



Blood and Transplant

NHS Blood and Transplant

Trust Fund

ANNUAL REPORT AND ACCOUNTS
for the financial year ended 31 March 2018

OFFICE AND REGISTERED ADDRESS :

NHS Blood and Transplant
Finance Operations Team
Bridle Path
Leeds
LS17 5TW

Registered Charity No.1061771

BANKERS :

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INDEPENDENT EXAMINER :

Mazars LLP
5th Floor
3 Wellington Place
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This Report is a public Document, copies of which may be ordered from:
Rob Bradburn, Finance Director at the registered address.



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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 2018.

The Charity's Annual Report and Accounts for the year ended 31 March 2018 have been prepared by the Corporate Trustee in accordance with the Charities Act 2011.

The Report provides detail 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 12 to 22.

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 2018 (2016/2017:3), 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:

3. Authority Board NHSBT 2017 - 2018

Chairman Mr John Pattullo – left 31 May 2017
Ms Millie Banerjee – commence 1 June 2017

Non-executive Directors Mr Roy Griffins CB
Mr Jeremy Monroe
Ms Louise Fullwood
Mr Keith Rigg
Mr Charles St John
Professor Paresh Vyas
Lord Jonathan Oates

Executive Directors	Ian Trenholm	Chief Executive and Accounting Officer
	Mr Rob Bradburn	Director of Finance and Estates
	Ms Sally Johnson	Director of Organ Donation and Transplantation
	Mr Greg Methven	Director of Manufacturing and Logistics
	Dr Gail Miflin	Medical and Research Director
	Dr Huw Williams	Director of Diagnostic & Therapeutic Services

4. Trust Fund Committee

The NHS Blood and Transplant Board, the corporate trustee, delegates responsibility for the on-going management. The members of the Trust Fund Committee during the year 2017-18 were as follows:

Mr Roy Griffins CB	Chair and Non-Executive Director
Mr Charles St John	Non-Executive Director
Mr Rob Bradburn	Finance Director NHS Blood and Transplant
Dr Gail Miflin	Medical and Research Director NHS Blood and Transplant
Mr David Evans	Director of Workforce NHS Blood and Transplant - Left April 2017
Ms Katherine Robinson	Director of Workforce NHS Blood and Transplant - Commenced May 2017

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 Trustee Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England & Wales requires the trustee 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 trustee is 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.

Although NHSBT Trust Funds are able to hold non-charitable funds on trust, to do so would be to incur additional Trustee and related administrative responsibilities. The Trust Fund held no non-charitable funds on trust during the year.

5. Structure, Governance and Management

The Department of Health and Social Care 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 work plan and held four meetings during the financial year 2017/18, chaired by Roy Griffins. Attendance at meetings is shown below:

Meeting Dates	April 2017	July 2017	November 2017	February 2018
Roy Griffins	✓	✓	✓	✓
Charles St John	✓	✓	✓	✓
Gail Miflin	✓	✓	✓	✓
Rob Bradburn	✓	✓	✓	✓
David Evans	✓	-	-	-
Katherine Robinson	-	✓	✓	✓

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 £342,000 (£316,000 31 March 2017).

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 take into account whether the purpose of the request meets the charity's objectives and whether there are funds available to meet that expenditure.

The Nature and Purpose of NHSBT

The core purpose of NHSBT is to “Save and Improve Lives” through providing a safe and reliable supply of blood components, solid organs, stem cells, tissues and related diagnostic services to the NHS and to the other UK Health Departments where directed.

NHSBT is constituted as a Special Health Authority in England and Wales. NHSBT is also accountable to the Scottish and Northern Ireland Health Departments regarding its UK-wide role in organ donation and transplantation.

NHSBT is one of the largest services of its type in the world. It is also relatively unusual in that the supply of blood, organs, stem cells and tissues is provided by the one national organisation. NHSBT is organised into three operating divisions:

Blood Components covers the supply of red cells, platelets, plasma and related specialist products to NHS hospitals in England. The cost of these products is recovered in the prices that are agreed annually through the National Commissioning Group for Blood. Around 28,000 units of whole blood are collected every week via a network of fixed sites and mobile blood collection teams. The blood is processed in three processing centres (two of which are also testing facilities) and distributed via a network of fifteen issue centres to over 250 NHS Trusts.

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 the four UK Health Departments and hospitals throughout the UK to increase the numbers of organs available for transplantation. The cost of these activities (including the retrieval of donated organs) is directly funded by the UK Health Departments.

Diagnostic and Therapeutic Services (DTS). This is a group of strategic business units (SBUs) that supply biological products and related services, mostly to the NHS in England. This includes:

Tissues and Eye services - NHSBT retrieves tissues (such as skin, bone and eyes) from deceased donors and processes and stores these at its facility in Speke prior to issue to 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 supporting services to NHS, academic and private sector organisations seeking to take next generation stem cell therapies to the clinic.

Diagnostic Services – NHSBT operates a national network of laboratories that provide specialised matching and reference services in support of blood transfusion (red cell immunohaematology) and organ, stem cells and tissue transplantation (histocompatibility & immunogenetics).

Therapeutic Apheresis Services (TAS) - NHSBT is the UK’s largest single provider of Therapeutic Apheresis Services. Services provided include extracorporeal photopheresis, plasma and red cell exchange, peripheral blood cell stem collection and low-density lipid removal.

The cost of the products and services provided by the DTS SBUs is generally recovered through the prices that are set within each SBU and agreed annually through the National Commissioning Group for Blood.

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 address below:

**NHS Blood and Transplant
Finance Operations Team Bridle Path Leeds LS15 7TW**

6. Fund Objectives and Activities

The General Fund (£314,000) 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 £26,000 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 (£18,000) 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) (£10,000) 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.

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 Trustee has 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. Achievements and Performance

Review of Activities undertaken for the Public Benefit and furtherance of the Charity's objectives

During the year the Committee has approved expenditure on the following research and development projects amounting to £47,881 (excluding reversals), which help to improve and save patients' lives: -

Factors predicting unrelated hematopoietic stem cell donors availability at the verification typing and work-up stages:

The study, which aims to identify rare haematopoietic stem cell donors in the British Bone Marrow Register, received £47,881 from the BBMDA Fund. The project will also build a customer relationship programme to enhance retention of these rare donors which will lead to better provision of stem cells for patients.

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.

Investment performance

The funds invested with Barings are monitored on a calendar year basis, in the 12 months to December 2017 the funds grew 10.0% versus a 7.8% target (CPI+5%).

Associated Charities and Other Bodies

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

Thank You

The Corporate Trustee would like to thank patients, relatives and other members of the public who have made charitable donations which have in turn improved services for patients and funded recognition awards for staff.

Annual Accounts

The Regulations, the Charity Statement of Recommended Practice (SORP 2015) and the Accounting and Reporting Standards have specified three components to the final accounts:

- i. Statement of Financial Activities (SOFA) (page 12)
- ii. Balance Sheet (page 13)
- iii. Notes to the Accounts (pages 14-22)

8. Financial Review

Income

The Charity relies on donations, legacies and investment income as the main sources of income. The Trustee does not actively fund raise. This means that future donations are likely to remain at relatively low levels.

The main sources of income in the year are investment income £8,000 (2016/17 £10,000) earned in interest and dividends through prudent management of funds not immediately required. We have also received donations from individuals or grateful relatives and friends £18,000 (2016/17 £9,000), and a legacy of £75,000 (2016/17 £0).

Expenditure

Expenditure during the year was £75,000 (2016/17 £168,000) spent mainly on research. The grants awarded £48,000, (2016/17 £100,000) and grants returned/credited £33,000, (2016/17 £0) giving a net total to grant expenditure this year of £15,000, (2016/17 net credit £100,000) on an accruals basis. See note 4 for detail of grants.

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 long service awards help retain a motivated and stable workforce and so support the advancement of health and saving lives. Expenditure on such awards amounts to £20,200 (2016/17 £18,600). The Trust Fund also provided funding of £37,900 (2016/17 £37,200) for NHSBT staff winter celebrations at Christmas and provided a further £800 (2016/17 £3,800) to fund recognition of events. The Committee agreed that staff welfare cost will cease to be funded from the Trust funds after the year 2019/20.

Governance costs comprise Independent examiner's fees of £2,000 for 2017/18 (2016/17 £2,000), professional services cost and examination fees relating to prior years of £nil (2016/17 £5,000) and investment management fees. Investment management fees are charged at 0.05% of the portfolio value, are deducted directly from capital funds and are estimated to be £1,000 (2016/17 £2,000) based on the average fund balance over the year.

Investments

The investments at the year-end and open market value are worth £217,000 (2017 £331,000). £208,000 (2017 £320,000) of this invested by Baring Fund Managers Ltd in a target return common investment fund and £9,000 (2017 £11,000) is invested in National Grid shares.

Net current assets

The accounts show £140,000 (2017 £149,000) held as cash at bank plus £280,000 (2017 £230,000) cash held on deposit in a high interest bearing account. Short term creditors of £230,000 (2017 £265,000) relates to research grants, of which NHS Blood and Transplant is owed £200,000 (2017 £197,000) and Other Grantees are owed £30,000 (2017 £68,000).

Debtors of £2,000 (2017 £2,000) relating to accrued income from investment assets.

Income funds

The unrestricted general-purpose fund £314,000 (2017 £268,000) can be spent at the discretion of the Trustee. In respect of the restricted funds relating to the Howard Ostin Bequest £18,000 (2017 £nil) and the British Bone Marrow Donor Appeal £10,000 (2017 £48,000).

Movement in funds

The net assets of the Charitable Funds as at 31 March 2018 were £342,000 (31 March 2017 £316,000). Overall net assets increased by £26,000 due to an excess of income over expenditure.

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

Fund Name	Fund Balance B/F Re-stated (see note 11)	Incoming Resources	Outgoing Resources	Realised Gain/Loss on Investment Assets	Fund Balance C/F
General Fund	268,000	93,000	(55,000)	8,000	£314,000
Howard Ostin	-	-	18,000	-	£18,000
BBMDA	48,000	-	(38,000)	-	£10,000

The £18,000 debit in 'Outgoing Resources' relates to portions of grants that were returned to the Fund at the end of those projects.

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 Trustee. 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.

Risk Management

The most significant risk to the Charity is potential 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 financial commitments remain in line with the fund's liquid assets (cash on deposit and in hand). 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.

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 provide 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 Trustee on a quarterly basis. The Committee have instructed the fund managers that there must be no investment in the processing and/or manufacturing of tobacco products.

Reserves Policy

The Trustees' policy is to keep funds to the minimum required to cover approved commitments in the belief that donations are made with the intention and expectation that they will be spent accordingly. In order to avoid the risk of the Charity's reserves becoming overdrawn it is considered prudent to hold a level of funds that at a minimum covers a) the commitments made and b) the annual management and administration costs including independent examiner's fees for the period of those commitments, together with the costs to close (including an appropriate level of contingency). It is the current intention of the Trust Fund Committee to fund annual staff welfare payments totalling approximately £58k per annum through to the end of the 2019/20 financial year, subject to funds being available, and in considering whether any additional commitments should be made, an additional reserve will be held for as long as this intention is held. The reserves available to spend balance will be reviewed at each quarterly committee meeting prior to any new commitments being made.

The reserves policy is reviewed at least Annually.

Future Commitments, Activities and Plans

The Trust Fund Committee works very closely with the Corporate Trustee to determine funding policy. Spending on research remains the main focus in expenditure plans for the medium term with funding for staff development and welfare ceasing from 2019/20.

We do not recognise commitments for future years' staff welfare.

9. Independent Examination

An independent examination for the Trust Fund accounts in 2017/2018 has been completed by Mazars 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



Ms Millie Banerjee CBE

Chair of the NHSBT Board

Date: 29 November 2018



Independent Examiner's report to the Trustee of the NHS Blood and Transplant Trust Fund.

I report on the accounts of the Charity for the year ended 31 March 2018, which are set out on pages 12 to 22.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

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)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

This report, including my statement, has been prepared for and only for the charity's trustees as a body. My work has been undertaken so that I might state to the charity's trustees 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 trustees as a body for my examination work, for this report, or for the statements I have made.

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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements 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, which is complete, no matters have come to my attention which give me reasonable cause to believe that in any material respect:

- accounting records were not kept in respect of NHS Blood and Transplant Trust Fund in accordance with section 130 of the 2011 Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed: *MS Kirkham*

Date: *17 December 2018*

Name: Mark Kirkham (CPFA) for and on behalf of Mazars LLP

Relevant professional qualification or body: CIPFA

Address: 5th Floor, 3 Wellington Place, Leeds, LS1 4AP

Charitable Funds Trust Account – NHS Blood and Transplant 2017 - 2018

Statement of Financial Activities Year ended 31 March 2018

		2017-18			2016-17		
	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	Unrestricted Funds £000 Re-stated	Restricted Funds £000 Re-stated	Total Funds £000
INCOME FROM:							
Donations and legacies	2	93	-	93	9	-	9
Investments	3	8	-	8	10	-	10
TOTAL INCOME		101	-	101	19	-	19
EXPENDITURE ON:							
Charitable activities	4	55	20	75	97	71	168
TOTAL EXPENDITURE		55	20	75	97	71	168
Net income/(expenditure) before investment gains/(losses)		46	(20)	26	(78)	(71)	(149)
Net gains/(losses) on investments		-	-	-	26	-	26
NET MOVEMENT IN FUNDS		46	(20)	26	(52)	(71)	(123)
RECONCILIATION OF FUNDS							
Total funds brought forward as previously reported		268	48	316	320	119	439
Net movement in funds for the year		46	(20)	26	(52)	(71)	(123)
Total funds carried forward		314	28	342	268	48	316

The notes at pages 14 to 22 form part of this account.

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

Balance Sheet as at 31 March 2018

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total at 31 Mar-18 £'000	Total 31 Mar-17 £'000 Re-stated
Fixed Assets					
Investments	5	217	-	217	331
Total Fixed Assets		<u>217</u>	<u>-</u>	<u>217</u>	<u>331</u>
Current Assets					
Debtors	6	2	-	2	2
Cash on deposit	7	125	155	280	230
Cash at bank and in hand		99	41	140	149
		<u>226</u>	<u>196</u>	<u>422</u>	<u>381</u>
Creditors: amounts falling due within one year	8	(100)	(130)	(230)	(265)
Net Current Assets		<u>126</u>	<u>66</u>	<u>192</u>	<u>116</u>
Creditors: Amounts falling due after one year	8	(29)	(38)	(67)	(131)
Total Net Assets		<u>314</u>	<u>28</u>	<u>342</u>	<u>316</u>
Funds of the Charity					
Income Funds:					
Unrestricted	9.3	314	-	314	268
Restricted	9.2	-	28	28	48
Total Funds		<u>314</u>	<u>28</u>	<u>342</u>	<u>316</u>

The notes at pages 14 to 22 form part of this account.

These financial statements of Charity NHS Blood and Transplant Trust Fund registered number 1061771 were approved by the Board of Trustees and authorised for issue on 23rd November 2018.

Signed for and on behalf of the Corporate Trustees



Ms Millie Banerjee CBE
Chair of the NHSBT Board
29 November 2018



Mr Rob Bradburn
Finance Director NHSBT
29 November 2018

Notes to the accounts

1. Accounting Policies

NHS Blood and Transplant Trust Funds meets the definition of a public benefit entity under FRS 102.

(a) Basis of preparation

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The principal accounting policies adopted in the preparation of the financial statements are as below. The Trustee does not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed.

(b) Preparation of the accounts on a going concern basis

The Corporate Trustee of the charity has agreed that the trust funds will not actively fund raise therefore the funds diminish as grants are made unless donations are received. The Trustee has reviewed the financial forecast and is content that the funds will be available for at least the next 12 to 18 months and consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

(c) Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

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 Trustee, at their discretion, has created a fund for a specific purpose. Included in this is £26,000 of earmarked funds (split of £8k earmarked for Organ Donation, Therapeutic Apheresis Services purposes and, £18k Tissues artwork) as at 31 March 2018.

(d) Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed where material.

(e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

(f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. For grant expenditure this is when the grant letter has been issued to the recipient. Expenditure classified under expenditure on charitable activities, includes the costs of grants paid and long service awards and winter celebrations for NHSBT employees and associated support costs apportioned across each fund on the basis of resource time. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

(g) Debtors

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount. Prepayments are valued at the amount prepaid.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash and cash on deposit. Cash in bank includes cash in the Lloyds current account. Cash on deposit includes cash in the charity savings account.

(i) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(j) Financial instruments

The trust has investments in a Barings targeted return fund and National Grid shares. The investments form shares of the fund which is then invested by Barings fund managers over a wide portfolio of equity and property investments. Barings provide quarterly statements of the value of our investment shares within the fund based on the fair value of the portfolio of investments. Investment 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 the funds quarterly opening valuation.

2. Income from donations and legacies

Donations	2018	2017
	Total	Total
	£000	£000
Legacies	75	-
Donations	18	9
	<u>93</u>	<u>9</u>

The income from donations and legacies was £93,000 (2016/17: £9,000) of which £93,000 was unrestricted (2016/17: £9,000) and £nil restricted (2016/17: £nil).

As at 31st March the balance of a legacy was outstanding however there was uncertainty over the value and so no contingent asset is disclosed.

3. Analysis of Investment Income

Total Investment Income

	2018	2017
	Total	Total
	£'000	£'000
Baring Investment	7	9
Bank Interest	1	1
	<u>8</u>	<u>10</u>

4. Analysis of expenditure on charitable activities

	Activities undertaken directly £'000	Grant funding activities £'000	Support costs £'000	Total 2018 £'000	Total 2017 £'000
Support for non- commercial research	-	15	2	17	109
Staff Long Service Award	20	-	-	20	18
Recognition Events	1	-	-	1	4
Winter Celebrations	37	-	-	37	37
	<u>58</u>	<u>15</u>	<u>2</u>	<u>75</u>	<u>168</u>

Expenditure on charitable activities was £75,000 (2016/17: £168,000) of which £55,000 was unrestricted (2016/17: £97,000) and £20,000 was restricted (2016/17: £71,000).

Support costs consist of governance costs, being independent examination fees £2,000 for 2017/18 (2016/17: £2,000), professional services cost and examination fees relating to prior years of £nil (2016/17: £5,000), and investment management fees. Investment management fees are taken from capital funds and are estimated to be £1,000 (2016/17: £2,000) based on the average value of investment funds over the year.

No recharge is made for administration costs supplied by NHSBT and the charity is not able to put a value on these donated services.

The support costs have been allocated to the non-commercial research activity.

Analysis of grant expenditure

The charity does not make grants to individuals. All grants are made to NHSBT or other third party organisations.

4.1 Analysis by activity	2018
	£'000
Grants returned -	
ATHENA II. A pilot study of fibrinolytic activation in patients with haematological malignancies	(3)
Platelet transfusions in the Absence of Bleeding in Critical care (Platelet ABC study)	(20)
Improving database of outcomes after stem cell transplant recipients and short and long term follow-up of donors from British Blood and Marrow Registry	(10)
Grants awarded -	
Factors predicting unrelated hematopoietic stem cell donors availability at the verification typing and work-up stages	48
	<u>15</u>

4.2 Analysis by activity	2017
	£000
Grants returned -	
Grants awarded -	
A feasibility trial comparing restrictive versus liberal red cell transfusion strategies in stable children	50
Mesenchymal stromal cells to reduce ischaemia reperfusion injury following renal transplantation	50
	<u>100</u>

4.3 Analysis by recipient	2018	2017
	Total	Total
	£'000	£'000
NHS Blood and Transplant	18	50
Oxford University Hospitals NHS Trust	(3)	50
Total	<u>15</u>	<u>100</u>

5.1 Analysis of Fixed Asset Investments

	Total 2018 £'000	Total 2017 £'000
Market value at 1 April	331	566
Disposals (at carrying value)	(115)	(258)
Additions	-	-
Net realised gains/ (losses) on revaluation	2	25
Investment Fees & Charges	(1)	(2)
Market value at 31 March 2018	<u>217</u>	<u>331</u>
Historic cost at 31 March 2018	<u>195</u>	<u>288</u>

5.2 Market value at 31 March 2018

	Total 2018 £'000	Total 2017 £'000
Common Investment Fund	208	320
National Grid Shares	9	11
	<u>217</u>	<u>331</u>

6 Analysis of Debtors

	Total 2018 £000	Total 2017 £000
Amounts falling due within one year:		
Accrued Income	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

7 Cash and Cash Equivalents

	Total 2018 £'000	Total 2017 £'000
Cash on deposit	280	230
Cash at bank and in hand	140	149
	<u>420</u>	<u>379</u>

8 Analysis of Creditors	Total	Total
	2018	2017
	£'000	£'000
8.1 Creditors under one year		
Amounts due to NHSBT	200	197
Amounts due to grantees	30	68
Total creditors falling due within one year	230	265

8.2 Creditors over one year	Total	Total
	2018	2017
	£'000	£'000
Amounts due to NHSBT	45	96
Amounts due to grantees	22	35
Total creditors falling due after more than one year	67	131

Total creditors £296,523 includes creditor accruals (£77,682) and £218,841 of research grant commitments which breaks down by grant as follows:

1. Red blood cell transfusion thresholds and QOL in MDS: a pilot, feasibility study (£1,098).
2. Bedside platelet function testing to guide the use of platelet transfusion in neonates (£1,460).
3. Study of the significance of T regulatory cells in the outcome of allogeneic HSCT (£7,146).
4. A placebo-controlled single-blind, randomised feasibility trial of Desmopressin (DDAVP) in critical illness prior to procedures (£29,507).
5. REd cell transfusion in Acute myeloid Leukaemia (REAL trial): A feasibility cross-over randomised controlled trial to test adherence comparing restrictive versus liberal red cell transfusion strategies in adult patients with acute myeloid leukaemia (AML) receiving intensive chemotherapy (£33,815).
6. Factors predicting unrelated hematopoietic stem cell donors availability at the verification typing and work-up stages (£45,916).
7. A feasibility trial comparing restrictive versus liberal red cell transfusion strategies in stable children (£49,899)
8. Mesenchymal stromal cells to reduce ischaemia reperfusion injury following renal transplantation (£50,000)

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

1. ATHENA II. A pilot study of fibrinolytic activation in patients with haematological malignancies (£3,517).
2. Impact of factors associated with the donation process on short term outcomes in the organ recipient - PhD Studentship (£15,000).
3. Improving database of outcomes after stem cell transplant recipients and short and long term follow-up of donors from British Blood and Marrow Registry (£9,744).

9. Analysis of funds

9.1 Endowment Funds

The Charity does not hold any endowment funds.

9.2 Restricted Funds

	Restated Balance as at 01 April 2017 £'000	Income £'000	Expenditure £'000	Gains and Losses £'000	Transfers £'000	Balance as at 31 March 2018 £'000
Howard Ostin Bequest	-	-	18	-	-	18
British Bone Marrow Donor Appeal	48	-	(38)	-	-	10
Total	48	-	(20)	-	-	28

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.

9.3 Unrestricted Funds

	Restated Balance as at 01 April 2017 £'000	Income £'000	Expenditure £'000	Gains and Losses £'000	Transfer £'000	Balance as at 31 March 2018 £'000
Total	268	101	(55)	-	-	314

The General Fund is an unrestricted fund which may be used at the Trustee for charitable purposes, wholly or mainly to support the goals of NHS Blood and Transplant in saving and improving lives. Unrestricted funds also include £26,000 designated funds set aside in the year for Organ Donation, Therapeutic Apheresis Services purposes and Tissues artwork.

10. 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 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.

There were £0 donations received from the NHSBT Board and Committee members.

Mr Roy Griffins CB

Mr Charles St John

Mr Rob Bradburn

Ms Katherine Robinson

Dr Gail Miflin

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

The Committee members are paid members for the NHSBT Board but receive no additional remuneration or reimbursement of expenses for the work that they undertake on behalf of the Corporate Trustee.

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 (£5,000 2016/17). This is included in creditors within the balance sheet
- Payment to NHS Blood and Transplant in respect of professional services, £nil (£2,243 2016/17).
- Payment to NHS Blood and Transplant relating to Red blood cell transfusion thresholds and QOL in MDS, £27,538 (£3,925 2016/17), of which £18,785 is included within creditors in the balance sheet.
- Payment to NHS Blood and Transplant relating to A placebo-controlled single-blind, randomised feasibility trial of Desmopressin (DDAVP), £7,805 (£3,368 2016/17), included within creditors in the balance sheet.
- Payment to NHS Blood and Transplant relating to Study of the REd cell transfusion in Acute Myeloid Leukaemia (REAL trial), £8,515 (£nil 2016/17), included within creditors in the balance sheet.
- Payment to NHS Blood and Transplant relating to Study of the Factors predicting unrelated hematopoietic stem cell donor's availability at the verification typing and work-up stages, £1,965 (£nil 2016/17), included within creditors in the balance sheet.
- Payment to NHS Blood and Transplant relating to Study of the significance of T regulatory cells in the outcome of allogeneic HSCT, £nil (£16,267 2016/17).
- Payment to NHS Blood and Transplant relating to Study of the significance and genetic determinants of hepcidin levels in blood donors, £nil (£21,052 2016/17).
- Payment to NHS Blood and Transplant relating to Improving database of outcomes after stem cell transplant recipients, £nil (£60,623 2016/17).
- Payment to NHS Blood and Transplant in respect of staff winter celebrations, £37,862 (£37,205 2016/17), included within creditors in the balance sheet.
- Payment to NHS Blood and Transplant from earmarked funds which amounted to £300 (£nil 2016/17).

11. Prior Year Adjustment

A prior year adjustment has been made between the funds brought forward of the General fund and Howard Ostin fund of £3,000.

Income Funds	Fund Balance B/F	Fund Balance B/F Re-stated
General Fund	265,000	268,000
Howard Ostin	3,000	0
BBMDA	48,000	48,000

Expenditure on Charitable activities – ref note 4	Fund Balance B/F	Fund Balance B/F Re-stated
Unrestricted	100,000	97,000
Restricted	68,000	71,000

This reflects an intercompany transfer that had cleared at 31 March 2017. This restatement impacts page 9, prior year charitable activity figures on the Statement of Financial Activity, balance sheet income funds prior year, note 4 prior year figures and notes 9.2 and 9.3.



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](tel:03001232323)