

**NHS BLOOD AND TRANSPLANT
TRUST FUND**

**ANNUAL REPORT AND ACCOUNTS
for the
Financial Year Ended
31 March 2010**

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**

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

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

NHS BLOOD AND TRANSPLANT

1. FOREWORD

The Corporate Trustee, NHS Blood and Transplant present the charitable funds Annual Report together with the Audited Financial Statements for the year ended 31 March 2010.

The Charity's annual report and accounts for the year ended 31 March 2010 have been prepared by the Corporate Trustee in accordance 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 15 to 24.

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 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 (2009:3) as at 31 March 2010, and the notes to the accounts distinguish the types of fund held. For accounting purposes the umbrella registration has permitted the production of a single report and set of accounts. This does not obviate the requirement to manage each fund as a separate trust for the purpose of maintaining books for accounts and for investment management.

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

NHS BLOOD AND TRANSPLANT

AUTHORITY BOARD 2009-2010

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

Dr Diana Walford CBE

(Period 1 April 2009 to 30 September 2009)

NON-EXECUTIVE DIRECTORS APPOINTED IN 2009-2010

Mr Shaun Williams

(Appointed 4 March 2010)

EXECUTIVE DIRECTORS

Ms Linda Hamlyn – Chief Executive

Mr Rob Bradburn – Finance Director

Mr Peter Garwood – Director of Specialist Services
(Period 1 April 2009 to 30 September 2009)

Ms Sally Johnson – Director of Organ Donation and Transplant

Mr Clive Ronaldson – Director of Patient Services

Mr Andy Young – Director of Blood Donation
(Period 1 April 2009 to 21 July 2009)

Dr Lorna Williamson – Medical 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 2010 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[, subject to any material departures disclosed and explained in the financial statements]; and
 - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are 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 trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Although the Authority is able to hold non-charitable funds on trust, to do so would be to incur additional trustee and related administrative responsibilities. The Authority 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 three meetings during the financial year 2009/10, chaired by Andrew Blakeman. Attendance at meetings is shown below:

Meeting Dates	27/07/2009	23/11/2009	01/02/2010
Andrew Blakeman	✓	✓	✓
John Forsythe	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. 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 £1.959 million (£1.600 million 2008/09).

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 must have successfully gone through the 'peer review' process of the NHSBT National Research

Review Committee, prior to being submitted as an application for funding to the Trust Fund Committee.

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

NHS Blood and Transplant (NHSBT) comprise three Operating Divisions; Patient Services which includes Blood Components and Specialist Services, Organ Donation and Transplantation (ODT) and the Bio Products Laboratory (BPL). Each Operating Division has a Director, accountable to the Chief Executive. Group Service Directors provide corporate services across the whole of NHSBT and are also accountable to the Chief Executive.

The Authority's management of 'Exchequer Funds' requires a separate report and accounts to be produced for the Secretary of State for Health. This is also a public document a copy of which can be requested from Brigid Newington, Assistant Finance Director (Operations) at the registered address below from which all funds are all managed.

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 (£784k)** 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 £10k 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 staff recognition awards for those staff members with over 20 years services with NHS Blood and Transplant (including service with the National Blood

Authority). Staff recognition awards for those staff working in the Birmingham area are charged to the Howard Ostin Fund.

The **Howard Ostin Bequest (£577k)** 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) (£598k)** 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. SOURCES OF INCOME

The main sources of income in year are donations from individuals (£19k) 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 £66k to be used to further the objectives of this fund.

8. 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 Sheppards 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.

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 2010 amounted to £381k meaning that the funds have recovered well from unrealised losses of £294k during 2008/09. 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:

		Mid Point
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.

9. 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.

10. 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 2010 amount to the sum of £304k (General Fund £8k; Howard Ostin Fund 164k, BBMDA Fund £132k) as shown in note 13 to the accounts.

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 2010 were £1.959 million (2009: £1.600 million). Overall net assets increased by £359,000, represented by an unrealised gain on the valuation of investments of £381,000 and expenditure in excess of income of £22,000.

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
General Fund	£632k	£36k	(£39k)	£155k	£784k
Howard Ostin	£492k	£15k	(£57k)	£127k	£577k
BBMDA	£476k	£77k	(£54k)	£99k	£598k

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 research grants payable in the current year amounted to £113k in support of the following projects;

- Funding for a data base manager to monitor the outcomes of stem cell recipients (£19k).
- Funding for a data manager to achieve World Bone Marrow Accreditation (£31k).
- 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 (£21k).
- Investigation into whether testing for anti-graft antibodies can reduce allograft loss and widen access to transplantation (£28k)
- Scoping Study relating to patient involvement in blood transfusion (£12k).
- Cell Salvage Study (£1k).
- Completion of a research study into characterisation of donor HLA-specific immunoglobulin (£1k) (£35k 2008/09).

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. Expenditure on staff welfare of £22k consists of awards to staff for long service (£20k), together with recognition activities (£2k) to acknowledge exceptional staff performance and commitment. Governance costs consist of external audit fees of (£5k) plus (£10k) paid to Rensburg Sheppards in respect of investment management fees.

Investments

The investments at the year-end consisted of £1.401 million of fixed assets invested in Investment Funds valued at open market value as at 31 March 2010.

Net Current Assets

The accounts show £104k held as cash at bank plus £486k cash held on deposit in a high interest bearing account. Short term creditors of £44k, relates to accrued expenditure in respect of research grants payable to Imperial College (£20k), NHS Blood and Transplant (£22k), plus a recharge to the Howard Ostin Bequest (£2k) in respect of staff long service awards paid from the General Fund. Debtors (£12k) mainly represent accrued income from investment assets.

Income Funds

The unrestricted general-purpose fund (£784k) can be spent at the discretion of the Trustee. In respect of the restricted funds relating to the Howard Ostin Bequest (£577k) and the British Bone Marrow Donor Appeal (£598k) 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

Mr Bill Fullagar

Chairman of the Board

5th January 2011

Audit Certificate

NHS Blood and Transplant Trust Fund 2009-10

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 2010. These comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out therein.

Respective responsibilities of NHS Blood and Transplant Board and auditor

The NHS Blood and Transplant Board, acting as agent for the corporate trustee, NHS Blood and Transplant, is responsible for preparing the Annual Report and the financial statements in accordance with the Charities Act 1993 and United Kingdom Accounting Standards as set out in the Statement of Trustees' Responsibilities in account note 2.

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 the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Charities Act 1993. I report to you whether, in my opinion, the information, which comprises the Financial Review, included in the Annual Report, is not consistent with the financial statements.

In addition, I report to you if the NHS Blood and Transplant Board have not kept proper accounting records and if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is not consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by NHS Blood and Transplant Board in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the NHS Blood and Transplant Trust Fund's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Charities Act 1993, of the state of the NHS Blood and Transplant Trust Fund's affairs as at 31 March 2010 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 the Charities Act 1993.

Amyas C E Morse

Comptroller and Auditor General

National Audit Office

157 - 197 Buckingham Palace Road

Victoria

London

SW1W 9SP

13th January 2011

**Statement of Financial Activities for the year ended
31 March 2010**

	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	2008-09 Total Funds £000
Incoming resources					
Donations		19	66	85	100
Investment income	7.3 & 9	17	26	43	81
Total incoming resources		36	92	128	181
Resources expended					
Charitable Activities					
Grants payable	3	33	102	135	194
Governance Costs	4	6	9	15	16
Total resources expended	5	39	111	150	210
Net incoming/(outgoing) resources		(3)	(19)	(22)	(29)
Net incoming/(outgoing) resources		(3)	(19)	(22)	(29)
Gains/(losses) on revaluation and disposal of investment assets		155	226	381	(294)
Net movement in funds	6	152	207	359	(323)
Fund balances brought forward at 31 March 2009		632	968	1,600	1,923
Fund balances carried forward at 31 March 2010	11.2 & 11.3	784	1,175	1,959	1,600

The notes at pages 17 to 24 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 2009 – 2010

Balance Sheet as at 31 March 2010

	Notes	Unrestricted Funds £000	Restricted Funds £000	Total at 31 March 2010 £000	Total at 31 March 2009 £000
Fixed Assets					
Investments	7	561	840	1,401	1,030
Total Fixed Assets		561	840	1,401	1,030
Current Assets					
Debtors	8	6	6	12	11
Cash on deposit	9	146	340	486	489
Cash at bank and in hand		85	19	104	107
Total Current Assets		237	365	602	607
Creditors: Amounts falling due within one year	10	14	30	44	37
Net Current Assets/(Liabilities)		223	335	558	570
Total Assets less Current Liabilities		784	1,175	1,959	1,600
Total Net Assets		784	1,175	1,959	1,600
Funds of the Charity					
Income Funds:					
Restricted	11.2	-	1,175	1,175	968
Unrestricted	11.3	784	-	784	632
Total Funds		784	1,175	1,959	1,600

The notes at pages 17 to 24 form part of this account.

SIGNED FOR AND ON BEHALF OF THE COPORATE TRUSTEE

Mr Bill Fullagar

Mr Rob Bradburn

Chairman of the Board

Finance Director

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 31st March 2010.

(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 2009 - 2010

3	Grants Payable	Unrestricted Funds	Restricted Funds	Total 2010	Total 2009
3.1	Grants Payable:	£000	£000	£000	£000
	Staff Welfare	20	2	22	30
	Research	13	100	113	164
	Total	33	102	135	194
3.2	Expenditure on grants to Other Bodies			Aggregate amount paid £000	
	Imperial College			40	
	NHS Blood and Transplant			51	
	Birmingham Women's NHS Foundation Trust			21	
	Total			112	
3.3	Expenditure on Grants to Individuals			Aggregate amount paid £000	
	Staff Long Service Awards			20	
	Recognition Events			2	
	Research Study – Cell Salvage			1	
	Total			23	
4	Governance Costs	Unrestricted Funds £000	Restricted Funds £000	Total 2010 £000	Total 2009 £000
	Governance Costs	6	9	15	16
	Total	6	9	15	16

Governance costs include investment management fees of £10k (£11k 2008-09) payable to Rensburg Sheppards and payments made to NHS Blood and Transplant in respect of external audit £4,750 (£2k 2008/09). No recharge is made for administration costs. (£3k 2008/09).

CHARITABLE FUNDS TRUST ACCOUNT - NHS BLOOD AND TRANSPLANT 2009 - 2010

Analysis of 5	Costs of activities for charitable objectives	Governance costs	Total 2010	Total 2009
	£000	£000	£000	£000
Total Resources Expended	135	15	150	210
	<u>135</u>	<u>15</u>	<u>150</u>	<u>210</u>

Changes in 6 Resources Available for Charity Use	Unrestricted Funds £000	Restricted Funds £000	Total 2010 Funds £000	Total 2009 Funds £000
Net movement in funds for the year	152	207	359	(323)
	<u>152</u>	<u>207</u>	<u>359</u>	<u>(323)</u>

Analysis of	7		Total	Total
Fixed Asset			2010	2009
Investment	7.1	Fixed Asset Investments:	£000	£000
		Market value at 31 March 2009	1,030	1,335
		Additions	7	-
		Net realised/unrealised gains & losses on revaluation	374	(294)
		Investment Fees & Charges	(10)	(11)
		Market value at 31 March 2010	1,401	1,030
		Historic cost at 31 March 2010	1,367	1,417

7.2	Market value at 31 March	Total	Total
		2010	2009
		£000	£000
	UK Fixed Interest	199	175
	UK Equities	779	526
	Overseas Equities*	334	220
	Property Equities*	44	26
	National Grid Shares	7	
	Cash	38	83
		1,401	1,030

*All investments are in unit and investment trusts

Analysis of	7.3	Total	Total
Investment		2010	2009
Income		£000	£000
	UK Fixed Interest	10	10
	UK Equities	26	37
	Overseas Equities	3	4
	Property Equities	3	-
	Cash	1	2
	Capita Shares & Dividends	-	7
		43	60

Analysis of	8	Total	Total
Debtors		2010	2009
		£000	£000
	Amounts falling due within one year:	12	11
		12	11

Cash on	9	Total	Total
Deposit		2010	2009
		£000	£000
	Opening Balance 1 April 2009	489	477
	Deposits	66	91
	Withdrawals	(70)	(100)
	Interest Received	1	21

Closing Balance 31 March 2010 486 489

CHARITABLE FUNDS TRUST ACCOUNT - NHS BLOOD AND TRANSPLANT 2009 – 2010

Analysis of Creditors	10		Total 2010	Total 2009
			£000	£000
	10.1	Amounts due to associated undertakings	44	37
		Total creditors falling due within one year	44	37
	10.2	There are no creditors due falling after one year.		

Analysis of Funds 11

11.1 Endowment Funds

The Charity does not hold any endowment funds.

11.2 Restricted Funds

	Balance 31 March 2009	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31 March 2010
	£000	£000	£000	£000	£000	£000
	968	92	(111)	-	226	1,175
Total	968	92	(111)	-	226	1,175

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 31 March 2009	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31 March 2010
	£000	£000	£000	£000	£000	£000
	632	36	(39)	-	155	784
Total	632	36	(39)	-	155	784

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 (£2,000 2008/09). This is included in creditors within the balance sheet.

- Analysis of the British Bone Marrow Registry, £18,836, of which £9,418 is included within creditors in the balance sheet.

- Funding to achieve World Marrow Donor Accreditation, £31,466, of which £8,820 is included in creditors within the balance sheet.

- Research study into the characterisation of HLA- specific immunoglobulin £705 (£35,663 2008/09).

The NHSBT Trust Fund also funds the cost of long service awards made to employees of the Corporate Trustee. In 2009/10 this amounted to £20,560 (£21,390 2008/09).

Committed Expenditure 13 Grants Committed as at 31 March 2010 are as follows:

	Amounts due > 1 year (£)	Amounts due in > 1 year (£)	Total Commitment as at 31 March 2010 (£)	Total Commitment as at 31 March 2009 (£)
Research	158,110	137,645	295,755	416,422
Small Grants	4,000	4,000	8,000	12,000
Total	162,110	141,645	303,755	428,422

Research Grants committed as at 31 March 2010 consist of:-

1. Investigation into whether testing for anti-graft antibodies can reduce allograft loss and widen access to transplantation (£121,547).

2. Funding for a data base manager to monitor the outcomes of stem cell recipients (£72,364).
3. Funding for a data manager to achieve World Bone Marrow Accreditation (£59,734).
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 (£42,110)

Grants Returned

The following amounts which represent underspends on completed projects have been released during the year:-

1. Research study into the characterisation of HLA- specific immunoglobulin £1,027 return to the Howard Ostin Fund.
2. Recognition Events £1,847 returned to the General Fund.