

NHS Blood and Transplant

Trust Fund

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ANNUAL REPORT AND ACCOUNTS
for the Financial Year Ended 31 March 2014

1. FOREWORD

The Corporate Trustee, NHS Blood and Transplant presents the charitable funds' Annual Report together with the Financial Statements for the year ended 31 March 2014.

The Charity's Annual Report and Accounts for the year ended 31 March 2014 have been prepared by the Corporate Trustee in accordance with the Charities Act 2011.

The purpose of the Report is to provide details of the funds held on charitable trust by the Trustee. The report describes and explains the matters involved in the management of those funds, informs the reader as to how the funds have been used during the year and should be read in conjunction with the annual accounts on pages 19 to 29.

2. REFERENCE AND ADMINISTRATIVE DETAILS

NHS Blood and Transplant is a statutory body that was established under Statutory Instrument 2005 No. 2529 and No. 2531 on 1 October 2005. The authority was formed from the merger of the National Blood Authority and UK Transplant and, by virtue of the powers vested in it through the NHS and Community Care Act 1990, is able to hold funds on trust, as a Corporate Trustee. Charitable Funds held by the National Blood Authority were transferred to NHS Blood and Transplant under a Deed of Variation executed under seal by the Charity Commission. There were no charitable funds held by UK Transplant.

The charitable funds are registered under an umbrella registration with the Charity Commission in accordance with the Charities Act 2011. The registered Charity Number is 1061771. The Charitable Trust name is:

NHS BLOOD AND TRANSPLANT TRUST FUND

The charity is constituted of three individual funds as at 31 March 2014 (2012/2013:3) , and the notes to the accounts distinguish the types of fund held. For accounting purposes the umbrella registration has permitted the production of a single report and set of accounts. This does not obviate the requirement to manage each fund as a separate trust for the purpose of maintaining books for accounts and for investment management.

The Corporate Trustee is NHS Blood and Transplant, and the Board acts as an agent of the Corporate Trustee. Members of the Board of NHS Blood and Transplant who served during the year are shown overleaf:

NHS BLOOD AND TRANSPLANT

AUTHORITY BOARD

2013/ 2014

CHAIRMAN

John Pattullo
(commenced 1 June 2013)

NON-EXECUTIVE DIRECTORS

Mr Andrew Blakeman

Dr Christine Costello

Professor John Forsythe

(period 1 April to 30 September 2013)

Mr Roy Griffins CB

Mr George Jenkins

(period 1 April to 30 September 2013)

Mr Jeremy Monroe

Mr Shaun Williams

Ms Louise Fullwood

(commenced 7 October 2013)

Mr Keith Rigg

(commenced 7 October 2013)

EXECUTIVE DIRECTORS

Ms Lynda Hamlyn – Chief Executive and Accounting Officer
(period 1 April to 31 July 2014)

Ian Trenholm – Chief Executive and Accounting Officer
(commenced 1 August 2014)

Mr Rob Bradburn – Finance Director

Ms Sally Johnson – Director of Organ Donation and Transplant

Mr Clive Ronaldson – Director of Blood Supply

Dr Lorna Williamson – Medical and Research Director

Dr Huw Williams – Director of Diagnostic & Therapeutic Services

TRUST FUND COMMITTEE

The NHS Blood and Transplant Board devolved responsibility for the on-going management of funds to the Trust Fund Committee, which administers funds on behalf of the Corporate Trustee. The names of those who served as agents during the year ending 31 March 2014 for the Corporate Trustee as permitted under the Scheme of Delegation approved by the Board in October 2005 were as follows:

Mr Roy Griffins CB:	Chair and Non-Executive Director (Chair from December 13)
Mr Andrew Blakeman:	Non-Executive Director (Chair to December 13)
Professor John Forsythe:	Non-Executive Director
Mr Rob Bradburn:	Finance Director NHS Blood and Transplant
Dr Lorna Williamson:	Medical and Research Director NHS Blood and Transplant

Acting for the Corporate Trustee, the Trust Fund Committee is responsible for the overall management of the charitable fund. The Committee is required to:

- control, manage and monitor the use of the fund's resources;
- manage and monitor the receipt of all income;
- ensure that 'best practice' is followed in the conduct of all its affairs, fulfilling all of its legal responsibilities;
- ensure that the approved investment policy endorsed by the Board as Corporate Trustee is adhered to and that performance is reviewed on a regular basis; and
- keep the Board of the Corporate Trustee fully informed on the activity, performance and risks of the charity.

The Corporate Trustee is responsible for preparing the Trustees' 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/Scotland/Northern Ireland requires the trustees 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Corporate Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are 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.

The Corporate Trustee is also responsible for the maintenance and integrity of the charity and financial information included on the NHSBT website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Although NHSBT is able to hold non-charitable funds on trust, to do so would be to incur additional trustee and related administrative responsibilities. NHSBT held no non-charitable funds on trust during the year.

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Department of Health appoints Non-Executive members of the Board. Executive members of the Board are recruited by the Board of NHS Blood and Transplant. Members of the Board and the Trust Fund Committee are not individual trustees under Charity Law but act as agents on behalf of the Corporate Trustee.

The Committee agrees an annual workplan and held three meetings during the financial year 2013/14, chaired by Andrew Blakeman and Roy Griffins. Attendance at meetings is shown below:

Meeting Dates	25/04/13	14/06/13	23/12/13
Andrew Blakeman	✓	✓	✓
Roy Griffins	✓	✓	✓
John Forsythe	✓	Apologies	-
Lorna Williamson	✓	✓	✓
Rob Bradburn	✓	✓	✓

All members of the Trust Fund Committee are provided with a copy of Committee terms of reference, procedure and guidance notes, copies of the annual report and accounts, and information about trusteeship. Updated guidance and news from the Charity Commission is also circulated to Committee members. At the end of the financial year the Committee provides the NHSBT Board with an annual report on the work undertaken during the year.

The Charity holds a single unrestricted general fund and two restricted funds, the Howard Ostin Bequest and the British Bone Marrow Donor Appeal, (BBMDA). The total value of charitable funds held on trust at the end of the year, with investment assets valued at market value, was £741,000 (restated £997,000 31 March 2013).

The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund, and by designating funds the Trustee ensures that the wishes of donors are respected.

The Trust Fund Committee considers all applications for funding. For research applications a 'peer review' process by the NHSBT National Research and Development Senior Management Team occurs prior to submission to the Trust Fund Committee

All spending during the year was authorised by the Trust Fund Committee under delegated authority from the Board. Decisions to spend funds took into account the purpose of the spending and the funds available to meet that expenditure.

The Nature and Purpose of NHSBT

NHS Blood and Transplant (NHSBT) is a Special Health Authority in England and Wales, with responsibilities across the United Kingdom for organ donation and transplantation. Its core purpose is to "save and improve lives" through the provision of a safe and reliable supply of blood components, solid organs, stem cells, tissues and related services to the NHS, and to the other UK Health Services where directed.

NHSBT comprises the following group of strategic operating units, each with their own distinct supply chains, supported by common group services.

Blood Components covers the supply of red cells, platelets, plasma and related specialist products to NHS hospitals in England and North Wales. The cost of these products is recovered in the prices that are agreed annually through the National Commissioning Group for Blood. Around 7,000 units of blood are collected every day via a network of fixed sites and mobile blood collection teams. The blood is processed in five processing centres (two of which are also testing facilities) and distributed via a network of fifteen issue centres to over 200 hospitals. NHSBT is also the operator of the International Blood Group Reference Laboratory.

Organ Donation and Transplantation (ODT). Three people die every day in the UK due to the lack of an organ for transplant. NHSBT is the UK "Organ Donation Organisation" that is working with all of the UK Health Services and hospitals throughout the UK in order to continue to increase numbers on the Organ Donation Register, and to further increase the numbers of deceased organs donated by 50% (from a 2007/08 baseline). The cost of these activities is directly funded by the UK health services.

Diagnostic Services. These are highly specialised services that are provided via a national network of laboratories in support of blood transfusion and transplantation of organs, stem cells and tissues.

Tissues. NHSBT retrieves tissues (such as skin and bone) from deceased donors and processes these at its facility in Speke prior to storage and issue to NHS hospitals.

Stem Cell Services. NHSBT is the largest UK provider of haemopoietic stem cells for the treatment of blood cancers and operates the British Bone Marrow Registry and the NHS Cord Blood Bank. It additionally provides translational services to NHS, academic and commercial organisations seeking to take current and next generation stem cell therapies to the clinic.

Specialist Therapeutic Services (STS) is a service for collecting stem cells, related immunotherapy products and serum for production of autologous tears and for providing various apheresis based therapies such as phototherapy and plasma exchange.

NHSBT's annual report and accounts is also a public document, a copy of which can be requested from Rob Bradburn, Finance Director at the registered address below:-

NHS Blood and Transplant

Reeds Crescent

Watford

Hertfordshire

WD24 4QN

4. RISK MANAGEMENT

The most significant risk to which the Charity is exposed are losses from a fall in the value of investments. These risks have been carefully considered and there are procedures in place to review the investment policy to ensure that spending and financial commitments remain in line with income. Income and expenditure is monitored against an approved annual plan on a regular basis as part of the risk management process to avoid unforeseen calls on reserves. In addition, the Charity benefits from the systems of internal control and risk management processes that operate throughout NHS Blood and Transplant.

5. FUND OBJECTIVES AND ACTIVITIES

The General Fund (£341,000) is an **unrestricted** income fund and the property therein may be used at the discretion of the Trustee for charitable purposes, wholly or mainly for the services provided by NHS Blood and Transplant. Part of the unrestricted fund may be earmarked for a particular project and may be designated as a separate fund for administration purposes only. No funds have been separately designated by the Trustee.

The General Fund receives donations that can be used for any charitable purpose relating to the NHS. This flexibility has been used to fund recognition awards for those staff members with over 20 years' service with NHS Blood and Transplant (including service with the National Blood Authority), and staff winter celebrations. Staff recognition awards for those staff working in the Birmingham area are funded from the Howard Ostin Fund.

The Howard Ostin Bequest (£282,000) is a restricted fund and has the following objective:

'The object of the charity is to further such charitable purposes of NHS Blood and Transplant as the trustee thinks fit. In furthering such purposes, the trustee shall first consider and have regard to the needs in the area of Birmingham and the surrounding district'.

The British Bone Marrow Donation Appeal (BBMDA) (£118,000) is a restricted fund. The objective of this fund is to improve the infrastructure for searching and accessing the Registry by clinicians, registry managers and patients.

6. PUBLIC BENEFIT

The aim of the Charity is to save and improve patients' lives. Thus the Charity will support non-commercial research in areas where the Corporate Trustee has considerable expertise with a view to improving blood, tissue and organ safety. In planning the activities of the Charity and agreeing a budget for the year the Trustees have given careful consideration to the Charity Commission's guidance on public benefit. The Charity has achieved its aims with a focus on funding research projects that meet the specific objectives of each of the funds and providing funding for loyal service awards to staff with over 20 years of service.

7. REVIEW OF ACTIVITIES UNDERTAKEN FOR THE PUBLIC BENEFIT AND FURTHERANCE OF THE CHARITIES OBJECTIVES

During the year the Committee has approved expenditure on the following research and development projects amounting to £339,000 (excluding subsequent reversals), which help to improve and save patients' lives:-

- **Age of Blood in Pediatric Intensive Care (ABC-PICU) UK**

This clinical trial forms part of the large US and Canadian study which is investigating whether administration of red blood cells with shorter storage times (<7 days) is beneficial to critically ill children as compared to blood stored for longer periods (in the UK red cells may be stored for 35 days following donation.)

Funding of £49,000 was approved for this project.

- **Genetic manipulation of human induced pluripotent stem cells (iPSC) to remove human leukocyte antigen (HLA) class I expression for in vitro production of universal platelet concentrates**

This experimental study aims to knockdown HLA-class I in iPSC derived platelets to create an HLA-null product for use in alloimmunised patients with the aim of creating a universal platelet product. Such a product would improve the transfusion support of patients with HLA antibodies by increasing the availability of compatible products.

Funding of £48,421 was approved for this project.

- **Red blood cell transfusion thresholds and QOL in Myelodysplastic syndromes (MDS): a pilot feasibility study**

This pilot study will compare the effect on quality of life (QoL) of a restrictive blood transfusion strategy versus a liberal transfusion strategy in MDS outpatients. Many patients with MDSs become dependent on red blood cell transfusions as they become severely anaemic due to bone marrow failure. Transfusion dependence and anaemia are associated with increased fatigue and poor health related quality of life. This pilot will determine whether it is feasible to compare two transfusion thresholds and quantify any benefits in terms of QoL.

Funding of £48,453 was approved for this project.

- **Identification of novel drivers of thrombopoiesis in platelet apheresis donors**

This experimental study aims to identify proteins that are released in donors following platelet donation with the aim of identifying factors which are involved in platelet production. If identified, such factors will be tested for their ability to increase the production of platelets *in vitro*.

Funding of £48,374 was approved for this project.

- **Defining the genetic basis of herpes virus suppression and reactivation.**

This biological study aims to identify genetic markers which correlate with levels of Herpes Virus (CMV and EBV) IgG antibodies in blood donors. Such genetic markers may lead to the identification of factors which are important for the efficient control of latent infection. Reactivation of CMV and EBV infections can lead to complications in solid organ and stem cell transplant patients and the identification of factors which control infection may support the development of new therapies.

Funding of £50,000 was approved for this project.

- **Data manager to collect and validate outcome data of patients given donor lymphocyte infusion (DLI) to prevent and treat disease recurrence after Allogeneic Hematopoietic Transplantation in the UK**

This analytical study will support the development and analysis of a clinical database for collecting information on donor lymphocyte infusions (DLIs). DLI is one approach frequently used to improve the treatment of patients with relapse of hematologic malignancy after stem cell transplantation. This study will enable collection of a national dataset of outcomes in patients who have undergone DLI with the aim of informing best practice.

Funding of £47,290 was approved for this project.

- **Impact of blood pressure profiles on short term outcomes in the organ recipient**

This analytical study aims to assess the impact of different patterns of blood pressure profiles on short term outcomes in organ recipients. It will inform ways to manage the blood pressure of potential donors and optimise the quality of the organs being retrieved for transplantation leading to improvements in recipient outcomes.

Funding of £45,000 was approved for this project.

- **Characterisation of induced pluripotent stem cells (iPS)**

Scientists within NHSBT are working on the application of stem cells, including induced pluripotent stem cells (iPS), for use in clinical applications such as wound repair, diagnostics and transfusions. This work provides additional support to validate the induced Pluripotent Stem (iPS) cell lines generated, including work to confirm the generation of 'true' iPS cells and karyotypic analysis for chromosomal abnormalities.

Additional funding of £3,446 was approved for this project.

In addition, the Committee has also recognised the importance of the contribution of the staff of NHS Blood and Transplant and has supported staff long service and recognition awards.

8. SOURCES OF INCOME

The main sources of income in the year is from a legacy (£69,000), donations from individuals or grateful relatives and friends (£5,000), and investment income (£31,000) earned in interest and dividends through prudent management of funds not immediately required.

9. LEGACIES

During the year the Charity has benefited from one legacy, with £69,000 being credited to the BBMDA fund.

10. INVESTMENTS

Investment management services were provided by Baring Fund Managers Ltd, who are authorised and regulated by the Financial Services Authority, registration No.941405. Their registered address is 155 Bishopsgate London, EC2M 3XY United Kingdom. Monies are invested in a common investment target return fund. The objective of the fund is to aim for a total return of CPI + 5% per annum gross of the management fees with an income target of CPI + 1% per annum over a rolling 3 year period.

Performance on investments is continually monitored and reported to the Trustees on a quarterly basis, and the investment in the processing and/or manufacturing of tobacco products is not permitted.

11. RESERVES POLICY

The Trustee may spend up to the available balance after loyal service awards provisions from each of the General Fund, the Howard Ostin Bequest and the BBMDA fund to erode the value of these funds. This plan is revisited annually in the light of current expenditure requirements and investment returns.

12. FUTURE COMMITMENTS, ACTIVITIES AND PLANS

In considering the spending of funds in the future the Trust Fund Committee will work very closely with the Corporate Trustee as a Public Body. Spending on research, staff development and staff welfare will remain the main focus in expenditure plans, and continue to provide public benefit in improving and saving of patient lives. Applications to support research in furtherance of the Charity's objectives are encouraged.

We do not recognise commitments for staff welfare.

13. ASSOCIATED CHARITIES AND OTHER BODIES

Each of the funds must be seen as being associated with the other fund. The Authority as a public body, and principal beneficiary of the funds held on trust, has a considerable influence on how the funds are used.

14. THANK YOU

On behalf of the staff and patients who have benefited from improved services due to donations and legacies, the Corporate Trustee would like to thank patients, relatives and other members of the public who have made charitable donations.

15. ANNUAL ACCOUNTS

The Regulations, the Charity Statement of Recommended Practice (SORP) and the Accounting and Reporting Standards have specified three components to the final accounts:

- i. Statement of Financial Activities (SOFA)
- ii. Balance Sheet
- iii. Notes to the Accounts

A Cashflow Statement is not required for these Accounts as the reporting thresholds have not been crossed.

16. FINANCIAL REVIEW

Movement in funds

The net assets of the Charitable Funds as at 31 March 2014 were £741,000 (restated 31 March 2013 £997,000). Overall net assets decreased by £256,000 represented by a realised gain on the valuation of investments of £3,000 and expenditure in excess of income of £259,000.

Movement in each of the three funds of the Charity are summarised below:

Fund Name	Restated Fund Balance B/F	Incoming Resources	Outgoing Resources	Realised Gain on Investment Assets	Fund Balance C/F
General Fund	£631,000	£22,000	(£314,000)	£2,000	£341,000
Howard Ostin	£276,000	£8,000	(£2,000)	-	£282,000
BBMDA	£90,000	£75,000	(£48,000)	£1,000	£118,000

The Charity does not employ any staff. Trustees do not charge for their time and the Trust Fund incurs no expenses relating to the work of the Trustees. The day to day administration of funds is undertaken by the NHSBT finance department and no recharge is made for this work as costs are not material.

Incoming resources

The Charity continues to rely on donations, legacies and investment income as the main sources of income. The Trustee has decided not to actively fund raise, as it does not wish the Service to be perceived to be funded by voluntary donations. Donors already give their valuable gift of blood, tissues and organs and it would be difficult to segregate donors from the general population. This means that future donations are likely to remain at relatively low levels.

Expenditure

Expenditure during the year is mainly in support of grants for research. Total expenditure on all research grants payable in the current year amounted to £329,000 on an accruals basis in support of the following projects;

- The application of stem cells, including induced pluripotent stem cells (iPS), for use in clinical applications such as wound repair, diagnostics and transfusions. Accrual in year amounts to £3,400.
- Data manager to collect and validate outcome data of patients given donor lymphocyte infusion (DLI) to prevent and treat disease recurrence after Allogeneic Hematopoietic Transplantation in the UK. Accrual in year amounts to £47,200.
- Age of Blood in Pediatric Intensive Care (ABC-PICU) UK – a clinical trial. Accrual in year amounts to £49,000.

- Genetic manipulation of human induced pluripotent stem cells (iPSC) to remove human leukocyte antigen (HLA) class I expression for in vitro production of universal platelet concentrates. Accrual in year amounts to £48,400.
- Red blood cell transfusion thresholds and QOL in Myelodysplastic syndromes (MDS): a pilot feasibility study. Accrual in year amounts to £48,400.
- Identification of novel drivers of thrombopoiesis in platelet apheresis donors – an experimental study. Accrual in year amounts to £48,300.
- A biological study defining the genetic basis of herpes virus suppression and reactivation. Accrual in year amounts to £50,000.
- An analytical study to assess the impact of blood pressure profiles on short term outcomes in the organ recipient. Accrual in year amounts to £45,000.

The following project was released back to the General Fund as it was deemed as not required therefore an unspent grant:

- A clinical trial to see if a generation of a GMP-compatible cell line expressing a broadly neutralising antibody against the hepatitis C virus. The accrual reversed in year amounted to £10,500.

In addition, the Trust Fund continues to support long service awards to staff with over 20 years service, including service with the National Blood Authority and UK Transplant. Where staff are working in the Birmingham area these costs are recharged to the Howard Ostin Fund. The granting of long service awards is considered to be supportive of the outcomes that the Charity is seeking to achieve in the advancement of health and saving lives, by retaining a motivated and stable workforce, through the recognition of long and loyal service. Expenditure on such awards amounts to £16,700. The Trust Fund also provided funding of £8,100 in support of NHSBT staff winter celebrations at Christmas and provided a further £4,000 in support of recognition of events for outstanding team performance during the year.

Governance costs comprise External Accountant's fees of £2,000 (£2,000 2012/13), plus investment management fees deducted direct from capital investment funds held with Baring Fund Managers Ltd. The reduction in accountant fees relates to the move to an independent examination approved by the Trust Fund Committee. Investment management fees are charged at 0.05% of the portfolio value. These are deducted directly from capital funds and are estimated to be £4,000 based on the average fund balance over the year.

Investments

The investments at the year-end comprise £991,000, with the sum of £982,000 invested by Baring Fund Managers Ltd in a target return common investment fund valued at open market value as at 31 March 2014. In addition £9,000 is invested in National Grid shares.

Net current assets

The accounts show £93,000 held as cash at bank plus £330,000 cash held on deposit in a high interest bearing account.

Short term creditors of £38,000 relates to accrued expenditure in respect of research grants; NHS Blood and Transplant (£16,000) and University of Cambridge (£22,000).

Debtors of £6,000 relating to accrued income from investment assets.

Income funds

The unrestricted general-purpose fund (£341,000) can be spent at the discretion of the Trustee. In respect of the restricted funds relating to the Howard Ostin Bequest (£282,000) and the British Bone Marrow Donor Appeal (£118,000) all expenditure is within the specific objectives of these funds as provided at paragraph 5.

17. INDEPENDENT EXAMINATION

An independent examination for the Trust Fund accounts in 2013/2014 has been completed by Deloitte LLP. The examiner is required to report on whether the financial statements are prepared accordance with the accounting records and the Charities Act 2011.

SIGNED FOR AND ON BEHALF OF THE CORPORATE TRUSTEE



Mr John Pattullo

Chairman of the Board

18 December 2014

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE NHS BLOOD AND TRANSPLANT TRUST FUND.

I report on the accounts of the NHS Blood and Transplant Trust Fund ("the Charity") for the year ended 31 March 2014 comprising the income and expenditure account, the balance sheet and the related notes 1 to 13.

This report is made solely to the Charity's trustee, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the Charity's trustee those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's trustee as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of trustee and examiner

The Charity's trustee is responsible for the preparation of the accounts. The Charity's trustee considers that an audit is not required for this year under section 144(1) of the Charities Act 2011 and that an independent examination is needed. The Charity is preparing accrued accounts and I am qualified to undertake the examination by being a qualified member of ICAEW.

It is my responsibility to

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustee concerning any such matters. The procedures undertaken do not provide all evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.


Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act .

have not been met, or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Paul Thomson

for and on behalf of Deloitte LLP

Reporting Accountants

Leeds

6th JANUARY 2015

The notes on pages 24 to 28 form part of this account.
All activities were derived from continuing operations. All transactions are in pounds sterling.
have been included in the above statement.

Statement of Financial Activities for the year ended 31 March 2014

				2013-14	Restated 2012-13
	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	Total Funds £000
Incoming resources					
Donations		5	-	5	8
Investment income	7.3	17	14	31	29
Legacy Income		-	69	69	181
Total incoming resources		22	83	105	218
Resources expended					
Charitable Activities					
Grants payable	3	311	47	358	284
Governance Costs	4	3	3	6	6
Total resources expended	5	314	50	364	290
Net incoming/(outgoing) resources		(292)	33	(259)	(72)
Gains/(losses) on revaluation and disposal of investment assets		2	1	3	66
Net movement in funds	6	(290)	34	(256)	(6)
Fund balances brought forward – as previously reported		631	366	997	1,580
Prior Period Adjustment					(577)
Fund balances brought forward – as restated		631	366	997	1,003
Fund balances carried forward at 31 March 2014		341	400	741	997

The notes at pages 21 to 29 form part of this account.

All activities were derived from continuing operations. All recognised gains and losses have been included in the above statement.

CHARITABLE FUNDS TRUST ACCOUNT - NHS BLOOD AND TRANSPLANT 2013 – 2014

Balance Sheet as at 31 March 2014

	Notes	Unrestricted Funds £000	Restricted Funds £000	Total at 31 March 2014 £000	Restated Total 31 March 2013 £000
Fixed Assets					
Investments	7	526	465	991	992
Total Fixed Assets		526	465	991	992
Current Assets					
Debtors	8	3	3	6	6
Cash on deposit	9	220	110	330	478
Cash at bank and in hand		24	69	93	203
Total Current Assets		247	182	429	687
Creditors: Amounts falling due: within one year	10	(15)	(23)	(38)	(80)
Net Current Assets		232	159	391	607
Creditors: Amounts falling due: more than one year	10	(417)	(224)	(641)	(602)
Total Assets less Current Liabilities		341	400	741	997
Total Net Assets		341	400	741	997
Funds of the Charity					
Income Funds:					
Restricted	11.2	-	400	400	631
Unrestricted	11.3	341	-	341	366
Total Funds		341	400	741	997

The notes at pages 20 to 28 form part of this account.

SIGNED FOR AND ON BEHALF OF THE CORPORATE TRUSTEE

Mr John Pattullo

Chairman of the Board

18 December 2014

Mr Rob Bradburn

Finance Director

18 December 2014

Notes on the accounts

1. Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments, which are included at market value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005) issued in March 2005 and applicable UK Accounting Standards and the Charities Act 2011.

(b) Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Where the restriction requires the gift to be invested to produce income but the Trustees have the power to spend the capital, it is classed as expendable endowment. No endowments are held in the current or previous year.

Unrestricted income funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the donor has made known their non-binding wishes or where the Trustees, at their discretion, have created a fund for a specific purpose. The major funds held in each of these categories are disclosed.

(c) Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

(d) Incoming resources from legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is virtually certain; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

(e) Resources expended

Expenditure is recognised when a liability is incurred. Grant commitments are recognised when a constructive obligation arises that results in payment being unavoidable.

Grants payable are payments made (including to NHS bodies and NHS Blood and Transplant) in the furtherance of the objectives of the funds. They are accounted for in line with the SORP 2005 when the grant letter has been issued to the beneficiary and the Trust Fund has no realistic way of avoiding the commitment within its control,

- (f) **Irrecoverable VAT**
Irrecoverable VAT is charged against the category of resources expended for which it was incurred.
- (g) **Governance costs**
Investment management fees are charged directly to each fund. Independent examination fees. Any costs of administration are apportioned across each fund on the basis of resource time.
- (h) **Charitable activities**
Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity.
- (i) **Fixed asset investments**
Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. Investment funds are included in the balance sheet at the closing bid price at 31st March 2014.
- (j) **Realised gains and losses**
All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year-end and opening market value (or purchase date if later).
- (k) **Change in the basis of accounting**
There has been no change in the basis of accounting during the year.
- (l) **Cash Flow Statement**

A cash flow statement has not been produced as this is not required under the requirements of FRS 1.

2. **Statement of Trustees' Responsibilities**

The Corporate Trustee is responsible for:

- (a) Keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the funds held on Trust and to enable them to ensure that the accounts comply with requirements in the Charities Act 2011 and SORP 2005;
- (b) Establishing and monitoring a system of internal control; and
- (c) Establishing arrangements for the prevention and detection of fraud and corruption.

CHARITABLE FUNDS TRUST ACCOUNT - NHS BLOOD AND TRANSPLANT 2013 /2014

3	Grants Payable	Unrestricted Funds	Restricted Funds	Total 2014	Restated Total 2013
3.1	Grants Payable:	£000	£000	£000	£000
	Staff Long Service Awards	16	1	17	17
	Recognition Events	4	-	4	3
	Winter Celebrations	8	-	8	8
	ODT Payments	-	-	-	-
	Research & Development	283	46	329	256
		<u>311</u>	<u>47</u>	<u>358</u>	<u>284</u>

3.2	Expenditure on Grants to Other Bodies	Aggregate amount payable £000
	Barts Health NHS Trust	6
	NHS Blood and Transplant	79
	Oxford University Hospitals NHS Trust	16
	University of Birmingham	41
	University of Bristol	15
	University of Cambridge	120
	University College London	24
	University of Oxford	28
	Total	<u>329</u>

3.3	Expenditure on Grants to Individuals	Aggregate amount payable £000
	Staff Long Service Awards	17
	Staff Winter Celebrations	8
	Recognition Events	4
	Total	<u>29</u>

4	Governance Costs	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
		£000	£000	£000	£000
	Governance Costs	3	3	6	6
	Total	<u>3</u>	<u>3</u>	<u>6</u>	<u>6</u>

Governance costs include independent examination fees £2,000 (£2,000 in 2012/13). Investment management fees are taken from capital funds and are estimated at £4,000 (£4,000 2012/13) based on the average value of investment funds over the year. No recharge is made for administration costs.

5	Analysis of Total Resources Expended	Costs of Activities for Charitable objectives	Governance costs	Total	Restated Total
				2014	2013
		£000	£000	£000	£000
		358	6	364	290
		<u>358</u>	<u>6</u>	<u>364</u>	<u>290</u>
6	Changes in Resources Available for Charity Use	Unrestricted Funds	Restricted Funds	Total	Restated Total
		£000	£000	2014 Funds £000	2013 Funds £000
	Net movement in funds for the year	(290)	34	(256)	(6)
		<u>(290)</u>	<u>34</u>	<u>(256)</u>	<u>(6)</u>
7	Analysis of Fixed Asset Investments			Total	Total
				2014	2013
7.1				£000	£000
	Market value at 31 March 2014			992	930
	Disposals			-	-
	Additions			-	-
	Net realised gains/ (losses) on revaluation			(1)	62
	Investment Fees & Charges			-	-
	Market value at 31 March 2014			<u>991</u>	<u>992</u>
	Historic cost at 31 March 2014			<u>957</u>	<u>957</u>

7.2	Market value at 31 March 2014	Total	Total
		2014	2013
		£000	£000
	Common Investment Fund	982	984
	National Grid Shares	9	8
		<u>991</u>	<u>992</u>

7.3	Analysis of Investment Income	Total	Total
	Total Investment Income	2014	2013
		£000	£000
	Common Investment Fund	31	29
	UK Fixed Interest	-	-
	UK Equities	-	-
	Overseas Equities	-	-
	Property Equities	-	-
		<u>31</u>	<u>29</u>

8	Analysis of Debtors	Total	Total
		2014	2013
		£000	£000
	Amounts falling due within one year:		
		6	6
		<u>6</u>	<u>6</u>

9	Cash on Deposit	Total	Total
		2014	2013
		£000	£000
	Opening Balance 1 April 2013	478	527
	Deposits	-	150
	Withdrawals	(150)	(200)
	Interest Received	2	1
	Closing Balance 31 March 2014	<u>330</u>	<u>478</u>

10	Analysis of Creditors	Total	Total
		2014	2013
		£000	£000
10.1	Amounts due to NHSBT and grantees	38	80
	Total creditors falling due within one year	<u>38</u>	<u>80</u>
10.2			Restated
		Total	Total
		2014	2013
		£000	£000
	Amounts due to grantees	641	602
	Total creditors falling due in more than one year	<u>641</u>	<u>602</u>

The total research grant letters included with long term creditors above are as follows:

1. The isolation of human monoclonal antibodies specifically for novel therapeutically relevant leukocyte determinants (£63,029).
2. Development of a high resolution HLA typing technology using a next generation DNS sequencer (454 Roche) (£114,050).
3. A pilot feasibility study to evaluate the effects of early administration of cryoprecipitate in major trauma (£8,728).
4. National survey of neonatal exchange transfusion (£7,000).
5. Therapeutic potential of human cardiac mesenchymal progenitors (£9,928).
6. Towards red blood cells using induced pluripotent stem cells (£41,624).
7. Application for a travel grant for cultured red cells project (£2,500).
8. Study of Erythropoiesis in health and disease using a novel 3D in vitro culture system (£15,000).
9. Therapeutic potential of angiogenic factors to improve bone marrow transplantation (£24,899).
10. ATHENA II: A pilot study of fibrinolytic activation in patients with haematological malignancies (£17,782).
11. Age of Blood in Pediatric Intensive Care (ABC-PICU) UK (£49,000)

12. Genetic manipulation of human induced pluripotent stem cells to remove HLA class I expression for in vitro production of universal platelet concentrates (£ 48,421)
13. Red blood cell transfusion thresholds and QOL in MDS: a pilot feasibility (£ 48,453).
14. Identification of novel drivers of thrombopoiesis in platelet apheresis donors (£ 48,374).
15. Defining the genetic basis of herpesvirus suppression and reactivation using GWAS in INTERNAL blood donors (£ 50,000)
16. Data manager to collect and validate outcome data of patients given donor lymphocyte infusion (DLI) to prevent and treat disease recurrence after Allogeneic Hematopoietic Transplantation in the UK (£ 47,290)
17. Impact of blood pressure profiles on short term outcomes in the organ recipient (£ 45,000)

The following amounts have been returned to the relevant fund in respect of an unspent grant :-

1. £10,500 to the General Fund relating to a research project

11 Analysis of Funds

11.1 Endowment Funds

The Charity does not hold any endowment funds.

11.2	Restricted Funds	Restated Balance as at 01 April 2013	Incoming Resources	Resources Expended	Gains and Losses	Transfers	Balance as at 31 March 2014
		£000	£000	£000	£000	£000	£000
	Howard Ostin Bequest	276	8	(2)	-	-	282
	British Bone Marrow Donor Appeal	90	75	(48)	1	-	118
	Total	366	83	(50)	1	-	400

The Charity holds **two** restricted funds.

The Howard Ostin Bequest: the main objective of which is to further such charitable purposes as the trustees think fit, having first considered and having regard to the needs in the area of Birmingham and the surrounding district.

The British Bone Marrow Donor Appeal: the main objective of which is to improve the infrastructure for searching and accessing the Registry by clinicians, registry managers and patients.

11.3	Unrestricted Funds	Restated Balance as at 01 April 2013 £000	Incoming Resources £000	Resources Expended £000	Gains and Losses £000	Transfer £000	Balance as at 31 March 2014 £000
	Total	631	22	(314)	2	-	341

The General Fund is an unrestricted fund which may be used at the discretion of the Trustee for charitable purposes, wholly or mainly to support the goals of NHS Blood and Transplant in saving and improving lives.

- 12 Related Party Transactions** The management of Charitable trust funds is delegated to the Trust Fund Committee which is a sub-committee to the Board of the Corporate Trustee, NHS Blood and Transplant.

The charitable trust has made revenue payments to NHS Blood and Transplant in furtherance of its charitable goals. The members of the Trust Fund Committee (whose names are listed below) also served as members of NHS Blood and Transplant Board during the year.

Mr Roy Griffins CB

Mr Andrew Blakeman

Professor John Forsythe

Mr Rob Bradburn

Dr Lorna Williamson

Dr Lorna Williamson is the Medical and Research Director of NHSBT and research projects which have been funded by the Trust Fund Committee are also within Dr Williamson's area of responsibility.

Details of all the charitable trust account related party transactions are below:

- Payment to NHS Blood and Transplant in respect of Independent examination fees, £2,000 (£2,000 2012/13). This is included in creditors within the balance sheet.

- Payments to NHS Blood and Transplant relating to Therapeutic potential of human cardiac mesenchymal progenitors, £5,324 (£nil 2012/13)

- Payments in respect of a project towards red blood cells using induced pluripotent stem cells, £6,202 (£nil 2012/13)

- Payment to NHS Blood and Transplant relating to the therapeutic potential of human cardiac mesenchymal progenitors, £22,311 (£13,033 2012/13). £2,000 is included within creditors within the balance sheet.

- Payments in respect of identification of biomarkers that reflect the quality of donor organs and predict outcome after transplantation, £49,979 (£nil 2012/13)

- Payment to NHS Blood and Transplant in respect of staff winter celebrations, £8,189 (£7,856 2012/13), included within creditors in the balance sheet.

The NHSBT Trust Fund also funds the cost of long service awards made to employees of the Corporate Trustee. In 2013/14 this amounted to £16,694 (£16,426 2012/13). The Trust also funds for recognition events which amounted to £3,840 (this is included within the creditors in the balance sheet).

13 Prior Period Adjustments

During the year the Trustees determined that grant funding should be recognised as a liability at the point of a grant letter being issued.

The result of this is a change in Accounting Policy and prior period adjustment as follows:

	As Previously Reported 2013	Prior Period Adjustment	As restated 2013
Creditors <1 yr			
- Amounts payable to grantees	80	-	80
Creditors >1 yr			
- Amounts payable to grantees	-	602	602
Unrestricted Funds	892	(261)	631
Restricted Funds	707	(341)	366

NHS Blood and Transplant

NHS Blood and Transplant (NHSBT) saves and improves lives by providing a safe, reliable and efficient supply of blood and associated services to the NHS in England and North Wales. We are the organ donor organisation for the UK and are responsible for matching and allocating donated organs. We rely on thousands of members of the public who voluntarily donate their blood, organs, tissues and stem cells.

For more information

Visit nhsbt.nhs.uk

Email enquiries@nhsbt.nhs.uk

Call 0300 123 23 23