

NHS Blood and Transplant

Trust Fund

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ANNUAL REPORT AND ACCOUNTS
for the Financial Year Ended 31 March 2015

OFFICE AND REGISTERED ADDRESS:

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

REGISTERED CHARITY NO: 1061771

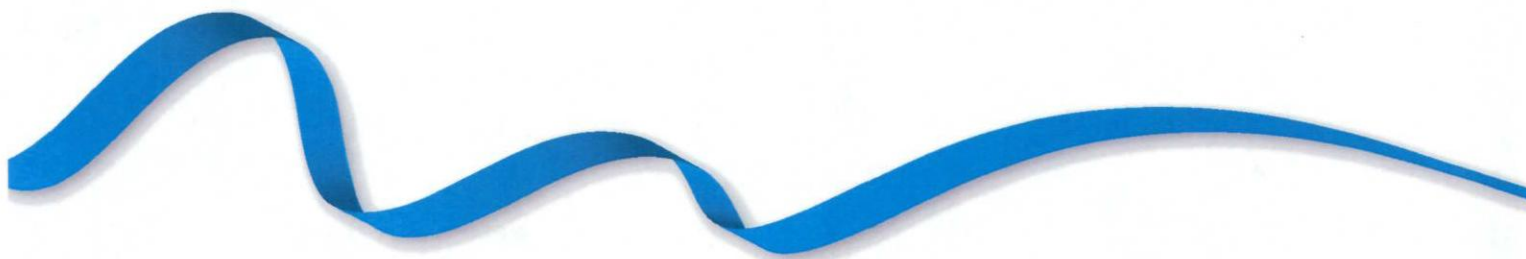
BANKERS:

Lloyds Bank Edgware
Station Road
Edgware
Middlesex
HA8 7JL

INDEPENDENT EXAMINER:

Deloitte LLP
1 City Square
Leeds
LS1 2AL

This Report is a Public Document, copies of which may be obtained from:
Rob Bradburn Finance Director at the registered address.



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 2015.

The Charity's Annual Report and Accounts for the year ended 31 March 2015 have been prepared by the Corporate Trustee in accordance with the Charities Act 2011.

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

2. REFERENCE AND ADMINISTRATIVE DETAILS

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

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

NHS BLOOD AND TRANSPLANT TRUST FUND

The charity is constituted of three individual funds as at 31 March 2015 (2013/2014:3) , and the notes to the accounts distinguish the types of fund held. For accounting purposes the umbrella registration has permitted the production of a single report and set of accounts. This does not obviate the requirement to manage each fund as a separate trust for the purpose of maintaining books for accounts and for investment management.

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

NHS BLOOD AND TRANSPLANT

AUTHORITY BOARD

2014/ 2015

CHAIRMAN

John Pattullo

NON-EXECUTIVE DIRECTORS

Mr Andrew Blakeman

Dr Christine Costello

Mr Roy Griffins CB

Mr Jeremy Monroe

Mr Shaun Williams

Ms Louise Fullwood

Mr Keith Rigg

EXECUTIVE DIRECTORS

Ian Trenholm – Chief Executive and Accounting Officer

(commenced 1 August 2014)

Ms Lynda Hamlyn – Chief Executive and Accounting Officer

(ended 31 July 2014)

Mr Rob Bradburn – Finance Director

Ms Sally Johnson – Director of Organ Donation and Transplant

Mr Clive Ronaldson – Director of Blood Supply

Dr Lorna Williamson – Medical and Research Director

Dr Huw Williams – Director of Diagnostic & Therapeutic Services

TRUST FUND COMMITTEE

The NHS Blood and Transplant Board devolved responsibility for the on-going management of funds to the Trust Fund Committee, which administers funds on behalf of the Corporate Trustee. The names of those who served as agents during the year ending 31 March 2015 for the Corporate Trustee as permitted under the Scheme of Delegation approved by the Board in October 2005 were as follows:

| | |
|----------------------|--|
| Mr Roy Griffins CB: | Chair and Non-Executive Director |
| Mr Andrew Blakeman: | Non-Executive Director |
| Mr Rob Bradburn: | Finance Director NHS Blood and Transplant |
| Dr Lorna Williamson: | Medical and Research Director NHS Blood and Transplant |

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

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

The Corporate Trustee is responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

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

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

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

The Committee agrees an annual workplan and held four meetings during the financial year 2014/15, chaired by Roy Griffins. Attendance at meetings is shown below:

| Meeting Dates | 24/04/14 | 02/07/14 | 28/11/14 | 27/02/15 |
|------------------|----------|----------|----------|----------|
| Andrew Blakeman | √ | √ | √ | √ |
| Roy Griffins | √ | √ | √ | √ |
| Lorna Williamson | √ | X | √ | √ |
| 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 £479,000 (£741,000 31 March 2014).

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

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

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

The Nature and Purpose of NHSBT

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 with regard to 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. In support of this 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 and North Wales. The cost of these products is recovered in the prices that are agreed annually through the National Commissioning Group for Blood. Around 35,000 units of whole blood are collected every week via a network of fixed sites and mobile blood collection teams. The blood is processed in five processing centres (two of which are also testing facilities) and distributed via a network of fifteen issue centres to over 200 NHS Trusts. NHSBT is also the operator of the International Blood Group Reference Laboratory.

Organ Donation and Transplantation (ODT). Three people die every day in the UK due to the lack of an organ for transplant. NHSBT is the UK "Organ Donation Organisation" that is working with the four UK Health Departments and hospitals throughout the UK in order 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 division is a group of strategic operating units that supply biological products and related highly specialised services, mostly to the NHS in England and North Wales. This includes:

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

Stem Cell Services - NHSBT is the largest UK provider of haemopoetic 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 commercial organisations seeking to take current and 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 provides a service for collecting stem cells, related immunotherapy products and serum for production of autologous tears. It also provides various apheresis based therapies such as phototherapy and plasma exchange.

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

NHS Blood and Transplant
Reeds Crescent
Watford
Hertfordshire
WD24 4QN

4. RISK MANAGEMENT

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

5. FUND OBJECTIVES AND ACTIVITIES

The General Fund (£353,000) 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. £6,000 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 (£125,000) 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) (£1,000) is a **restricted** fund. The objective of this fund is to improve the infrastructure for searching and accessing the Registry by clinicians, registry managers and patients.

6. PUBLIC BENEFIT

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

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

During the year the Committee has approved expenditure on the following research and development projects amounting to £331,000 (excluding reversals), which help to improve and save patients' lives:-

- **Platelet transfusions in the Absence of Bleeding in critical Care (Platelet ABC study)**

Critical care is the second most common specialty to use platelet transfusions in the UK. Platelet transfusions are given to patients with low platelet counts in critical care to treat bleeding, or, more commonly, to prevent bleeding. The focus of this research project is the use of platelet transfusions in critical care to prevent bleeding (prophylaxis).

Funding of £20,100 was approved for this project.

- **Bedside platelet function testing to guide the use of platelet transfusion in neonates**

This study is to assess the performance of a point-of-care platelet function test which may help inform platelet transfusions in neonates. The study has ethical committee approval and will compare the performance of the new platelet function test, which is based on flowcytometry, across different groups of premature and term babies.

Funding of £48,974 was approved for this project.

- **Improving database of outcomes after stem cell transplant recipients and short and long term follow-up of donors from British Blood and Marrow**

The grant was approved to fund two data managers to collect, validate and enter data of long-term follow up of BBMR donors after donating bone marrow (BM) or peripheral blood stem cells (PBSC) as well as outcome data from patients transplanted with grafts from BBMR donors. At present, there is no database which links BBMR donors and patient outcomes. Establishing the database will enable the analysis, interpretation and evaluation of the outcomes of HSCT recipients and donors. This project will also enable the evaluation of the clinical efficacy and cost effectiveness of HSC transplantation and the monitoring of safety and harm to stem cell donors and recipients.

Funding of £119,601 was approved for this project.

- **Behavioural Change in Blood Component Prescribing using Smartphone Applications at Point of Care**

This is to develop a smartphone App to improve blood component prescribing practices in the clinical setting. Similar Apps have been shown to improve clinical practice in other areas with more and more clinicians reporting the use of Apps to support clinical decisions.

Funding of £46,980 was approved for this project.

- **Study of the significance and genetic determinants of hepcidin levels in blood donors**

This study aims to measure hepcidin (a marker of iron status) in the cohort of INTERVAL donors. INTERVAL is a randomised controlled trial funded by NHSBT which will determine the optimum donation interval for blood donors. The measurement of hepcidin in INTERVAL donors will provide additional information on iron status in these donors and therefore help to inform future guidance/policy on donation intervals

Funding of £46,150 was approved for this project.

- **Study of the significance of T regulatory cells in the outcome of allogeneic HSCT**

This analytical study will determine whether immune cells called T regulatory cells can improve survival following stem cell transplantation. Initial data suggests that T regulatory cells improve survival in a sustained and profound way. A test has been developed which will allow the analysis of the numbers of T regulatory cells in stored samples from historical bone marrow transplants many years ago. By comparing cell counts in different patients the group will be able to verify their initial observations.

Funding of £49,260 was approved for this project.

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

8. SOURCES OF INCOME

The main sources of income in the year is from investment income (£32,000) 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 (£11,000) and a legacy (£2,000).

9. LEGACIES

During the year the Charity has benefited from one legacy, with £2,000 being credited to the General fund.

10. INVESTMENTS

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

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

11. RESERVES POLICY

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

12. FUTURE COMMITMENTS, ACTIVITIES AND PLANS

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

We do not recognise commitments for staff welfare.

13. ASSOCIATED CHARITIES AND OTHER BODIES

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

14. THANK YOU

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

15. ANNUAL ACCOUNTS

The Regulations, the Charity Statement of Recommended Practice (SORP 2005) and the Accounting and Reporting Standards have specified three components to the final accounts:

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

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

16. FINANCIAL REVIEW

Movement in funds

The net assets of the Charitable Funds as at 31 March 2015 were £479,000 (31 March 2014 £741,000). Overall net assets decreased by £262,000 represented by a realised gain on the valuation of investments of £52,000 and expenditure in excess of income of £314,000.

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

| Fund Name | Fund Balance B/F | Incoming Resources | Outgoing Resources | Realised Gain/Loss on Investment Assets | Fund Balance C/F |
|--------------|---------------------|-----------------------|-----------------------|---|---------------------|
| General Fund | £341,000 | £31,000 | (£55,000) | £36,000 | £353,000 |
| Howard Ostin | £282,000 | £9,000 | (£184,000) | £18,000 | £125,000 |
| BBMDA | £118,000 | £5,000 | (£120,000) | (£2,000) | £1,000 |

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

Incoming resources

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

Expenditure

Expenditure during the year is mainly in support of grants for research. Total expenditure on all research grants payable in the current year amounted to £296,000 on an accruals basis in support of the following projects;

- Platelet transfusions in the Absence of Bleeding in critical Care (Platelet ABC study). Accrual in year amounts to £20,100.
- Bedside platelet function testing to guide the use of platelet transfusion in neonates. Accrual in year amount to £48,974.
- Improving database of outcomes after stem cell transplant recipients and short and long term follow-up of donors from British Blood and Marrow. Accrual in year amount to £119,601.
- Behavioural Change in Blood Component Prescribing using Smartphone Applications at Point of Care. Accrual in year amount to £46,980.
- The study of the significance and genetic determinants of hepcidin levels in blood donors. Accrual in year amount to £46,150.
- Study of the significance of T regulatory cells in the outcome of allogeneic HSCT. Accrual in year amounts to £49,260.

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

- A study of the isolation of human monoclonal antibodies specifically for novel therapeutically relevant leucocyte. The accrual reversed in year amounted to £19,000.

Also within the year a credit was received for a closed project for a study into investigating whether testing for anti-graft antibodies can reduce allograft loss and widen access to transplantation. The amount received and reversed within year amounted to £15,669.

In addition, the Trust Fund continues to support long service awards to staff with over 20 years' service, including service with the National Blood Authority and UK Transplant. Where staff are working in the Birmingham area these costs are recharged to the Howard Ostin Fund. The granting of long service awards is considered to be supportive of the outcomes that the Charity is seeking to achieve in the advancement of health and saving lives, by retaining a motivated and stable workforce, through the recognition of long and loyal service. Expenditure on such awards amounts to £18,400. The Trust Fund also provided funding of £31,600 in support of NHSBT staff winter celebrations at Christmas and provided a further £3,300 in support of recognition of events for outstanding team performance during the year. An amount of £3,500 in relation to the 50 year celebration of the Birmingham Vincent Drive site.

Governance costs comprise External Accountant's fees of £2,000 (£2,000 2013/14), plus investment management fees deducted direct from capital investment funds held with Baring Fund Managers Ltd. The reduction in accountant fees relates to the move to an independent examination approved by the Trust Fund Committee. Investment management fees are charged at 0.05% of the portfolio value. These are deducted directly from capital funds and are estimated to be £5,000 based on the average fund balance over the year.

Investments

The investments at the year-end comprise £833,000, with the sum of £824,000 invested by Baring Fund Managers Ltd in a target return common investment fund valued at open market value as at 31 March 2015. In addition £9,000 is invested in National Grid shares.

Net current assets

The accounts show £122,000 held as cash at bank plus £295,000 cash held on deposit in a high interest bearing account.

Short term creditors of £106,000 relates to accrued expenditure in respect of research grants; NHS Blood and Transplant (£35,000), University of Birmingham (£37,000), Oxford University Hospitals NHS Trust (£3,000) and University of Cambridge (£31,000).

Debtors of £5,000 relating to accrued income from investment assets.

Income funds

The unrestricted general-purpose fund (£353,000) can be spent at the discretion of the Trustee. In respect of the restricted funds relating to the Howard Ostin Bequest (£125,000) and the British Bone Marrow Donor Appeal (£1,000) all expenditure is within the specific objectives of these funds as provided at paragraph 5.

17. INDEPENDENT EXAMINATION

An independent examination for the Trust Fund accounts in 2014/2015 has been completed by Deloitte LLP. The examiner is required to report on whether the financial statements are prepared accordance with the accounting records and the Charities Act 2011.

SIGNED FOR AND ON BEHALF OF THE CORPORATE TRUSTEE



Mr John Pattullo

Chairman of the Board

7 December 2015

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

I report on the accounts of the NHS Blood and Transplant Trust Fund ("the Charity") for the year ended 31 March 2015 comprising the income and expenditure account, the balance sheet and the related notes 1 to 13.

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

Respective responsibilities of trustee and examiner

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

It is my responsibility to

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

Basis of independent examiner's report

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

Independent examiner's statement

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

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

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE NHS BLOOD AND TRANSPLANT TRUST FUND (CONTINUED)

have not been met, or

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



Paul Thomson

for and on behalf of Deloitte LLP

Reporting Accountants

Leeds

Statement of Financial Activities for the year ended 31 March 2015

| | | | | 2014-15 | 2013-14 |
|---|------|--------------|--------------|----------------|---------|
| | Note | Unrestricted | Restricted | Total | Total |
| | | Funds | Funds | Funds | Funds |
| | | £000 | £000 | £000 | £000 |
| Incoming resources | | | | | |
| Donations | | 11 | - | 11 | 5 |
| Investment income | 6.3 | 18 | 14 | 32 | 31 |
| Legacy Income | | 2 | - | 2 | 69 |
| Total incoming resources | | 31 | 14 | 45 | 105 |
| Resources expended | | | | | |
| Charitable Activities | | | | | |
| Grants payable | 2 | 51 | 301 | 352 | 358 |
| Governance Costs | | | | | |
| | 3 | 4 | 3 | 7 | 6 |
| Total resources expended | 4 | 55 | 304 | 359 | 364 |
| Net (outgoing)/ incoming resources | | (24) | (290) | (314) | (259) |
| Gains/(losses) on revaluation and disposal of investment assets | | 36 | 16 | 52 | 3 |
| Net movement in funds | 5 | 12 | (274) | (262) | (256) |
| Fund balances brought at 31 March 2014 | | 341 | 400 | 741 | 997 |
| Fund balances carried forward at 31 March 2015 | | 353 | 126 | 479 | 741 |

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

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

Balance Sheet as at 31 March 2015

| | Notes | Unrestricted Funds £000 | Restricted Funds £000 | Total at 31 March 2015 £000 | Total 31 March 2014 £000 |
|---|-------|-------------------------------|-----------------------------|--|--------------------------------|
| Fixed Assets | | | | | |
| Investments | 6 | 558 | 275 | 833 | 991 |
| Total Fixed Assets | | 558 | 275 | 833 | 991 |
| Current Assets | | | | | |
| Debtors | 7 | 3 | 2 | 5 | 6 |
| Cash on deposit | 8 | 30 | 265 | 295 | 330 |
| Cash at bank and in hand | | 45 | 77 | 122 | 93 |
| Total Current Assets | | 78 | 344 | 422 | 429 |
| Creditors: Amounts falling due: within one year | 9 | (43) | (63) | (106) | (38) |
| Net Current Assets | | 35 | 281 | 316 | 391 |
| Creditors: Amounts falling due: more than one year | 9 | (240) | (430) | (670) | (641) |
| Total Assets less Current Liabilities | | 353 | 126 | 479 | 741 |
| Total Net Assets | | 353 | 126 | 479 | 741 |
| Funds of the Charity | | | | | |
| Income Funds: | | | | | |
| Restricted | 10.2 | - | 126 | 126 | 400 |
| Unrestricted | 10.3 | 353 | - | 353 | 341 |
| Total Funds | | 353 | 126 | 479 | 741 |

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

SIGNED FOR AND ON BEHALF OF THE COPORATE TRUSTEE

Mr John Pattullo

Chairman of the Board

7 December 2015

Mr Rob Bradburn

Finance Director

7 December 2015

Notes on the accounts

1. Accounting Policies

(a) Basis of preparation

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

(b) Funds structure

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

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

(c) Incoming resources

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

(d) Incoming resources from legacies

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

(e) Resources expended

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

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

- (f) **Irrecoverable VAT**
Irrecoverable VAT is charged against the category of resources expended for which it was incurred.
- (g) **Governance costs**
Governance costs include investment management fees which are charged directly to each fund, and independent examination fees. Any costs of administration are apportioned across each fund on the basis of resource time.
- (h) **Charitable activities**
Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity.
- (i) **Fixed asset investments**
Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. Investment funds are included in the balance sheet at the mid price at 31st March 2015.
- (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.

CHARITABLE FUNDS TRUST ACCOUNT - NHS BLOOD AND TRANSPLANT 2014 /2015

2 Grants Payable

| | Unrestricted Funds | Restricted Funds | Total 2015 | Total 2014 |
|----------------------------|-----------------------|---------------------|---------------|---------------|
| 2.1 Grants Payable: | | | | |
| | £000 | £000 | £000 | £000 |
| Staff Long Service Awards | 16 | 2 | 18 | 17 |
| Recognition Events | 3 | 3 | 6 | 4 |
| Winter Celebrations | 32 | - | 32 | 8 |
| ODT Payments | - | - | - | - |
| Research & Development | - | 296 | 296 | 329 |
| | 51 | 301 | 352 | 358 |

2.2 Expenditure on Grants to Other Bodies

Aggregate
amount
payable

£000

NHS Blood and Transplant
Oxford University Hospitals NHS Trust
Royal College of Paediatrics and Child Health
University of Birmingham
University of Bristol
University of Cambridge
University College London

34
4
7
37
15
174
25

Total

296

2.3 Expenditure on Grants to Individuals

Aggregate
amount
payable

£000

Staff Long Service Awards
Staff Winter Celebrations
Recognition Events

18
32
6

Total

56

3 Governance Costs

| | Unrestricted Funds | Restricted Funds | Total 2015 | Total 2014 |
|------------------|-----------------------|---------------------|---------------|---------------|
| | £000 | £000 | £000 | £000 |
| Governance Costs | 4 | 3 | 7 | 6 |
| Total | 4 | 3 | 7 | 6 |

Governance costs include independent examination fees £2,000 (£2,000 in 2013/14). Investment management fees are taken from capital funds and are estimated at £5,000 (£4,000 2013/14) based on the average value of investment funds over the year. No recharge is made for administration costs.

| 4 | Analysis of Total Resources Expended | Costs of Activities for Charitable objectives | Governance costs | Total | Total |
|---|---|--|---------------------|------------|------------|
| | | | | 2015 | 2014 |
| | | £000 | £000 | £000 | £000 |
| | | 352 | 7 | 359 | 364 |
| | | <u>352</u> | <u>7</u> | <u>359</u> | <u>364</u> |

| 5 | Changes in Resources Available for Charity Use | Unrestricted Funds | Restricted Funds | Total | Total |
|---|--|-----------------------|---------------------|---------------|---------------|
| | | | | 2015 Funds | 2014 Funds |
| | | £000 | £000 | £000 | £000 |
| | | 12 | (274) | (262) | (256) |
| | Net movement in funds for the year | <u>12</u> | <u>(274)</u> | <u>(262)</u> | <u>(256)</u> |

| 6 | Analysis of Fixed Asset Investments | Total | Total |
|-----|---|------------|------------|
| | | 2015 | 2014 |
| | | £000 | £000 |
| 6.1 | Market value at 31 March 2015 | 991 | 992 |
| | Disposals (at carrying value) | (205) | - |
| | Additions | - | - |
| | Net gains/ (losses) | 52 | (1) |
| | Investment Fees & Charges | (5) | - |
| | Market value at 31 March 2015 | <u>833</u> | <u>991</u> |
| | Historic cost at 31 March 2015 | <u>957</u> | <u>957</u> |

| | | | |
|-----|-------------------------------|--------------|--------------|
| 6.2 | Market value at 31 March 2015 | Total | Total |
| | | 2015 | 2014 |
| | | £000 | £000 |
| | | | |
| | Common Investment Fund | 824 | 982 |
| | National Grid Shares | 9 | 9 |
| | | 833 | 991 |

| | | | |
|-----|-------------------------------|-------------|-------------|
| 6.3 | Analysis of Investment Income | Total | Total |
| | | | |
| | | | |
| | | | |
| | Total Investment Income | 2015 | 2014 |
| | | £000 | £000 |
| | | | |
| | Common Investment Fund | 32 | 31 |
| | | 32 | 31 |

| | | | |
|---|--------------------------------------|--------------|--------------|
| 7 | Analysis of Debtors | Total | Total |
| | | 2015 | 2014 |
| | | £000 | £000 |
| | | | |
| | Amounts falling due within one year: | | |
| | Accrued Income | 5 | 6 |
| | | 5 | 6 |

| | | | |
|---|-------------------------------|--------------|--------------|
| 8 | Cash on Deposit | Total | Total |
| | | 2015 | 2014 |
| | | £000 | £000 |
| | | | |
| | Opening Balance 1 April 2014 | 330 | 478 |
| | Deposits | 204 | - |
| | Withdrawals | (240) | (150) |
| | Interest Received | 1 | 2 |
| | Closing Balance 31 March 2015 | 295 | 330 |

| | | | |
|---|---|--------------|--------------|
| 9 | Analysis of Creditors | Total | Total |
| | | 2015 | 2014 |
| | | £000 | £000 |
| | | | |
| | 9.1 Amounts due to NHSBT and grantees | 106 | 38 |
| | Total creditors falling due within one year | 106 | 38 |

Analysis of 9.2 Creditors

| | Total | Total |
|---|--------------|--------------|
| | 2015 | 2014 |
| | £000 | £000 |
| Amounts due to grantees | 670 | 641 |
| Total creditors falling due in more than one year | 670 | 641 |

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

1. The isolation of human monoclonal antibodies specifically for novel therapeutically relevant leukocyte determinants (£6,941).
2. Development of a high resolution HLA typing technology using a next generation DNS sequencer (454 Roche) (£52,594).
3. A pilot feasibility study to evaluate the effects of early administration of cryoprecipitate in major trauma (£8,728).
4. National survey of neonatal exchange transfusion (£500).
5. Towards red blood cells using induced pluripotent stem cells (£28,306).
6. Application for a travel grant for cultured red cells project (£2,500).
7. Therapeutic potential of angiogenic factors to improve bone marrow transplantation (£ 22,843).
8. ATHENA II: A pilot study of fibrinolytic activation in patients with haematological malignancies (£ 14,414).
9. Age of Blood in Paediatric Intensive Care (ABC-PICU) UK (£ 49,000)
10. Red blood cell transfusion thresholds and QOL in MDS: a pilot feasibility (£ 48,453).
11. Defining the genetic basis of herpesvirus suppression and reactivation using GWAS in INTERNAL blood donors (£ 20,833)
12. Data manager to collect and validate outcome data of patients given donor lymphocyte infusion (DLI) to prevent and treat disease recurrence after Allogeneic Hematopoietic Transplantation in the UK (£ 47,290)
13. Impact of blood pressure profiles on short term outcomes in the organ recipient (£ 45,000)
14. Platelet transfusions in the Absence of Bleeding in Critical Care (Platelet ABC study) (£20,100).
15. Bedside platelet function testing to guide the use of platelet transfusion in neonates (£48,974).

16. Improving the database of outcomes after stem cell transplant recipients and short and long term follow up of donors from British Blood and Marrow Registry (£119,601).
17. Behavioural change in Blood Component prescribing using smartphone applications at point of care (£46,980).
18. Study of the significance and genetic determinants of hepcidin levels in blood donors (£46,150).
19. Study of the significance of T regulatory cells in the outcome of allogeneic HSCT (£40,878).

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

1. £19,000 to the Howard Ostin Fund relating to a research project
2. £15,996 to the General Fund relating to a research project

10 Analysis of Funds

10.1 Endowment Funds

The Charity does not hold any endowment funds.

10.2 Restricted Funds

| | Balance as at 01 April 2014 £000 | Incoming Resources £000 | Resources Expended £000 | Gains and Losses £000 | Transfers £000 | Balance as at 31 March 2015 £000 |
|-------------------------------------|---|-------------------------------|-------------------------------|-----------------------------|-------------------|---|
| Howard Ostin Bequest | 282 | 9 | (184) | 18 | - | 125 |
| British Bone Marrow Donor Appeal | 118 | 5 | (120) | (2) | - | 1 |
| Total | 400 | 14 | (304) | 16 | - | 126 |

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.

10.3 Unrestricted Funds

| | Balance as at 01 April 2014 £000 | Incoming Resources £000 | Resources Expended £000 | Gains and Losses £000 | Transfer £000 | Balance as at 31 March 2015 £000 |
|--------------|---|-------------------------------|-------------------------------|-----------------------------|------------------|---|
| Total | 341 | 31 | (55) | 36 | - | 353 |

The General Fund is an unrestricted fund which may be used at the discretion of the Trustee for charitable purposes, wholly or mainly to support the goals of NHS Blood and Transplant in saving and improving lives. Unrestricted funds also includes £6,000 designated funds set aside in the year or organ donation purposes.

11 Related Party Transactions

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

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

Mr Roy Griffins CB

Mr Andrew Blakeman

Mr Rob Bradburn

Dr Lorna Williamson

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

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

- Payment to NHS Blood and Transplant in respect of Independent examination fees, £2,000 (£2,000 2013/14). This is included in creditors within the balance sheet.

- Payments to NHS Blood and Transplant relating to Therapeutic potential of human cardiac mesenchymal progenitors, £9,928 (£5,324 2013/14)

- Payments to NHS Blood and Transplant in respect of a project towards red blood cells using induced pluripotent stem cells, £13,318 (£6,202 2013/14)

- Payment to NHS Blood and Transplant relating to Therapeutic potential of angiogenic factors to improve bone marrow, £2,056 (£22,311 2013/14).

Related Party Transactions

- Payments to NHS Blood and Transplant in respect of Study of the significance of T regulatory cells in the outcome of allogeneic HSCT, £8,382 (£nil 2013/14)

- Payment to NHS Blood and Transplant in respect of staff winter celebrations, £31,601 (£8,189 2013/14), included within creditors in the balance sheet.

- Payment to NHS Blood and Transplant in relation to the 50 year celebration event for Birmingham Vincent Drive.

The NHSBT Trust Fund also funds the cost of long service awards made to employees of the Corporate Trustee. In 2014/15 this amounted to £18,381 (£16,694 2013/14). The Trust also funds recognition events which amounted to £3,260 (this is included within the creditors in the balance sheet).

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)