

Witness Name: Katherine Victoria Burt

Statement No: WITN6392001

Exhibits: WITN6392002 - WITN6392267

INFECTED BLOOD INQUIRY

WITN6392040

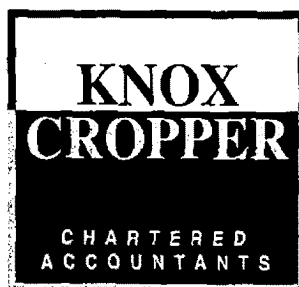
THE HAEMOPHILIA SOCIETY

(A COMPANY LIMITED BY GUARANTEE)

CHARITY NUMBER : 288260

COMPANY NUMBER : 1763614

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**



16 New Bridge Street London EC4V 6AX



THE HAEMOPHILIA SOCIETY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003

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THE HAEMOPHILIA SOCIETY**GENERAL INFORMATION****FOR THE YEAR ENDED 31ST DECEMBER 2003**

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) (retired 5 July 2003) Roddy Morrison (Chairman – appointed 5 July 2003) Keith Colthorpe (retired 5 July 2003) Philip Dolan (retired 5 July 2003) Nigel Hamilton Ian Hayes (appointed Treasurer 5 July 2003) Ann Hithersay (elected 5 July 2003) Rona Macdonald (appointed Vice Chair 5 July 2003) Bill Payne Ken Peacock GRO-A (elected 5 July 2003) Alex Susman-Shaw (appointed Vice Chair 5 July 2003) Steve Wratten
SUB COMMITTEES	
<i>Resources Sub Committee</i>	Ian Hayes (Chair) Keith Colthorpe (until 5 July 2003) Ann Hithersay (from 5 July 2003) Chris Hodgson (until 5 July 2003) Roderick Morrison Ken Peacock Steve Wratten
<i>Health Sub Committee</i>	Alex Susman-Shaw (Chair) Dr Brian Colvin (co-opted) Dr Has Dasani/Dr Peter Collins (co-opted) Dr Paul Giangrande (co-opted) Dr Ian Hann (co-opted) Chris Harrington (co-opted) Bill Payne GRO-A (from 5 July 2003) Steve Wratten
<i>Information/Communications</i>	Rona Macdonald (Chair) The sub committee meets on an ad hoc basis

THE HAEMOPHILIA SOCIETY

GENERAL INFORMATION (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

MEDICAL ADVISORY PANEL

Haemophilia:

- Dr Peter Collins, MRCP MD MRCPPath, Consultant Haematologist, Cardiff
- Dr Brian Colvin, MRCP FRCPath, Senior Lecturer in Haematology, The London Hospital
- Dr Paul Giangrande, BSc MD FRCP FRCPath FRCPCH, Consultant Haematologist, Oxford
- Prof. Christine Lee, MA MD FRCP DRc (Med) FRCPath, Consultant Haematologist/Haemophilia Centre Director, Royal Free Hospital NHS Trust
- Dr Mike Makris, MA MBBS MD MRCP MRCPPath, Consultant Haematologist, Sheffield
- Dr Isabel Walker, MD FRCP FRCPath, Consultant Haematologist & co-director of Haemophilia Department, Glasgow Royal Infirmary
- Dr Mark Winter, FRCP FRCPath, 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)
- Prof G Foster, PhD FRCP (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 2003

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	Knox Cropper 16 New Bridge Street London EC4V 6AX

THE HAEMOPHILIA SOCIETY

TRUSTEES REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2003

The Trustees present their report and financial statements of the charity for the year ending 31 December 2003. The financial statements have been prepared in accordance with the accounting policies set out on pages **15** and **16** 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.

The charity works to support people with haemophilia and related disorders to achieve their potential by providing information and advice and representing the interests of families with haemophilia as well as advancing 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.

The major change during the year was the retirement of Chris Hodgson as chairman, after six years on the board. One new trustee was elected to the board in 2003, Ann Hithersay. Roddy Morrison was elected chairman in 2003 and Ian Hayes and **GRO-A** who were previously co-opted to the Board, were elected.

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 and 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, 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 2003

PRINCIPLE ACTIVITIES AND BUSINESS REVIEW

FINANCIAL REVIEW

As was the previous year, 2003 was a difficult year for fundraising given the general economic conditions and pressures on charitable giving that are affecting the voluntary sector. Trustees had noted this worrying trend in 2002, and were aware that fundraising was likely to be still more challenging in 2003, especially with uncertainty about the level of statutory funding that may be available when Department of Health current core support grants end in April 2004.

The Society entered 2003 with concerns about whether sufficient income could be raised to cover all the activities the charity hoped to undertake. Trustees assessed the medium to longterm risks should this continue, and took steps accordingly. Planned spending for 2003 was therefore limited with a number of new projects and development ideas being postponed for lack of funding. At the same time, trustees were aware that expected increases in the rent and other costs in 2004 posed a risk of rising costs coinciding with inadequate income.

Having used reserves to support the charity's activities in the short term, the board concluded that this would not be sustainable in the longer term and hence initiated a savings programme in 2003, involving some staff redundancies, to bring down costs and avoid a continuing deficit.

Due to the impact of the savings achieved, combined with some unanticipated legacy income, there was a small surplus at year end. However, this will be offset in 2004 by the deficit anticipated largely as a result of rent increases. It is hoped that the savings measures put in place in 2003 will ensure a breakeven by financial year 2005, when the charity intends to move to lower cost premises at the end of the current lease. In taking these steps the trustees concern has been to ensure longterm viability of the charity.

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. As the charity does not raise enough unrestricted income to create surplus, legacies are the main source of income for reserves, but are by nature unpredictable. During the course of the year reserves policy was reviewed, and trustees agreed to commit a proportion of future legacy income to continue the charity's research funding initiative.

In 2004 & 2005 there will be spending from the designated funds for research and dilapidation/removal Costs.

The level of free reserves available at the end of 2003 was £402,965

THE HAEMOPHILIA SOCIETY**TRUSTEES REPORT (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2003****Risk analysis**

The Trustees continued to review the major risks facing the charity in 2003 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. The organisation has developed a risks assessment framework with advice from NCVO and our auditors.
2. This subject was discussed by the whole board on a continuous basis with a particular focus on financial risks in 2003 in light of the fundraising challenges for the organisation.

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 four years ago to establish this long term investment fund of £200,000 with COIF. The COIF investments have begun to recover in value despite being in overall deficit, and in 2003 there was an unrealised gain of £10,735.

NEW PROJECTS AND SERVICE DEVELOPMENTS

The Society's services and activities include:

- Specialist advice and support through a freephone telephone helpline
- Publications, website and a resources centre, including information newsletters and Pager scheme for over **800 parents** with children affected by haemophilia
- Events throughout the UK to provide opportunities for people to share their experiences
- 16 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. This centres around the freephone helpline service and the information resources provided via the website or as publications. A particular aim, as in 2002, was to focus on reaching out to young people and on the needs of women affected by bleeding disorders.

THE HAEMOPHILIA SOCIETY

TRUSTEES REPORT (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

Children and Youth

Reaching out to and seeking to involve the younger generations, is a priority for the Society. In addition to the two popular adventure holidays, which give children with haemophilia a taste of independence and a chance to meet each other, the *HQ Too* newsletter for under-13s was developed in 2003. Fundraising continued in 2003 for an active youth outreach programme to encourage more children and young people to get involved with the Society. The Society is grateful to BBC Children in Need for a three year funding commitment in 2003 to support work with children and young people.

Information and advice services

The helpline continued to be our core service to people with haemophilia/von Willebrands. The Society's information team continued to produce fact sheets on key topics to be made available via the website and in response to calls to the helpline. These included fact sheets produced on

- VCJD
- Gay and bisexual men
- Inhibitors
- Disability Living Allowance
- Port-a-Caths
- HCV Counselling

In March the Society published the first information resource worldwide for gay men with haemophilia, the booklet 'You don't have to be straight to take factor VIII'. A factsheet for professionals and carers supporting gay and bisexual men was also written

The re-designed newsletter *HQ* continued to be popular, however, as a cost saving measure three rather than the usual four issues were published in 2003. In 2004, the number will be reduced to two, plus three issues of a lower cost *HQ News* being distributed either by email or post. Members will be encouraged throughout 2004 to switch to receiving information electronically to reduce costs and provide a speedier means of sending urgent updates.

A total of 9,802 publications and fact sheets were sent out during 2003.

HIV and hepatitis

With around 2800 people with haemophilia now living with hepatitis and less than 500 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. This involved sending regular monthly information updates throughout the year: *C Mail*, via email for those affected by hepatitis, and an electronic HIV newsletter for HIV/HCV co-infected subscribers. Three issues of the quarterly *C Issues* publication were each mailed or distributed to some 2000 readers. In 2003 the Society concluded the three year hepatitis counselling project, funded by the Department of Health.

For those affected by HIV/HCV co infection, a weekend meeting for partners, funded by the Macfarlane Trust, was organised in May. In November, a second successful HIV/HCV co-infection conference for health professionals was held in Oxford. Close collaboration with the Macfarlane Trust and Birchgrove group continued.

The Society is grateful for the John Ellerman Foundation's support for the HIV and hepatitis work with a three-year commitment being agreed in 2003. This grant will cover the cost of a full time staff post, addressing the needs of both hepatitis C mono-infected and HIV/HCV co-infected people.

THE HAEMOPHILIA SOCIETY**TRUSTEES REPORT (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2003****Membership and Local groups**

Efforts to increase the number of members continued throughout the year, and there are currently some 4,800 people registered on the database. This compares with some 13,000 people with haemophilia and von willebrands registered as patients by the UK haemophilia doctors organisation. More active membership promotion will continue in 2004 to encourage more of that total group to register with the Society.

The Society now has 16 local members groups around the country. Unfortunately the Hampshire and North Wales groups closed during 2003. Work to support and develop the groups through regular information mailings, the annual Local Groups Forum meetings and advice and training as required continued in 2003 and will be ongoing in 2004.

Volunteers

The development of volunteering within the organisation was a key objective for 2003. A volunteer satisfaction survey was sent to people currently involved with the charity's work; and a volunteers' policy was developed leading to a recruitment drive to find volunteers to fill a number of newly created roles. The Society launched the Volunteers Telephone Support Network in 2003 with seven specially trained volunteers, all affected by haemophilia or von Willebrand's themselves, who can provide a listening ear and share experiences.

Scotland

The Community Fund and Scottish Executive funded project has reached its final year. The aim of the project was to assess the needs of the haemophilia/Von Willebrand's community in Scotland, to develop services to meet the needs and to produce ideas for the future of the Society in Scotland. During the year lack of permanent accommodation for the project and difficulties due to staff sickness have been obstacles. Next year we will review the continuation of the project, as additional funding would have to be found for it to continue after the Community Fund grant ends in May 2004.

UKHCDO

Much close work with UKHCDO has taken place this year, notably our participation in the data management working group meeting in January, which has overseen the development of the computer database held in Manchester and the roll-out of the new electronic data collection systems to haemophilia centres. For the first time this year patients took part in the haemophilia centres audit in six hospitals as a pilot; the outcome will be reviewed in 2004.

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.

This was a particularly active year internationally. Having successfully raised £17.5k for the Russian twinning project, the Society organised a visit of seven Russian Haemophilia Society delegates to England in May. The study visit focused on organisational issues and on home treatment and the delegates visited local groups and treatment centres in London, Manchester and Bristol.

2003 was the UK's final year as host to the European Haemophilia Consortium secretariat. Our staff were much involved in arranging with the Netherlands Society the annual EHC members conference in May. In 2004 this EHC secretariat passes to the Austrian Society.

Needs assessment

Between March and July the Society undertook a large-scale needs assessment survey to find out more about the needs of people affected by haemophilia and related disorders. This followed similar surveys in 1998 and 2000. Some 5000 were sent to all contacts on the database, and the results have provided useful insights to guide future service provision.

THE HAEMOPHILIA SOCIETY

TRUSTEES REPORT (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

Website

The website has continued to grow and plans began in 2003 to re-design the site as well as introduce other aspects of online giving and information provision. There were some 100,000 visits made to the website during 2003 a huge increase over the previous year. Numbers jumped dramatically from an average 6-7,000 visits per month to nearly 9000 in August and over 14,000 in October, probably linked to the interest in the government's planned hepatitis ex gratia scheme.

Haemophilia Alliance

The Society has continued to co-chair the Alliance. During the year this has meant reviewing the changes in commissioning for specialist conditions such as haemophilia and the way the Alliance should be responding. A questionnaire survey of PCTs seeking information about the individuals involved in specialist commissioning was undertaken and plans developed for regional meetings to be held in 2004 targeting commissioners locally to promote good practice in haemophilia commissioning.

Specialist commissioning

The Society was actively involved throughout the year with London consortium of PCTs (formerly the regional specialist commissioning group). Various of our members are patient representatives on different working groups of the consortium, and are involved in the current London treatment services audit.

Research

The Society's new research funding initiative was launched in 2003. Our multi-disciplinary advisory group chaired by Professor Ted Tuddenham in May decided on five projects to receive a combined total of £30,000 from the money raised through Jeans for Genes. Funds raised from Jeans for Genes in 2003 will again support the initiative in 2004, however after that other means will have to be found to continue the funding.

Women's project

Despite the disappointment of not winning a Community Fund grant for this project in 2003, we successfully raised some £7k to spend on development of the women's project this year. A multi-disciplinary steering group with affected women, doctors and nurses interested in this area was established during the year, this group oversaw a national women's survey carried out in June and the planning of our first national conference in London for affected women in October.

Advocacy and Campaigning

2003 was a year of tremendous breakthroughs in the Society's campaigning. It saw the achievement of the two goals set in 2001 - winning financial recompense for those infected with HCV via contaminated blood and recombinant treatment for all.

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.

Hepatitis

This year has been unique in that the government announced in August their intention to set up an *ex gratia* financial assistance scheme for hepatitis C, an unexpected breakthrough. However, the Society identified a number of serious concerns about the proposals, and trustees decided on an active lobbying effort to ensure these were conveyed to government and politicians in order to influence the eventual outcome for the scheme. The Society involved external PR agency Myriad to organise a carpet of lilies event for 4 December and sent out briefings to MPs and members. Our chairman and chief executive met with health minister Melanie Johnson to raise our concerns. An announcement about the implementation of the scheme is expected in 2004.

THE HAEMOPHILIA SOCIETY

TRUSTEES REPORT (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

- **Recombinant**

The announcement in February from government that £88 million would be provided to fund recombinant for all adults in England was a great breakthrough. Since then the Society was involved throughout the year as a member of the implementation advisory group at Department of Health in March. As the available funds will not allow all to move to recombinant immediately, the group considered which patients should receive recombinant first, opting for the age banding system, and advised on a national tender process for purchase of the extra recombinant needed to treat adults over 22 years. The roll out should be proceeding during 2004.

All Party group on haemophilia

The Society continued to support the work of the group, now in its second year, chaired by Michael Connarty MP, and is grateful for all the hard work undertaken by APG members in 2003 both on recombinant and the proposed ex gratia scheme for hepatitis

ORGANISATIONAL DEVELOPMENTS

Financial constraints during the year, and concerns about the possibility of continuing deficits, led the board to initiate savings measures, which included some staff redundancies as part of a restructure. The key principle in this was to safeguard within the staff team the essential knowledge of haemophilia/von willebrands that is the charity's strength while seeking to make savings on administration and overheads.

This focus on reducing costs, and seeking means to make the organisation as efficient as possible, will continue in 2004. As part of this work, the board also decided to invest in improving both computer and telephone technology from a designated 'change fund' for the modernisation of the charity.

One of the reasons for current financial constraints in 2003 and 2004 is the increase in rent costs for the national office. It is expected that these costs will be substantially reduced in 2005 when the charity will be able to move to new premises at the end of the existing lease. Finding suitable office accommodation for this move will be a major concern in 2004.

Fundraising/finance

The Society continued an active fundraising and marketing programme in 2003 aimed at sustaining, increasing and diversifying the income of the charity. With financial pressures on the charity, and the present difficult fundraising environment, this is a priority.

The Society was invited to remain as a Jeans for Genes guest charity for another two years. We also prepared for the BBC Radio Appeal made on our behalf by Janet Suzman in April; this involved liaison with Janet and preparation of the script. The Society was successful in securing two grants worth £163,924 in total spread over three years from BBC Children in Need for work with children and from the John Ellerman Foundation for HIV and Hepatitis C activities. Furthermore, five legacies provided an unexpected boost to income this year. A major concern was preparing our application to the Department of Health for a continued section 64 core grant (currently £100K per annum).

Changes of personnel affected both fundraising and finance with the departure of two staff after several years' service. The Society recruited a new fundraiser in April, but experienced considerable difficulty in finding a suitably skilled and experienced finance officer, and hence it was necessary to cover this post with temporary staff from March to 1 September. A permanent finance officer has now been appointed.

Planning and strategy

The organisation was much involved in strategy planning to develop long-term plans for the next 3 – 5 years. These will be launched with member consultation in 2004. As part of this work trustees and staff have reviewed thoroughly the Society's membership, IT, fundraising and marketing strategies as well as reviewing service provision in light of the 2003 needs assessment survey.

THE HAEMOPHILIA SOCIETY

TRUSTEES REPORT (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

IT

The Society undertook a review of IT systems in 2003, leading to development of a new strategy for 2004 aimed at making most efficient and effective use of IT. This will centre on continuing to improve database systems which are vital to accurate targeting of information to members, and to efficient administration; and on maximising the potential of the internet. As the website and email have grown in importance as a means of disseminating information, the priority for 2004 will be a redesign of the site to make it more inter-active with new features such as discussion forums and online subscription.

AUDITORS

A resolution to appoint Knox Cropper as the Society's auditors was adopted at the Society's AGM in July 2003.

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.

GRO-C

By Order of the Board of Trustees
Roddy Morrison, Chairman
2004

30th March 2004

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 2003 set out on pages 13 to 23. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and the accounting policies set out on page 15 and 16.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report or for the opinion we have formed.

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.

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 2003 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.

GRO-C

16 New Bridge Street
 London EC4V 6AX

Knox Cropper
 Chartered Accountants
Registered Auditors

30th March 2004

THE HAEMOPHILIA SOCIETY**STATEMENT OF FINANCIAL ACTIVITIES THE YEAR ENDED 31ST DECEMBER 2003**

	Notes	Un-restricted funds £	Re-stricted funds £	Endowed funds £	Total funds 2003 £	Total funds 2002 £
INCOMING RESOURCES						
Voluntary income						
Subscriptions		22,448		-	22,448	20,172
Regular giving & donations		41,959	5,045	-	47,003	41,128
Legacies		49,715	-	-	49,715	2,857
Trust Income		31,572	65,857	-	97,429	133,819
Government Grants	2	100,000	15,000	-	115,000	125,000
Special Appeals	3	7,008	45,111	-	52,120	1,000
Community fund		-	41,685	-	41,685	38,828
Corporate funding		70,447	76,730	-	147,177	153,052
Activities for generating funds						
Annual draw & events		57,245	6,869	-	64,114	58,857
Local groups	4	67,969	5,493	-	73,462	52,355
Other income	5	30,949	-	-	30,949	42,615
Interest Receivable/Return on Investments		18,384	3,746	-	22,130	20,987
Gain on sale of assets		-	-	-	-	2,141
TOTAL INCOMING RESOURCES		497,696	265,536	-	763,232	692,811
RESOURCES EXPENDED						
Cost of generating funds						
Fundraising						
Annual draw & events		9,816	-	-	9,816	14,970
Fundraising costs		95,764	-	-	95,764	73,197
	6	105,580	-	-	105,580	88,167
Charitable expenditure						
Research Grants	15	4,975	29,682	-	34,657	-
Costs of activities in furtherance of charity's objects :						
Core membership & Information services		156,307	107,426	-	263,733	226,531
Children & Family Activities		25,221	21,910	-	47,131	52,947
HCV Activities		24,092	27,545	-	51,637	62,446
HIV Activities		26,497	38,842	-	65,339	81,194
Advocacy		12,762	-	-	12,762	81,272
International activities		13,100	8,281	-	21,381	32,854
Group activities		40,196	-	-	40,196	38,910
Support of Groups		27,333	-	-	27,333	41,315
Support costs	7	37,209	-	-	37,209	58,393
Management & Administration	8	10,302	-	-	10,302	9,589
		377,994	233,686	-	611,680	685,451
TOTAL RESOURCES EXPENDED		483,574	233,686	-	717,260	773,618
NET INCOMING/(OUTGOING) RESOURCES		14,122	31,850	-	45,972	(80,807)
Transfer between funds		29,000	(29,000)	-	-	-
Unrealised gain/losses on investment		10,735	-	-	10,735	(27,980)
Net movement in Funds		53,857	2,850	-	56,707	(108,787)
Fund balance brought forward at 1st January 2003		430,496	105,358	19,344	555,198	663,985
Fund balance carried forward at 31st December 2003		£ 484,353	£ 108,208	£ 19,344	£ 611,905	£ 555,198

THE HAEMOPHILIA SOCIETY**BALANCE SHEET****AS AT 31ST DECEMBER 2003**

	Notes	2003		2002	
		£	£	£	£
FIXED ASSETS					
Tangible assets at net book value	10		23,846		17,696
Investments	11		<u>162,633</u>		<u>151,898</u>
			186,479		169,594
CURRENT ASSETS					
Debtors	12	59,456		114,427	
Cash at Bank and in hand		<u>437,416</u>		<u>355,686</u>	
		496,872		470,113	
CREDITORS: Amounts falling due within one year					
Creditors	13	<u>(71,446)</u>		<u>(84,509)</u>	
NET CURRENT ASSETS					
			425,426		385,604
		<u>£ 611,905</u>		<u>£ 555,198</u>	
FUNDS					
Unrestricted funds	14	289,243		259,595	
Designated funds	14	113,722		100,000	
Local Group funds	14	81,388		70,901	
Restricted funds	15	108,208		105,358	
Endowed funds	16	19,344		19,344	
		<u>£ 611,905</u>		<u>£ 555,198</u>	

Approved by the Board of Trustees on 30/3/2004 and signed on its behalf by :

GRO-C

Roddy Morrison, Chairman

The notes on pages 15-22 form part of these accounts.

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

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 2003

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

£100,000 was received under section 64 Charitable grants from The Department of Health as core grant and, in addition, £5,000 was received for the HEP Project.

	2003	2002
	£	£
Core Grant	100,000	100,000
HEP Project	5,000	15,000
Scottish Department of Health	10,000	10,000
	<u>£115,000</u>	<u>£125,000</u>

THE HAEMOPHILIA SOCIETY**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2003****3. SPECIAL APPEALS**

	2003	2002
	£	£
GMTV	5,000	1,000
BBC	2,761	-
Jeans for Genes	44,359	-
	<u>£ 52,120</u>	<u>£ 1,000</u>

4. LOCAL GROUP FUNDS

Net Income of the Branches amounted to £33,267, excluding transfers to the Haemophilia Society. Local Group transfers (donations) to the society in 2003 totalled £22,780 and were allocated to the Society for the following purposes:

Volunteer Telephone Support Network	-	5,065
HCV Activities	-	5,000
Children & Family Activities	3,193	1,200
Russian Newsletter	-	900
HIV Activities	300	500
Core Membership and Information Services	-	400
Women & Bleeding Disorders	750	-
Research	1,250	-
Unrestricted	17,287	-
	<u>£ 22,780</u>	<u>£ 13,065</u>

5. OTHER INCOME

Gift Aid	23,306	5,223
Other Income	7,643	7,392
	<u>£ 30,949</u>	<u>£ 42,615</u>

6. FUNDRAISING COSTS

Fundraising Salary Costs (inc Pension & NIC)	54,898	48,824
Merchandise	9,172	13,283
Annual Draw	644	664
Other Fundraising costs	40,866	25,396
	<u>£ 105,580</u>	<u>£ 88,167</u>

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

7. SUPPORT COSTS

	2003	2002
	£	£
Office Overheads	4,406	6,914
Charity Administration	13,491	21,172
Salary Core Costs	19,312	30,307
	<u>£ 37,209</u>	<u>£ 58,393</u>

8. MANAGEMENT & ADMINISTRATION

Audit Fee	3,760	3,760
Accountancy	4,925	-
Professional Legal Fees	1,617	5,829
	<u>£ 10,302</u>	<u>£ 9,589</u>

9. STAFF COSTS

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

	2003	2002
	No.	No.
Direct Charitable Expenditure	8	9
Fundraising	2	2
Management and Administration	1	1
	<u>11</u>	<u>12</u>

The aggregate staff costs were:

	£	£
Wages and Salaries	271,696	258,349
Social Security	26,288	25,003
Employers Pension Contribution	14,026	15,808
	<u>£312,010</u>	<u>£299,160</u>

During the year, 13 trustees (2002 : 12) received £6,230 (2002 : £9,718) reimbursements of travel expenses incurred

No employees received emoluments greater than £50,000 during 2003.

THE HAEMOPHILIA SOCIETY**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2003****10. TANGIBLE FIXED ASSETS**

	Land & Buildings	Computers Other Office Equipment	Total
	£	£	£
Cost as at 1st January 2003	-	109,496	109,496
Additions	-	11,311	11,311
Disposals	-	-	-
At 31st December 2003	£ -	£120,807	£120,807
Accumulated Depreciation			
At 1st January 2003	-	91,800	91,800
Charge for the Year	-	5,161	5,161
Eliminated on disposals	-	-	-
At 31st December 2003	£ -	£96,961	£ 96,961
Net Book Values			
At 31st December 2003	£ -	£ 23,846	£ 23,846
At 31st December 2002	£ -	£ 17,696	£ 17,696

11. INVESTMENTS

	2003	2002
	£	£
COIF Investments		
At 31st January 2003	151,898	179,878
Unrealised gain on Investments	10,735	(27,980)
Carried Forward at 31st December 2003	<u>£162,633</u>	<u>£151,898</u>

12. DEBTORS

Debtors	24,054	39,520
Prepayments	19,762	20,750
Accrued Income	15,341	53,750
Pensions	299	407
	<u>£ 59,456</u>	<u>£114,427</u>

13. CREDITORS

Trade Creditors	6,406	9,482
Deferred Income (inc Membership fees received in advance)	43,862	47,254
Accruals	13,831	18,911
Other Tax & Social Security	7,347	8,862
	<u>£ 71,446</u>	<u>£84,509</u>

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

14. UNRESTRICTED FUNDS

	Balance 01.01.03 £	Incoming £	(Outgoing) £	Gains/ Losses £	Transfer Between Funds £	Balance 31.12.03 £
Dilapidation Fund	50,000	-	-	-	-	50,000
Research Fund	50,000	-	-	-	-	50,000
Change Fund	-	35,000	(21,278)	-	-	13,722
	100,000	35,000	(21,278)	-	-	113,722
Local Groups	70,901	73,463	(62,976)	-	-	81,388
General Funds	259,595	389,234	(399,321)	10,735	29,000	289,243
	<u>£430,496</u>	<u>£497,697</u>	<u>£(483,575)</u>	<u>£10,735</u>	<u>£29,000</u>	<u>£484,353</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.

Change Fund (designated July 2003). Intended for modernisation of the charity and used to cover finance, IT, new telephone systems and redundancy costs due to restructure. In 2003 £5,944 of the change fund expenditure on the new telephone systems was capitalised. £25k per annum has been designated by trustees for 2004 & 2005.

15. RESTRICTED FUNDS

	Balance 01.01.03 £	Incoming £	(Outgoing) £	Transfer Between Funds £	Balance 31.12.03 £
HIV	3,422	35,420	(38,842)	-	-
HCV	-	27,545	(27,545)	-	-
Research	61,938	48,393	(29,682)	(29,000)	51,649
Scottish Development Project	28,395	55,998	(45,812)	-	38,581
Twinning Project	4,603	6,216	(5,586)	-	5,233
Women and Bleeding Disorders	7,000	2,948	(8,494)	-	1,454
Children & Families	-	31,142	(21,910)	-	9,232
Core Membership and Info Services	-	52,305	(52,305)	-	-
Awards	-	2,591	(815)	-	1,776
Indian Child Appeal	-	2,978	(2,695)	-	283
	<u>£105,358</u>	<u>£265,536</u>	<u>£(233,686)</u>	<u>£(29,000)</u>	<u>£108,208</u>

Transfer :Following a review, £29,000, classified as restricted in the previous year, has been reclassified as unrestricted and has been transferred to the General fund.

THE HAEMOPHILIA SOCIETY**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2003****15. RESTRICTED FUNDS (Continued)*****HIV***

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

HCV

This HCV fund is used to support our HCV worker and related HCV events. During the year funds were received from Roche Products Ltd, Duncan Benfield, The John Ellerman Foundation, and Schering Plough Ltd.

Research

The purpose of this fund is to award grants for research purposes. During the year donations were received from, The Jeans for Genes campaign, A J Anderson, and The Harris Charitable Trust. Research grants were awarded to the following institutions; Royal Free Hampstead NHS Trust (£3,500), Northgate and Prudhoe Trust (£1,000), Imperial College (£10,000), University College London (£10,000), and London Metropolitan University (£10,000).

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.

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 2003 funds were received from Allavida and Baxter Bio Science.

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 2003 donations have been received from Aventis-Behring Ltd Science and The Foyle Foundation. These funds will be used to support information and education activities for affected women.

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 Jonston Group Plc, Wyeth Pharmaceuticals, Bayer Plc, Aventis-Behring Ltd, The Michael and Anna Wix Charitable Trust, Novo Nordisk Limited, Bio Products Laboratory, BBC Children in Need, and The Steel Charitable Trust.

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

15. RESTRICTED FUNDS (Continued)

Membership and Information Fund

This fund is used for our membership and information services which include our telephone helpline and publications. It is also used to give hardship grants to individuals needing financial assistance. In 2003 the value of the 37 grants made was £10,790. Donations for Membership and Information fund were received from Wyeth Pharmaceuticals, Aventis-Behring Ltd, Bayer Plc, Goldsmith's Company, Bio Products Laboratory, Goldsmith's Company, British Telecommunications Plc, Nicolas Lawson Limited, Bio Products Laboratory, Grifols UK Ltd, and Novo Nordisk Limited.

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.

GRO-A

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 GRO-A family in memory of their son. The sum available in any one year will be interest earned on the initial investment of £6,000.

Indian Child Appeal

The Indian Child Appeal was set up in 2003, in collaboration with Hemophilia Federation in India. This fund is used to sponsor children with Haemophilia to enable them access to treatment so that they could live a full and an active life. A total of £2,978 was raised from individual donors.

16. ENDOWED FUNDS

The endowed funds include Philip Morris Art Award Fund and GRO-A 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.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets	Net Current Assets	Total
	£	£	£
Endowed Funds	-	19,344	19,344
Restricted Funds	-	108,208	108,208
Unrestricted Funds	180,907	108,336	289,243
Designated Funds	5,572	108,150	113,722
Local Group Funds	-	81,388	81,388
	<u>£186,479</u>	<u>£425,426</u>	<u>£611,905</u>

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

18. LIMITED BY GUARANTEE

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

19. FINANCIAL COMMITMENTS

At 31st December 2003 the company had annual commitments under operating leases as set out below:

	2003		2002	
	Land and Building £	Other £	Land and Building £	Other £
Operating Leases that expire:				
Within one year	-	-	-	-
In the second to fifth years	65,140	6,622	58,664	6,622
Over five years	-	-	-	-
	<u>£65,140</u>	<u>£6,622</u>	<u>£58,664</u>	<u>£6,622</u>