale of Vicarage Gate House		7,000,000
	-	7,741,015
Total Expenditure:		
Operating costs of alternative accommodation		1,896,263
Estimate for future years		500,000
Selling and preservation expenses at Vicarage Gate House		183,168
Historic book value of Vicarage Gate House		351,143
	-	2,930,574
Exceptional Gain	-	4,810,441

**20 Pension Schemes**

In 2001 the Trust closed its two pension schemes, one for defined contributions and the other for defined benefits, to new members. Newly appointed staff and others who had chosen not to join one of the two schemes are now offered Stakeholder Pensions. The Trustees are advised by Entegria Ltd who act as consultants for the Trust's pension arrangements. Details of the two schemes are:

- a) **The defined contribution scheme** (Closed to new members)  
The assets of the scheme are held separately from those of the Trust in an independently administered fund invested with Clerical Medical Investment Group Ltd. The pension charge represents contributions paid by the Trust to the fund and amounted to £204,899 (2003: £235,171). Contributions by the Trust and its employees remain at 10% and 5% respectively.
- b) **The defined benefit scheme** (Closed to new members)  
The Trust operates this pension scheme to provide benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Trust, being invested with Clerical Medical Investment Group Ltd. Contributions to the scheme are charged in the Statement of Financial Activities and in the Income and Expenditure Account so as to spread the cost of pensions over employees' working lives with the Trust. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation on this basis was at 1st July 2002 and his valuation for the purpose of FRS 17 as at 31st March 2004 disclosed a deficit in the scheme of £585,000.



# Elizabeth Finn Trust

## Notes to the Consolidated Financial Statements

### For the year ended 31st March 2004 (Continued)

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 increases in salaries and pensions. It was assumed for the purposes of FRS 17 at 31st March 2004 that the investment returns would be 5.5% per annum (31st March 2003: 5.5%), that salary increases would average 4.00% per annum (31st March 2003: 4.00%), and that present and future pensions would increase at the rate of 2.75% per annum (31st March 2003: 2.50%). The pension charge for the year was £114,262 (2003: £103,304).

The 1st July 2002 actuarial valuation showed that the market value of the scheme's assets was £1,531,000 and that this actuarial value represented 86% of the value of the benefits that had accrued to members, after allowing for expected future increases in earnings. The Elizabeth Finn Trust and the Pension Scheme Trustees have since paid into the scheme the £75,000 that had been provided for against an anticipated shortfall in the 2002 accounts, thus offsetting part of this 14% shortfall, and have retained the existing contribution rates.

The results of the actuarial valuation carried out at 1st July 2002 have been projected forward to 31st March 2004 and have then been recalculated for the purpose of reporting under FRS 17 based on the following assumptions:

	2004	2003
Rate of increase in salaries	4.00%	4.00%
Increases for pensions in payment	2.75%	2.50%
Liability discount rate	5.50%	5.50%
Inflation assumption	2.75%	2.50%
Revaluation of deferred pensions	2.75%	2.50%

The assets in the scheme and the expected rates of return were:

	Long-term rate of return expected at 2004	Value at 2004 £000s	Long-term rate of return expected at 2003	Value at 2003 £000s
Equities	7.50%	690	7.00%	593
Bonds	5.00%	713	4.00%	724
Property	7.00%	0	7.00%	0
Cash	4.00%	52	4.00%	91
<b>Total market value of assets</b>		<b>1,455</b>		<b>1,408</b>
<b>Present value of scheme liabilities</b>		<b>(2,040)</b>		<b>(2,098)</b>
<b>Deficit in the scheme</b>		<b>(585)</b>		<b>(690)</b>

**Elizabeth Finn Trust**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31st March 2004 (Continued)**

**Analysis of the amount that would be charged to operating profit:**

	2004 £000s	2003 £000s
Current service cost	139	112
Past service cost	-	-
Loss/(Gain) on curtailment	0	0
<b>Total operating charge</b>	<b>139</b>	<b>112</b>

**Analysis of the amount that would be credited to other finance income:**

	2004 £000s	2003 £000s
Expected return on pension scheme assets	67	89
Interest on pension scheme liabilities	(106)	(107)
<b>Net return</b>	<b>(39)</b>	<b>(18)</b>

**Analysis of amount that would be recognised in statement of total recognised gains and losses (STRGL):**

	2004 £000s	2003 £000s
Actual return less expected return on pension scheme assets	264	(244)
Experience gains and losses arising on the scheme liabilities	(104)	(55)
Changes in assumptions underlying the present value of the scheme liabilities	(68)	(144)
<b>Actuarial gain recognised in STRGL</b>	<b>92</b>	<b>(443)</b>

**Movement in surplus during the year:**

	2004 £000s	2003 £000s
Surplus (deficit) in scheme at start of year	(690)	(230)

**Movement in year:**

Current service cost	(139)	(112)
Contributions	191	113
Past service costs	-	-
Other finance income	(39)	(18)
Actuarial gain/(loss)	92	(443)
Curtailment	0	0
<b>Surplus/(deficit) in scheme at year end</b>	<b>(585)</b>	<b>(690)</b>

Following the full actuarial valuation of 1st July 2002 employer contributions have been agreed at the rate of 18.25 as a percentage of pensionable pay plus the special contribution of £75,000 referred to earlier in this Note. In addition the employer meets the expenses of the Scheme and the cost of insuring death in service benefits. Active members pay at the rate of 4.25 per cent of pensionable pay.

**Elizabeth Finn Trust**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31st March 2004 (Continued)**

**History of experience gains and losses**

	2004	2003
<b>Difference between the expected and actual return on scheme assets:</b>		
amount (£000s)	264	(244)
percentage of the scheme assets	18%	(17%)
<b>Experience gains and losses on scheme liabilities</b>		
amount (£000s)	(104)	(55)
percentage of the present value of the scheme liabilities	(5%)	(3%)
<b>Total amount recognised in statement of total recognised gains and losses</b>		
amount (£000s)	92	(443)
percentage of the present value of the scheme liabilities	5%	(21%)

Before their closure to new members, the Trust had allowed staff to opt out of the two pension schemes and had on request made payment to personal pension plans held by those staff. The basis of payment and cost is the same as for the company pension schemes and payments in the year totalled £14,235 (2003: £20,273) and was in respect of those employees. In addition £16,794 (2003: £6,295) was paid into staff Stakeholder Pensions and top-up pensions of £12,158 were paid to former members of staff (2003: £11,947).

**21 Trading Subsidiary and Related Party Transactions**

The Trust has one wholly owned trading subsidiary which is incorporated in the UK. Elizabeth Finn Trading Limited donates any distributable profits to the Trust each year by gift aid. During the year there was no trading activity (2003: the only trading activity was the purchase and sale of the property Vicarage Gate House (note 19)).

The Trust has taken advantage of the exemption in the Financial Reporting Standard Number 8, from the requirement to disclose transactions with group companies, on the grounds that consolidated financial statements are prepared.

As permitted by Section 230 of the Companies Act 1985, the profit and loss of the of the subsidiary company is not presented as part of these financial statements. The group net incoming resources for the year to the 31st March 2004 £19,141,524 (2003: £17,214,442) includes a profit of £nil (2003: £nil), which is dealt with in the financial statements of the subsidiary company.