

Witness Name: Katherine Victoria Burt

Statement No: WITN6392001

Exhibits: WITN6392002 - WITN6392267

INFECTED BLOOD INQUIRY

WITN6392039

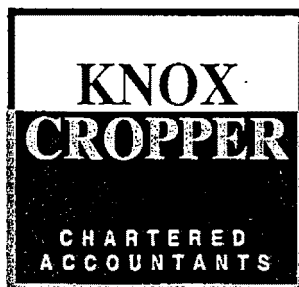
THE HAEMOPHILIA SOCIETY

(A COMPANY LIMITED BY GUARANTEE)

CHARITY NUMBER : 288260

COMPANY NUMBER : 1763614

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002



THE HAEMOPHILIA SOCIETY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

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THE HAEMOPHILIA SOCIETY**GENERAL INFORMATION****FOR THE YEAR ENDED 31ST DECEMBER 2002**

PATRON	HRH Duchess of Kent
PRESIDENT	The Rt. Hon. The Lord Morris of Manchester PC AO QSO
VICE PRESIDENTS	Rt. Hon Frank Field MP Professor G I C Ingram MD FRCP Rt. Hon Sir Geoffrey Johnson Smith DL MP Dr Peter Jones Baroness Masham of Ilton DL The Reverend Alan Tanner OBE Professor the Lord Winston
CHIEF EXECUTIVE	Karin Pappenheim
TRUSTEES	Chris Hodgson (Chairman)
	GRO-A (retired 23 June 2002) Keith Colthorpe Philip Dolan Nigel Hamilton Ian Hayes (appointed Treasurer 23 June 2002) George Levvy (retired 23 June 2002) Rona Macdonald (appointed Vice Chair 23 June 2002) Carolyn McGimpsey (retired 23 June 2002) Roderick Morrison Bill Payne (elected 23 June 2002) Ken Peacock (elected 23 June 2002) GRO-A (co-opted 18 September 2002) Alex Susman-Shaw (appointed Vice Chair 23 June 2002) Simon Taylor (Treasurer – retired 23 June 2002) Steve Wratten (co-opted 21 June 2002)
SUB COMMITTEES	
<i>Resources Sub Committee</i>	Ian Hayes (Chair) Keith Colthorpe Chris Hodgson Roderick Morrison Ken Peacock Steve Wratten
<i>Health Sub Committee</i>	Alex Susman-Shaw (Chair) GRO-A (co-opted) Dr Brian Colvin (co-opted) Dr Has Dasani/Dr Peter Collins (co-opted) Philip Dolan Dr Paul Giangrande (co-opted) Nigel Hamilton Dr Ian Hann (co-opted) Chris Harrington (co-opted) Bill Payne
<i>Information and communications Sub Committee</i>	Rona Macdonald (Chair) Keith Colthorpe Nigel Hamilton

THE HAEMOPHILIA SOCIETY

GENERAL INFORMATION (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2002

MEDICAL ADVISORY PANEL

Haemophilia:

- Dr Peter Collins, MRCP MD MRCPPath, Consultant Haematologist, Cardiff
- Dr Brian Colvin, MRCP FRCPPath, Senior Lecturer in Haematology, The London Hospital
- Dr Paul Giangrande, BSc MD FRCP FRCPPath FRCPCH, Consultant Haematologist, Oxford
- Prof. Christine Lee, MA MD FRCP DRc (Med) FRCPPath, Consultant Haematologist/Haemophilia Centre Director, Royal Free Hospital NHS Trust
- Dr Mike Makris, MA MBBS MD MRCP MRCPPath, Consultant Haematologist, Sheffield
- Dr Mark Smith, MB ChB FRACP FRCPA, Consultant Haematologist, St Thomas' Hospital
- Dr Isabel Walker, MD FRCP FRCPPath, Consultant Haematologist & co-director of Haemophilia Department, Glasgow Royal Infirmary
- Dr Mark Winter, FRCP FRCPPath, Haemophilia Centre Director, Kent and Canterbury Hospital

Nursing:

- Kate Khair, MSc, SRN RSCN, Clinical Nurse Specialist for Haemophilia, Great Ormond Street

Orthopaedics:

- Christopher Dodd, FRCS, Consultant Orthopaedic Surgeon, Nuffield Orthopaedic Centre
- Professor Learmonth, MBChB, FRCS (ED) FRCS (ENG) FRCS (SA) Orth, Head of Department of Orthopaedics, Bristol

Hepatology:

- Dr G Alexander, Consultant Hepatologist (Addenbrooke's Hospital, Cambridge)
- Dr G Foster, PhD FRCP, Reader in Hepatology (Royal London Hospital)

Physiotherapy:

- Brenda Buzzard, SRP MSc Post Grad Dip MCSP, Superintendent Physiotherapist, Newcastle Royal Infirmary

THE HAEMOPHILIA SOCIETY**GENERAL INFORMATION (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2002**

SECRETARY	Karin Pappenheim
REGISTERED OFFICE	Chesterfield House 385 Euston Road London NW1 3AU
COMPANY REGISTRATION NUMBER	1763614
CHARITY REGISTRATION NUMBER	288260
BANKERS	The Co-operative Bank Plc Olympic House 6 Olympic Court Montford Street Salford M5 2QP
SOLICITORS	Farrer and Co 66 Lincoln's Inn Fields London WC2A 3LH
AUDITORS	Horwath Clark Whitehill 25 New Street Square London EC4A 3LN (until February 2003) Knox Cropper 16 New Bridge Street London EC4V 6AX (to be appointed July 2003)

THE HAEMOPHILIA SOCIETY**TRUSTEES REPORT****FOR THE YEAR ENDED 31ST DECEMBER 2002**

The Trustees present their report and financial statements of the charity for the year ending 31 December 2002. The financial statements have been prepared in accordance with the accounting policies set out on pages 14 and 15 and comply with the charity's trust deed and applicable law.

CONSTITUTION AND OBJECTIVES

The Haemophilia Society is constituted as a company limited by guarantee, number 1763614, under Memorandum and Articles of Association dated 21 October 1983, and registered as a charity on 30 November 1983, charity number 288260.

Among the primary objects of the charity are to provide information and advice on haemophilia and related disorders, to provide assistance and represent the interest of families with haemophilia and to advance knowledge and awareness of haemophilia.

The mission as currently defined by the Trustees is to ensure that people with haemophilia and related disorders and their families receive the best possible treatment, care and support. This is achieved through the provision of information, advice, support and advocacy services by the Society and through seeking to promote best practice in health and social care for people with bleeding disorders.

ORGANISATION AND DECISION MAKING STRUCTURE

The Society is governed by a board of 12 Trustees, ten of whom are directly elected by the members, and two of whom are co-opted by the board itself to meet particular skills requirements. The board appoints from within its members a treasurer and up to two vice chairmen. The chairman is elected for a three-year term of office; all other elected Trustees retire by rotation with a third either retiring or standing for re-election each year. After six years continuous service Trustees are required to retire. Those Trustees who have served during the year are listed on page 1. Two new trustees were elected to the board in 2002: Ken Peacock and Bill Payne in June following the election and AGM. There were also two co-options: Steven Wratten was co-opted in June and **GRO-A** was co-opted in September. The current chairman Chris Hodgson comes to the end of his three year term of office at the 2003 AGM.

Trustees meet up to six times a year as a board, in addition to which there are three sub committees of the board to consider resources, health and information/communications. Sub committees meet between board meetings and report back.

The Society has also formed a Medical Advisory Panel, whose members are listed on page 2, to advise Trustees and staff on important medical issues.

Day to day management of the Society is delegated to the Chief Executive who manages the staff team of 11, reporting regularly to Trustees. The Chief Executive also serves as company secretary.

The Society is a membership organisation with currently over 5000 contacts registered on our database. In certain localities members are organised into local branches of the Society. There are currently 17 local groups (branches) of the Society. Groups are kept in regular contact with Trustees and staff of the national charity by means of twice yearly meetings and quarterly information mailings.

THE HAEMOPHILIA SOCIETY**TRUSTEES REPORT (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2002****PRINCIPLE ACTIVITIES AND BUSINESS REVIEW****FINANCIAL REVIEW**

Last year was a difficult year for fundraising. Overall income was down compared to the previous year when the Society's funds were considerably boosted by over £140,000 raised by the one off GMTV appeal in 2001. The additional GMTV funding in 2001 was exceptional, and was used to enhance service provision in 2002.

A positive development in 2002 was the Society's entry as a guest charity into the Jeans for Genes fundraising drive organised each October by five charities for people with genetic conditions. The four guest charities will receive a share of 2.5% of the funds raised, generating some £40,000 for the Society in 2002. The Society is delighted to have been accepted as a guest charity in 2003 to 2005.

Efforts to build corporate support and tax efficient giving were also successful. The first corporate fundraising event took place in April in Birmingham with teams from Barclays raising some £8,000 for the Society. We worked hard all year to promote gift aid and to maximise income secured from gift aid donations.

However, during the course of the year problems were encountered in fundraising. This was largely due to unfavourable changes in the fundraising environment including both greater competition and reduced availability of funds with trusts and corporates being hit by economic and investment downturns. As a result, despite increased effort, we were unable to achieve our targets for trusts funding and there was a deficit of nearly £109,000 at year end hence reducing the charity's reserves.

This is a worrying trend. The trustees, having anticipated that fundraising would become more difficult, had already made the decision to increase the charity's fundraising capacity with the recruitment of a fundraising and marketing assistant to support the fundraising officer in 2001. Fundraising is likely to be still more challenging in 2003 and beyond, as there is uncertainty about the level of statutory funding that may be available when current core support grants end in 2004.

The Society therefore enters 2003 with lower expectations in terms of income. At this stage, trustees are unwilling to make actual cuts to services, although considerable reductions have been made in planned spending for 2003. Many new projects and development ideas have been postponed for lack of funding. Among the activities we have not been able to take forward because of the shortage of funds are: our young people's outreach project, our plans to further develop the website and the appointment of a children and families worker and women's development worker. Despite these savings, trustees anticipate a deficit budget in 2003, and have decided to use reserves to support the charity's activities. This situation will not be sustainable long term, and trustees are aware that without significant increases in income some reduction in expenditure may be necessary in future.

Reserves

Given the difficulties of fundraising for haemophilia and uncertainties around government and other funding sources, Trustees have maintained the policy of holding at least six months running costs as free reserves. This enables use of reserves to support areas of work as necessary.

In 2002, the Trustees' continuing review of the campaign for people affected by contaminated blood products, led to the decision to continue to use funds from reserves to keep up the effort. Those funds were used primarily to retain the major public affairs firm, Weber Shandwick, and to cover the additional costs of new campaign materials during the year.

Funds raised from the GMTV initiative in 2001 and which had been held in a designated fund were spent during 2002 to support a wide range of services.

The level of free reserves available at the end of 2002 was £259,595.

THE HAEMOPHILIA SOCIETY

TRUSTEES REPORT (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2002

Risk analysis

The Trustees undertook an analysis in 2002 of the major risks facing the charity and are satisfied that sufficient controls are in place to mitigate those risks. This analysis will be kept under review by the board in the coming year.

Statement of risk

1. The Trustees are aware that the SORP requires that trustees should include a statement of risk assessment in the statutory report and accounts. This led the organisation to begin to consider the major possible risks, drawing on guidance provided from NCVO and our auditors. In considering potential risks, Trustees considered also the need to show that steps are being taken to mitigate risk.
2. This subject was discussed by the whole board on a continuous basis with the CEO during 2002 and with the staff team, leading to a report on possible risks within particular categories from financial to reputation and the control procedures/strategies needed to address these risks.

Adequacy of funds

The Trustees believe there will be adequate funds available to complete all ongoing projects.

Investment policy

Under the Memorandum and Articles of Association the Trustees may invest surplus funds in any investment they consider appropriate.

To this end the Trustees have invested funds in COIF Investment Funds as they consider the flexibility and returns of this investment suitable for the charity. Given that those funds were not immediately needed to finance service provision, trustees took the decision three years ago to establish this long term investment fund of £200,000 with COIF. Unfortunately, due to current downturns, this investment is shown for the second year as an unrealised loss in the accounts. Over time, it is hoped that this position will be reversed and that we will achieve our aim to grow the original capital.

NEW PROJECTS AND SERVICE DEVELOPMENTS

The Society's services and activities include:

- Publications, website and a resources centre, including a quarterly information newsletter distributed to over 4,000 people
- Specialist advice and support through a freephone telephone helpline
- Pager scheme for over **800 parents** with children affected by haemophilia
- Events throughout the UK to provide opportunities for people to share their experiences
- 17 local self-help groups and support groups for parents, people with HIV and hepatitis C
- Holiday schemes and other activities for over **60 children and young people** annually
- An active campaigning, advocacy and public education role

Our main aim for the year was to improve and develop our range of information, advice and support services for people with haemophilia and von Willebrands. In particular this included devoting more resources to youth work and to addressing the needs of women affected by bleeding disorders.

During the year three information days were organised in Bradford (March), Exeter (April) and London (October) together with the annual conference in Manchester in June. The quarterly newsletter was re-designed and re-titled "HQ", and thanks to funding from Barclays and GMTV, a separate supplement for children aged 7-12 years was launched, "HQ Too". For both "HQ" and "HQ Too", new editorial panels of affected people were set up to ensure that the publications are really responsive to the needs of the communities we seek to reach.

THE HAEMOPHILIA SOCIETY**TRUSTEES REPORT (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2002****Children and Youth**

Reaching out to and seeking to involve the younger generations, is a priority for the Society. In addition to the popular holidays, which give children with haemophilia a taste of independence and a chance to meet each other, the development of the new HQ Too newsletter was a step forward in 2002. Fundraising will continue in 2003 for a youth development worker and an active outreach programme to encourage more children and young people to get involved with the Society.

The Society's 0800 freephone helpline remains our core service, and the Society was very pleased to be awarded membership of the Telephone Helplines Association in the autumn, indicating that our helpline meets defined quality standards. The Society's website was increasingly used as a source of information in 2002, attracting some 40,000 visits throughout the year.

The Society's information team continued to produce factsheets on key topics to be made available via the website and in response to calls to the helpline. These included one on Patients Rights; with others on variant CJD, gene therapy, inhibitors and issues for carers being developed for publication in 2003. The Society was 'delighted to be awarded 'highly commended' in the British Medical Association 2002 patient information leaflet awards for the booklet Hepatitis C: meeting the challenge.

Self management courses

The 'Making Changes' self management courses offered by the Society for the last three years were further developed in 2002 by training another person with haemophilia as a tutor to join the existing team of three. Three courses were run by our specially trained volunteer tutors in conjunction with other medical conditions charities in various parts of England.

HIV and hepatitis

The Society's important national seminar on HIV/HCV co-infection for professionals in 2001 was followed up in 2002 with a series of five local information meetings for affected people and local support agencies. These attracted some **91 participants** during the year. A very successful weekend event was organised in the autumn for **65 people** affected by haemophilia and HIV, offering workshops on treatment and psycho-social issues. **2323** publications about HIV were distributed at these and other events during the year. The HIV e-newsletter was mailed to around **100** recipients each month.

With around 2800 people with haemophilia now living with hepatitis and a number of these coping with the additional challenge of HIV co-infection, the Society still needs to provide specialist support for those affected by the viruses. Local hepatitis C information events were held in Edinburgh and Newcastle for some 40 people. A key focus in 2002, thanks to funding from the Department of Health, was the counselling needs of people with hepatitis, on which the Society will report in 2003. The need for hepatitis counselling had been highlighted in earlier research studies by the Society.

Women's needs development project

Fundraising took place throughout the year to support the Society's new project for women affected by bleeding disorders. This will enable a first 'focus group' meeting to take place in early 2003 with interested professionals and affected women to discuss our planned project for women who may be carriers or have a bleeding disorder to be followed by an information event later in the year for affected women. If the Society's larger grant application to the Community Fund is successful in March, a women's development worker will be appointed.

Needs assessment

Our third bi-annual survey of needs was planned in 2002 with a new questionnaire survey to be distributed in 2003 via our database and through centres. This will give us valuable feedback on the needs of the haemophilia and von Willebrands community that will guide our future work.

THE HAEMOPHILIA SOCIETY**TRUSTEES REPORT (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2002****Volunteer Telephone Support Network**

Recruitment for new volunteers took place over the summer, and those selected attended a training weekend with Telephone Helplines Association in November, funded by the Northampton Group of the Haemophilia Society. The network will be launched in 2003 as a new service providing emotional support on the phone by affected people to other affected people.

Scotland

The appointment of a new development worker for Scotland in April was a milestone in the project supported by the Community Fund (Scotland) and Scottish Executive to enable the Society to meet the needs of people with haemophilia and von Willebrands north of the border. Much progress was made in the year including the development of a needs assessment questionnaire, which will be distributed to all people with haemophilia and von Willebrands in Scotland and via haemophilia centres and our own membership database, the setting up of a website and launch of a newsletter for Scotland. The project is overseen by a Scottish advisory group of affected people and interested professionals.

Research

The funds raised through Jeans for Genes will enable the Society to launch a new research grants programme in 2003. This initiative was carefully planned in 2002 with advice from the Association of Medical Research Charities and from haemophilia specialists with an interest in research. This has been helpful in formulating a structure for awarding our research funding. A multi-disciplinary advisory group chaired by Professor Ted Tuddenham, director of the MRC haemostasis programme, held its first meeting in September and will judge funding applications for awards in early 2003.

Haemophilia Alliance

The Society continued to play an active role in the multi-agency alliance aimed at improving standards of treatment and care in haemophilia. This involved a well-attended launch conference in February, following which plans were developed for regional 'road shows' to take the national service specification out to commissioners in local areas in 2003. An important concern for the Alliance was the changed arrangements for specialist commissioning arrangements –with responsibility moved to Primary Care Trusts (PCTs) from health authorities. The Society and the Alliance responded to the Department of Health consultation on the new commissioning arrangements, highlighting our concern that the shift of funding to PCTs will disadvantage haemophilia care (and other specialist treatments).

International

Our goal for the year was to play an effective role in the international haemophilia community, which we implemented through continuing to provide the secretariat for the European Haemophilia Consortium (EHC) and by developing our twinning with the Russian Haemophilia Society. Together with the World Federation of Hemophilia and the Latvian Society, our staff in London organised the EHC members' conference in Riga in September. We also welcomed visitors from Russia in April and two of the Society's trustees attended the Russian's annual conference in September. The Society sent a delegation to the World Federation's international congress in Seville in May. Our Russian twinning programme will enter a new phase in 2003 when we will be supporting the Russians in learning about home treatment and in building a groups structure with funding from the World Federation for Hemophilia (WFH) and the Allavida Foundation.

THE HAEMOPHILIA SOCIETY**TRUSTEES REPORT (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2002****Advocacy and Campaigning**

Trustees continued to review the Society's campaign aims and in particular the level of investment in campaigning during the year. As the two goals set in 2001 - winning financial recompense for those infected with HCV via contaminated blood and recombinant treatment for all - had not yet been achieved it was decided to retain Weber Shandwick Public Affairs for a further year in 2002. Whilst this was costly, Trustees believed that the goal of securing the safest modern treatment for all, recombinant, justified this expenditure. That goal was achieved in early 2003 when government announced that £88 million funding would be provided to extend recombinant provision to adults in England over the next three years.

This success will have been due in large measure to the Society's active parliamentary programme throughout the year, involving meetings with key politicians and the maintenance of the All Party Parliamentary Group on Haemophilia (APPG) at Westminster. Chaired by Michael Connarty MP, the APPG met regularly during the year. The Society met health ministers Yvette Cooper and Hazel Blears to put the case for both recombinant and recompense for HCV. A milestone was the publication in June of the Society's expert think tank report proposing a financial assistance scheme for the UK, which was presented to Government.

The campaign was also fought in Scotland, where members were very active in lobbying the Scottish Parliament for compensation, leading to a positive outcome when Scottish health minister Malcolm Chisholm accepted the case for compensation presented by an expert group chaired by Lord Ross. As yet it is not clear whether such compensation will be paid, and this may depend on authority from Westminster.

Thanks to these activities, the Society has been successful in maintaining a high profile amongst politicians and in the media, but the charity is unable to continue the same level of funding for campaigns in 2003. Having now achieved a successful outcome for the campaign for recombinant, it is no longer necessary, or affordable, to retain an external public affairs agency. Such expenditure would be hard to justify when trustees see little hope of winning compensation for those infected with hepatitis by contaminated blood products (aside from in Scotland). In the light of advice from our parliamentary supporters, trustees decided that the third goal set in 2001 - a public inquiry into the contaminated blood disaster - was unachievable and hence further effort should not be devoted to this.

ORGANISATIONAL DEVELOPMENTS**Board/Governance**

An important issue for the Trustee board is the retirement of the current Chairman Chris Hodgson at the AGM in 2003, having come to the end of his three-year term of office, and being now required to stand down under the Society's constitution after the six year maximum permitted for all Trustees. It is hoped that his successor will continue the progress made to strengthen the board, ensuring that between them Trustees have the appropriate skills and support to lead the charity effectively.

IT

Considerable time and effort has gone into improving our membership database, and most recently in planning to establish a new service users database which will require additional funding to implement. If funds can be secured, this would enable the Society to create a new database to monitor use of services more closely, to improve evaluations and to target services more accurately.

We have also been working with outside experts (Trefoil Solutions) to improve the website, with plans to make it more inter-active and database driven. We want people to be able to respond to questionnaires, update their membership and ultimately give donations by internet via the website, as well as being able to download all the latest information as they do now.

THE HAEMOPHILIA SOCIETY**TRUSTEES REPORT (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2002****Membership and local groups (branches)**

Key aims for the year were to recruit more members and to provide more support with the Society's local member groups that are branches of the charity. The switch to a rolling programme of renewals with introduction of membership cards was successfully undertaken early in the year and figures show we are now making progress towards our aim of increasing membership. At the end of 2002 we had some 5,300 contacts on our database.

Efforts went into developing closer links with local groups through two training/information exchange events in February (Manchester) and October (Bristol) and through quarterly mailings to groups as well as regular updates to the resource manual produced in 2001.

AUDITORS

After a tendering exercise, driven largely by the need to reduce all overhead costs, a resolution to change the Society auditors to the charity and to appoint Knox Cropper will be put to the Annual General Meeting.

TRUSTEE RESPONSIBILITIES

Company law requires the Trustees, who are directors for Companies Act 1985 purposes, 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 income and expenditure of the charity for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which 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 Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

By Order of the Board of Trustees
Chris Hodson, Chairman

30th April 2003

GRO-C

GRO-C

INDEPENDENT AUDITORS' REPORT TO THE**MEMBERS OF****THE HAEMOPHILIA SOCIETY**

We have audited the financial statements of The Haemophilia Society for the year ended 31st December 2002 set out on pages 12 to 21. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 14 and 15.

RESPECTIVE RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND AUDITORS

The trustees' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities on page 10.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees' in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

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

OPINION

In our opinion the financial statements give a true and fair view of the state of the Charity's affairs as at 31st December 2002 and of its incoming resources and outgoing resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

16 New Bridge Street
London EC4V 6AX

30th April 2003

GRO-C

Knox Cropper
Chartered Accountants
Registered Auditors

THE HAEMOPHILIA SOCIETY**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31ST DECEMBER 2002**

	Notes	Un- restricted Funds £	Re- stricted Funds £	En- dowed Funds £	Total Funds 2002 £	Total Funds 2001 £
INCOMING RESOURCES						
Voluntary Income						
Subscriptions		20,172	-	-	20,172	16,896
Covenants and Donations		38,940	2,188	-	41,128	52,613
Legacy		2,857	-	-	2,857	42,500
Trust Income		33,108	100,711	-	133,819	142,742
Government Grants	2	100,000	25,000	-	125,000	158,000
GMTV		-	1,000	-	1,000	136,833
Community Fund		-	38,828	-	38,828	33,951
Corporate Funding	3	44,420	108,632	-	153,052	151,023
Activities for generating funds						
Annual draw and events		58,857	-	-	58,857	49,903
Local Group	4	52,355	-	-	52,355	38,145
Other Income	5	37,802	3,469	1,344	42,615	6,285
Interest Receivable		19,017	1,970	-	20,987	28,683
Gain on Asset Sale		2,141	-	-	2,141	-
TOTAL INCOMING RESOURCES		<u>409,669</u>	<u>281,798</u>	<u>1,344</u>	<u>692,811</u>	<u>857,574</u>
RESOURCES EXPENDED						
Cost of Generating Funds						
Fundraising						
Annual Draw and Events		14,232	738	-	14,970	12,959
Fundraising Costs		73,197	-	-	73,197	66,974
Investment Management Fees		-	-	-	-	421
	6	<u>87,429</u>	<u>738</u>	<u>-</u>	<u>88,167</u>	<u>80,354</u>
Charitable Expenditure						
Costs of activities in furtherance of the Charity's objects :-						
Core membership and information services		117,554	108,977	-	226,531	213,662
Children and family activities		12,412	40,535	-	52,947	61,259
HCV Activities		35,486	26,960	-	62,446	87,591
HIV Activities		46,486	34,708	-	81,194	73,432
Advocacy		81,272	-	-	81,272	122,185
International Activities		29,033	3,821	-	32,854	18,907
Group Activities		38,910	-	-	38,910	40,938
Support of Groups		41,315	-	-	41,315	51,385
Support Costs	7	58,393	-	-	58,393	58,234
Management and Administration	7	9,589	-	-	9,589	14,422
		<u>470,450</u>	<u>215,001</u>	<u>-</u>	<u>685,451</u>	<u>742,015</u>
TOTAL RESOURCES EXPENDED		<u>557,879</u>	<u>215,739</u>	<u>-</u>	<u>773,618</u>	<u>822,369</u>
NET (OUTGOING)/INCOMING RESOURCES						
		(148,210)	66,059	1,344	(80,807)	35,205
Unrealised Loss on Investment		(27,980)	-	-	(27,980)	(23,007)
Net Movements in Funds		<u>(176,190)</u>	<u>66,059</u>	<u>1,344</u>	<u>(108,787)</u>	<u>12,198</u>
Fund Balance brought forward 1 st January 2002		606,686	39,299	18,000	663,985	651,787
Fund balances Carried Forward 31 st December 2002		<u>£430,496</u>	<u>£105,358</u>	<u>£ 19,344</u>	<u>£555,198</u>	<u>£663,985</u>

All gains and losses recognised in the year are included in The Statement of Financial Activities.

THE HAEMOPHILIA SOCIETY**BALANCE SHEET****AS AT 31ST DECEMBER 2002**

	Notes	£	2002	£	£	2001	£
FIXED ASSETS							
Tangible Fixed Assets	9		17,696			30,079	
Investments	10		<u>151,898</u>			<u>179,878</u>	
			169,594			209,957	
CURRENT ASSETS							
Debtors	11	114,427			94,475		
Cash at Bank and in hand		<u>355,686</u>			<u>438,357</u>		
		470,113			532,832		
CREDITORS : Amounts falling due within one year	12	<u>(84,509)</u>			<u>(78,804)</u>		
NET CURRENT ASSETS			385,604			454,028	
			<u>£555,198</u>			<u>£663,985</u>	
FUNDS							
Unrestricted Funds	13		259,595			299,132	
Designated Funds	13		100,000			225,000	
Local Group Funds	13		70,901			82,554	
Restricted Funds	14		105,358			39,299	
Endowed Funds	15		<u>19,344</u>			<u>18,000</u>	
			<u>£555,198</u>			<u>£663,985</u>	

Approved by the Board of Trustees on 30th April 2003 and signed on its behalf by :



GRO-C

Trustee

The notes on pages 14 to 21 form part of these accounts.

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

1. ACCOUNTING POLICIES

a) Basis of Preparation of Accounts

The accounts are prepared under the historical cost convention with the exception of investments which are disclosed at market value and in accordance with the applicable accounting standards and the Statement of Recommended Practice, Accounting and Reporting by Charities; (SORP 2000).

b) Grants

Grant income is recognised in accordance with the terms of the grant and when the conditions of receipt have been complied with. When donors specify that grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

c) Donations, legacies and similar incoming resources

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

d) Resources Expended

All expenses are accounted for on an accruals basis. Expenditure incurred in connection with the specific objects of the charity is included under the heading charitable expenditure together with an apportionment of the general overheads of the charity. The apportionment has been established by analysing staff time spent between charitable activities and those relating to the support of the charity.

e) Cost of Generating Funds

The cost of generating funds are accounted for on an accruals basis. These costs are split between those direct costs to the annual draw and events and the salary and other costs of the fundraiser.

f) Tangible Fixed Assets and Depreciation

Tangible fixed assets for use by the charity are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis :

Freehold Buildings	2% per annum, straight line
Office Equipment and Furniture	25% per annum, written down value
Leasehold Property	Over life of lease

g) Pension Costs

Pensions in respect of qualifying employees are provided by individual money purchase schemes. The Society's contributions to these schemes are charged to the income and expenditure account in the year in which they arise.

h) Value Added Tax

Value added tax is not recoverable by the charity, and as such as included in the relevant costs in the Statement of Financial Activities.

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2002

1. ACCOUNTING POLICIES (Continued)

i) **Group Funds**

The Society is represented throughout the country by Local Groups. Group funds are incorporated into the Society's financial statements.

j) **Management and Administrative Expenditure**

Management and administration comprises the costs of maintaining the organisation's status as a charitable company. These include Trustees expenses, audit fees and costs attributable to compliance with constitutional and statutory requirements.

k) **Support Costs**

Support costs are costs incurred in the general running the charity. These include an apportionment of rent, salaries and office overheads.

l) **Investment gains and losses**

The investment gains and losses represent the difference between the opening market value and closing market value or proceeds of sale, and are recognised in the financial statements in the period to which they relate.

m) **Operating Leases**

Rentals payable under operating leases are taken to the Statement of Financial Activities in the period in which they arise.

2. GOVERNMENT GRANTS RECEIVED

£125,000 was received in respect of Section 64 Charitable grant for the following :

	2002	2001
	£	£
Core Grant	100,000	100,000
HEP Project	15,000	40,000
Scottish Department of Health	10,000	10,000
Northern Ireland Office	-	8,000
	<u>£125,000</u>	<u>£158,000</u>

3. CORPORATE FUNDING

Corporate Funding Income	188,052	151,023
Less Deferred Income	(35,000)	-
	<u>£153,052</u>	<u>£151,023</u>

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2002

4. LOCAL GROUP FUNDS

Net Income of Branches amounted to £13,445 and a transfer has been made to head office of £25,098. Of this, £13,065 has been allocated for the following purposes :

	£
Volunteer Telephone Support Network	5,065
HCV Activities	5,000
Children and Families Activities	1,200
Russian Newsletter	900
HIV Activities	500
Core Membership and Information Services	400
	<u>£ 13,065</u>

5. OTHER INCOME

	2002 £	2001 £
Gift Aid	35,223	-
Other Income	<u>7,392</u>	<u>6,285</u>
	<u>£ 42,615</u>	<u>£ 6,285</u>

6. FUNDRAISING COSTS

	2002	2001
Fundraising worker's salary and NIC costs	48,824	49,778
Annual Draw	664	1,439
Merchandise	13,283	10,782
Other fundraising costs	25,396	17,934
COIF Investment Management costs	-	421
	<u>£ 88,167</u>	<u>£ 80,354</u>

7. MANAGEMENT, ADMINISTRATION AND SUPPORT COSTS

	2002	2001
Office Overheads	6,914	15,662
Charity Administration	21,172	20,164
Professional and Legal Fees	9,589	14,422
Salary Core Costs	<u>30,307</u>	<u>22,408</u>
	<u>£ 67,982</u>	<u>£ 72,656</u>

Auditors remuneration during the year was £3,760 inclusive of VAT (2001 : £4,000)

8. STAFF COSTS

The number of full time equivalent staff employed by the Society during the year was :

	2002 No.	2001 No.
Direct Charitable Expenditure	9	9
Fundraising	2	2
Management and Administration	<u>1</u>	<u>1</u>
	<u>12</u>	<u>12</u>

THE HAEMOPHILIA SOCIETY**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2002****8. STAFF COSTS (Continued)**

The aggregate staff costs were :

	2002	2001
	£	£
Wages and Salaries	258,349	242,655
Social Security	25,003	22,650
Employers Pension Contribution	15,808	7,752
	<u>£299,160</u>	<u>£273,057</u>

During the year, 12 trustees (2001 : 10) received £9,718 (2001 : £6,950) reimbursements of travel expenses incurred.

No employees received emoluments greater than £50,000 during 2002.

9. TANGIBLE FIXED ASSETS

	Land & Buildings	Computers & Other Office Equipment	Caravans	Total
	£	£	£	£
Cost as at 1 st January 2002	8,790	108,121	27,179	144,090
Additions	-	1,375	-	1,375
Disposals	(8,790)	-	-	(8,790)
At 31 st December 2002	<u>£ -</u>	<u>£109,496</u>	<u>£ 27,179</u>	<u>£136,675</u>
Accumulated Depreciation				
At 1 st January 2002	931	85,901	27,179	114,011
Charge for the Year	-	5,899	-	5,899
Eliminated on disposals	(931)	-	-	(931)
At 31 st December 2002	<u>£ -</u>	<u>£ 91,800</u>	<u>£ 27,179</u>	<u>£118,979</u>
Net Book Values				
At 31 st December 2002	<u>£ -</u>	<u>£ 17,696</u>	<u>£ -</u>	<u>£ 17,696</u>
At 31 st December 2001	<u>£ 7,859</u>	<u>£ 22,220</u>	<u>£ -</u>	<u>£ 30,079</u>

The net book value of land and buildings comprises :-

	2002	2001
	£	£
Long Leasehold Property (Hembsy Chalet)	<u>£ -</u>	<u>£ 7,859</u>

THE HAEMOPHILIA SOCIETY**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2002****10. INVESTMENTS**

	2002	2001
	£	£
COIF Investments		
At 31 st January 2002	179,878	202,885
Unrealised loss on Investments	(27,980)	(23,007)
Carried Forward at 31 st December 2002	<u>£151,898</u>	<u>£179,878</u>

11. DEBTORS

Prepayments	20,750	11,901
Other Debtors	93,677	82,574
	<u>£114,427</u>	<u>£ 94,475</u>

12. CREDITORS : Amounts falling due within one year

Membership fees received in advance	7,019	4,172
Trade Creditors	9,482	15,718
Accruals	18,911	16,671
Sundry Creditors	40,235	34,853
Other Tax and Social Security	8,862	7,390
	<u>£ 84,509</u>	<u>£ 78,804</u>

13. UNRESTRICTED FUNDS

	Movement in Resources				Transfer	
	Balance			Gains/	Between	Balance
	01.01.02	Incoming	(Outgoing)	Losses	Funds	31.12.02
	£	£	£	£	£	£
Dilapidation Fund	50,000	-	-	-	-	50,000
Research Fund	50,000	-	-	-	-	50,000
GMTV	125,000	-	(125,000)	-	-	-
	<u>225,000</u>	<u>-</u>	<u>(125,000)</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Local Groups	82,554	52,355	(38,910)	-	(25,098)	70,901
General Funds	299,132	357,314	(393,969)	(27,980)	25,098	259,595
	<u>£606,686</u>	<u>£409,669</u>	<u>£(557,879)</u>	<u>£ (27,980)</u>	<u>£ -</u>	<u>£430,496</u>

The Dilapidation Fund is intended for dilapidation charges and necessary refurbishment of office accommodation. The Research Fund is to be used to contribute to the advancement of scientific research in the field of Haemophilia.

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2002

14. RESTRICTED FUNDS

	Balance 01.01.02 £	Movement in Resources		Balance 31.12.02 £
		Incoming £	Outgoing £	
Core Membership and Information Services	-	64,683	64,683	-
Children and Families	10,021	30,514	40,535	-
HCV	-	26,960	26,960	-
HIV	5,467	32,662	34,707	3,422
Scottish Development Project	23,136	49,554	44,295	28,395
Research	675	61,263	-	61,938
Russian Newsletter	-	1,885	1,885	
Twinning Project	-	6,539	1,936	4,603
Women and Bleeding Disorders	-	7,000	-	7,000
Philip Morris Award	-	410	410	-
Howard Abraham Award	-	328	328	-
	<u>£ 39,299</u>	<u>£281,798</u>	<u>£215,739</u>	<u>£105,358</u>

Membership and Information Fund

This fund is used for our membership and information services which include our telephone helpline and publications. In 2002 donations were received from Baxter Bio Science, Grifols UK Ltd, Bio Products Laboratory, Wyeth Pharmaceutical, Bayer, Novo Nordisk Ltd, The Sir James Reckitt Charity, The Ruth Lionel Jacobson Trust No.2, The Norman Family Charitable Trust, The BCH 1971 Charitable Trust, The John Moores Foundation, The Polizter Trust, Goldsmiths' Company and Alpha Therapeutic UK Ltd.

Children and Families Fund

This fund is used for all our children and families activities including childcare at events and adventure holidays. Donations were received from Baxter Bio Sciences, Novo Nordisk Ltd, Wyeth Pharmaceuticals, Bayer, The Steel Charitable Trust, Barclays Plc and Scotia Capital.

HCV

This HCV fund is used to support our HCV worker and related HCV events. During the year funds were received from Coral Wheble, Roche Products Ltd, The Department of Health and The Roald Dahl Foundation.

HIV

This fund is used to finance our HIV worker, co-infection evenings and other HIV events. Donations were received from Roche Products Ltd, The Johnson Foundation, The Elton John Aids Foundation and The Macfarlane Trust.

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2002

14. **RESTRICTED FUNDS (Continued)**

Scottish Development Project

This fund is used to finance the Scottish Office which was set up during 2001. During the year additional funds were donated by The Community Fund and The Scottish Executive.

Research

The purpose of this fund is to award grants for research purposes. During the year donations were received from, The Charles & Elsie Sykes Trust, J.E. Papps, The Jeans for Genes campaign and GMTV.

Russian Newsletter

As part of our twinning link with the Russian Haemophilia Society we have been raising funds to support their newsletter for children with haemophilia in Russia. Funds raised will be used to cover the costs of two or three issues of the children's newsletter in 2003. During 2002 we received a donation from Rafael Biosse Duplan towards this fund.

Twinning Project

The UK Society has been twinned with the Russian Haemophilia Society for over five years. Through the arrangement the UK supports the development of the Russian Society through exchange of know-how, information and training. In 2002 funds were received from The World Federation of Haemophilia. This will help to finance a visit by members of the Russian Society to the UK planned for spring of 2003.

Women and Bleeding Disorders Project

The Society has been raising funds for an education project which aims to raise awareness of the particular needs of women and girls who may be affected by a bleeding disorder as a carrier of the haemophilia gene, through having von Willebrands disorder, or as a parent, partner or carer of someone with a bleeding disorder. In 2002 donations have been received from Baxter Bio Science, The Ajahma Charitable Trust and Bayer. These funds will be used to support information and education activities for affected women.

Phillip Morris Art Award Fund

This award is open to students with Haemophilia or related bleeding disorder studying the arts. Preference will be given to a student studying music, as a reflection of Phillip's love of music developed in later life. The sum available in any one year will be the interest earned on an initial investment of £12,000.

Howard Abrahams Memorial Award Fund

This is a bursary awarded to an individual with Haemophilia or related blood disorder in pursuit of one of the professions, or studying which is in relation to the professions. This award has been made possible by The Abrahams family in memory of their son. The sum available in any one year will be interest earned on the initial investment of £6,000.

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2002

15. ENDOWMENT FUND

The endowment fund consists of the Philip Morris Art Award Fund and Howard Abraham Memorial Award Fund. The income generated from these funds is the interest on the initial investment and is released in the financial statements in the period it is received.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets £	Net Current Assets £	Total £
Endowed Funds	-	19,344	19,344
Restricted Funds	-	105,358	105,358
Unrestricted Funds	169,594	90,001	259,595
Designated Funds	-	100,000	100,000
Local Group Funds	-	70,901	70,901
	<u>£169,594</u>	<u>£385,604</u>	<u>£555,198</u>

17. LIMITED BY GUARANTEE

The Society has no share capital and is limited by guarantee. The liability of each of the eleven members is a maximum of £1.

18. FINANCIAL COMMITMENTS

At 31st December 2002 the company had annual commitments under operating leases as set out below :

	2002		2001	
	Land and Building £	Other £	Land and Buildings £	Other £
Operating Leases that expire:				
Within one year	-	-	-	-
In the second to fifth years	23,030	6,622	23,030	6,622
Over five years	-	-	-	-
	<u>£ 23,030</u>	<u>£ 6,622</u>	<u>£ 23,030</u>	<u>£ 6,622</u>