

Treasurer's Report 2019

The progress in financial markets of 2019 has been comprehensively shattered by the onset of Covid-19 in the first few months of 2020 - or has it? In setting out the position as at December 2019 it is clear that the events at the start of this year and their impact on financial markets are foremost in our thoughts. Mindful of the volatility of share prices and, indeed, all financial markets including the oil price (low), the price of gold(all time high), currencies (all over the place) it would be a brave soul who would predict where we go from here. Let me first review our investments in 2019 and then comment on where we are at the end of June 2020, our mid year point.

Our assets include shares, bonds, cash and property. The diversity of our asset classes has indeed stood us in good stead over the past decade. Our income has steadily grown in our restricted funds keeping ahead of inflation and our capital value in the restricted assets has also performed well. During 2019 the restricted capital increased by 11.4% to stand at £3.977million whilst our income increased by 3% and now provides £114k. Ten years ago these figures were respectively £1.87million and £86k. The portfolio of stocks and shares, managed by Adam & Co has increased in value in 2019 by 17.4%, compared to its benchmark increase of 16.2%

Within our unrestricted portfolio the picture is more complicated as we have continued to benefit from the generosity of a number of significant legacies, creating a substantial fund from which we are able to provide funding for a variety of hospital related needs. This fund, including property, cash and marketable securities, now stands at £1.7million and generates income of approximately £59k. The constituent parts of this fund, two portfolios managed by Brewin Dolphin, Units in the M&G Charifund, the property willed to us by the late Wallace McNaull and a cash deposit of some £94k, all performed well during 2019 with average increases in portfolio values of 17.7%.

At 31st December our total assets were valued at £5.675 million and generated a total income of £173k. What then, has happened since the year end, what accountants refer to as “post balance sheet events”? Perhaps surprisingly, the comparable figure for capital value remains largely unchanged. This reflects the benefits of the diversity of multiple asset classes in which our funds are invested. The outlook for income is less certain as a number of the companies in which our funds are invested have reduced their dividends to conserve cash in their balance sheets, whilst our property rental is only slightly diminished and the bonds (fixed interest) in which we are invested have, by their very nature, continued to pay their dividends at their fixed rate.

Our accounts are prepared by Margaret Wallace of D.T. Carson & Co. During the pandemic it has been difficult to arrange the usual meetings where information is exchanged and queries answered. Home working became the norm which further exacerbated the difficulties of completing the process. I would like to express our gratitude to Mrs. Wallace for working in these trying circumstances to meet our required deadlines.

The income from our restricted funds is, by High Court Settlement of 1952, to be used by the Northern Health and Social Care Trust for the benefit of the Robinson Memorial Hospital. Over recent years this income has accumulated and at 31st December 2019 stood at £1.35million. When you add to that the funds due to NHSCT from Robinson Investments of £355,000 the current total stands at £1.705million. As our Honorary Secretary/Chairman has reported, the NHSCT is on track to bring forward a plan to transform the facilities for patients on the site and invest this accumulated sum. Such projects take a little time to come to fruition and our restricted fund will continue to generate further cash to help to complete this planned work. In addition, the Robinson Board has committed to provide £50k per annum from our unrestricted fund to meet revenue expense when the project is completed and staffing levels are settled. These investments demonstrate the value of having a charitable Board with funds available to enhance the work of our dedicated staff at the hospital.

As is our custom, the detailed accounts can be made available upon request to any member of the association.

Henry Algeo (Hon Treasurer)

July 2020