

**Company Registration No. 07121661 (England and Wales)**

**MFET LIMITED**  
**DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

# MFET LIMITED

## COMPANY INFORMATION

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|                          |  |                         |
|--------------------------|--|-------------------------|
| <b>Directors</b>         | P R Stevens<br>A Murray                                  | (Appointed 27 May 2016) |
| <b>Secretary</b>         | J Barlow   |                         |
| <b>Company number</b>    | 07121661   |                         |
| <b>Registered office</b> | Alliance House<br>12 Caxton Street<br>London<br>SW1H 0QS |                         |
| <b>Auditors</b>          | Glazers<br>843 Finchley Road<br>London<br>NW11 8NA       |                         |

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# MFET LIMITED

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# MFET LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2016

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The directors present their report and financial statements for the year ended 31 March 2016.

#### Principal activities

The Company, which is funded wholly by the Department of Health ("DH"), administers, on a non-profit basis, a scheme of payments ("the scheme") to infected registrants of The Macfarlane Trust ("MFT") and The Eileen Trust ("ET"). These charitable trusts ("the charities"), also wholly funded by DH, make discretionary payments to people infected with HIV through the use by the NHS of contaminated blood, blood products or tissue in the treatment of, respectively, bleeding disorders and conditions other than bleeding disorders. The scheme, set up by the Government in response to the Report of the Archer Inquiry into NHS-supplied contaminated blood, blood products and tissue, supplements these discretionary disbursements with a non-discretionary annual payment.

Payments made during the year were as follows:

|                       | Year ended 31 March |                |           |                |
|-----------------------|---------------------|----------------|-----------|----------------|
|                       | £                   | 2016<br>Number | £         | 2015<br>Number |
| Scheme payments       |                     |                |           |                |
| To MFT registrants    | 5,008,510           | 343            | 5,081,468 | 349            |
| To ET registrants     | 271,628             | 19             | 247,758   | 17             |
| Total scheme payments | 5,280,138           | 362            | 5,329,226 | 366            |
| of which in England   |                     | 314            |           | 318            |
| Scotland              |                     | 25             |           | 26             |
| Wales                 |                     | 17             |           | 17             |
| Northern Ireland      |                     | 6              |           | 6              |

(as a result of a number of deaths, and two new registrants, there were 357 registrants alive at 31 March 2016).

# **MFET LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2016**

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The scheme payments, of £14,749 annually paid either monthly or quarterly, will remain unchanged in the year beginning 1 April 2016. In addition to the scheme payments, the Company also finances Prescription Pre-payment Certificates to a number of eligible beneficiaries. The expenditure on these during the year was £4,784 (2015 £4,576).

The Company operates from offices in Alliance House, Caxton Street, London SW1, which it shares with a number of other entities, all funded by DH and involved with financial support to people infected through the use of contaminated blood. Besides MFT and ET, these include the Caxton Foundation ("Caxton"), established in 2011 to provide support to people, other than registrants of MFT and ET, who were infected with hepatitis C.

For reasons of efficiency, Caxton has taken over certain administrative functions formerly provided by MFT, including the employment of the staff of the various Alliance House entities and the ownership of the lease for the space occupied by the entities, including the Company. The costs of performing these functions are now borne by Caxton. Rather than make cross-charges to allocate the costs of these services to the entities for which they were performed, an adjustment is made through the DH funding mechanism, and appropriately noted in the entities' financial statements.

The Company's payments to registrants were funded by an allocation from DH of £5,318,962, less a sum to cover service delivery payments, administered by Caxton, amounting to £24,791. The Company's Accounts still show its own direct costs, such as legal fees and bank charges, amounting to £10,948 (2015 £13,807), including its proportion of shared service costs, such as IT services and stationery, as administrative expenses, which amounted to £6,158 (2015 £8,896).

#### **The future of the Company**

Towards the end of the last financial year the All-Party Parliamentary Group on Haemophilia and Contaminated Blood published a report on its inquiry into the support for those affected by the use of contaminated blood. Later in that year the Rt Hon Lord Penrose published his report of the Scottish Public Inquiry into Hepatitis C and HIV infection acquired from NHS treatment.

In January 2016 the Department of Health launched a 12 week consultation on reform of the financial and other support for those infected with HIV and Hepatitis C as a result of contaminated blood. Among a wide range of proposals, this document proposed that the existing £14,749 annual payment, which individuals infected with HIV receive through the Company, would be increased to a flat rate of £15,000, but that the existing index-linking should be removed, meaning that the payments would decrease in value over time. The consultation document also proposed the replacement of all five existing Alliance House organisations, including the Company, by a single new body.

On 13 July 2016 the Government announced its response to the consultation on these proposals. The key elements of the reformed scheme that affect the Company and its registrants are:

- Annual payments for those infected with HIV will increase to £15,500 from the existing £14,749 from 2016/17, and will rise to £18,500 in 2018/19;
- Annual payments will be linked to the consumer prices index (CPI) and include a £500 winter fuel payment as standard (currently paid to beneficiaries of the Macfarlane Trust and the Eileen Trust by the charities themselves).

The existing Alliance House operations will be replaced by a single scheme administrator.

These proposals will only apply to those whose infection originated as a result of treatment in England.

The Directors are unable to forecast the effect on the Company of these proposals, the implementation of which is, at the time of writing, under review by the Department together with representatives of the three charities, the Company, the Skipton Fund and other interested parties.

# MFET LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

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At the same time as the consultation in England was under way, the Scottish Executive accepted all the key financial support recommendations of the Financial Review Group established after the publication of the Penrose Report. These include:

- Annual payments for those with HIV will be increased to £27,000 to reflect average earnings;
- Those with both HIV and Hepatitis C will have annual payments increased to £37,000 to reflect additional health needs.

The recommendations represent a significant increase in the level of financial support for those infected with Scotland, compared with what they currently receive, and these payments are greater than those announced for England on 13 July 2016. At the time of writing this report, it is not known which model of support Wales and Northern Ireland will adopt. However, it is clear that there will no longer be a unified system of support for those infected with HIV and Hepatitis C across the UK.

#### Directors

The following directors have held office since 1 April 2015:

|             |                         |
|-------------|-------------------------|
| R Evans     | (Resigned 23 May 2016)  |
| P R Stevens |                         |
| A Murray    | (Appointed 27 May 2016) |

The directors of the company who are named above are ex officio appointments, being the Chairmen of ET and MFT respectively. The directors wish to express their appreciation of the work done for the company by the staff of Caxton in Alliance House.

#### Auditors

In accordance with the company's articles, a resolution proposing that Glazers be reappointed as auditors of the company will be put at a General Meeting.

#### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# MFET LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2016**

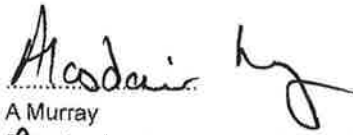
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### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

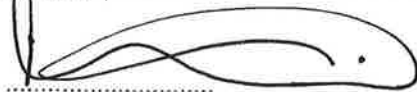
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



A Murray

Director (and Chairman of Macfarlane Trust)



P R Stevens

Director (and Chairman of Eileen Trust)

Date: 9. Apr 2016

# MFET LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MFET LIMITED

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We have audited the financial statements of MFET Limited for the year ended 31 March 2016 set out on pages 7 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual 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 company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# MFET LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF MFET LIMITED

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Jessie Kho FCCA (Senior Statutory Auditor)  
for and on behalf of Glaziers**

**Chartered Accountants  
Statutory Auditor**

14 September 2016

843 Finchley Road  
London  
NW11 8NA

# MFET LIMITED

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

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|   | Notes    | 2016<br>£          | 2015<br>£          |
|---|----------|--------------------|--------------------|
| Turnover  |          | 5,294,171          | 5,346,704          |
| Direct expenses                                       |          | <u>(5,284,923)</u> | <u>(5,333,802)</u> |
| <b>Gross surplus</b>                                  |          | 9,248              | 12,902             |
| Administrative expenses                               |          | <u>(10,948)</u>    | <u>(13,807)</u>    |
| <b>Operating deficit</b>                              | <b>4</b> | <u>(1,700)</u>     | <u>(905)</u>       |
| Other interest receivable and similar income          | <b>2</b> | <u>1,700</u>       | <u>905</u>         |
| <b>Deficit on ordinary activities before taxation</b> |          | -                  | -                  |
| Tax on deficit on ordinary activities                 | <b>3</b> | -                  | -                  |
| <b>Deficit for the year</b>                           |          | <u>-</u>           | <u>-</u>           |

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# MFET LIMITED

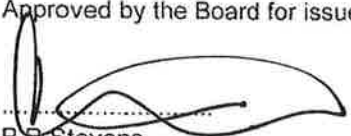
## BALANCE SHEET

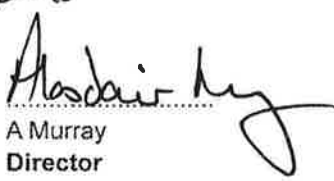
AS AT 31 MARCH 2016

|   | Notes | 2016<br>£        | £ | 2015<br>£       | £ |
|---|-------|------------------|---|-----------------|---|
| <b>Current assets</b>                                 |       |                  |   |                 |   |
| Debtors   | 5     | 54,391           |   | 188             |   |
| Cash at bank and in hand                              |       | 100,719          |   | 73,099          |   |
|   |       | <u>155,110</u>   |   | <u>73,287</u>   |   |
| <b>Creditors: amounts falling due within one year</b> | 6     | <u>(155,110)</u> |   | <u>(73,287)</u> |   |
| <b>Total assets less current liabilities</b>          |       |                  | - |                 | - |
| <b>Capital and reserves</b>                           |       |                  |   |                 |   |
| <b>Total funds</b>                                    | 7     |                  | - |                 | - |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 9 Sept 2016

  
P R Stevens  
Director

  
A Murray  
Director

Company Registration No. 07121661

# MFET LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

#### 1.2 Turnover

Income represents grants received from the Department of Health, which are recognised on receipt.

| 2 Investment income | 2016<br>£    | 2015<br>£  |
|---------------------|--------------|------------|
| Bank interest       | 1,700        | 905        |
|                     | <u>1,700</u> | <u>905</u> |

### 3 Taxation

No provision has been made for UK Corporation Tax based on these financial statements.

| 4 Operating deficit   | 2016<br>£    | 2015<br>£    |
|---|--------------|--------------|
| Operating deficit is stated after charging:<br>Auditors' remuneration | 4,560        | 4,706        |
|   | <u>4,560</u> | <u>4,706</u> |

| 5 Debtors     | 2016<br>£     | 2015<br>£  |
|---------------|---------------|------------|
| Trade debtors | 54,080        | -          |
| Other debtors | 311           | 188        |
|               | <u>54,391</u> | <u>188</u> |

| 6 Creditors: amounts falling due within one year | 2016<br>£      | 2015<br>£     |
|--|----------------|---------------|
| Other creditors                                  | 155,110        | 73,287        |
|  | <u>155,110</u> | <u>73,287</u> |

# MFET LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

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| 7 | Reconciliation of movements in members' funds | 2016<br>£   | 2015<br>£   |
|---|---|-------------|-------------|
|   | Deficit for the financial year                | -           | -           |
|   | Opening members' funds                        | -           | -           |
|   |   | <hr/>       | <hr/>       |
|   | Closing members' funds                        | -           | -           |
|   |   | <hr/> <hr/> | <hr/> <hr/> |

### 8 Related party relationships and transactions

Administration costs of £24,791 (2015 £22,706) were charged by The Caxton Foundation, a charity, by way of a deduction in the funding received from the Department of Health.

**MFET LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2016**

# MFET LIMITED

## SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2016

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|                                | 2016        | 2015        |
|--------------------------------|-------------|-------------|
|                                | £           | £           |
| <b>Administrative expenses</b> |             |             |
| Management charges             | 6,158       | 8,896       |
| Audit fees                     | 4,560       | 4,706       |
| Bank charges                   | 230         | 205         |
|                                | <hr/>       | <hr/>       |
|                                | 10,948      | 13,807      |
|                                | <hr/> <hr/> | <hr/> <hr/> |

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# MFET LIMITED

## DETAILED TRADING AND INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2016

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|   | £         | 2016<br>£          | £         | 2015<br>£          |
|---|-----------|--------------------|-----------|--------------------|
| <b>Turnover</b>                                     |           |                    |           |                    |
| Grants; Department of Health                        |           | 5,294,171          |           | 5,346,704          |
| <b>Direct expenses</b>                              |           |                    |           |                    |
| Payments to registrants                             | 5,280,139 |                    | 5,329,226 |                    |
| PPC payments  | 4,784     |                    | 4,576     |                    |
|   |           | <u>(5,284,923)</u> |           | <u>(5,333,802)</u> |
| <b>Gross surplus</b>                                |           | 9,248              |           | 12,902             |
| <b>Administrative expenses</b>                      |           | <u>(10,948)</u>    |           | <u>(13,807)</u>    |
| <b>Operating deficit</b>                            |           | (1,700)            |           | (905)              |
| <b>Other interest receivable and similar income</b> |           |                    |           |                    |
| Bank interest received                              |           | <u>1,700</u>       |           | <u>905</u>         |
| <b>Deficit before taxation</b>                      |           | <u><u>-</u></u>    |           | <u><u>-</u></u>    |

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