

**NHS BLOOD AND TRANSPLANT  
TRUST FUND**

**ANNUAL REPORT AND ACCOUNTS  
for the  
Financial Year Ended  
31 March 2011**

**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 :**

**The Comptroller and Auditor General  
National Audit Office  
157 – 197 Buckingham Palace  
Road  
Victoria  
London  
SW1W 9SP**

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**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

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## 1. FOREWORD

The Corporate Trustee, NHS Blood and Transplant present the charitable funds Annual Report together with the Audited Financial Statements for the year ended 31 March 2011.

The Charity's annual report and accounts for the year ended 31 March 2011 have been prepared by the Corporate Trustee in accordance with the Charities Act 1993.

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 25.

## 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 (including the activities of the Bio Products Laboratory) 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. On 1 January 2011 the activities of the Bio Products Laboratory were transferred out of NHSBT to a new legal entity, Bio Products Limited (BPLL). BPLL is a wholly owned subsidiary of Plasma Resources UK Limited (PRUK) that, in turn, is 100% owned and managed by the Department of Health.

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 2006. 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 (2010:3) as at 31 March 2011, 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

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## **AUTHORITY BOARD 2010-2011**

### **CHAIRMAN**

**Mr Bill Fullagar**

### **NON-EXECUTIVE DIRECTORS**

**Mr Andrew Blakeman**

**Ms Della Burnside**

**Dr Christine Costello**

**Mr John Forsythe**

**Mr David Greggains**

**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 2011 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
Mr 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 1993, 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 NHS Appointments Commission 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 2010/11, chaired by Andrew Blakeman. Attendance at meetings is shown below:

<b>Meeting Dates</b>	<b>13/05/2010</b>	<b>26/07/2010</b>	<b>22/11/2010</b>	<b>14/02/2011</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 £1.893 million (£1.959 million 2009/10).

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 Group, chaired by the Medical and Research Director.

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.

### NHS Blood and Transplant

NHS Blood and Transplant (NHSBT) comprise three Operating Divisions;

- Blood Components - which provides red cells, platelets and plasma to NHS hospitals in England and North Wales,
- Organ Donation and Transplantation - NHSBT is the UK 'Organ Donation Organisation' that is working with the UK Health Services and hospitals throughout the UK in order to increase numbers on the Organ Donation Register, and to increase the number of deceased organs donated by 50% (from a 2007/08 baseline).
- Specialist Services – these include highly specialised Diagnostic and stem cell 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.

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 (£830k)** 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. As at the balance sheet date the sum of £3.1k is earmarked for Organ Donation in Scotland. 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 (£518k)** 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) (£545k)** 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 FUTURE 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:-

- The isolation of human monoclonal antibodies with specificity for novel therapeutically-relevant leucocyte determinants. Antibodies are emerging as powerful therapeutic agents in the management of a range of diseases and clinical conditions such as cancer, autoimmune disease and transplant rejection. Funding of £168,754 was approved, subject to the project commencing prior to May 2011.

- Quantitative Analysis of Immunoglobulin-Antigen Binding Affinity in ABO Incompatible Transplantation via Surface Plasmon Resonance Spectroscopy. This was viewed as being a potentially valuable area of research; leading to an improved approach in the management of ABO incompatible transplants. Funding of £9,908 was approved and provided to the University of Warwick Medical School.
- Development of a high resolution HLA typing technology using a next generation DNS sequencer (454 Roche). Funding of £322,084 approved, subject to the project commencing prior to November 2011.
- Support for administrative costs to a research project to gain a greater understanding of the risk factors for intracranial haemorrhage (bleed inside the head) in haematology patients dependent on platelet transfusions. This is a serious but rare complication that occurs in patients with haematological malignancies. Funding of £9,450 was approved and provided to the Oxford Radcliffe Hospital NHS Trust in support of a clinical fellow.
- 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. This will result in a faster, more reliable and more transparent donor search process. Funding of £60,000 was approved subject to the project commencing prior to November 2011.

In addition the Committee also approved funding of £8k in support of a gathering for the families of organ donation.

Outstanding commitments for approved and existing projects amount to £694k and further details are disclosed at note 13 to the accounts.

## **8. SOURCES OF INCOME**

The main sources of income in year are donations from individuals (£8k) from grateful relatives and friends, and investment income (£43k) earned in interest and dividends through prudent management of funds not immediately required. In addition the BBMDA fund received a donation of £2k to be used to further the objectives of this fund.

## **9. LEGACIES**

During the year the Charity received notification of a legacy bequest. As there is a high degree of confidence in the realisation of this income the sum of £55k has been accrued in the accounts.

## **10. INVESTMENTS**

During 2007/08 a contract was awarded to Rensburgh Sheppards Investment Management Ltd to manage the invested funds of the Charity on behalf of the Corporate Trustee. Rensburgh Sheppard's Investment Management Ltd is authorised and regulated by the Financial Services Authority registration No. 2122340. Their registered address is 2 Gresham Street, London EC2 7QN. This contract expires during 2011-12 and will be re-tendered in accordance with the contract and tendering procedures within the NHSBT Standing Orders and Standing Financial Instructions.

Separate investment fund accounts are maintained for each of the three funds. The investment policy requires that the amount of monies invested in securities to maximise the overall return be consistent with an acceptable level of risk. The overall objectives for each of the funds are the same, namely to create sufficient income and capital growth to enable the Charity to carry out its purposes consistently year on year, with due and proper consideration for future needs.

Unrealised gains from investment assets as at 31 March 2011 amounted to £65k. The Trustees view is that the investments are for the longer term and as the Charity has sufficient liquid assets to support its ongoing short to medium term activities, the Trustees have taken the decision not to make any immediate changes to the investment portfolio.

The target portfolio mix for each of the funds within agreed planning ranges is shown overleaf:

		<b>Mid Point</b>
UK Equities	45-65 %	55%
Overseas Equities	15-25%	20%
Fixed Interest	10-20%	15%
Property	0-10%	5%
Cash	0-10%	5%

Performance on investments is continually monitored and reported to the Trustees on a quarterly basis. 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 2011 amount to the sum of £4k (General Fund); £255k (Howard Ostin Fund); £435k, (BBMDA) Fund.

## **11. 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.

## 12. 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.

## 13. 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.

## 14. FINANCIAL REVIEW

### Movement in Funds

The net assets of the Charitable Funds as at 31 March 2011 were £1.893 million (2010: £1.959 million). Overall net assets decreased by £66,000, represented by an unrealised gain on the valuation of investments of £65,000 and expenditure in excess of income of £131,000.

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	Unrealised Gain on Investment Assets	Fund Balance C/F £000's
<b>General Fund</b>	£784k	£81k	(£61k)	£26k	<b>£830k</b>
<b>Howard Ostin</b>	£577k	£14k	(£95k)	£22k	<b>£518k</b>
<b>BBMDA</b>	£598k	£13k	(£83k)	£17k	<b>£545k</b>

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 £183k in support of the following projects;

- Investigation into whether testing for anti-graft antibodies can reduce allograft loss and widen access to transplantation (£44.9k). 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.
- Funding from the BBMDA fund for a Bioinformatics Specialist (£39.1k). 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)
- Funding from the BBMDA fund for data manager to achieve World Marrow Donor Accreditation (£37.2k). 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.
- Funding from the Howard Ostin Fund for a research midwife to support investigation into antenatal determination of fetal rhesus status (Rh) D - (£32.7k). 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.
- Quantitative Analysis of Immunoglobulin-Antigen Binding Affinity in ABO Incompatible Transplantation via Surface Plasmon Resonance Spectroscopy. This was viewed as being a potentially valuable area of research; leading to an improved approach in the management of ABO incompatible transplants. Funding of £9.9k was approved from the Howard Ostin Fund and provided to the University of Warwick Medical School.
- Support for administrative costs to a research project to gain a greater understanding of the risk factors for intracranial haemorrhage (bleed inside the head) in haematology patients

dependent on platelet transfusions. Funding of £9.5k was approved and provided to the Oxford Radcliffe Hospital NHS Trust in support of a clinical fellow.

- Implementation of the European Marrow Donor Information System (£2.5k).
- Support for a gathering of the families of Organ Donation (£7.3k) from funds earmarked within the General fund in line with donor wishes.

In addition, the Trust Fund also provides support for 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 £24k. The Trust Fund also provided funding of £12.8k in support of NHSBT staff functions at Christmas.

Governance costs comprise External Audit fees of £4.7k, Internal Audit fees of £2k, plus £12k paid to Rensburg Sheppards in respect of investment management fees.

### **Investments**

The investments at the year-end consisted of £1.454 million of fixed assets invested in Investment Funds valued at open market value as at 31 March 2011.

### **Net Current Assets**

The accounts show £102k held as cash at bank plus £327k cash held on deposit in a high interest bearing account.

Short term creditors of £58k, relates to accrued expenditure in respect of research grants NHS Blood and Transplant (£39k), Birmingham Women's NHS Foundation Trust (£10k), and the Oxford Radcliffe NHS Trust (£9k).

Debtors of £68k comprise £55k legacy income accrued, plus £13k relating to accrued income from investment assets.

### **Income Funds**

The unrestricted general-purpose fund (£830k) can be spent at the discretion of the Trustee. In respect of the restricted funds relating to the Howard Ostin Bequest (£518k) and the British Bone Marrow Donor Appeal (£545k) all expenditure is within the specific objectives of these funds as provided at paragraph 5.

## **15. EXTERNAL AUDIT**

The Comptroller and Auditor General is the external auditor for the Trust Fund accounts. The Comptroller and Auditor General is 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 1993 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**

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**Mr Bill Fullagar**

A handwritten signature in black ink that reads "Bill Fullagar". The signature is written in a cursive style and is underlined with a single horizontal line.

**Chairman of the Board**

**10<sup>th</sup> January 2012**

## **Audit Certificate**

### **NHS Blood and Transplant Trust Fund 2010-11**

#### **Independent Auditor's Report to the Corporate Trustee of the NHS Blood and Transplant Trust Fund**

I have audited the financial statements of the NHS Blood and Transplant Trust Fund for the year ended 31 March 2011. These comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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).

#### **Respective responsibilities of NHS Blood and Transplant Board and auditor**

As explained more fully in the Statement of Trustee's responsibilities, the NHS Blood and Transplant Board, acting as agent for the corporate trustee, NHS Blood and Transplant, is responsible for preparing the financial statements and for being satisfied that they give a true and fair view.

In accordance with regulations made under section 44 of the Charities Act 1993, the charity has been granted a dispensation under section 34(1) (a) of the Charities (Accounts and Reports) Regulations 2008, permitting the audit to be carried out by the Comptroller and Auditor General.

My responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland). Those standards require me and my staff 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 circumstances of the NHS Blood and Transplant Trust Fund 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, I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

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

In my opinion:

- the financial statements give a true and fair view of the state of the NHS Blood and Transplant

Trust Fund's affairs as at 31 March 2011 and of its incoming resources and application of resources for the year then ended; and

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Charities Act 1993.

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- the information given in the Annual Report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit.

*Amyas C E Morse*

*Comptroller and Auditor General*

*National Audit Office*

*157-197 Buckingham Palace Road*

*Victoria*

*London*

*SW1W 9SP*

26<sup>th</sup> January 2012

**Statement of Financial Activities for the year ended  
31 March 2011**

	Note	Unrestricted Funds £000	Restricted Funds £000	<b>Total Funds £000</b>	2009-10 Total Funds £000
<b>Incoming resources</b>					
Donations		8	2	<b>10</b>	85
Investment income	7.3	18	25	<b>43</b>	43
Legacy Income		55		<b>55</b>	
<b>Total incoming resources</b>		<b>81</b>	<b>27</b>	<b>108</b>	128
<b>Resources expended</b>					
<b>Charitable Activities</b>					
Grants payable	3	53	167	<b>220</b>	135
Governance Costs	4	8	11	<b>19</b>	15
<b>Total resources expended</b>	5	<b>61</b>	<b>178</b>	<b>239</b>	150
Net incoming/(outgoing) resources		20	(151)	(131)	(22)
<b>Net incoming/(outgoing) resources</b>		<b>20</b>	<b>(151)</b>	<b>(131)</b>	(22)
Gains/(losses) on revaluation and disposal of investment assets		26	39	65	381
<b>Net movement in funds</b>	6	<b>46</b>	<b>(112)</b>	<b>(66)</b>	359
Fund balances brought forward at 31 March 2010		<b>784</b>	<b>1,175</b>	<b>1,959</b>	1,600
<b>Fund balances carried forward at 31 March 2011</b>		<b>830</b>	<b>1,063</b>	<b>1,893</b>	1,959

The notes at pages 19 to 25 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 2010 – 2011**

**Balance Sheet as at 31 March 2011**

	Notes	Unrestricted Funds £000	Restricted Funds £000	<b>Total at 31 March 2011 £000</b>	Total at 31 March 2010 £000
<b>Fixed Assets</b>					
Investments	7	582	872	<b>1,454</b>	1,401
<b>Total Fixed Assets</b>		<b>582</b>	<b>872</b>	<b>1,454</b>	1,401
<b>Current Assets</b>					
Debtors	8	60	8	<b>68</b>	12
Cash on deposit	9	146	181	<b>327</b>	486
Cash at bank and in hand		66	36	<b>102</b>	104
<b>Total Current Assets</b>		<b>272</b>	<b>225</b>	<b>497</b>	602
Creditors: Amounts falling due within one year	10	24	34	<b>58</b>	44
<b>Net Current Assets/(Liabilities)</b>		<b>248</b>	<b>190</b>	<b>438</b>	558
<b>Total Assets less Current Liabilities</b>		<b>830</b>	<b>1,063</b>	<b>1,893</b>	1,959
<b>Total Net Assets</b>		<b>830</b>	<b>1,063</b>	<b>1,893</b>	1,959
Funds of the Charity					
<b>Income Funds:</b>					
Restricted	11.2	-	1,063	<b>1,063</b>	1,175
Unrestricted	11.3	830	-	<b>830</b>	784
<b>Total Funds</b>		<b>830</b>	<b>1,063</b>	<b>1,893</b>	<b>1,959</b>

The notes at pages 20 to 26 form part of this account.

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

**Mr Bill Fullagar**

**Mr Rob Bradburn**

**Chairman of the Board  
10<sup>th</sup> January 2012**

**Finance Director  
10<sup>th</sup> January 2012**

## 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 1993.

#### (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 2011.

**(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 1993 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 2010 - 2011**

3	<b>Grants Payable</b>	Unrestricte d Funds	Restricted Funds	<b>Total 2011</b>	Total 2010
		£000	£000	<b>£000</b>	£000
3.1	Grants Payable:				
	Staff Long Service Awards	23	1	<b>24</b>	22
	Winter Celebrations	13	-	<b>13</b>	-
	ODT Payments	8	-	<b>8</b>	-
	Research & Development	9	166	<b>175</b>	113
		<b>53</b>	<b>167</b>	<b>220</b>	<b>135</b>
3.2	Expenditure on Grants to Other Bodies			Aggregate amount paid £000	
	Imperial College			45	
	NHS Blood and Transplant			78	
	Birmingham Women's NHS Foundation Trust			33	
	University of Warwick			10	
	OxfordRadcliffe Hospitals NHS Trust			9	
	<b>Total</b>			<b>175</b>	
3.3	Expenditure on Grants to Individuals			Aggregate amount paid £000	
	Staff Long Service Awards			24	
	Staff Winter Celebrations			13	
	<b>Total</b>			<b>37</b>	
3.4	Expenditure on Grants for Organ Donation			Aggregate amount paid £000	
	Organ Donation Event			8	
	<b>Total</b>			<b>8</b>	
4	<b>Governance Costs</b>	Unrestricted Funds £000	Restricted Funds £000	<b>Total 2011 £000</b>	Total 2010 £000
	Governance Costs	8	11	<b>19</b>	15
	<b>Total</b>	<b>8</b>	<b>11</b>	<b>19</b>	<b>15</b>

Governance costs include investment management fees of £12k (£10k 2009-10) payable to Rensburg Sheppards and payments made to NHS Blood and Transplant in respect of external audit £5k (£5k 2009/10) and Internal Audit £2k (£nil 2009/10). No recharge is made for administration costs. (£nil 2009/10).

**CHARITABLE FUNDS TRUST ACCOUNT - NHS BLOOD AND TRANSPLANT 2010 - 2011**

Analysis of	5	Costs of activities for charitable objectives	Governance costs	Total	Total
				2011	2010
Total Resources Expended		£000	£000	£000	£000
		220	19	239	150
		<u>220</u>	<u>19</u>	<u>239</u>	<u>150</u>

Changes in Resources Available for Charity Use	6	Unrestricted Funds	Restricted Funds	Total	Total
				2011	2010
		£000	£000	£000	£000
Net movement in funds for the year		46	(112)	(66)	359
		<u>46</u>	<u>(112)</u>	<u>(66)</u>	<u>359</u>

Analysis of	7	Fixed Asset Investments	7.1	Fixed Asset Investments: Market value at 31 March 2010	Total	Total
					2011	2010
				£000	£000	
				1,401	1,030	
			Additions		7	
			Net realised/unrealised gains on revaluation	65	374	
			Investment Fees & Charges	(12)	(10)	
			Market value at 31 March 2011	<u>1,454</u>	<u>1,401</u>	
			Historic cost at 31 March 2011	<u>1,370</u>	<u>1,367</u>	

7.2	Market value at 31 March	Total	Total
		2011	2010
		£000	£000
	UK Fixed Interest	207	199
	UK Equities	809	779
	Overseas Equities*	343	334
	Property Equities*	79	44
	National Grid Shares	6	7
	Cash	10	38
		<u>1,454</u>	<u>1,401</u>

\*All investments are in unit and investment trusts

<b>Analysis of Investment Income</b>	7.3	Total Investment Income	<b>Total</b>	Total
			<b>2011</b>	2010
			<b>£000</b>	£000
		UK Fixed Interest	<b>10</b>	10
		UK Equities	<b>30</b>	26
		Overseas Equities	<b>3</b>	3
		Property Equities	-	3
	Cash	-	1	
	Capita Shares & Dividends	-	-	
		<b>43</b>	<b>43</b>	

<b>Analysis of Debtors</b>	8		<b>Total</b>	Total
			<b>2011</b>	2010
		Amounts falling due within one year:	<b>£000</b>	£000
			<b>68</b>	12
		<b>68</b>	<b>12</b>	

<b>Cash on Deposit</b>	9		<b>Total</b>	Total
			<b>2011</b>	2010
			<b>£000</b>	£000
		Opening Balance 1 April 2010	<b>486</b>	489
		Deposits	-	66
		Withdrawals	<b>(160)</b>	(70)
	Interest Received	<b>1</b>	1	
	Closing Balance 31 March 2011	<b>327</b>	<b>486</b>	

<b>Analysis of Creditors</b>	10		<b>Total</b>	Total
			<b>2011</b>	2010
			<b>£000</b>	£000
	10.1	Amounts due to associated undertakings	<b>58</b>	44
		Total creditors falling due within one year	<b>58</b>	44
	10.2	There are no creditors due falling after one year.		

<b>Analysis of Funds</b>	11					<b>Total</b>	Total
						<b>2011</b>	2010
						<b>£000</b>	£000
	11.1	<b>Endowment Funds</b>					
		The Charity does not hold any endowment funds.					
	11.2	<b>Restricted Funds</b>					
		Balance as at 31 March 2010	Incoming Resources	Resources Expended	Transfers	Gains and Losses	<b>Balance as at 31 March 2011</b>
		£000	£000	£000	£000	£000	<b>£000</b>
		1,175	27	(178)	-	39	1,063
		<b>Total</b>	<b>1,175</b>	<b>27</b>	<b>(178)</b>	<b>39</b>	<b>1,063</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 2010 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains and Losses £000	Balance as at 31 March 2011 £000
<b>Total</b>	<b>784</b>	<b>81</b>	<b>(61)</b>	<b>-</b>	<b>26</b>	<b>830</b>

**The General Fund** is an unrestricted fund which may be used at the discretion of the Trustee for charitable purposes, wholly or mainly for the services provided by NHS Blood and Transplant.

### 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 where the Trustees (whose names are listed below) also served as members of NHS Blood and Transplant Board during the year.

Mr Andrew Blakeman  
Mr 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, £4,750 (£4,750 2009/10). This is included in creditors within the balance sheet.

- Payment to NHS Blood and Transplant in respect of Internal Audit Fees, £2,030.

- Payment to NHS Blood and Transplant to provide funding to achieve World Marrow Donor Accreditation, £37,188, of which £9,262 is included within creditors in the balance sheet.

- Payment to NHS Blood and Transplant to provide funding for a bioinformatics specialist to monitor the outcomes of stem cell recipients, £39,096, of which £9,914 is included

within creditors in the balance sheet.

- Payment to NHS Blood and Transplant relating to the implementation of the European Marrow Donor Information System, £2,500, included within creditors in the balance sheet.

- Payment to NHS Blood and Transplant in respect of staff winter celebrations, £12,839, included within creditors in the balance sheet.

The NHSBT Trust Fund also funds the cost of long service awards made to employees of the Corporate Trustee. In 2010/11 this amounted to £24,129 (£20,560 2009/10).

**Committed Expenditure**

13 Grants Committed as at 31 March 2011 are as follows:

	Amounts due < 1 year (£)	Amounts due in > 1year (£)	Total Commitment as at 31 March 2011 (£)	Total Commitments as at 31 March 2010 (£)
Research	241,040	449,158	690,198	295,755
Small Grants	4,000	-	4,000	8,000
<b>Total</b>	<b>245,040</b>	<b>449,168</b>	<b>694,198</b>	<b>303,755</b>

Research Grants committed as at 31 March 2011 consist of:-

1. Investigation into whether testing for anti-graft antibodies can reduce allograft loss and widen access to transplantation (£76,665).
2. Funding for a data base manager to monitor the outcomes of stem cell recipients (£33,268).
3. Funding for a data manager to achieve World Bone Marrow Accreditation (£22,545).
4. 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 (£9,382).
5. The isolation of human monoclonal antibodies specifically for novel therapeutically relevant leucocyte determinants (£168,754).
6. Development of a high resolution HLA typing technology using a next generation DNS sequencer (454 Roche) (£322,084).
7. Implementation of the European Marrow Donor Information System (£57,500),

**Grants Returned 14**

The sum of £3,950 was returned to the General Fund relating to small grants