

# NHS Blood and Transplant

Trust Fund

A large blue graphic with a wavy, undulating top edge, resembling a stylized landscape or a series of connected hills, occupying the lower half of the page.

ANNUAL REPORT AND ACCOUNTS  
for the financial year ended 31 March 2016

**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.



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## **1. FOREWORD**

The Corporate Trustee, NHS Blood and Transplant, presents the charitable funds' Annual Report together with the Financial Statements for the year ended 31 March 2016.

The Charity's Annual Report and Accounts for the year ended 31 March 2016 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 18 to 30.

## **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 2016 (2014/2015:3), 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

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## **AUTHORITY BOARD**

**2015/ 2016**

### **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**

**Mr Rob Bradburn – Finance Director**

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

**Mr Clive Ronaldson – Director of Blood Supply to 6 December 2015**

**Mr Peter Lidstone – Director of Blood Manufacturing and Logistics with effect  
2 November 2015**

**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 2016 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
Mr David Evans :	Director of Workforce (Trust Fund Committee from November 2015)

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

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

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

The law applicable to charities in England & Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

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

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



The Corporate Trustee is also responsible for the maintenance and integrity of the charity and financial information included on the NHSBT website. 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 2015/16, chaired by Roy Griffins. Attendance at meetings is shown below:

Meeting Dates	May 2015	July 2015	November 2015	February 2016
Roy Griffins	✓	✓	✓	✓
Andrew Blakeman	✓	✓	✓	✓
Lorna Williamson	✓	✓	✓	✓
Rob Bradburn	✓	✓	✓	✓
David Evans (member from November 2015)	-	-	✓	✓

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 £439,000 (£479,000 31 March 2015).

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. NHSBT has three key service areas:

**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 is a group of strategic business units (SBUs) 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, bone and eyes) 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 haemopoietic stem cells for the treatment of blood cancers and operates the British Bone Marrow Registry and the NHS Cord Blood Bank. We additionally provide supporting services to NHS, academic and private sector organisations seeking to take next generation stem cell therapies to the clinic.

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

**Therapeutic Apheresis Services (TAS)** - NHSBT provides a service for collecting stem cells, related immunotherapy products and serum for production of autologous tears. We also provide various apheresis based therapies such as phototherapy and plasma exchange.

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



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

**NHS Blood and Transplant**

**Reeds Crescent**

**Watford**

Hertfordshire

WD24 4QN

#### **4. FUND OBJECTIVES AND ACTIVITIES**

**The General Fund (£320,000)** 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 £8,000 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 (£71,000)** 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) (£48,000)** is a **restricted** fund. The objective of this fund is to improve the infrastructure for searching and accessing the Registry by clinicians, registry managers and patients.

#### ***Public Benefit***

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



## **5. ACHIEVEMENTS AND PERFORMANCE**

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

During the year the Committee has approved expenditure on the following research and development projects amounting to £99,990 (excluding reversals), which help to improve and save patients' lives:-

- **REd cell transfusion in Acute myeloid Leukaemia (REAL trial):**

A project to test the feasibility cross-over randomised controlled trial to test adherence comparing restrictive versus liberal red cell transfusion strategies in adult patients with acute myeloid leukaemia (AML) receiving intensive chemotherapy. This project received £49,997 from the Howard Ostin Fund.

- **Trial of Desmopressin in critical illness cover:**

A project to perform placebo- controlled single-blind randomised trial of desmopressin in critical illness cover prior to procedures was awarded £49,993 from the General Fund.

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.

### **Investment performance**

The funds invested with Baring are monitored on a calendar year basis, in the 12 months to December 2015 the funds grew 2.4% versus a 6.6% target (CPI+5%).

### **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.

### **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.

### **Annual Accounts**

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

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

## 6. FINANCIAL REVIEW

### Income

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.

The main sources of income in the year are from investment income £23,000 (2014/15 £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 £15,000 (2014/15 £13,000). During the year the charity did not benefit from any legacies.

### Expenditure

Expenditure during the year was £30,000 (2014/15 £359,000) spent mainly in support of grants for research. The grants awarded £100,000 and grants returned/credited £132,000, giving a net credit to grant expenditure this year of £32,000, (2014/15 £296,000) on an accruals basis see note 4 for detail of grants.

The following projects were released back to the relevant funds in the year as they were deemed not required:

- 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. The accrual reversed in year amounted to £47,290 to the BBMDA Fund.
- Cultured Red Cells Project - Application for travel grant. The accrual reversed in year amounted to £2,500 to the General Fund.
- Age of Blood in Paediatric Intensive Care (ABC-PICU) UK. The accrual reversed in year amounted to £49,000 to the General Fund.
- A pilot feasibility study to evaluate the effects of early administration of cryoprecipitate in major trauma. The accrual reversed in year amounted to £8,728 returned to the General Fund.
- Therapeutic potential of angiogenic factors to improve bone marrow transplantation. The accrual reversed in year amounted to £17,041 returned to the General Fund.
- The isolation of human monoclonal antibodies specifically for novel therapeutically relevant leucocyte determinants. The accrual reversed in year amounted to £6,940 returned to the Howard Ostin Fund.



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 £20,800 (2014/15 £18,000). The Trust Fund also provided funding of £34,000 (2014/15 £32,000) in support of NHSBT staff winter celebrations at Christmas and provided a further £2,100 (2014/15 £6,000) in support of recognition of events.

Governance costs comprise Independent examiner's fees of £2,000 (2014/15 £2,000), plus investment management fees deducted direct from capital investment funds held with Baring Fund Managers Ltd. Investment management fees are charged at 0.05% of the portfolio value. These are deducted directly from capital funds and are estimated to be £3,000 based on the average fund balance over the year.

## Investments

The investments at the year-end comprise £566,000 (2015 £833,000), with the sum of £555,000 (2015 £824,000) invested by Baring Fund Managers Ltd in a target return common investment fund valued at open market value as at 31 March 2016. In addition £11,000 (2015 £9,000) is invested in National Grid shares.

## Net current assets

The accounts show £193,000 (2015 122,000) held as cash at bank plus £256,000 (2015 £295,000) cash held on deposit in a high interest bearing account.

Short term creditors of £521,000 (2015 £495,000) relates to research grants; NHS Blood and Transplant £375,000 (2015 £189,000), Other Grantees £146,000 (2015 £306,000).

Debtors of £4,000 ( 2015 £5,000) relating to accrued income from investment assets.

## Income funds

The unrestricted general-purpose fund £320,000 (2015 £353,000) can be spent at the discretion of the Trustee. In respect of the restricted funds relating to the Howard Ostin Bequest £71,000 (2015 £125,000) and the British Bone Marrow Donor Appeal £48,000 (2015 £1,000) all expenditure is within the specific objectives of these funds as provided at paragraph 4.

## Movement in funds

The net assets of the Charitable Funds as at 31 March 2016 were £439,000 ( 31 March 2015 £479,000). Overall net assets decreased by £40,000 represented by a realised loss on the valuation of investments of £48,000 and Income in excess of expenditure of £8,000.

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	353,000	30,000	(30,000)	(33,000)	£320,000
Howard Ostin	125,000	8,000	(47,000)	(15,000)	£71,000
BBMDA	1,000	-	47,000	-	£48,000



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 Trustee. The day to day administration of funds is undertaken by the NHSBT finance department and no recharge is made for this work as costs are not material.

## **Risk Management**

The most significant risk to 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.

## **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 Trustee on a quarterly basis, and the investment in the processing and/or manufacturing of tobacco products is not permitted.

## **Reserves Policy**

The trustee's policy is to keep funds to the minimum required to cover approved commitments in the belief that donations are made with the intention and expectation that they will be spent accordingly. In order to avoid the risk of the Charity's reserves becoming overdrawn it is considered prudent to hold a balance of approximately £300k in general funds to cover staff welfare and independent examiners fees. This reserve is in addition to the following years budgeted costs and represents over 4 years expenditure. The reserves available to spend balance is reviewed at each quarterly committee meeting prior to any new commitments being made. As at 31 March 2016 the uncommitted reserves on the General Fund stood at £299,000 plus £57,000 for 2016/17 costs excluding any future income from investments or bequests. The uncommitted reserves on the Howard Ostin Fund were £70,000 and on BBMDA were £48,000. The total uncommitted reserves across all funds being £417,000.

Reserves are slightly lower than the £300k benchmark due to losses on investments sustained to March 2016 due to volatile investment markets.

The Trustee has earmarked an amount for staff welfare payments and expect the balances to be used to fund grant applications 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.

## 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.

## 7. INDEPENDENT EXAMINATION

An independent examination for the Trust Fund accounts in 2015/2016 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

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Mr John Pattullo 29/11/16

Chairman of the Board  
24 November 2016



## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE 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 2016 comprising the income and expenditure account, the balance sheet and the related notes 1 to 10.

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

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.

*Sarah Anderson*

Sarah Anderson

for and on behalf of Deloitte LLP

Reporting Accountants

Leeds

6 December 2016

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31st March 2016

	Note	Unrestricted Funds £000	Restricted Funds £000	2015-16 Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	2014-15 Total Funds £000
<b>INCOME FROM:</b>							
Donations and legacies	2	15	-	15	13	-	13
Investments	3	15	8	23	18	14	32
<b>TOTAL INCOME</b>		<b>30</b>	<b>8</b>	<b>38</b>	<b>31</b>	<b>14</b>	<b>45</b>
<b>EXPENDITURE ON:</b>							
Charitable activities	4	30	-	30	55	304	359
<b>TOTAL EXPENDITURE</b>		<b>30</b>	<b>0</b>	<b>30</b>	<b>55</b>	<b>304</b>	<b>359</b>
<b>Net income/(expenditure) before investment gains/(losses)</b>		-	8	8	(24)	(290)	(314)
Net gains/(losses) on investments		(33)	(15)	(48)	36	16	52
<b>NET MOVEMENT IN FUNDS</b>		<b>(33)</b>	<b>(7)</b>	<b>(40)</b>	<b>12</b>	<b>(274)</b>	<b>(262)</b>
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward		353	126	479	341	400	741
Net movement in funds for the year		(33)	(7)	(40)	12	(274)	(262)
<b>Total funds carried forward</b>		<b>320</b>	<b>119</b>	<b>439</b>	<b>353</b>	<b>126</b>	<b>479</b>

The notes at pages 20 to 30 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 2016**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total at 31 Mar 2016 £'000	Total at 31 Mar 2015 As restated £'000
<b>Fixed Assets</b>					
Investments	5	308	258	566	833
<b>Total Fixed Assets</b>		<u>308</u>	<u>258</u>	<u>566</u>	<u>833</u>
<b>Current Assets</b>					
Debtors	6	2	2	4	5
Cash on deposit	7	10	246	256	295
Cash at bank and in hand	7	181	12	193	122
		<u>193</u>	<u>260</u>	<u>453</u>	<u>422</u>
Creditors: amounts falling due within one year	8	(144)	(377)	(521)	(495)
<b>Net Current Assets/(Liabilities)</b>		<u>49</u>	<u>(117)</u>	<u>(68)</u>	<u>(73)</u>
Creditors: Amounts falling due after one year	8	(37)	(22)	(59)	(281)
<b>Total Net Assets</b>		<u>320</u>	<u>119</u>	<u>439</u>	<u>479</u>
<b>Funds of the Charity</b>					
<b>Income Funds:</b>					
Unrestricted	9.3	320	-	320	353
Restricted	9.2	-	119	119	126
<b>Total Funds</b>		<u>320</u>	<u>119</u>	<u>439</u>	<u>479</u>

The notes at pages 20 to 30 form part of this account.

These financial statements of Charity NHS Blood and Transplant Trust Fund registered number 1061771 were approved by the Board of Trustees and authorised for issue on 24th November 2016.

SIGNED FOR AND ON BEHALF OF THE COPORATE TRUSTEE

  
 29/11/16  
 Mr John Pattullo  
 Chairman of the Board  
 24 November 2016

  
 Mr Rob Bradburn  
 Finance Director  
 24 November 2016

## Notes on the accounts

### 1. Accounting Policies

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

#### (a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The principal accounting policies adopted in the preparation of the financial statements are as follows. The Trustee does not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed below.

#### (b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing these financial statements, the Trustee has considered whether any restatement of comparatives were required to comply with FRS 102 and the Charities SORP2015. No restatements were required although there has been a change in the analysis of governance costs and cash and cash equivalents.

**Governance costs:** previously these had been separately analysed on the face of the statement of financial activity. Governance costs are now classified as a support cost and have therefore been allocated to charitable activities. There is no effect on the total expenditure for 2014/15 or 2015/16.

**Cash and cash equivalents:** previously short term investments held in a deposit account have been shown separately on the face of the balance sheet. As these are liquid funds they are classified as cash equivalents and now shown as part of cash and cash equivalents on the balance sheet. There is no impact on the total funds of the charity.

#### (c) Preparation of the accounts on a going concern basis

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



**(d) Fund accounting**

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

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

**(e) Income**

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

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

**(f) Interest receivable**

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

**(g) Expenditure and irrecoverable VAT**

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

**(h) Debtors**

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

**(i) Cash and cash equivalents**

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**(j) Creditors and provisions**

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

The prior year creditors due within and after one year have been restated to correctly classify grant commitments in terms of their expected payment timing. The total amount of creditors has not changed.

**(k) Financial instruments**

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

Investment gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later).

**2. Income from donations and legacies**

<b>Donations</b>	<b>2016 Total £000</b>	<b>2015 Total £000</b>
<b>Legacies</b>	-	2
<b>Donations</b>	<u>15</u>	<u>11</u>
	<b>15</b>	<b>13</b>

The income from donations and legacies was £15,000 (2014/15: £13,000) of which £15,000 was unrestricted (2014/15: £13,000) and £nil restricted (2014/15: £nil).

**3. Analysis of Investment Income**

**Total Investment Income**

	<b>2016 Total £'000</b>	<b>2015 Total £'000</b>
<b>Baring Investment Fund</b>	22	31
<b>Bank Interest</b>	1	1
	<u>23</u>	<u>32</u>



#### 4. Analysis of expenditure on charitable activities

	Activities undertaken directly £'000	Grant funding activities £'000	Support costs £'000	Total 2016 £'000	Total 2015 £'000 (as restated note 1b)
Support for non-commercial research	-	(32)	5	(27)	303
Staff Long Service Award	21	-	-	21	18
Recognition Events	2	-	-	2	6
Winter Celebrations	34	-	-	34	32
	<u>57</u>	<u>(32)</u>	<u>5</u>	<u>30</u>	<u>359</u>

Expenditure on charitable activities was £30,000 (2014/15: 359,000) of which £30,000 was unrestricted (2014/15: £55,000) and £nil was restricted (2014/15: £304,000).

Support costs consist solely of governance costs, being independent examination fees £2,000 (£2,000 in 2014/15) and investment management fees. Investment management fees are taken from capital funds and are estimated at £3,000 (£5,000 2014/15) based on the average value of investment funds over the year. No recharge is made for administration costs supplied by NHSBT and the charity is not able to put a value on these donated services.

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

## Analysis of grant expenditure

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

	Grant funding activities
	2016 £000
<b>4.1 Analysis by activity</b>	
<b>Grants returned -</b>	
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)
Cultured Red Cells Project - Application for travel grant	(3)
Age of Blood in Pediatric Intensive Care (ABC-PICU) UK	(49)
A pilot feasibility study to evaluate the effects of early administration of cryoprecipitate in major trauma	(9)
Therapeutic potential of angiogenic factors to improve bone marrow transplantation	(17)
The isolation of human monoclonal antibodies specifically for novel therapeutically relevant leucocyte determinants	(7)
<b>Grants paid out -</b>	
A placebo-controlled single-blind, randomised feasibility trial of Desmopressin (DDAVP) in critical illness prior to procedures	50
REd cell transfusion in Acute myeloid Leukaemia (REAL trial)	50
	<u>(32)</u>
	<b>2015 £'000</b>
<b>4.2 Analysis by activity</b>	
<b>Grants returned -</b>	
Investigation into whether testing for anti-graft antibodies can reduce allograft loss and widen access to transplantation	(16)
The isolation of human monoclonal antibodies specifically for novel therapeutically relevant leucocyte determinants	(19)
<b>Grants paid out -</b>	
Platelet transfusions in the Absence of Bleeding in Critical care (Platelet ABC study)	20
Bedside platelet function testing to guide the use of platelet transfusion in neonates	49
Improving database of outcomes after stem cell transplant recipients and short and long term follow-up of donors from British Blood and Marrow Registry	120
Behavioural Change in Blood Component Prescribing using Smartphone Applications at Point of Care	47
Study of the significance and genetic determinants of hepcidin levels in blood donors	46
Study of the significance of T regulatory cells in the outcome of allogeneic HSCT	49
	<u>296</u>



#### 4.3 Analysis by recipient

	<b>2016</b>	<b>2015</b>
	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
Barts Health NHS Trust	(9)	-
NHS Blood and Transplant	31	34
Oxford University Hospitals NHS Trust	(47)	4
Royal College of Paediatrics and Child Health	-	7
University of Birmingham	(7)	37
University of Bristol	-	15
University of Cambridge	-	174
University College London	-	25
<b>Total</b>	<b>(32)</b>	<b>296</b>

## 5

#### 5.1 Analysis of Fixed Asset Investments

	<b>Total</b>	<b>Total</b>
	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Market value at 1 April	<b>833</b>	991
Disposals (at carrying value)	<b>(216)</b>	(205)
Additions	-	-
Net realised (losses)/gains on revaluation	<b>(48)</b>	52
Investment Fees & Charges	<b>(3)</b>	(5)
Market value at 31 March 2016	<b>566</b>	833
Historic cost at 31 March 2015	<b>538</b>	757

#### 5.2 Market value at 31 March 2016

	<b>Total</b>	<b>Total</b>
	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Common Investment Fund	<b>555</b>	824
National Grid Shares	<b>11</b>	9
	<b>566</b>	<b>833</b>

## 6 Analysis of Debtors

	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
Amounts falling due within one year:		
Accrued Income	<u>4</u>	<u>5</u>
	<u>4</u>	<u>5</u>

## 7 Cash and Cash Equivalents

	<b>Total 2016 £'000</b>	<b>Total 2015 £'000</b>
Cash on deposit	256	295
Cash at bank and in hand	193	122
	<u>449</u>	<u>417</u>

## 8 Analysis of Creditors

	<b>Total 2016 £'000</b>	<b>Total 2015 As restated £'000</b>
8.1 Creditors under one year		
Amounts due to NHSBT	375	189
Amounts due to grantees	146	306
Total creditors falling due within one year	<u>521</u>	<u>495</u>

	<b>Total 2016 £'000</b>	<b>Total 2015 As restated £'000</b>
8.2 Creditors over one year		
Amounts due to NHSBT	43	153
Amounts due to grantees	16	128
Total creditors falling due after more than one year	<u>59</u>	<u>281</u>



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

1. ATHENA II. A pilot study of fibrinolytic activation in patients with haematological malignancies (£3,517).
2. Red blood cell transfusion thresholds and QOL in MDS: a pilot, feasibility study (38,061).
3. Impact of factors associated with the donation process on short term outcomes in the organ recipient - PhD Studentship (£45,000).
4. A placebo-controlled single-blind, randomised feasibility trial of Desmopressin (DDAVP) in critical illness prior to procedures (£43,034).
5. Improving database of outcomes after stem cell transplant recipients and short and long term follow-up of donors from British Blood and Marrow Registry (£70,367).
6. Bedside platelet function testing to guide the use of platelet transfusion in neonates (£48,974).
7. Platelet transfusions in the Absence of Bleeding in Critical care (Platelet ABC study) (£20,100).
8. Behavioural Change in Blood Component Prescribing using Smartphone Applications at Point of Care (£10,380).
9. Study of the significance and genetic determinants of hepcidin levels in blood donors (£21,052).
10. Study of the significance of T regulatory cells in the outcome of allogeneic HSCT (£23,413).
11. REd cell transfusion in Acute myeloid Leukaemia (REAL trial): A feasibility cross-over randomised controlled trial to test adherence comparing restrictive versus liberal red cell transfusion strategies in adult patients with acute myeloid leukaemia (AML) receiving intensive chemotherapy (£43,038).

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

1. £77,269 to the General Fund relating to a research project
2. £47,290 to the BBMDA Fund relating to a research project
3. £6,940 to the Howard Ostin Fund relating to a research project

## 9 Analysis of Funds

### 9.1 Endowment Funds

The Charity does not hold any endowment funds.

### 9.2 Restricted Funds

	Balance as at 1 April 2015 £'000	Income £'000	Expenditure £'000	Gains and Losses £'000	Transfers £'000	Balance as at 31 March 2016 £'000
Howard Ostin Bequest	125	8	(47)	(15)	-	71
British Bone Marrow Donor Appeal	1	-	47	-	-	48
<b>Total</b>	<b>126</b>	<b>8</b>	<b>0</b>	<b>(15)</b>	<b>-</b>	<b>119</b>

The Charity holds **two** restricted funds.

**The Howard Ostin Bequest:** the main objective of which is to further such charitable purposes as the trustee thinks fit, having first considered and having regard to the needs in the area of Birmingham and the surrounding district.

**The British Bone Marrow Donor Appeal:** the main objective of which is to improve the infrastructure for searching and accessing the Registry by clinicians, registry managers and patients.

### 9.3 Unrestricted Funds

	Balance as at 01 April 2015 £'000	Income £'000	Expenditure £'000	Gains and Losses £'000	Transfer £'000	Balance as at 31 March 2016 £'000
<b>Total</b>	<b>353</b>	<b>30</b>	<b>(30)</b>	<b>(33)</b>	<b>-</b>	<b>320</b>

**The General Fund** is an unrestricted fund which may be used at the Trustee for charitable purposes, wholly or mainly to support the goals of NHS Blood and Transplant in saving and improving lives. Unrestricted funds also includes £8,000 designated funds set aside in the year or organ donation purposes.



## 10 Related Party Transactions

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

The charitable trust has made payments to NHS Blood and Transplant in furtherance of its charitable goals. The members of the Trust Fund Committee (whose names are listed below) also served as members of NHS Blood and Transplant Board during the year. There were £0 donations received from the NHSBT Board and Committee members.

Mr Roy Griffins CB  
Mr 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.

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

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

- Payment to NHS Blood and Transplant in respect of Independent examination fees, £2,000 (£2,000 2014/15). This is included in creditors within the balance sheet.
- Payments to NHS Blood and Transplant relating to Therapeutic potential of human cardiac mesenchymal progenitors, £5,802 (£9,928 2014/15)
- Payments to NHS Blood and Transplant in respect of a project Towards red blood cells using induced pluripotent stem cells, £28,306 (£13,318 2014/15)
- Payment to NHS Blood and Transplant relating to Red blood cell transfusion thresholds and QOL in MDS, £10,392 (£Nil 2014/15), included within creditors in the balance sheet.
- Payment to NHS Blood and Transplant relating to A placebo-controlled single-blind, randomised feasibility trial of Desmopressin (DDAVP), £6,959 (£Nil 2014/15), included within creditors in the balance sheet.
- Payment to NHS Blood and Transplant relating to Study of the significance of T regulatory cells in the outcome of allogeneic HSCT, £17,465 (£8,382 2014/15), included within creditors in the balance sheet.
- Payment to NHS Blood and Transplant relating to REd cell transfusion in Acute myeloid Leukaemia (REAL trial), £6,959 (£Nil 2014/15), included within creditors in the balance sheet.

- Payment to NHS Blood and Transplant relating to Study of the significance and genetic determinants of hepcidin levels in blood donors, £25,098 (£Nil 2014/15), included within creditors in the balance sheet.

- Payment to NHS Blood and Transplant relating to Development of a high resolution HLA typing technology, £42,611 (£Nil 2014/15), included within creditors in the balance sheet.

- Payment to NHS Blood and Transplant relating to Improving database of outcomes after stem cell transplant recipients, £49,234 (£Nil 2014/15), included within creditors in the balance sheet.

- Payment to NHS Blood and Transplant in respect of staff winter celebrations, £34,192 (£31,601 2014/15), 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 2015/16 this amounted to £20,775 (£18,381 2014/15). The Trust also funds recognition events which amounted to £2,100.



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### **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](https://nhsbt.nhs.uk)

**Email** [enquiries@nhsbt.nhs.uk](mailto:enquiries@nhsbt.nhs.uk)

**Call** [0300 123 23 23](tel:03001232323)