

**NHS BLOOD AND TRANSPLANT  
TRUST FUND**

**ANNUAL REPORT AND ACCOUNTS  
for the  
Financial Year Ended  
31 March 2012**

**OFFICE AND REGISTERED ADDRESS:**

**NHS Blood and Transplant  
Oak House  
Reeds Crescent  
WATFORD  
Herts. WD24 4QN  
☎ 01923 366800**

**REGISTERED CHARITY NO: 1061771**

**BANKERS :**

**Lloyds Bank Edgware  
Station Road  
Edgware  
Middlesex HA8 7JL**

**AUDITOR :**

**Deloitte LLP  
1 City Square  
Leeds  
LS1 2AL**

---

**This Report is a Public Document, copies of which may be obtained from:**

**Brigid Newington Assistant Finance Director (Operations) at the registered  
address.**

# **NHS BLOOD AND TRANSPLANT**

---

## **1. FOREWORD**

The Corporate Trustee, NHS Blood and Transplant presents the charitable funds Annual Report together with the Audited Financial Statements for the year ended 31 March 2012.

The Charity's annual report and accounts for the year ended 31 March 2012 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 17 to 26.

## **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 (2011:3) as at 31 March 2012, 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 2011- 2012**

### **CHAIRMAN**

**Mr Bill Fullagar**

### **NON-EXECUTIVE DIRECTORS**

**Mr Andrew Blakeman**

**Ms Della Burnside**

**Dr Christine Costello**

**Professor John Forsythe**

**Mr David Greggains**

**(period 1 April to 30 September)**

**Mr Roy Griffins**

**(commenced 1 January 2012)**

**Mr George Jenkins**

**Mr Shaun Williams**

## **EXECUTIVE DIRECTORS**

**Ms Lynda Hamlyn – Chief Executive**

**Mr Rob Bradburn – Finance Director**

**Ms Sally Johnson – Director of Organ Donation and Transplant**

**Mr Alan McDermott – Director of Blood Donation**

**Mr Clive Ronaldson – Director of Patient Services**

**Dr Lorna Williamson – Medical and Research Director**



## **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 2012 for the Corporate Trustee, NHS Blood and Transplant as permitted under the Scheme of Delegation approved by the Board in October 2005 were as follows:

Mr Andrew Blakeman:	Chair of the Trust Fund Committee
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.
- 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;
- 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 four meetings during the financial year 2011/12, chaired by Andrew Blakeman. Attendance at meetings is shown below:

<b>Meeting Dates</b>	<b>25.05.2011</b>	<b>22.07.2011</b>	<b>28.11.2011</b>	<b>21.02.2012</b>
Andrew Blakeman	✓	✓	✓	✓
John Forsythe	✓	x	✓	x
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 £1.580 million (£1.893 million 2010/11).

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. All research applications over £50k total value must have successfully gone through the 'peer review' process of the NHSBT



National Research and Development Committee (a Board committee), prior to being submitted as an application for funding to the Trust Fund Committee. Applications for smaller amounts, which are generally start-up or spin-off projects, require approval by the Research and Development Management Team, chaired by the Medical and Research Director, prior to the 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. Our 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 (three 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 increase numbers on the Organ Donation Register, and to 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 in the transplantation of organs, stem cells and tissues, and are collectively described as NHSBT’s “Specialist Services”.

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. We additionally provide 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 Brigid Newington, Assistant Finance Director (Operations) 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 quarterly 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 (£795k)** 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 an 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' services 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 charged to the Howard Ostin Fund.

The **Howard Ostin Bequest (£421k)** 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'.

A steering group representing Birmingham has been established to propose expenditure bids to the Trust Fund Committee.



The **British Bone Marrow Donation Appeal (BBMDA) (£364k)** 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 patient's 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 long 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 which help to improve and save patients' lives:-

- ⇒ A pilot feasibility study to evaluate the effects of early administration of cryoprecipitate in major trauma. The main objective of this study is to examine whether early administration of cryoprecipitate, in addition to standard transfusion therapy, is feasible, efficacious and safe in adult trauma patients with haemorrhagic shock and active bleeding. This is designed as a small feasibility trial in the setting of trauma and will inform larger trials moving forward. Funding of £50,000 was approved, subject to the project commencing prior to November 2012.
- ⇒ An epidemiological cross-sectional national study of transfusion management and haemostatic changes in major obstetric haemorrhage. Major obstetric haemorrhage (MOH) which results in massive transfusion remains the leading cause of maternal morbidity and mortality and currently there is a lack of prospective information on the haemostatic abnormalities which develop in MOH. Funding of £24,960 was approved, subject to the project commencing by November 2012.
- ⇒ Expansion and engraftment of haemopoietic stem/progenitor cells. The aim is to improve patient outcomes by maximising the generation of specific haemopoietic cell subsets from induced pluripotent stem cells, thereby understanding basic mechanisms for later clinical application and to improve UCB haemopoietic stem cell engraftment in order to reduce graft failure and graft delays. Funding for consumables to support this work amounting to £45,000 was approved, subject to the work starting by November 2012.
- ⇒ Identifying novel graft target antigens of graft versus myeloma effect. The human immune system recognises and combats infective agents and foreign proteins through two types of white cells, B lymphocytes and T lymphocytes. B lymphocytes produce antibodies that target specific proteins and are able to neutralise viruses that come into the human body. These can now be made into a therapy to target tumours and viruses. However, they only have a temporary effect. In contrast, T lymphocytes are long-lasting memory cells that expand and kill infected cells when they encounter the infection. Research has shown that patients with myeloma have T lymphocytes that recognise proteins from a family of protein called Cancer testis antigens (CTAg). Studies have shown that myeloma patients with a higher number of T lymphocytes recognising CTAg lived longer than those with less CTAg specific T lymphocytes. As myeloma patients are treated with autologous stem cell transplant this study will investigate whether the autologous stem cell graft infused into

these patients contain lymphocytes that target CTA<sub>g</sub>, and if so, whether the number of such cells correlates with better results for patients. Funding of £9,583 was approved for this project.

- ⇒ T cell receptor (TCR) transduction of Cord Blood T cells for anti-viral immunotherapy. The aim of this study is to explore the possibility of using unrelated donor cord blood for immunotherapy focusing on trying to engineer T cells to recognise cells infected with the EB virus (EBV). T cells recognise viruses and proteins through a T cell receptor. This study plans to introduce a gene that leads to the formation of a TCR on the surface of the T cells that recognises only EBV derived proteins. Funding of £9,960 was approved for this project.
- ⇒ National Survey of Neonatal Exchange Blood Transfusion. This study is a collaboration between Consultant Paediatricians and Neonatologists in the UK and Ireland and NHSBT Statistics and Audit, with the support of the British Paediatric Surveillance Unit. Funding of £7,000 was approved to cover the financial costs of undertaking a survey to provide information on neonatal exchanges and outcomes.

Outstanding commitments for approved and existing projects amount to £577k and further details are disclosed at note 13 to the accounts.

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 year are from legacies (£25k), donations from individuals (£12k) or grateful relatives and friends, and investment income (£45k) earned in interest and dividends through prudent management of funds not immediately required.

## **9. LEGACIES**

In 2010/11 the Charity received notification of a legacy bequest and as there was a high degree of confidence in the realisation of this income the sum of £55k was accrued for in the 2010/11 accounts. The final amount received during 2011/12 was £55k. In addition, a further legacy of £25k was also received.

## **10. INVESTMENTS**

During the year Investment management services were provided by Investec Wealth and Investment Limited, which formerly traded as Rensburgh Sheppards. Investec Wealth and Investment Limited is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority, registration No. 2122340. Their registered address is 2 Gresham Street, London, EC2 7QP.

This contract came to an end in December 2011 and following a competitive tendering exercise a new contract for investment management services was awarded to Barings with effect from 1 January 2012 for a period of 3 years to 31 December 2014 with an option to extend for 2 further 1 year periods. Consequently all Investment assets held with Investec were sold on or around 31 December 2011, with the proceeds of the sale amounting to £1.358 million. After taking into account the short term commitments of the Charity, the sum of £950,000 was re-invested with Barings in a Targeted Return Fund, with a separate account held for each of the three funds.



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 £150k per annum from each of the General Fund and the Howard Ostin Bequest, a combined total of £300k, which will gradually erode the value of these funds. This policy is revisited annually in the light of current expenditure requirements and investment returns. It is likely that the British Bone Marrow Donor Appeal fund will be substantially spent over a 2-3 year period in furtherance of the objective of this fund.

## **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.

Commitments at the balance sheet date of 31st March 2012 amount to the sum of £127k (General Fund); £202k (Howard Ostin Fund); £248k, (BBMDA) Fund.

## **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 because the reporting thresholds have not been crossed.

## 16. FINANCIAL REVIEW

### Movement in Funds

The net assets of the Charitable Funds as at 31 March 2012 were £1.580 million (2010: £1.893 million). Overall net assets decreased by £313k represented by an unrealised loss on the valuation of investments of £105k and expenditure in excess of income of £208k.

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

Fund Name	Fund Balance B/F £000's	Incoming Resources	Outgoing Resources	Realised Loss on Investment Assets	Fund Balance C/F £000's
General Fund	£830k	£56k	(£46k)	(£45k)	£795k
Howard Ostin	£518k	£14k	(£77k)	(£34k)	£421k
BBMDA	£545k	£12k	(£167k)	(£26k)	£364k

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 £236k in support of the following projects;

- ⇒ Investigation into whether testing for anti-graft antibodies can reduce allograft loss and widen access to transplantation. The objective of this project which is funded by the Howard Ostin Fund is to define the temporal relationship between donor specific antibody formation and graft damage and how this leads to graft loss. This is a multi centre collaborative investigation involving the analysis of kidney, heart, lung, and liver transplants funded from the Howard Ostin Bequest. Expenditure in year amounts to £63k.
- ⇒ Funding from the BBMDA fund for a Bioinformatics Specialist. The purpose of this research is to establish whether the composition of the British Bone Marrow Registry (BBDR) can be improved to increase our provision of donors. The objective of the project is to , perform an analysis of the composition of the registry including age, ethnicity and the HLA profile of the donors, and to assess the clinical outcomes of transplant performed using BBMR products (BBR) (stem cell). Expenditure in year amounts to £19.9k.



- ⇒ Funding from the BBMDA fund for data manager to achieve World Marrow Donor Accreditation. This accreditation, achieved on 1 April 2011, increases the British Bone Marrow Registry exposure to unrelated donor searches for patients within the USA and in countries associated with the National Marrow Donor Programme Registry. Expenditure in year amounts to £15k
- ⇒ Funding from the Howard Ostin Fund for a research midwife to support investigation into antenatal determination of fetal rhesus status (Rh) D - women who do not have the D blood group (D) on their red cells (D- women) can produce potentially harmful antibodies against D on their baby's red cells during pregnancy. Anti-D immunoglobulin is given to D- women during pregnancy to prevent antibody formation. NHSBT has developed high throughput fetal D typing using fetal DNA in maternal blood that is accurate at 28 weeks. This study evaluates the effectiveness of this test at 28 weeks and earlier in pregnancy. Approximately 40% of D- women would not need anti-D, an expensive human blood product, if this test is successfully implemented. Expenditure in year amounts to £5.6k.
- ⇒ The transplantation of haematopoietic stem cells in treatment of certain haematological or immunological diseases such as leukaemia is increasing all over the world, however serious clinical complications can arise if the tissue types (HLA types) of the donor and patient are not closely matched. Expenditure in year on this project, funded by the BBMDA, amounts to £74k.
- ⇒ Implementation of the European Marrow Donor Information System (EMDIS) This will link the BBMR database with those of other registries enabling a smooth data flow of data from and to, heterogeneous national and international systems and networks, resulting in a faster, more reliable and more transparent donor search process. Expenditure in year amounts to £55k.
- ⇒ Recognition of the memory of kidney donors in the West of Scotland who donated their organs to save and improve the lives of others amounting to £3.2k.

In addition, the Trust Fund provided £2k in support of staff education and continues to support long service awards to staff with over 20 year's 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 £22k. The Trust Fund also provided funding of £13k in support of NHSBT staff winter celebrations at Christmas and, a provided a further £1k in support of recognition of events for outstanding team performance.

Governance costs comprise External Audit fees of £4.5k, plus £12k paid to Investec in respect of investment management fees. Investment management fees from Barings are 0.05% of the portfolio value and are deducted direct from capital funds.

## **Investments**

The investments at the year-end comprise £931k, with the sum of £924k invested by Barings Assets Management in a target return common investment fund valued at open market value as at 31 March 2012, and the sum of £7k invested in National Grid shares.

## **Net Current Assets**

The accounts show £246k held as cash at bank plus £527k cash held on deposit in a high interest bearing account.

Short term creditors of £131k, relates to accrued expenditure in respect of research grants NHS Blood and Transplant (£34k), Imperial College London (£23k), and the University of Cambridge (£74k).

Debtors of £8k relating to accrued income from investment assets.

## **Income Funds**

The unrestricted general-purpose fund (£795k) can be spent at the discretion of the Trustee. In respect of the restricted funds relating to the Howard Ostin Bequest (£421k) and the British Bone Marrow Donor Appeal (£364k) all expenditure is within the specific objectives of these funds as provided at paragraph 5.

## **17. EXTERNAL AUDIT**


The external auditor for the Trust Fund accounts in 2011-2012 is Deloitte LLP, who have replaced the National Audit Office as the external auditors. The auditors are required to report on whether the financial statements give a true and fair view and whether they have been properly prepared in accordance with the Charities Act 2011 and on whether certain information given in the Annual Report is consistent with the financial statements.

So far as I am aware, there is no relevant information of which the NHSBT's Trust Fund's auditors are unaware; and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the NHSBT Trust Fund's auditors are aware of that information.

## **SIGNED FOR AND ON BEHALF OF THE CORPORATE TRUSTEE**

---

**Mr Bill Fullagar**



**Chairman of the Board**

**15 January 2013**



## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE NHS BLOOD AND TRANSPLANT TRUST FUND**

We have audited the financial statements of NHS Blood and Transplant Trust Fund for the year ended 31/03/2012 which comprise the Statement of Financial Activities and the Balance Sheet and the related notes 1 to 14. 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 trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the 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 Trustees; 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31/03/2012 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 and the Trust deed.

### **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 Trustees' Annual 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.

*Deloitte LLP*

**Deloitte LLP**

Chartered Accountants and Statutory Auditor  
1 City Square  
Leeds  
LS1 2AL

**17 January 2013**



**Statement of Financial Activities for the year ended  
31 March 2012**

	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	2010-11 Total Funds £000
<b>Incoming resources</b>					
Donations		12		12	10
Investment income	7.3	19	26	45	43
Legacy Income		25		25	55
<b>Total incoming resources</b>		<b>56</b>	<b>26</b>	<b>82</b>	<b>108</b>
<b>Resources expended</b>					
<b>Charitable Activities</b>					
Grants payable	3	39	235	274	220
Governance Costs	4	7	9	16	19
<b>Total resources expended</b>	5	<b>46</b>	<b>244</b>	<b>290</b>	<b>239</b>
Net incoming/(outgoing) resources		10	(218)	(208)	(131)
<b>Net incoming/(outgoing) resources</b>		<b>10</b>	<b>(218)</b>	<b>(208)</b>	<b>(131)</b>
Gains/(losses) on revaluation and disposal of investment assets		(45)	(60)	(105)	65
<b>Net movement in funds</b>	6	<b>(35)</b>	<b>(278)</b>	<b>(313)</b>	<b>(66)</b>
Fund balances brought forward at 31 March 2011		830	1063	1,893	1,959
<b>Fund balances carried forward at 31 March 2012</b>		<b>795</b>	<b>785</b>	<b>1,580</b>	<b>1,893</b>

The notes at pages 19 to 26 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 2011 – 2012**

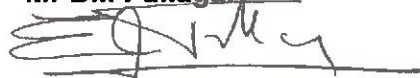
**Balance Sheet as at 31 March 2012**

	Notes	Unrestricted Funds	Restricted Funds	Total at 31 March 2012	Total at 31 March 2011
		£000	£000	£000	£000
<b>Fixed Assets</b>					
Investments	7	493	437	930	1,454
<b>Total Fixed Assets</b>		<u>493</u>	<u>437</u>	<u>930</u>	<u>1,454</u>
<b>Current Assets</b>					
Debtors	8	4	4	8	68
Cash on deposit	9	267	260	527	327
Cash at bank and in hand		45	201	246	102
<b>Total Current Assets</b>		<u>316</u>	<u>465</u>	<u>781</u>	<u>497</u>
Creditors: Amounts falling due within one year	10	(14)	(117)	(131)	(58)
<b>Net Current Assets/(Liabilities)</b>		<u>303</u>	<u>348</u>	<u>650</u>	<u>438</u>
<b>Total Assets less Current Liabilities</b>		<u>795</u>	<u>785</u>	<u>1580</u>	<u>1,893</u>
<b>Total Net Assets</b>		<u>795</u>	<u>785</u>	<u>1580</u>	<u>1,893</u>
<b>Funds of the Charity</b>					
<b>Income Funds:</b>					
Restricted	11.2	-	785	785	1,063
Unrestricted	11.3	795	-	795	830
<b>Total Funds</b>		<u>795</u>	<u>785</u>	<u>1,580</u>	<u>1,893</u>

The notes at pages 19 to 26 form part of this account.

**SIGNED FOR AND ON BEHALF OF THE COPORATE TRUSTEE**

**Mr Bill Fullagar**



**Chairman of the Board  
15 January 2013**

**Mr Rob Bradburn**



**Finance Director  
15 January 2013**

## 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.

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 result 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 on an accruals basis where the conditions of their payment have been met or where a third party has reasonable expectation that they will receive the grant.

#### (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. External Audit fees and the 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 dealing price at 31<sup>st</sup> March 2012.

**(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 2011 - 2012**

<b>3 Grants Payable</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2012</b>	<b>Total 2011</b>
<b>3.1 Grants Payable:</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Staff Long Service Awards	22	3	24	24
Winter Celebrations	13		13	13
ODT Payments	3		3	8
Research & Development	1	232	234	175
	<u>39</u>	<u>235</u>	<u>274</u>	<u>220</u>

<b>3.2 Expenditure on Grants to Other Bodies</b>	<b>Aggregate amount paid £000</b>
Imperial College	48
NHS Blood and Transplant	106
Birmingham Women's NHS Foundation Trust	5
University of Cambridge	76
<b>Total</b>	<u><b>235</b></u>

<b>3.3 Expenditure on Grants to Individuals</b>	<b>Aggregate amount paid £000</b>
Staff Long Service Awards	22
Staff Winter Celebrations	13
Recognition Events	1
<b>Total</b>	<u><b>36</b></u>

<b>3.4 Expenditure on Grants for Organ Donation</b>	<b>Aggregate amount paid £000</b>
Recognition of kidney donors in the West of Scotland	3
<b>Total</b>	<u><b>3</b></u>

<b>4 Governance Costs</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2012 £000</b>	<b>Total 2011 £000</b>
Governance Costs	7	9	16	19
<b>Total</b>	<u><b>7</b></u>	<u><b>9</b></u>	<u><b>16</b></u>	<u><b>19</b></u>

Governance costs include investment management fees of £12k (£12k 2010/11) payable to Investec and payments made to NHS Blood and Transplant in respect of external audit £4.5k (£4.750k 2010/11). No recharge is made for administration costs.

---

**CHARITABLE FUNDS TRUST ACCOUNT - NHS BLOOD AND TRANSPLANT 2011 - 2012**


---

Analysis of	5	Costs of activities for charitable objectives	Governance costs	Total 2012	Total 2011
Total Resources Expended		£000	£000	£000	£000
		274	16	290	239
		<u>274</u>	<u>16</u>	<u>290</u>	<u>239</u>

Changes in Resources Available for Charity Use	6	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000	Total 2011 £000
Net movement in funds for the year		(35)	(278)	(313)	(66)
		<u>(35)</u>	<u>(278)</u>	<u>(313)</u>	<u>(66)</u>

Analysis of	7	Total 2012	Total 2011
Fixed Asset Investments	7.1	£000	£000
Market value at 31 March 2011		1,454	1,401
Disposals		(1,358)	
Additions		950	
Net realised/unrealised gains/ (losses) on revaluation		(105)	65
Investment Fees & Charges		(11)	(12)
Market value at 31 March 2012		<u>931</u>	<u>1,454</u>
Historic cost at 31 March 2012		<u>957</u>	<u>1,370</u>

	7.2	Total 2012	Total 2011
		£000	£000
Market value at 31 March 2012		924	-
Common Investment Fund		-	207
UK Fixed Interest		-	809
UK Equities		-	343
Overseas Equities*		-	79
Property Equities*		7	6
National Grid Shares		-	10
Cash		<u>931</u>	<u>1,454</u>

\*All investments are in a targeted return common investment fund.



<b>Cash on Deposit</b>	<b>9</b>	<b>Total</b>	<b>Total</b>
		<b>2012</b>	<b>2011</b>
		<b>£000</b>	<b>£000</b>
	Opening Balance 1 April 2011	327	486
	Deposits	1,439	-
	Withdrawals	(1,240)	(160)
	Interest Received	1	1
	Closing Balance 31 March 2012	527	327

		Total 2012	Total 2011
<b>Analysis of Creditors</b>	10		
		<b>£000</b>	<b>£000</b>
10.1	Amounts due to associated undertakings	<b>131</b>	<b>58</b>
	Total creditors falling due within one year	<b>131</b>	<b>58</b>
10.2	There are no creditors due falling after one year.		

<b>Analysis of Funds</b>	11						
<b>11.1 Endowment Funds</b>							
		The Charity does not hold any endowment funds.					
<b>11.2 Restricted Funds</b>							
		Balance as at 31 March 2011 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains and Losses £000	Balance as at 31 March 2012 £000
<b>Total</b>		<b>1,063</b>	<b>26</b>	<b>(244)</b>	<b>-</b>	<b>(60)</b>	<b>785</b>

The Charity holds two restricted funds. Details of the movements in each fund are shown at Section 14 of the Annual Report.

**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

	Balance as at 31 March 2011 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains and Losses £000	Balance as at 31 March 2012 £000
<b>Total</b>	<b>830</b>	<b>56</b>	<b>(46)</b>	<b>-</b>	<b>(45)</b>	<b>795</b>

**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.

### Related Party Transactions

- 12 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 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 External Audit Fees, £4,500 (£4,750 2010/11). This is included in creditors within the balance sheet.

- Payment to NHS Blood and Transplant in respect of Internal Audit Fees, £594 (£2,030 2010/11)

- Payment to NHS Blood and Transplant to provide funding to provide materials for investigation into whether testing for anti-graft antibodies can reduce allograft loss and widen access to transplantation, £15,395 (£nil 2010/11) , included within creditors in the balance sheet.

- Payment to NHS Blood and Transplant to provide funding to achieve World Marrow Donor Accreditation, £15,044 (£37,188 2010/11).
- Payment to NHS Blood and Transplant to provide funding for a bioinformatics specialist to monitor the outcomes of stem cell recipients, £19,885 (£39,096 2010/11).
- Payment to NHS Blood and Transplant relating to the implementation of the European Marrow Donor Information System, £55,448 (£2,500 2010/11).
- Payment to NHS Blood and Transplant in respect of staff winter celebrations, £13,653 (£12,839 2010/11), included within creditors in the balance sheet.
- Payment to NHS Blood and Transplant in respect of a reimbursement for a television unit for the STS unit at Christies Hospital in line with donors wishes, £433 (£nil 2010/11).

The NHSBT Trust Fund also funds the cost of long service awards made to employees of the Corporate Trustee. In 2011/12 this amounted to £21,913 (£24,129 2010/11). The Trust also funds for recognition events which amounted to £952.

## Committed Expenditure

13

Grants Committed as at 31 March 2012 are as follows:

	Amounts due < 1 year (£)	Amounts due in > 1year (£)	Total Commitment as at 31 March 2012 (£)	Total Commitments as at 31 March 2011 (£)
Research	402,403	174,563	576,966	690,198
Small Grants	-	-	-	4,000
<b>Total</b>	<b>402,403</b>	<b>174,563</b>	<b>576,966</b>	<b>694,198</b>

Research Grants committed as at 31 March 2012 consist of:-

1. Investigation into whether testing for anti-graft antibodies can reduce allograft loss and widen access to transplantation (£13,670).
2. The isolation of human monoclonal antibodies specifically for novel therapeutically relevant leukocyte determinants (£168,754).
3. Development of a high resolution HLA typing technology using a next generation DNS sequencer (454 Roche) (£248,039).
4. A pilot feasibility study to evaluate the effects of early administration of cryoprecipitate in major trauma (£50,000).
5. An epidemiological cross-sectional national study of transfusion management and haemostatic changes in major obstetric haemorrhage (£24,960).
6. Expansion and engraftment of Haemopoietic Stem/Progenitor cells (£45,000).
7. National survey of neonatal exchange transfusion (£7,000)

8. Identifying novel targets for antigens of graft versus Mteloma effect (£9,583).
9. TCR Tmascuction of Cord Blood T cells for anti – viral immunotherapy (£9,960).

**Grants Returned 14**

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

1. £3,098 to the General Fund relating to small grants
2. £13,382 to the BBMDA fund in relation to funding for a database manager.
3. £7,502 to the BBMDA fund for WMDA accreditation.
4. £3,829 to the Howard Ostin fund in relation to support for .08 wte research midwife in an investigation into antenatal determination of fetal rhesus (Rh) D status using cell free fetal DNA in the maternal circulation before 20 weeks gestation.
5. £4,552 to the BBMDA fund for the implementation of the European Marrow Donor Information System (EMDIS).