

**Registered Charity Number: 1142529**

**THE CAXTON FOUNDATION  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2014**

# THE CAXTON FOUNDATION

## TRUSTEE'S REPORT

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## **THE CAXTON FOUNDATION**

### **TRUSTEE'S REPORT**

#### **STATEMENT FROM CHAIR OF CAXTON TRUSTEE LIMITED**

The Caxton Foundation (Caxton) has faced a very busy and challenging year and, although much work remains, significant progress has been made.

The Board now has a vision and outline strategy for the organisation. As a consequence of the strategy, the performance of the organisation was evaluated during the year to understand better the effectiveness of the service provided to beneficiaries. As a result of that review, the Chief Executive undertook a restructuring of the Welfare Team. A key aim of this restructuring was to improve the management of grant applications submitted by beneficiaries, and in particular to reduce turnaround times. Consequently there has been a real improvement in the timescale in which grant applications are managed and considered, and in the consistency of our responses. Much of the work of reviewing and agreeing grant applications falls to the very small Welfare Team and the National Welfare Committee. I am very grateful for the hard work undertaken by the Team and that Committee, formerly chaired by Charles Lister, and now chaired by Richard Finlay, for the considerable time, effort and thought they have given to considering the applications made. We also continued to provide support to beneficiaries through the provision of specialist benefits and money management advice.

From the trends in the applications for assistance that have been received, the Board has recognised that some of Caxton's beneficiaries face particularly difficult financial circumstances. To help alleviate these, a business case for additional resources to implement a regular payments scheme was submitted to the Department of Health (DH) at the end of 2013. However, although the DH was supportive in principle, the very tight financial settlement within the Department meant that the business case could not be funded. In spite of this, the Board has agreed to establish a modified scheme during 2014 from within available resources, which we shall evaluate in 2015.

The Board is also aware that further improvement is needed in relation to communication with actual and potential beneficiaries. One of the new areas of work for the Welfare Team, and the new Director of Operations, will be to improve the information that is available to beneficiaries, and to establish a more effective system through which they can feed back any concerns to us. We are also aiming to hold a series of regionally-based meetings with beneficiaries in the autumn of 2014 to ascertain their views on the services they would find it useful for us to provide, and to update them regarding the types of services we currently offer and the scope of the grants that we are able to make as a consequence of our charitable status.

We have established a Partnership Group, and this met twice during the year, but we remain concerned that this Group does not yet have representation from all of our key stakeholders. We shall be mapping out our stakeholders over the next few months and adjusting membership of the Group to ensure that it becomes fully representative.

Finally, the Board has both lost and gained directors during the year. We were very sorry to receive the resignation of Fiona Edwards in November, but were very pleased to recruit Margaret Kennedy to the Board as someone with experience of living with Hepatitis C. I am very grateful to Jan Barlow, the Chief Executive, and her team, and my fellow Board Directors, for their hard work, diligence, wisdom and encouragement during the past year, and for the real ambition that they have shown to meet the charitable needs of Caxton's beneficiary community.

**Ann Lloyd CBE**  
**Chair of Caxton Trustee Limited**

# THE CAXTON FOUNDATION

## TRUSTEE'S REPORT

**Registered Charity Number 1142529**

**Registered Address**

Alliance House  
12 Caxton Street  
London SW1H 0QS

[www.caxtonfoundation.org.uk](http://www.caxtonfoundation.org.uk)

**Trustee**

Caxton Trustee Limited

**Directors of Caxton Trustee Limited**

Ann Lloyd CBE (Chair)  
Charles Lister OBE (Deputy Chair)  
Fiona Edwards (resigned November 2013)  
Richard Finlay  
Margaret Kennedy (appointed January 2014)  
Mary Leadbeater  
Alan Rook  
Vijay Sharma  
David Atterbury Thomas  
Professor Howard Thomas  
Miranda Winram

**Chief Executive**

Jan Barlow

**Bankers**

Lloyds TSB Bank  
Butler Place Branch, PO Box 132  
Caxton Street  
Westminster SW1H 0PR

**Solicitors**

**Governance & Charity Law**

Wilson Solicitors LLP  
Steynings House,  
Summerlock Approach, Salisbury  
Wiltshire, SP2 7RJ

**Employment Law**

David Downton & Co  
Harefield Chambers,  
2 Brook Farm  
Northampton Road, Cosgrove  
Milton Keynes MK19 7BB

**Property Law**

Fuller Brooks Millikin,  
4 Cricklade Court,  
Cricklade Street,  
Old Town,  
Swindon SN1 3EY

**Auditors**

Ward Williams  
Belgrave House, 39-43 Monument Hill  
Weybridge, Surrey, KT13 8RN

## THE CAXTON FOUNDATION

### TRUSTEE'S REPORT

#### GOVERNANCE AND ADMINISTRATION

Caxton is directed by Caxton Trustee Limited (CTL), a company limited by guarantee, the board of which comprises those who would otherwise have been individual Trustees with unlimited personal liability. CTL is bound by Caxton's Trust Deed. The appointments of the directors of Caxton Trustee Ltd are approved by the Health Minister. Upon appointment, each board member is given a comprehensive induction pack and visits Caxton's offices for briefing and operational information. Caxton currently has three board sub-committees: a National Welfare Committee, an Audit Committee, and an Employment Affairs Committee.

Five organisations involved in supporting people infected with HIV and/or Hepatitis C operate out of Alliance House; three of these are charities and two are limited companies. Details of these 5 organisations are set out below. All are wholly-funded by the DH.

Since its establishment in 2011, Caxton has provided administrative support to the other four Alliance House entities. It acts as the employer for all staff. The "service delivery" costs for staff and rent are shared according to the budgeted operating costs across the Alliance House entities; in the case of the Macfarlane Trust, there is a Service Level Agreement with Caxton. The DH pays Caxton directly for these service delivery costs for all 5 Alliance House entities. Some staff are employed solely to work on one particular organisation, others undertake work for more than one.

**The Macfarlane Trust**, registered charity number 298863, was set up in 1988 to support people with haemophilia who were infected with HIV as a result of contaminated NHS blood products, and their spouses, parents, children and dependents. There are no joint board members between Caxton and MFT, but there is a Joint Liaison Committee, comprising members of the Caxton and MFT boards, which oversees the Service Level Agreement between the two organisations.

**Eileen Trust**, a registered charity number 1028027, was set up in 1993 to support people without haemophilia who were infected with HIV as a result of contaminated blood or tissue products. Three Trustees of MFT are also Trustees of the Eileen Trust.

**MFET Limited** (The Macfarlane & Eileen Trust Ltd), a registered company number 07121661, was set up in 2010 to make non-discretionary payments to infected registrants of the Macfarlane Trust and the Eileen Trust, ie to people infected with HIV as a result of contaminated blood/blood products/tissue. The Chair of MFT and the Chair of the Eileen Trust are sole Directors of MFET.

**Skipton Fund Limited**, a registered company number 05084964, was set up in 2004 to make payments to certain people who were chronically infected with Hepatitis C through treatment with NHS blood or blood products prior to September 1991 and other persons eligible for payment in accordance with the scheme's provisions. The Scheme makes Stage 1 and Stage 2 lump sum payments. Stage 1 payments to people who can prove, on the balance of probabilities, that they were infected with NHS blood/blood products, regardless of the stage of progression of the infection, or the impact it is having on their health or lives. Stage 2 payments are made to those who have progressed to categories of advanced liver disease or B cell non-Hodgkin's lymphoma. In addition, those who have received a Stage 2 lump sum payment also receive an annual payment. Two Trustees of MFT and one Caxton board member are currently Directors of Skipton.

#### OPERATIONAL REVIEW

##### **Objectives**

Caxton's objectives, as specified in its Trust Deed, are to provide financial assistance and other benefits to meet any charitable need of:

- individuals who have received blood, blood products or tissues from the National Health Service and in consequence have been infected with Hepatitis C, and any individual who has been so

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infected by such a person, each of whom has received a non-discretionary Stage 1 payment from Skipton (these people being termed Primary Beneficiaries); and

- the partners, parents, carers, children and dependants both of Primary Beneficiaries who have died, and of any other individuals who died before 29 August 2003 and whose estates have received a payment from Skipton.

#### **Vision, Mission, Values**

**Vision:** Caxton wants everyone who has been affected by Hepatitis C derived from the NHS to be able to live a positive, fulfilling and independent life.

**Mission:** We will reach out to all those affected by Hepatitis C derived from the NHS and work with them to improve the quality of their lives.

#### **Values:**

**Respect** – We will treat our beneficiaries with respect

**Fairness** – We will treat our beneficiaries fairly and consistently

**Sound stewardship** – We will use our resources in the most efficient way

**Confidentiality** – We will respect the confidentiality of all our beneficiaries

**Caring and responsiveness** – We will be caring and responsive in the way we engage with our beneficiaries

**Empowerment** – We will support our beneficiaries in ways which help them to live fulfilling and independent lives and try to be as creative as possible when developing policy

**Engaging** – We will work to engage our beneficiaries and other stakeholders in developing policy, and consult them about our plans for the future

#### **How Caxton's activities deliver public benefit**

The Trustee has referred to the Charity Commission's guidance on public benefit when reviewing the charity's objectives and in planning its future activities. In particular, it considers how planned activities will contribute to the objectives that have been set.

Caxton's main activities and those whom it seeks to help are described below. All the charitable activities of Caxton focus on its main objectives and are undertaken to further its charitable purposes for the benefit of others.

#### **Skipton and Caxton**

Skipton makes two levels of lump sum payment and a regular payment:

##### Stage 1 payment of £20,000

Stage 1 payments are made to people (or to the estates of such people who have died) who were chronically infected with Hepatitis C. Skipton has made over 5,100 Stage 1 payments, and continues to make about 100 new Stage 1 payments annually.

##### Stage 2 payment of £50,000

Stage 2 payments are made to people (or to the estates of such people who have died) whose Hepatitis C infection has led to cirrhosis, primary liver cancer, the need for a liver transplant or to B-cell non-Hodgkin's lymphoma. The Stage 2 payment, initially set at £25,000, was doubled at the same time as the intention to set up Caxton was announced. By 31 March 2014 nearly 1500 Stage 2 payments had been made, 29% of the number of Stage 1 payments, a proportion which is gradually rising.

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### Regular annual payment

Living recipients of Stage 2 payments receive annual payments from Skipton, in monthly or quarterly instalments, which in the year under review amounted to £14,191. The annual payment rises each year in line with the Consumer Prices Index (CPI).

### **Caxton's beneficiary community**

By the end of March 2014 695 primary beneficiaries, widows and dependants had registered with Caxton following receipt of a Stage 1 Skipton payment. This was an increase from 555 at the end of 2012/13.

Estimates have been made of the possible numbers of primary beneficiaries. Factors taken into account when making these estimates, based on Skipton's Stage 1 payments, are the rate of mortality, the prevalence of asymptomatic Hepatitis C and the success rate of anti-viral treatment, all of which have to be estimated. The best estimates made so far suggest that the potential total number of primary beneficiaries might be in the region of 1600, with potentially 400 dependent families. The number of Caxton registrants continues to increase, and in addition, work will be done in 2014/15 to ensure clinicians in relevant clinical areas are aware of Caxton so that they can signpost patients to the organisation for support.

### **Support to beneficiaries in 2013/14 and future plans**

The National Welfare Committee (NWC) is a subcommittee of the board, and meets approximately every 6 weeks to consider grant applications. In between meetings there is also a mechanism for the NWC to consider urgent requests; in emergencies, we have been able to approve applications within 24 hours once all the necessary information has been received from a beneficiary. Certain grants can also be approved by staff, working to criteria set by the board, to enable many routine grant requests to be processed more quickly than through the NWC. Staff can be involved in detailed case work with individual beneficiaries as part of the process which results in financial support being provided. During the year, the grants process was streamlined further, and average turnaround times for grant approvals were reduced.

The types of support that have been provided have been quite wide-ranging, and some of the most common types of assistance provided have included:

- financial support whilst people undergo treatment for Hepatitis C to ensure that the prospect of loss of earnings and additional costs associated with the treatment, such as travel, do not deter people from opting for treatment
- respite breaks for those with Hepatitis C and their spouses/partners/carers
- health and mobility-related repairs and adaptations to people's homes
- support with debt and money management, including referrals to a specialist debt counsellor and benefits adviser
- financial assistance with the purchase of essential household items
- support with vehicle maintenance costs to ensure people can retain their mobility and independence
- financial support to enable people to undergo re-training

Registrants have also received a winter fuel payment during 2013/14 to assist with the increased fuel bills associated with having Hepatitis C.

When Caxton was set up, because of the uncertainty around the number of people who would come forward for support, a poverty benchmark of £14,000 income per annum based on external benchmarks was initially set, and people were asked to declare full details of their financial circumstances at the time of registration. In practice it has not proved necessary to apply this benchmark, and therefore during 2013/14 the organisation stopped requesting this information as routine from everyone when they

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### TRUSTEE'S REPORT

register. However, experience has shown that having information regarding clients' income and expenditure situation when grant applications are being considered has been beneficial. Often, the item for which support is being requested is symptomatic of a deeper, underlying problem, particularly in relation to debt, money management, and accessing benefits. We have been able to offer people far more holistic support as a result of having information about household finances and therefore, even though we don't request this from everyone on registration, we continue to request this information as part of the grant application process.

During the course of 2013/14 the new Chief Executive, with board approval, undertook a restructuring of the Welfare Team. This led to the redundancy of the Welfare Manager role and the creation of a new Director of Operations, a post which is shared with the Macfarlane Trust (as the Welfare Manager role had been). The Director role will focus on improving further the way in which beneficiaries are supported, including the grants process and the development of partnerships with other organisations to whom beneficiaries can be signposted for support that Caxton, with its limited resources, is unable to provide.

In June 2013 the first meeting of the Partnership Group was held. This forum is designed to enable Caxton to discuss matters of policy and common interest with Caxton beneficiaries and other stakeholders. The Group has initially been made up of members of the various campaign groups on contaminated blood. In 2014/15 it is hoped to broaden the membership of this group to have representatives from the different subsections of Caxton's beneficiary community and get feedback from beneficiaries who are not involved in political campaigning.

It has become increasingly clear from the trends in grant applications which the NWC considers, that there is a significant proportion of the Caxton beneficiary community who are living on extremely low incomes. At the end of 2013, Caxton submitted a business case to the DH for additional funding for a regular payments scheme to enable Caxton to provide regular support to those in most financial need. Unfortunately, the DH declined to grant additional funding for this purpose. In spite of this, during 2014/15 Caxton will seek to develop a limited regular payments scheme from within its existing financial allocation to try to support those on the lowest incomes.

#### **FINANCIAL REVIEW**

Caxton is funded wholly by the Department of Health in England (DH), which seeks reimbursement from the other UK Health Departments. The Caxton Chair and Chief Executive meet regularly with DH officials.

#### **Income**

During 2013/14, Caxton's income totalled £1,525,535. The vast majority of this came from DH, with a tiny amount of bank deposit interest.

#### **Expenditure**

During 2013/14 spend totalled £1,593,925 (2012/13: £1,392,450), of which £336,038 (2012/13: £348,548) related to support costs for the other Alliance House entities.

Of the £1,257,887 (2012/13: £1,043,902) that was spent on Caxton alone, £954,458 (2012/13: £699,318) was spent on support to beneficiaries, in the form of grants, benefits advice, and winter payments. This figure also included £53,218 (2012/13: £125,425) which was committed and accrued for, for example in relation to grants awarded towards the end of the financial year but not yet paid to beneficiaries.

Of the remaining spend of £303,429 (2012/13: £344,584), £51,940 (2012/13: £60,132) was spent on governance and the remaining £251,489 (2012/13: £284,452) was spent on administration costs. This £303,429 represented 24% of total spend, down significantly from 33% in 2012/13. This was due to a



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reduction in governance and administration costs, together with increased spend on charitable activities during the year. The board is confident that the percentage spent on administration costs will decrease further in 2014/15.

The deficit of income over expenditure for the year of £68,930 is due to expenditure against restricted funds carried forward from the previous year (relating to set-up costs for Caxton and service delivery payments).

#### **Risk Assessment**

The Trustee has identified the major risks to which Caxton might be exposed and has satisfied itself, through regular and periodic reviews of these risks, that both the risk assessment and risk management procedures remain up to date and effective.

#### **Reserves Policy**

Caxton is required by the Charity Commission and by the Charities Statement of Recommended Practice to publish its policy on holding a financial reserve.

It has been agreed with the DH that Caxton will not hold a reserve, but will work to an operating balance to ensure an appropriate level of cash flow. This is kept under review.

#### **STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES**

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Trust Deed. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustee on .....7/8/14..... and signed on its behalf by



**Ann Lloyd CBE**  
**Chair of Caxton Trustee Limited**

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE OF**

### **THE CAXTON FOUNDATION**

We have audited the financial statements of The Caxton Foundation for the year ended 31 March 2014, as set out on pages 11 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's Trustee, as a body, in accordance with regulations made under Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustee as a body, for our audit work, for the audit report, or for the opinions we have formed.

#### **Respective responsibilities of trustee and auditors**

As explained more fully in the Trustee's Responsibilities Statement set out on page 9, the Trustee is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustee's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**


In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2014 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



**WARD WILLIAMS**  
**Statutory Auditors**

21/8/14.....

Belgrave House  
39-43 Monument Hill  
Weybridge  
Surrey KT13 8RN

Ward Williams is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**THE CAXTON FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 MARCH 2014**

	Note	Unrestricted	Restricted	2014	Unrestricted	Restricted	2013
	1(c)	General	Funds	Total	General	Funds	Total
		£	£	£	£	£	£
<b>Incoming resources</b>							
Incoming resources from generated funds	2						
Voluntary income		1,051,208	473,508	1,524,716	925,838	568,453	1,494,291
Investment income		819	-	819	1,067	-	1,067
<b>Total incoming resources</b>		<b>1,052,027</b>	<b>473,508</b>	<b>1,525,535</b>	<b>926,905</b>	<b>568,453</b>	<b>1,495,358</b>
<b>Resources expended</b>							
Charitable activities	3	997,480	544,505	1,541,985	755,161	577,157	1,332,318
Governance costs	4	26,276	25,664	51,940	60,132	-	60,132
<b>Total resources expended</b>		<b>1,023,756</b>	<b>570,169</b>	<b>1,593,925</b>	<b>815,293</b>	<b>577,157</b>	<b>1,392,450</b>
<b>Net (resources expended)/ incoming resources before transfers</b>		<b>28,271</b>	<b>(96,661)</b>	<b>(68,390)</b>	111,612	(8,704)	102,908
Gross transfers between funds		-	-	-	25,063	(25,063)	-
<b>Net movement in funds</b>		<b>28,271</b>	<b>(96,661)</b>	<b>(68,390)</b>	<b>136,675</b>	<b>(33,767)</b>	<b>102,908</b>
<b>Reconciliation of Funds</b>							
<b>Total funds brought forward at 1 April 2013</b>	8	<b>234,878</b>	<b>170,147</b>	<b>405,025</b>	98,203	203,914	302,117
<b>Total funds carried forward at 31 March 2014</b>	8	<b>263,149</b>	<b>73,486</b>	<b>336,635</b>	234,878	170,147	405,025

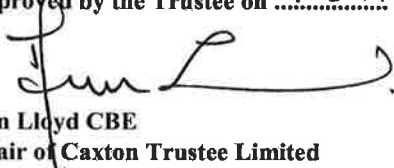
**THE CAXTON FOUNDATION**

**BALANCE SHEET**

**AT 31 MARCH 2014**

	Note	£	2014 £	2013 £
<b>Fixed assets</b>				
Tangible fixed assets	5		18,294	10,349
<b>Current assets</b>				
Debtors	6	146,782		105,087
Cash at bank and in hand		268,639		443,627
		<u>415,421</u>		<u>548,714</u>
Creditors: Amounts falling due within one year	7	(78,786)		(143,689)
<b>Current assets less current liabilities</b>			<b>336,635</b>	<b>405,025</b>
<b>Total assets less current liabilities</b>			<b><u>354,929</u></b>	<b><u>415,374</u></b>
<b>Funds</b>				
Unrestricted	8		263,149	234,878
Restricted				
Setting up costs	8	69,592		111,344
Service delivery payments	8	3,894		58,803
		<u>73,486</u>		<u>170,147</u>
Valuation of fixed assets	5		18,294	10,349
			<u>354,929</u>	<u>415,374</u>

Approved by the Trustee on 7.8.14 and signed on its behalf by

  
Ann Lloyd CBE  
Chair of Caxton Trustee Limited

## THE CAXTON FOUNDATION

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 MARCH 2014

##### 1. Accounting policies

- (a) The financial statements have been prepared under the historical cost convention, the Charities Act and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) published in 2005 and the Financial Reporting Standard for Smaller Entities (effective April 2008).
- (b) The accounts have been prepared on an accruals basis except that investment income is applied on the date that it is received. Grants payable have been recognised at the date on which they were approved by the National Welfare Committee. An accrual has been included in these accounts for any grants that were approved but not yet paid as at the year end date.
- (c) Two types of funds were held by the Charity during the year, '**Unrestricted**' and '**Restricted**' funds.

The **Unrestricted Fund** incorporates not only all income and expenditure in respect of beneficiaries but also all income and expenditure that relate to the support and governance costs of the Charity.

The **Restricted Fund** consists of two different funds, being the setting up costs fund and the service delivery payments fund.

The setting up costs fund is a restricted fund to be used towards the setting up costs of the Charity, including future premises costs, which are being directly funded by the Department of Health.

The service delivery payments fund is a restricted fund to be used to cover the service delivery costs of all the Alliance House entities (staff costs, rent, service charges, rates, utilities). Again these costs are directly funded by the Department of Health, and the balance carried forward on the fund is to be used against the future year's service delivery costs for all the Alliance House entities.

- (d) All investment and voluntary income is included in the Statement of Financial Activities.
- (e) The Charity operates in offices in Alliance House, Caxton Street, London SW1, which it shares with a number of other entities involved with financial support to people infected through the use during NHS treatment of contaminated blood, blood products and tissue. For reasons of efficiency, with effect from 1 October 2011 when it became operational, the Charity has taken over the administration functions of all the Alliance House entities, including the employment of the staff. Hitherto a number of cross charges were made between the various entities in order to allocate the costs of services to the entities for which they were performed. Under these arrangements the part of the Charity's costs that is attributable to the other entities is the subject of an adjustment through the Department's funding mechanism. For further details please refer to note 13.

**THE CAXTON FOUNDATION**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

**1. Accounting policies (Continued)**

- (f) The SORP requires all fixed assets to be capitalised on the balance sheet. The Trustee, however, considers that expenditure by the Charity on tangible fixed assets is part of the annual expenditure and is therefore included within the Statement of Financial Activities and it is written off as it arises.

Tangible fixed assets are also shown in the balance sheet at cost less depreciation (note 5). Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Computer equipment	33 <sup>1</sup> / <sub>3</sub> % on cost per annum
Furniture and other office equipment	20 % on cost per annum

The Trustee considers that the current accounting policy gives a truer reflection of the funds expensed.

- (g) Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.
- (h) The Charity operates a defined contribution pension scheme. Contributions payable to this scheme are charged to the Statement of Financial Activities in the period to which they relate.

**2. Incoming resources from generated funds**

	2014 £	2013 £
<b>Voluntary income</b>		
Department of Health funding	1,524,716	1,494,291
<b>Investment income</b>		
Bank deposit interest	819	1,067
<b>Total</b>	<u>1,525,535</u>	<u>1,495,358</u>

The Department of Health funding received in the year comprises £981,291 (2013: £755,504) for grants payable, £69,917 (2013: £113,807) for support and governance costs, £nil (2013: £56,527) for operating reserves (Unrestricted General Funds), and £473,508 (2013: £568,453) for service delivery costs (Restricted Fund) of which £336,038 (2013: £348,548) relates to other Alliance House Entities. All the funds were received directly from the Department of Health.

**THE CAXTON FOUNDATION**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

**3. Charitable activities**

		2014	2013
		£	£
<b>Unrestricted Funds</b>	<b>Note</b>		
<b>Grants payable</b>			
Approved grants and benefits advice		668,958	510,368
Winter payments		285,500	188,500
Travel to events		-	450
		<u>954,458</u>	<u>699,318</u>
<b>Support costs</b>			
Temporary staff		-	396
Staff recruitment		13,107	18,524
Staff training		79	40
Travel & subsistence		10,022	13,922
Premises maintenance		2,766	1,412
Postage & telephone		4,774	3,988
Stationery, printing & publications		3,134	3,750
Bank charges		280	312
Computer support & maintenance		2,777	1,356
Insurances		6,667	6,417
Subscriptions		35	35
Sundry		(1,043)	-
Equipment and software renewal	5	424	5,691
		<u>43,022</u>	<u>55,843</u>
		<u>997,480</u>	<u>755,161</u>
<b>Restricted Fund</b>			
<b>Support costs</b>			
Staff salaries and costs		430,990	482,638
Temporary staff		26,880	24,480
Rent, service charges & rates		68,079	56,736
Electricity		2,468	2,188
Premises maintenance		-	2,411
Setting up costs		-	8,704
Setting up costs – furniture & equipment	5	16,088	-
		<u>544,505</u>	<u>577,157</u>
<b>Total</b>		<u>1,541,985</u>	<u>1,332,318</u>

The unrestricted grants payable costs of £954,458 above consisted of approved grants, benefit advice and winter payments to beneficiaries in England which totalled £783,948, Scotland £121,948, Wales £39,285 and Northern Ireland £9,277.

The restricted support costs of £544,505 (2013: £577,157) includes £336,038 (2013: £348,548) which relate to other Alliance House entities.

**THE CAXTON FOUNDATION**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

4. **Governance costs**

	2014 £	2013 £
<b>Unrestricted Fund</b>		
Legal & professional fees	19,293	11,532
External audit fees	4,500	4,500
Accountancy	2,106	3,582
Trustees recruitment	377	40,518
	<u>26,276</u>	<u>60,132</u>
<b>Restricted Fund</b>		
Legal & professional fees – setting up costs	3,120	-
Internal audit fees – setting up costs	22,544	-
	<u>25,664</u>	<u>-</u>
<b>Total</b>	<u>51,940</u>	<u>60,132</u>

The external audit and accountancy fees included in governance costs were payable to the auditor for services rendered.

5. **Fixed assets**

Tangible fixed assets	Note	Computer Equipment £	Office Furniture and Equipment £	Total £
<b>Cost</b>				
At 1 April 2013		15,351	-	15,351
Additions	3	424	16,088	16,512
Disposals		(272)	-	(272)
At 31 March 2014		<u>15,503</u>	<u>16,088</u>	<u>31,591</u>
<b>Accumulated depreciation</b>				
At 1 April 2013		5,002	-	5,002
Charge for year		5,168	3,218	8,386
On disposals		(91)	-	(91)
At 31 March 2014		<u>10,079</u>	<u>3,218</u>	<u>13,297</u>
<b>Net book values</b>				
At 31 March 2014		<u>5,424</u>	<u>12,870</u>	<u>18,294</u>
At 31 March 2013		<u>10,349</u>	<u>-</u>	<u>10,349</u>



**THE CAXTON FOUNDATION**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

**6. Debtors**

	2014 £	2013 £
Funding receivable	85,959	47,736
Staff season ticket loans	6,474	11,930
Other debtors	29,146	39,341
Prepayments and accrued income	25,203	6,080
	<u>146,782</u>	<u>105,087</u>

Funding receivable represents amounts requested of the Department of Health for the estimated shortfall in funding for the year. Other debtors includes £16,580 (2013: £33,664) which was due from other Alliance House entities.

**7. Creditors: Amounts falling due within one year**

	2014 £	2013 £
Accruals and deferred income	75,232	142,646
Other creditors	3,554	1,043
	<u>78,786</u>	<u>143,689</u>

Accruals and deferred income includes £53,218 (2013: £125,425) which relates to grants that have been approved but not paid at 31 March. Other creditors includes £2,216 (2013: £nil) which was due to other Alliance House entities.

**8. Restricted and Unrestricted Funds**

	Balance 01.04.13	Receipts in period	Allocations	Expenditure in period	Balance 31.03.14
<b><u>Unrestricted Funds</u></b>	£	£	£	£	£
Charitable activities	55,435	982,110	62	(954,458)	83,149
Support/Governance costs	(557)	69,917	(62)	(69,298)	-
Operating reserves	180,000	-	-	-	180,000
<b>Total Unrestricted Funds</b>	<u>234,878</u>	<u>1,052,027</u>	<u>-</u>	<u>(1,023,756)</u>	<u>263,149</u>
<b><u>Restricted Funds</u></b>					
Setting up costs	111,344	-	-	(41,752)	69,592
Service delivery payments	58,803	473,508	-	(528,417)	3,894
<b>Total Restricted Funds</b>	<u>170,147</u>	<u>473,508</u>	<u>-</u>	<u>(570,169)</u>	<u>73,486</u>
<b>Total Funds</b>	<u>405,025</u>	<u>1,525,535</u>	<u>-</u>	<u>(1,593,925)</u>	<u>336,635</u>

**THE CAXTON FOUNDATION**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

**8. Restricted and Unrestricted Funds (Continued)**

With regard to unrestricted funds, during the previous year the Charity agreed with the Department of Health an operating reserves level of £180,000. Any over/under spends regarding charitable activities and support/governance costs will be taken into account on the next years funding.

The setting up costs balance will be used for future property related expenditure, following renegotiation and renewal of the lease at Alliance House. The balance includes £12,566 which has been paid and is being held as a deposit regarding the new lease.

The service delivery payments balance will be used against service delivery costs regarding the Alliance House entities to be incurred by the Charity in 2014/15.

**9. Employees and salaries**

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No.</b>
The average number of employees was:	<b>10</b>	<b>11</b>
	<hr/>	<hr/>
Staff costs includes:	<b>£</b>	<b>£</b>
Wages and salaries	<b>374,052</b>	<b>428,068</b>
Social security costs	<b>37,583</b>	<b>36,206</b>
Pension costs	<b>19,355</b>	<b>18,364</b>
Other costs	<b>40,067</b>	<b>43,440</b>
	<hr/>	<hr/>
	<b>471,057</b>	<b>526,078</b>
	<hr/>	<hr/>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No.</b>
£70,001 - £80,000	<b>1</b>	<b>-</b>
£110,001 - £120,000	<b>-</b>	<b>1</b>
	<hr/>	<hr/>

Pension contributions totalling £5,850 (2013: £2,729) were paid during the year regarding the above member of staff.

The wages and salaries paid in the previous year above included a payment to a former employee who retired through ill health.

Other costs of £40,067 (2013: £43,440) includes £26,880 (2013: £24,876) for temporary staff, £79 (2013: £40) for staff training and £13,107 (2013: £18,524) for staff recruitment.

**10. Trustee expenses and remuneration**

The travel and subsistence costs shown in note 3 include the sum of £9,719 (2013: £12,473) reimbursed to board members for travel and other out of pocket expenses, principally in connection with Board and Committee meetings. This amount is the total sum paid to board members during the year.

No remuneration was paid to the board members in this year (2013: £nil).

## THE CAXTON FOUNDATION

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 MARCH 2014

#### 11. Pension costs

The Charity operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the Charity in independently administered funds. The pension cost for the period of £19,355 (2013: £18,364) represents contributions paid by the Charity to the funds. At the period end there were outstanding contributions payable of £1,338 (2013: £1,043).

#### 12. Financial commitments

At 31 March 2014 the Charity had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	£	£
Operating leases which expire		
Within 1 year	-	40,500
in 2-5 years	50,265	-
	<u>50,265</u>	<u>40,500</u>

The Charity operates in offices which are shared with a number of other entities. In previous years the lease for the premises was in the name of The Macfarlane Trust ('MFT'). The lease was renewed this year however in the name of Caxton Trustee Limited, the Corporate Trustee of the Charity.

For reasons of efficiency, the Charity, with effect from 1 October 2011, took over the administrative functions formerly provided by MFT, including the employment of the staff of the various Alliance House entities. These costs are borne in full by the Charity and are then reimbursed by the Department of Health (Service delivery payments – note 8).

Therefore a commitment has been shown in these accounts regarding the lease for the premises, with Caxton Trustee Limited entering into the agreement on behalf of the Charity.

#### 13. Related party transactions

The Charity operates from offices in Alliance House, Caxton Street, London SW1, which it shares with a number of other entities involved with financial support to people infected through the use of contaminated blood, blood products and tissue. These other entities are The Macfarlane Trust ('MFT'), Skipton Fund Limited ('Skipton'), Eileen Trust, and MFET Limited ('MFET'). Together they are sometimes referred to as the Alliance House entities.

Caxton Trustee Limited is the Corporate Trustee of the Charity. One of the current Directors of Caxton Trustee Limited is also a Director of Skipton Fund Limited. The current Chief Executive of the Charity is also the Chief Executive of The Macfarlane Trust.

With effect from 1 October 2011 the Charity took over the administrative functions formerly provided by MFT, including the employment of the staff of the various Alliance House entities. The costs of performing these functions are now borne by the Charity.

**THE CAXTON FOUNDATION**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

**13. Related party transactions (Continued)**

Hitherto a number of recharges were made between the various entities in order to allocate the costs of services to the entities for which they were performed. Under arrangements that have come into force following the formation of the Charity, the part of the Charity's costs that was attributable to the other entities were the subject of an adjustment through the Department of Health's funding mechanism.

	<b>MFT</b>	<b>MFET</b>	<b>Eileen Trust</b>	<b>Skipton</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Services costs incurred by Caxton for:					
2013:	<b>163,592</b>	<b>22,218</b>	<b>25,149</b>	<b>125,079</b>	<b>336,038</b>
	173,963	25,716	25,424	123,445	348,548
Funding received by Caxton to cover services costs for:					
2013:	<b>163,592</b>	<b>25,149</b>	<b>25,149</b>	<b>125,079</b>	<b>336,038</b>
	152,868	22,090	24,405	90,430	289,793

No adjustments have been made to the figures in the other entities accounts regarding the above costs borne by the Charity and refunded to them by the Department of Health.

As well as the above service delivery costs, the Alliance House entities also have various shared costs. The Charity incurred various shared and direct costs which it then recharged to the other entities as necessary.

	<b>MFT</b>	<b>MFET</b>	<b>Eileen Trust</b>	<b>Skipton</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Shared costs recharged by Caxton to:					
2013:	<b>25,905</b>	-	-	-	<b>25,905</b>
	31,462	1,118	834	5,191	38,605
Shared costs recharged to Caxton by:					
2013:	-	-	-	<b>9,821</b>	<b>9,821</b>
	4,941	-	-	7,432	12,373
At the year end Caxton was owed:					
2013:	<b>16,560</b>	-	<b>20</b>	-	<b>16,580</b>
	26,521	1,118	834	5,191	33,664
At the year end Caxton owed:					
2013:	-	-	-	<b>2,216</b>	<b>2,216</b>
	-	-	-	-	-

**14. Controlling party**

The Charity is controlled by the Corporate Trustee, Caxton Trustee Limited.