

Witness Name: Katherine Victoria Burt

Statement No: WITN6392001

Exhibits: WITN6392002 - WITN6392267

INFECTED BLOOD INQUIRY

WITN6392043

THE HAEMOPHILIA SOCIETY

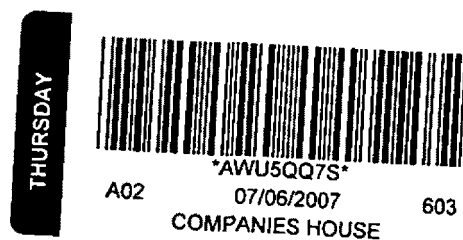
(A COMPANY LIMITED BY GUARANTEE)

CHARITY NUMBER: 288260

COMPANY NUMBER: 1763614

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2006

23




KNOX CROPPER
Chartered accountants

THE HAEMOPHILIA SOCIETY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

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THE HAEMOPHILIA SOCIETY

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31ST DECEMBER 2006

| | |
|-----------------------------------|--|
| PRESIDENT | The Rt Hon The Lord Morris of Manchester PC AO QSO |
| VICE PRESIDENTS | Rt Hon Frank Field MP Dr Peter Jones Baroness Masham of Ilton DL The Reverend Alan Tanner OBE Professor the Lord Winston |
| CHIEF EXECUTIVE | Margaret Unwin (to 31 December 2006) |
| TRUSTEES | Roddy Morrison (Chairman) Paul Bullen (to 9 September 2006) Philip Dolan Keith England Ann Hithersay Gareth Lewis William Payne Debra Pollard Dawn Prideaux de Lacy (Acting Treasurer from 15 February 2007) Elizabeth Rizzuto GRO-A (to 9 September 2006) Stephen Wratten (Treasurer to 15 February 2007) |
| SUB COMMITTEES | |
| <i>Resources Sub Committee</i> | Stephen Wratten (Chair to 15 February 2007) Ann Hithersay Roddy Morrison Dawn Prideaux de Lacy (Acting Chair from 15 February 2007) |
| <i>Health Sub Committee</i> | William Payne (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) Philip Dolan Debra Pollard Elizabeth Rizzuto |
| <i>Information/Communications</i> | The sub committee meets on an ad hoc basis, as needed |

THE HAEMOPHILIA SOCIETY

REFERENCE AND ADMINISTRATIVE INFORMATION (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

MEDICAL ADVISORS

The following is a list of medical advisors who provide periodic advice

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
- Professor Christine Lee, MA MD FRCP DRc (Med) FRCPath
- 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, Nurse Consultant - Haemophilia, Great Ormond Street
- Chris Harrington, RGN Cert Ed, Nurse Consultant, Royal Free Hospital

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)
- Professor G Foster, PhD FRCP (Royal London Hospital)

Physiotherapy:

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

WOMEN BLEED TOO PROJECT BOARD

- Dr Rezan Kadir, MBChB MRCOG MD FRCSFRCOG - Chair, Consultant Obstetrician & Gynaecologist, Royal Free Hospital
- Dr Paul Giangrande, BSc MD FRCP FRCPath FRCPCH, Consultant Haematologist, Oxford
- **GRO-A** - patient representative
- Dr Ann Harper - MD, FRCOG, Consultant Obstetrician & Gynaecologist, Royal Jubilee Maternity Service (RJMS), Belfast
- **GRO-A** - patient representative
- Professor John Pasi, MBChB, FRCP, FRCPath, PhD, FRCPCH - Professor haemostasis and thrombosis, Barts and the London Hospital
- Angela Whitton, RGN - Gynaecology Nurse
- Debra Pollard, RGN - Clinical Nurse Specialist - Haemophilia, Royal Free Hospital
- **GRO-A** - patient representative
- Professor Christine Lee, MA MD FRCP DRc (Med) FRCPath
- Elizabeth Hammersley - Haematology Specialist Midwife, Saint Mary's Clinic, Manchester

THE HAEMOPHILIA SOCIETY

REFERENCE AND ADMINISTRATIVE INFORMATION (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

RESEARCH ADVISORS

- Professor Edward G D Tuddenham Chair, MBBS MD FRCP FRCPATH FRPCE FMedSci
- Dr Michael Makris MA, MB BS, MD, FRCP, FRCPATH, Vice-chair, Reader in Haemostasis and Thrombosis, Sheffield
- Dr Paul Giangrande, BSc MD FRCP FRCPATH FRCPCH, Consultant Haematologist, Oxford
- Kate Khair SRN RSCN MSc MCGI, Nurse Consultant - Haemophilia, Great Ormond Street
- **GRO-A** patient representative
- **GRO-A**, patient representative
- **GRO-A** patient representative

THE HAEMOPHILIA SOCIETY**REFERENCE AND ADMINISTRATIVE INFORMATION (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2006**

| | |
|------------------------------------|---|
| SECRETARY | Stephen Wratten (to 15 February 2007) Dawn Prideaux de Lacy (interim) (from 28 April 2007) |
| REGISTERED OFFICE | Petersham House 57a Hatton Garden London EC1N 8JG |
| 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 8/9 Well Court London EC4M 9DN |

THE HAEMOPHILIA SOCIETY

TRUSTEES REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2006

The Trustees present their report and financial statements of the charity for the year ending 31 December 2006. The financial statements have been prepared in accordance with the accounting policies set out on pages 17 and 18 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's objects are

- (1) The relief of people suffering from Haemophilia, and
- (2) The advancement of public education into the nature and causes of Haemophilia

The Society's Mission is

To secure the best possible care, treatment and support for all people with haemophilia and related bleeding disorders

The charity works to assist people with haemophilia and related disorders by providing information and support, by representing the interests of people with haemophilia and related disorders and their families and by raising awareness of bleeding disorders amongst the public and with health professionals

The Trustee Board governs the Society and has responsibility for the overall strategic and policy direction of the organisation. Trustees who have served during the year are listed on page 1.

ORGANISATION AND DECISION MAKING STRUCTURE

The Memorandum and Articles of Association allow for 12 Trustees, 10 are directly elected by the membership and two are co-opted by the Board to meet particular skills requirements. There are currently 8 trustees, 6 elected and 2 co-opted. The Board appoints, from within the Trustees, a Treasurer and up to two Vice Chairs. The Chair is elected for a three-year term of office, other elected Trustees retire by rotation, with a third of Trustees either retiring or standing for re-election each year. Trustees are required to retire entirely after six years continuous service.

Trustees appoint the Chief Executive and day to day management of the Society is delegated to this postholder. The Chief Executive reports regularly to the Board and is directly accountable through the Chair.

Trustees meet up to six times a year. There are three standing sub-committees that report to and advise the Board of Trustees. These are

- The Resources Committee (meets up to six times per year) – for details of membership see page 1
- The Health Sub-Committee meets one or two times a year – for details of membership see page 1
- The Information and Communications Committee (meets on an ad hoc basis, as needed)

In addition the Society has established three advisory panels to advise Trustees and staff on important aspects of the Society's work

- Medical Advisors – for details see page 2
- Women Bleed Too Project Board – for details of membership see page 2
- Research Advisors – for details see page 3

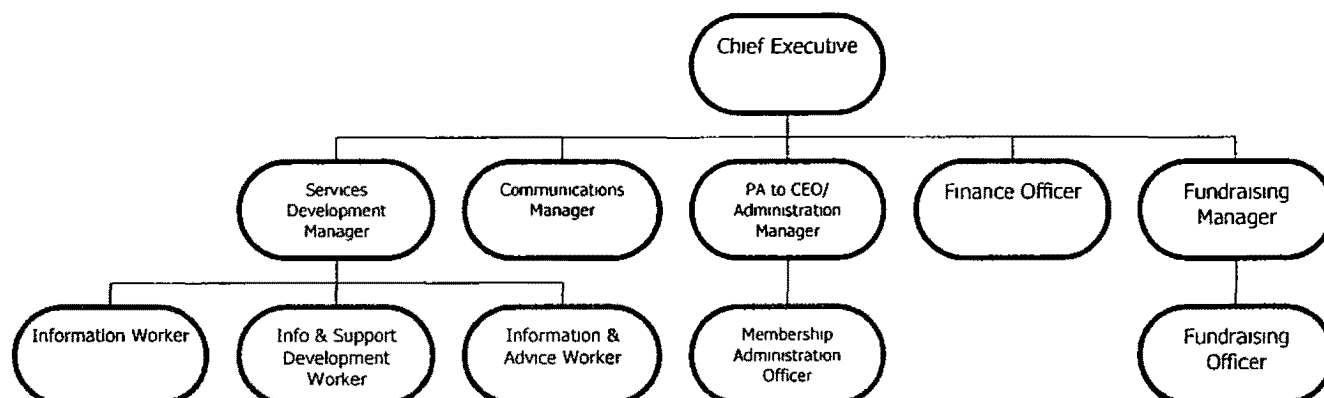
THE HAEMOPHILIA SOCIETY

TRUSTEES REPORT (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

ORGANISATION AND DECISION MAKING STRUCTURE (CONTINUED)

The organisational structure of the Society is set out below



The Society is a membership organisation with 4200 individual members and registrants on its database. These members are kept in touch with the Society's work through regular mailings, the website and the annual general meeting.

The Society has a network of 17 local groups, official branches of the Society. Groups are financially and operationally accountable to Head Office. Groups are kept in regular contact with the Society by means of regular information mailings and annual general meetings.

Recruitment, Induction and Training of Trustees

Trustees are elected by the membership and have personal experience of bleeding disorders. In addition two Trustees are co-opted to bring specific skills to the Board, for example business skills and public relations skills.

New Trustees undergo an induction covering

- Roles and responsibilities of Trustees
- Their legal obligations under charity law
- The content of the Memorandum and Articles of Association
- The Board and decision-making processes
- The current strategic plan
- Financial matters associated with the charity
- Meeting key members of staff and fellow Trustees

There is an annual Board planning day and Trustees are encouraged to attend appropriate external training on an ongoing basis to enhance their skills and support their role. Bespoke Trustee training is planned for 2007.

THE HAEMOPHILIA SOCIETY

TRUSTEES REPORT (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

Financial Decision Making & Internal Controls

Management accounts are prepared monthly by the Finance Officer and the Board of Trustees reviews the management accounts at their meeting. The Society has a set of written financial procedures that lays down the internal controls necessary to ensure that the risk of fraudulent or inappropriate use of funds is minimised as much as possible.

Detailed annual budgets are prepared each year by the chief executive and senior managers and approved by the Board of Trustees. At each Trustee Meeting the Board reviews financial statements showing actual against budget.

The Resources sub Committee has delegated authority to review all financial matters in detail before bringing recommendations to the full trustee Board. The Committee receive management accounts monthly.

Risk Statement

Trustees regularly review the major risks facing the charity and this process was completed in 2005. Trustees have put in place a risk management plan to mitigate the identified risks. The chief executive is responsible for the appropriate management of this plan and for reporting to Trustees at each Board meeting any significant changes or events that impact on the Society's exposure to risk.

OBJECTIVES AND ACTIVITIES

Aims

The Society identified 5 organisational goals and principles in 2006

- 1 To advocate effectively to government and service providers on behalf of all people with bleeding disorders and their families throughout the UK in order to secure the best possible care, treatment and support
- 2 To provide a range of information, advice and support services to people with bleeding disorders and their families to ensure they are fully informed about their condition(s) and current treatments and are able to access welfare benefits
- 3 To raise awareness of bleeding disorders amongst the wider medical profession and the general public in order to secure more accurate diagnosis and better treatment for those affected
- 4 To ensure there is a network of local groups and active individuals across the UK that are well resourced to provide mutual support to people affected by bleeding disorders in their area
- 5 To play an active role in the international bleeding disorders community in order to share good practice and improve treatment in other parts of the world

Key Objectives

The Society identified 12 key objectives that it wanted to achieve by 2008

- 1 To carry out a full review of the Society's services
- 2 To support the Private Independent Public Inquiry into infected blood and blood products
- 3 To have redesigned membership to offer an uncomplicated membership structure
- 4 To increase the number of women referred to haemophilia centres
- 5 To maintain the twinning project with Armenia
- 6 To increase youth membership (16-21 years)
- 7 To raise awareness of and increase hardship grants made by the Society to individuals, via the Tanner Fund, to £25k
- 8 To update all policy documents for the Society
- 9 To increase the Society's regional development across the UK, including a worker in Scotland
- 10 To target research projects that address people's psychosocial needs
- 11 To maintain the current level of information and advice the Society provides to individuals
- 12 To set up a new project for members of the bleeding disorder community who are over 50

TRUSTEES REPORT (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

Progress towards the 12 Objectives in 2006

Referrals of women for testing

- There was an increase by 10% in 2006 in the number of women diagnosed with von Willebrand's

Tailored membership packs for women and young people

- The Society's membership has been re-structured

Information to GPs

- During early 2006 posters and leaflets were sent to a pilot group of GP surgeries in the South West

Affected women in membership

- *Female Factors* was distributed to 5000 members and registrants throughout the year
- A communication drive achieved coverage in 8 magazines and television in order to increase awareness and encourage membership of women

Twinning partnership

- In early 2006 the Society visited the Armenian Haemophilia Association in Yerevan
- The UK Society provided a day's training for trustees

Campaigning activity

- Work on the campaign for a public inquiry continued during 2006, (which was announced in February 2007)
- Extensive media coverage about the campaign was secured around World Haemophilia Day in 2006

Hardship grants (Tanner Fund)

- Individuals experiencing hardship received a total of £10,458 during 2006

Local groups and representatives

- 17 local groups continued to operate in 2006
- Local groups mailings were improved and regularised during the year

Research projects

- Awards for 2006 totalled £30,000.
- An appropriate balance of medical/scientific, psychosocial and commissioned research was broadly achieved, as per the target.

Information and advice

- The Society maintained its Helpline service, from 10am – 4pm daily, dealing with a range of inquiries including issues around new diagnosis, insurance queries and questions about benefits
- A total of 1400 telephone and email enquiries were responded to during the year

Role and contribution of volunteers

Volunteers are involved in many aspects of the charity's work including as Trustees, as part of local groups, assisting at Society events and working in the Society's office

The Society has a volunteer policy. Induction training is provided for new volunteers and appropriate training and support is offered to enable them to carry out their roles. The Society has also introduced a new internship program for volunteers.

Grants

The charity makes a small number of hardship grants to individuals via the Tanner Fund. Applications are sponsored by a health or social care professional who knows the applicant. The Grants Committee, comprising the Chief Executive, Treasurer and Fundraising Manager meets bi-monthly to consider and approve applications. Total Grants available for expenditure in 2006 was £10,458.

THE HAEMOPHILIA SOCIETY

TRUSTEES REPORT (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

In addition the society makes grants for research, including particularly for research into the psychosocial needs of people with bleeding disorders

Objectives for 2007

Full Review

During 2007 the Society will conduct a full review into all the services provided and respond to the needs of current and potential members

Women Bleed Too

The key objective of the work is to increase public and professional awareness of women's bleeding disorders and ensure women receive appropriate diagnosis and support

- 1 Conduct awareness-raising and training activities to enhance knowledge amongst gynaecologists and obstetricians
- 2 Develop a focused plan to enhance support services for affected women
- 3 Promote and roll out Women Bleed Too education tool

Communications/Campaigns

The objective of this work is to ensure the Society has a profile and is a respected organisation and the issues of importance to people who have bleeding disorders are highlighted to key audiences

- 4 Conduct a review of communications and implement recommendations
- 5 Provide assistance to those members with financial difficulties who wish to provide evidence to the Archer Inquiry
- 6 Provide a full submission to the Private Independent Public Inquiry on behalf of the Haemophilia Society
- 7 To cooperate with the conduct and implement the recommendations of Private Independent Public Inquiry

National Development

During 2007 the main objective will be to support people by providing services that can be accessed locally in their region

- 8 The Society will establish a Scottish worker, based in Scotland supported by the Scottish Advisory Group

Membership Restructuring

The key aims of membership during 2007 are to grow and deliver a good service to our members

- 9 During 2007 we will redesign membership with one price for all. This new membership structure will begin on 1st January 2008
- 10 To grow membership by working together with centres, nurses and clinicians to increase awareness of our services
- 11 To increase the society's appeal to children and adolescents to join the Society

Children & youth

The key objective of the work is to ensure the Society is able to provide an appropriate, targeted service for and with the input of young people

- 12 Increase the range of activities and support provided to both young children and teenagers

Information and support services

The key objective of this work is to provide targeted, up to date information for people with bleeding disorders and ensure they are able to access support around claiming benefits, new diagnosis, treatment options and other key areas

- 13 Review the Helpline to ensure it has the resources it needs to provide the appropriate level of service
- 14 Develop new fact sheets and resources in response to identified need, including for people with inhibitors
- 15 Conduct a review of membership and implement recommendations
- 16 To establish a new project for people over 50 with a bleeding disorder

THE HAEMOPHILIA SOCIETY

TRUSTEES REPORT (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

Research

The key objective of this work is to develop partnerships with academic researchers to enhance the understanding of bleeding disorders, of the science and of appropriate models of support

- 17 Support a wide range of appropriate balance between medical/scientific, psychosocial and commissioned research was broadly achieved, as per the target

Administration/support

The key objective of the work is to ensure the Society has the appropriate administrative and office resources to enable it to carry out its work effectively

- 18 Ensure the Society's office is utilised in the most appropriate way and all staff are adequately resourced with IT and other equipment
- 19 Continue to develop the IT policy to enhance usage
- 20 Continue to review the Society's policies to update and revise all

Fundraising

The purpose of the work is to ensure the Society has adequate funding from appropriate sources to enable it to carry out its objectives

- 21 Implement the fundraising strategy developed in early 2006 to ensure income target of £720,000 is met in 2007
- 22 Ensure the level of trust funding is increased, in line with targets

Major activities planned for 2007

- Annual conference and AGM at Preston Marriott for up to 200 delegates
- Support for partner organisations' events, including *Something for the Weekend*, bereavement training and family days
- Launch new youth website www.youngbloods.org in May 2007
- Annual programme of weekends for whole families to be continued to enhance 8-13 year old and 14-17 year old activity weekends
- Facilitation of national Inhibitors Support Group and development of new resources for people who have inhibitors
- One training visit to twinning partner in Armenia and one visit from Armenia to UK
- Continue European activities, including attendance at European Haemophilia consortium meeting in Palma
- Review of policies, membership and communications
- Training and development for trustees including governance and team building.

Key fundraising activities

To raise money for the Society to support the costs of providing travel bursaries to those wishing to provide evidence, provide press support and provide a submission to the inquiry The fundraising team will also run a thank you event for all our major supporters in April

Projected income over the next five years will expand as the Society increases its number of income streams During 2006 the Society established a new strategy and has further increased its events and community fundraising work During 2007 there will be a concerted effort to target trusts and there will be less reliance on increasing funding from pharmaceutical companies This will provide the Society with a much more stable and secure funding base

THE HAEMOPHILIA SOCIETY
TRUSTEES REPORT (Continued)
FOR THE YEAR ENDED 31ST DECEMBER 2006

Investment performance

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 five years ago to establish this long term investment fund of £200,000 with COIF. Over the years COIF investments have been faced with an overall deficit but in 2006 have surpassed their value with £205,383. Unrealised gain for 2006 was £13,315 (2005 £21,449). The Society has also received in the form of an investment, shares within HBOS as legacy. This had an initial value of £2,565 and at year end 2006 an unrealised gain of £762. Trustees will be seeking advice in 2007 about future investment policy.

Internal and external factors impacting on the Society's work

Senior managers completed an exercise to identify key external and internal factors during 2006. This will be updated as necessary. Key factors identified include

External factors

| Factor | Implications/comments |
|---|--|
| The reduction of Section 64 | This will lead to a loss of £30,000 in 2007 and will be further reduced over the next three years. Alternative funding must be found. |
| The Private Independent Public Inquiry | There will be a significant time commitment from staff and trustees, certain sections of the membership may feel alienated, there is also uncertainty as to what the findings are going to be. Potential deterioration in the relationships with Department of Health and clinicians in haemophilia centres as the campaign for a public inquiry gathers momentum. |
| Insecure funding for recombinant products | Rationing of factor |
| Proposed national procurement contracts for recombinant | Reduced choice of products, there may be pressure on patients to change product. |
| Retirement of a number of key doctors specialising in treating haemophilia | Opportunities for service reconfiguration that could reduce the number of haemophilia centres and thus less access to care. There will be a loss of expertise. |
| Plans to reconfigure services in London and reduce the number of centres from 8 to 1 or 2 | Could reduce the number of haemophilia centres and thus less access to care. |
| Pharmaceutical companies increasingly offering direct services and support to patients, including websites, activities, IT packages | Funding not available to the Society for these initiatives. Great potential for replication of services and confusion for people with bleeding disorders. The Society not seen as the key agency for this support. |

THE HAEMOPHILIA SOCIETY

TRUSTEES REPORT (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

Internal factors

| Factor | Implications/comments |
|--|--|
| High turnover within services team | Loss of expertise and knowledge Opportunity to review team structure and ways of working |
| Limited resources for campaigning and a huge agenda | New communications manager will manage the strategy |
| Limited capacity to support local groups and no capacity to develop work in the regions | Funding needs to be secured for further outreach work |
| Membership is not increasing at the levels hoped Current numbers in July 2006 – 4300 Needs of members are not clearly understood | Insufficient membership base makes the Society weaker Need to review membership and increase numbers in 2007 and beyond |
| The Society needs to review its policies covering employment, etc as some are out of date | This represents a risk to the Society at present and the work must be completed quickly |
| Chairman standing down in 2007 Interim CEO in post until 30 June 2007, new CEO recruited to start 2 July 2007 Acting Treasurer in post from 3 March 2007 | The skills audit will be conducted during 2007 to ensure the Board has the appropriate balance of skills needed to enable it to carry out its role |

FINANCIAL REVIEW

2006 saw a reduction in the overall performance of the Society Whilst income increased slightly by 1%, (£739,746 in 2006 from £731,289 in 2005), expenditure went up by 8% to £838,722 (2006) from £776,640 in the previous year After gains on investments of £14,077, the deficit for the year was £84,899, up by 255% compared to £23,902 deficit at the end of the previous year

The increased expenditure compared to previous the year reflected the fact we employed a new communications /campaign manager to help with the Society's profile and ensure that there are clear aims and objectives for campaigning around public inquiry and other issues, also to establish and agree tactics and plans There have been more Children activities this year to keep in line with our objective of getting more youths involved

The reserves position, although lower than last year still reflected the Board's policy of maintaining a minimum of four months running costs

Designated Funds

The trustees discussed and agreed funds to be designated for the following purposes

- Dilapidation Fund intended for the restoration charges and refurbishment of current office accommodation
- Equipment Fund to contribute towards annual replacement of computer and office equipment
- Research Fund to be used to contribute to the advancement of scientific and psychosocial research in the field of haemophilia This is ongoing
- Scottish Legal Case In 2005, the Society's trustees agreed to set aside a portion of funds towards a legal case taking place in Scotland that is expected to bear significantly on the work towards a public inquiry The sum set aside was £52.3k The Society will only become liable if the action is unsuccessful and costs are awarded against the plaintiff
- £40,000 is designated to spend in the North West from a legacy

THE HAEMOPHILIA SOCIETY**TRUSTEES REPORT (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2006****Reserves**

The Board has a policy of maintaining four month running costs as free reserves with the aim of increasing this to six months. This is to ensure that the Society has enough resources to fund projects and to meet its financial responsibilities to staff in the event the organisation has to wind up.

The amount of free reserves (including designated reserves but excluding local group funds) held at the end of 2006 was £358,806 which is broadly in line with the plan and is expected to remain so for the foreseeable future.

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. The Trustees confirm that they have taken appropriate steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of such information. As far as the Trustees are aware, there is no relevant audit information which has not been disclosed to the auditors.

By Order of the Board of Trustees
Roddy Morrison, Chairman

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 2006. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and the accounting policies set out therein.

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 (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 and whether the information in the Directors' Report is not consistent with the financial statements. We also report to you, 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 International Standards on Auditing (UK and Ireland) 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 2006 and of its incoming resources and resources expended, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985
- the information given in the directors' report is consistent with the financial statements

8/9 Well Court
London EC4M 9DN

16th May 2007

GRO-C

Knox Cropper
Chartered Accountants
Registered Auditors

THE HAEMOPHILIA SOCIETY
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST DECEMBER 2006

| | Notes | Un- restricted Funds | Restricted Funds | Endowed Funds | Total Funds 2006 | Total Funds 2005 |
|--|-------|----------------------------|---------------------|------------------|------------------------|------------------------|
| | | £ | £ | £ | £ | £ |
| INCOMING RESOURCES FROM GENERATED FUNDS | | | | | | |
| Voluntary income | | | | | | |
| Subscriptions | | 24,601 | - | - | 24,601 | 26,566 |
| Government Grants | 2 | 100,000 | 7,500 | - | 107,500 | 110,000 |
| Other Grants and Donations | 3 | 151,262 | 118,537 | - | 269,799 | 304,720 |
| Legacies | | 199,147 | - | - | 199,147 | 128,492 |
| Activities for generating funds | | | | | | |
| Local Group Activities | 4 | 19,410 | 4,100 | - | 23,510 | 39,615 |
| Annual Draw and Events | | 62,830 | 1,433 | - | 64,263 | 95,811 |
| Gifts in Kind | 5 | 29,000 | - | - | 29,000 | - |
| Investment Income | | 17,463 | - | - | 17,463 | 25,978 |
| Other Income | | | | | | |
| Other | | 1,845 | 2,618 | - | 4,463 | 107 |
| | | 605,558 | 134,188 | - | 739,746 | 731,289 |
| RESOURCES EXPENDED | | | | | | |
| Cost of Generating Funds | | | | | | |
| Costs of Generating Voluntary Income | 6 | 114,602 | - | - | 114,602 | 108,298 |
| Fundraising Trading Costs | | 27,470 | - | - | 27,470 | 26,909 |
| | | 142,072 | - | - | 142,072 | 135,207 |
| Charitable Activities | | | | | | |
| Communication & Campaigning | 7 | 97,026 | - | - | 97,026 | 37,149 |
| Information and advice | | 245,838 | 99,183 | - | 345,021 | 352,130 |
| Tanner Fund Grants | | 10,458 | - | - | 10,458 | 7,921 |
| Research Grants | | 25,648 | 12,340 | - | 37,988 | 37,144 |
| Children and Family Activities | | 38,765 | 53,158 | - | 91,923 | 64,642 |
| International Activities | | 33,589 | 6,809 | - | 40,398 | 30,969 |
| Local Support Groups | | 40,012 | - | - | 40,012 | 84,618 |
| | | 491,336 | 171,490 | - | 662,826 | 614,573 |
| Governance Costs | 9 | 33,824 | - | - | 33,824 | 26,860 |
| TOTAL RESOURCES EXPENDED | | 667,232 | 171,490 | - | 838,722 | 776,640 |
| NET INCOMING/(OUTGOING) RESOURCES | | (61,674) | (37,302) | - | (98,976) | (45,351) |
| Unrealised gains on investments | | 14,077 | - | - | 14,077 | 21,449 |
| Net movement in Funds | | (47,597) | (37,302) | - | (84,899) | (23,902) |
| Fund balance brought forward at 1st January 2006 | | 453,250 | 106,325 | 19,344 | 578,919 | 602,821 |
| Fund balance carried forward at 31st December 2006 | | £405,653 | £69,023 | £19,344 | £494,020 | £578,919 |

THE HAEMOPHILIA SOCIETY**BALANCE SHEET****AS AT 31ST DECEMBER 2006**

| | Notes | 2006 | | 2005 | |
|---|-------|------------------|-----------------|-----------------|-----------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 11 | | 26,366 | | 36,228 |
| Investments | 12 | | <u>208,710</u> | | <u>192,068</u> |
| | | | 235,076 | | 228,296 |
| CURRENT ASSETS | | | | | |
| Debtors | 13 | 56,862 | | 42,488 | |
| Cash at Bank and in hand | | <u>330,834</u> | | <u>386,671</u> | |
| | | 387,696 | | 429,159 | |
| CREDITORS: Amounts falling due within one year | | | | | |
| Creditors | 14 | <u>(128,752)</u> | | <u>(78,536)</u> | |
| NET CURRENT ASSETS | | | <u>258,944</u> | | <u>350,623</u> |
| | | | <u>£494,020</u> | | <u>£578,919</u> |
| FUNDS | | | | | |
| Unrestricted General Funds | 15 | | 214,216 | | 273,703 |
| Designated funds | 15 | | 144,590 | | 122,250 |
| Local Group funds | 15 | | 46,847 | | 57,297 |
| Restricted funds | 16 | | 69,023 | | 106,325 |
| Endowed funds | 17 | | <u>19,344</u> | | <u>19,344</u> |
| | | | <u>£494,020</u> | | <u>£578,919</u> |

Approved by the Board of Trustees on 28/4/07 and signed on its behalf by

| |
|-------|
| GRO-C |
|-------|

Roddy Morrison, Chairman

| |
|-------|
| GRO-C |
|-------|

The notes on pages 17-24 form part of these accounts

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006

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 2005, Accounting and Reporting by Charities

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 (support costs) 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

| | |
|--------------------------------|------------------------------|
| Office Equipment and Furniture | 25% per annum, straight line |
| Leasehold Property | Over life of lease |
| Leasehold Improvements | 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 is 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 2006****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) Governance Costs

Governance 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 together with an apportionment of the general overheads based on an analysis of staff time spent.

k) Support Costs

Support costs are costs incurred in the general running of the charity. These costs have been allocated to charitable activities, fundraising and governance based on an analysis of staff time spent.

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

| | 2006 | 2005 |
|--|----------------|-----------------|
| | £ | £ |
| Department of Health Section 64 Core Grant | 100,000 | 100,000 |
| Scottish Executive | 7,500 | 10,000 |
| | <u>107,500</u> | <u>£110,000</u> |

THE HAEMOPHILIA SOCIETY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST DECEMBER 2006

3 OTHER GRANTS AND DONATIONS

| | 2006 | 2005 |
|------------------------------|-----------------|-----------------|
| | £ | £ |
| Trust Income | 51,848 | 107,641 |
| Corporate Income | 123,267 | 121,132 |
| Regular Giving and Donations | 52,334 | 49,895 |
| Gift Aid | 36,299 | 12,230 |
| Special Appeals | 6,051 | 13,822 |
| | <u>£269,799</u> | <u>£304,720</u> |

4 LOCAL GROUP ACTIVITIES

| | Local Group Transactions | Head Office Support | Total |
|--|--------------------------------|---------------------------|------------------|
| | £ | £ | £ |
| Income | 23,510 | - | 23,510 |
| Expenditure | <u>(27,460)</u> | <u>(12,552)</u> | <u>(40,012)</u> |
| | (3,950) | (12,552) | (16,502) |
| Transfer from Local Groups to Head Office | <u>(6,500)</u> | 6,500 | - |
| | <u>£(10,450)</u> | <u>£(6,052)</u> | <u>£(16,502)</u> |

5. GIFTS IN KIND

The Society has received gifts in kind in the form of donated facilities for conferences and functions from the following donors

| | 2006 | 2005 |
|----------------------|----------------|-----------|
| | £ | £ |
| Baxter | 15,500 | - |
| Bayer | 7,000 | - |
| Wyeth Pharmaceutical | 6,500 | - |
| | <u>£29,000</u> | <u>£-</u> |

6 COSTS OF GENERATING VOLUNTARY INCOME

| | 2006 | 2005 |
|---------------------------|-----------------|-----------------|
| | £ | £ |
| Fundraising Salary Costs | 54,456 | 48,941 |
| Fundraising Support Costs | <u>60,146</u> | <u>59,357</u> |
| | <u>£114,602</u> | <u>£108,298</u> |

7 CHARITABLE ACTIVITIES

| | Undertaken Directly | Grant Activities | Support Costs | Total | 2005 Total |
|-----------------------------------|------------------------|---------------------|------------------|-----------------|-----------------|
| | £ | £ | £ | £ | £ |
| Communication & Campaigning | 71,652 | - | 25,374 | 97,026 | 37,149 |
| Information and Advice to members | 201,025 | - | 143,996 | 345,021 | 352,130 |
| Tanner Fund Grants | - | 10,458 | - | 10,458 | 7,921 |
| Research Grant | - | 30,000 | 7,988 | 37,988 | 37,144 |
| Children and Family Activities | 66,658 | - | 25,265 | 91,923 | 64,642 |
| International Activities | 22,139 | - | 18,259 | 40,398 | 30,969 |
| Local Support Groups (See Note 4) | 27,460 | - | 12,552 | 40,012 | 84,618 |
| | <u>£388,934</u> | <u>£40,458</u> | <u>£233,434</u> | <u>£662,826</u> | <u>£614,573</u> |

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

8. SUPPORT COSTS

| | 2006 | 2005 |
|------------------------|------------------------|------------------------|
| | £ | £ |
| Office Overheads | 173,897 | 177,765 |
| Charity Administration | 7,168 | 10,379 |
| Salary Core Costs | <u>125,827</u> | <u>127,018</u> |
| | <u>£306,892</u> | <u>£315,162</u> |

9 GOVERNANCE COSTS

| | 2006 | 2005 |
|------------------------|-----------------------|-----------------------|
| | £ | £ |
| Trustee Expenses | 7,302 | 3,833 |
| Audit Fee | 3,725 | 4,618 |
| Accountancy | - | 1,645 |
| Legal and Professional | 9,485 | 2,142 |
| Support Costs | <u>13,312</u> | <u>14,622</u> |
| | <u>£33,824</u> | <u>£26,860</u> |

10. STAFF COSTS

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

| | 2006 | 2005 |
|-----------------------|-----------------|-----------------|
| | No | No |
| Charitable Activities | 6 | 6 |
| Fundraising | 2 | 2 |
| Governance | <u>1</u> | <u>1</u> |
| | <u>9</u> | <u>9</u> |

The aggregate staff costs were

| | £ | £ |
|--------------------------------|------------------------|------------------------|
| Wages and Salaries | 273,352 | 252,797 |
| Social Security | 28,083 | 26,458 |
| Employers Pension Contribution | <u>7,757</u> | <u>8,635</u> |
| | <u>£309,192</u> | <u>£287,890</u> |

During the year, 12 trustees (2005 12) received £7,302(2005 £3,833) reimbursements for travel expenses incurred

No employees received emoluments greater than £60,000 during 2006

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

11 TANGIBLE FIXED ASSETS

| | Leasehold Improvements | Computers and Office Equipment | Total |
|---------------------------------|-----------------------------------|---|----------------|
| | £ | £ | £ |
| Cost | | | |
| At 1st January 2006 | 9,606 | 40,989 | 50,595 |
| Additions | - | 901 | 901 |
| At 31st December 2006 | <u>£9,606</u> | <u>£41,890</u> | <u>£51,496</u> |
| Accumulated Depreciation | | | |
| At 1st January 2006 | 864 | 13,503 | 14,367 |
| Charge for the Year | 960 | 9,803 | 10,763 |
| At 31st December 2006 | <u>£1,824</u> | <u>£23,306</u> | <u>£25,130</u> |
| Net Book Values | | | |
| At 31st December 2006 | <u>£7,782</u> | <u>£18,584</u> | <u>£26,366</u> |
| At 31st December 2005 | <u>£8,742</u> | <u>£27,486</u> | <u>£36,228</u> |

12 INVESTMENTS

| | COIF Investments | Other Equities | 2006 | 2005 |
|---------------------------------------|-----------------------------|---------------------------|-----------------|-----------------|
| | £ | £ | £ | £ |
| COIF Investments | | | | |
| At 31st January 2006 | 192,068 | - | 192,068 | 170,619 |
| Additions | - | 2,565 | 2,565 | - |
| Unrealised gain on Investments | 13,315 | 762 | 14,077 | 21,449 |
| Carried Forward at 31st December 2006 | <u>£205,383</u> | <u>£3,327</u> | <u>£208,710</u> | <u>£192,068</u> |

13 DEBTORS

| | 2006 | 2005 |
|----------------|----------------|----------------|
| | £ | £ |
| Debtors | 4,447 | 11,942 |
| Prepayments | 26,505 | 19,222 |
| Accrued Income | 25,910 | 11,020 |
| Pensions | - | 304 |
| | <u>£56,862</u> | <u>£42,488</u> |

14 CREDITORS

| | | |
|--|-----------------|----------------|
| Trade Creditors | 49,707 | 16,969 |
| Other Creditors | 30 | 30 |
| Deferred Income (including membership fees in advance) | 10,139 | 8,414 |
| Accruals | 60,944 | 46,006 |
| Other Tax & Social Security | 7,932 | 7,117 |
| | <u>£128,752</u> | <u>£78,536</u> |

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

15 UNRESTRICTED FUNDS

| | Balance 01.01.06 | Incoming | (Outgoing) | Gains/ Losses | Transfer Between Funds | Balance 31.12.06 |
|--------------------------|---------------------|-----------------|-------------------|------------------|------------------------------|---------------------|
| | £ | £ | £ | £ | £ | £ |
| Designated Funds: | | | | | | |
| Dilapidation Fund | 15,000 | - | - | - | - | 15,000 |
| Research Fund | 50,000 | - | (17,660) | - | - | 32,340 |
| Equipment Fund | 5,000 | - | - | - | - | 5,000 |
| Legal Case Fund | 52,250 | - | - | - | - | 52,250 |
| North West Fund | - | 40,000 | - | - | - | 40,000 |
| | 122,250 | 40,000 | (17,660) | - | - | 144,590 |
| Local Groups | 57,297 | 23,510 | (27,460) | - | (6,500) | 46,847 |
| General Funds | 273,703 | 542,048 | (622,112) | 14,077 | 6,500 | 214,216 |
| | <u>£453,250</u> | <u>£605,558</u> | <u>£(667,232)</u> | <u>£14,077</u> | <u>-</u> | <u>£405,653</u> |

The Dilapidation Fund is intended for dilapidation charges and necessary refurbishment of the Hatton Garden office accommodation, upon vacation, to restore the premises to the condition they were in when initially occupied by the Society. The **Designated Research Fund** is to be used to contribute to the advancement of scientific research in the field of Haemophilia. The **Equipment Fund** is for the renewal of computer and office equipment. The **Legal Case Fund** is to fund potential costs in connection with a legal case in Scotland (See Note 21). The **North West Fund** is intended for the use in the North West region.

16 RESTRICTED FUNDS

| | Balance 01.01.06 | Incoming | (Outgoing) | Balance 31.12.06 |
|--------------------------------------|---------------------|-----------------|-------------------|---------------------|
| | £ | £ | £ | £ |
| Research | 10,327 | 2,013 | (12,340) | - |
| Scottish Development Project | 24,149 | 8,150 | (1,324) | 30,975 |
| Twinning Project | 5,456 | 778 | (1,184) | 5,050 |
| Women and Bleeding Disorders | 20,000 | 29,177 | (49,177) | - |
| Children & Families | 20,987 | 34,965 | (53,158) | 2,794 |
| Core Membership and Info Services | - | 15,459 | (15,459) | - |
| South West Project | 24,567 | 12,000 | (17,828) | 18,739 |
| Awards | - | 1,586 | (1,397) | 189 |
| Indian Child Appeal | 839 | 5,060 | (5,625) | 274 |
| Inhibitors | - | 25,000 | (13,998) | 11,002 |
| | <u>£106,325</u> | <u>£134,188</u> | <u>£(171,490)</u> | <u>£69,023</u> |

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

16 RESTRICTED FUNDS (Continued)

Research

The Research fund is to be used to contribute towards the advancement of scientific research in the field of Haemophilia and related bleeding disorder

Scottish Development Project

This fund is used to finance outreach work in Scotland

Twinning Project

The UK Society has been twinned with the Armenia Haemophilia Society for over five years. Through the arrangement the UK supports the development of the Armenia Society through exchange of know-how, information and training

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

Children and Families Fund

This fund is used for all our children and families activities including childcare at events and adventure holidays

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

South West Project

This project is part of a plan of programme of regional outreach and is designed to reach out to people living with Bleeding Disorder in the South West and their families

Philip 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 Philip'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 bleeding 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 Haemophilia 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

Inhibitors

The Inhibitor Support Group was formed in 2004 as an entity independent from the Society and facilitated by Kate Bleby of Max Medicom. From January 2006, the Society took over its running. It exists to provide information and support to all who are affected by an inhibitor to their treatment for a bleeding disorder, or who have acquired haemophilia (or a related acquired bleeding disorder). The project is seen as a core work of the Society and as such, support for people with inhibitors is a long-term priority

THE HAEMOPHILIA SOCIETY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

17 ENDOWED FUNDS

The endowed funds include Philip Morris Art Award Fund and **GRO-A** Memorial Award Fund. The interest earned on these funds is credited to the relevant restricted fund to fund awards.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Fixed Assets | Net Current Assets | Total |
|--------------------|-----------------|-----------------------|-----------------|
| | £ | £ | £ |
| Endowed Funds | - | 19,344 | 19,344 |
| Restricted Funds | - | 69,023 | 69,023 |
| Unrestricted Funds | 214,216 | - | 214,216 |
| Designated Funds | 20,860 | 123,730 | 144,590 |
| Local Group Funds | - | 46,847 | 46,847 |
| | <u>£235,076</u> | <u>£258,944</u> | <u>£494,020</u> |

19 LIMITED BY GUARANTEE

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

20 LEASE COMMITMENTS

At 31st December 2006 the company had annual commitments under operating leases as set out below. The figures stated are the amounts payable in the following year.

| | 2006 | | 2005 | |
|------------------------------|----------------------|----------------|----------------------|----------------|
| | Land and Building | Other | Land and Building | Other |
| | £ | £ | £ | £ |
| Operating Leases that expire | | | | |
| Within one year | - | - | - | - |
| In the second to fifth years | - | - | - | - |
| Over five years | 51,718 | 11,895 | 51,718 | 11,895 |
| | <u>£51,718</u> | <u>£11,895</u> | <u>£51,718</u> | <u>£11,895</u> |

In January 2005 the society entered into a new lease for premises in Hatton Garden. Under the terms of the lease there is a rent free period for six months following which period the annual rent is £51,718 inclusive of VAT.

21 OTHER COMMITMENTS

The trustees have agreed to fund the legal costs, up to a maximum of £52,250, of a case being brought against the Scottish Parliament calling for a judicial review by the families of 4 individuals who died of Hepatitis C. The case has now been heard and a judgement is currently awaited. If the case is successful then the designated funds will be released back into unrestricted reserves (see note 15).