

## CHARITABLE FUNDS COMMITTEE

**Minutes of Meeting Held**  
**0900 Friday 30 July 2004**  
**Executive Meeting Room, Normandy Court**

<b>Membership:</b>	Martin Saunders (Chair)	Non-Executive Director
	Ailsa Bernard	Non-Executive Director
	Said Namdarkhan	Non-Executive Director
	David Edwards	Carr, Shepherd, Crosthwaite
<b>In Attendance:</b>	Vince Doherty	Interim Director of Finance
	Tony Bettridge	Financial Controller
	Dorothy Murphy (Minutes)	PA to Finance Director

<b>Present:</b>	<b>In Attendance:</b>
Martin Saunders (Chair)	Vince Doherty
Ailsa Bernard	Tony Bettridge
Said Namdarkhan	Angela Lacey-Smith (Minutes)
David Edwards	

1.	<b>APOLOGIES FOR ABSENCE</b> - None
2.	<b>CARR, SHEPPARD CROSTHWAITE QUARTERLY REPORT</b>  DE provided summary to the quarterly report.
2.1	<b>Portfolio Status:</b>  Updated evaluations of the Charitable Funds portfolio were circulated and summary provided by DE. <ul style="list-style-type: none"> <li>The value of the portfolio was £2,195,385.</li> <li>More recent holdings included housing development companies which were performing reasonably well.</li> <li>Bank exposure was working reasonably well.</li> <li>9% of the portfolio was within life assurance</li> <li>There were concerns that sterling was considered to be overvalued, and that values would fall, but values of overseas holdings should improve as a result.</li> <li>It was considered that interest rates would rise up to possibly 6% which could result in a swift downturn in the economy.</li> <li>Telecomms had responded extremely poorly over the past 4 years.</li> <li>The Fund had reduced from c.£5m over the past 5 years to £2m as a result of expenditure being encouraged for purchase of capital equipment etc.</li> </ul>

	<ul style="list-style-type: none"> <li>Income derived from the portfolio was generally re-invested unless there was a specific requirement.</li> <li>No funding had been drawn over the past 3 years.</li> <li>Over the last 5 years, the ability to reclaim tax deducted at source had been phased out, this being the last year that any claims could be made.</li> <li>From this year, it would operate similarly to a pension fund with no tax being reclaimable.</li> <li>It was noted that CGT was not payable.</li> </ul> <p><b>AGREED:</b></p> <ul style="list-style-type: none"> <li>That the wording in the Investment Strategy be changed to read 'That the Trust's investment objective <i>is to maximise total returns over the long term</i>'.</li> <li>That in future, quarterly reports would be included as an agenda item, with supporting documentation being provided.</li> </ul>
3.	<p><b>MINUTES OF MEETING HELD 7 MAY 2004</b></p> <p><b>AGREED:</b> The Minutes of the meeting held 7 May 2004 were agreed.</p>
4.	<p><b>MATTERS ARISING (Not covered in the agenda)</b></p> <p>4.1 <b>Marie Curie Research Wing</b> (Minute 3.0(i))</p> <ul style="list-style-type: none"> <li>Discussions had been held between VD and Mark Jarvis (and subsequently Graham Reid, Acting Divisional Manager).</li> <li>Graham Reid had agreed to meet with Professor Saunders to gain clarity on this fund.</li> <li>Should this not be obtained, VD would meet with Professor Saunders, who had written to her regarding UCLH and the charitable fund money.</li> <li>Once confirmation had been received on the way this fund had been set up, appropriate action would be taken, if required.</li> </ul> <p>4.2 <b>Funds Held by PGMCS</b> (Minute 3.0(ii))</p> <p>Background on funds held by PGMCS was provided where it was noted that some funds were still held by Watford and Mount Vernon respectively, managed by WHHT staff.</p> <p><b>AGREED:</b></p> <ul style="list-style-type: none"> <li>That Graham Reid would follow this up.</li> </ul> <p>4.3 <b>MSC Document re Unauthorised Funds</b> (Minute 3.0(iii))</p> <p>VD advised that wording needed to be incorporated into the Consultant contract, which he was discussing with the HR Director.</p> <p>4.4 <b>Investment Strategy</b> (Minute 4.0)</p> <p>Discussion took place regarding investment in companies having a significant investment in the tobacco industry, as described in the paper circulated.</p> <p><b>AGREED:</b></p> <p>That the Investment Strategy be accepted, subject to the amendment agreed in Minute 2.</p>

<b>5.</b>	<b>FINANCIAL REPORT (I/E and B/S only)</b>  It was reported that legacies were down substantially, resulting in a just under break-even situation.
<b>6.</b>	<b>SALARIES CHARGED TO CHARITABLE FUNDS</b>  It was noted that there had been no salaries charged to Charitable Funds.
<b>7.</b>	<b>FUNDRAISING</b>  <b>AGREED:</b> <ul style="list-style-type: none"> <li>• That Mankit Yau be requested to provide a summary, which would be attached to the minutes.</li> <li>• That in future MY would be requested to attend the meeting, and be given an earlier slot.</li> </ul>
<b>8.</b>	<b>ANY OTHER BUSINESS</b>
8.1	<b>Meeting Dates – 2005</b>  <b>AGREED:</b> That VD would draw up suggested meeting dates, in liaison with MS.
<b>9.</b>	<b>DATE OF NEXT MEETING</b>  Date: Friday 5 November Time: 09.00 Venue: Executive Meeting Room, Normandy Court

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**0900 Friday 30 July 2004**

**ACTION POINTS**

<b>Item No</b>	<b>Item</b>	<b>Action Required</b>	<b>Person Responsible</b>	<b>Timescale</b>
<b>2.</b>	Carr Sheppard Crosthwaite Report	<ul style="list-style-type: none"> <li>• Wording in the Investment Strategy to be changed to read 'That the Trust's investment objective <i>is to maximise total returns over the long term</i>'.</li> <li>• Quarterly reports to be included as an agenda item, with supporting documentation being provided.</li> </ul>	Vince Doherty  Tony Bettridge	ASAP  Ongoing
<b>4.1</b>	MSC Document re Unauthorised Funds	<ul style="list-style-type: none"> <li>• Graham Reid to follow up staff issues around Charitable Funds and their control.</li> <li>• WGH to be similarly resolved.</li> </ul>	G Reid  Tony Bettridge	ASAP  ASAP
<b>7.</b>	Fundraising	<ul style="list-style-type: none"> <li>• Mankit Yau to be requested to provide a summary, which would be attached to the minutes.</li> <li>• In future MY to be requested to attend the meeting, and to be given an earlier slot.</li> </ul>	Angela Lacey-Smith	ASAP