

Human Tissue Authority
Annual Report and Accounts 2009/10

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**Presented to Parliament pursuant to Schedule 2(16)
of the Human Tissue Act 2004**

Ordered by the House of Commons to be printed 30 June 2010

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ISBN: 9780102966312

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID: 2368549 06/10 3845

Printed on paper containing 75% recycled fibre content minimum.

Human Tissue Authority Annual Report and Accounts 2009/10

Chief Executive's Report

Our remit

The Human Tissue Authority (HTA) was established under the Human Tissue Act 2004 (HT Act) to regulate activities concerning the removal, storage, use and disposal of human tissue. Our role is to maintain public confidence by ensuring that their wishes will be respected and that bodies and tissue are treated ethically and safely. The HTA is an Executive Non-Departmental Public Body (ENDPB) sponsored by the Department of Health (DH).

We have several statutory functions. One is to inform the public, professionals and the Secretary of State for Health about issues within our remit. We meet this requirement for professionals by providing guidance, including codes of practice, to support good practice; and for the public by providing information to help them make informed decisions.

Another statutory function is to regulate, through licensing, organisations that store and use tissue for purposes such as research, patient treatment, post-mortem examination, teaching, and public exhibitions. We currently license more than 850 organisations and publish standards that licensed establishments must meet. These cover four areas: consent; governance and quality systems; premises; facilities and equipment; and disposal. Organisations we consider to be highest risk are among the first to be inspected.

As well as licensing under the HT Act, which covers England, Wales and Northern Ireland, the HTA is the Competent Authority in the UK responsible for ensuring the safety of human tissue and cells used for patient treatment in compliance with the European Union Tissue and Cells Directive (EUTCD). The Human Tissue (Quality and Safety for Human Application) Regulations 2007 (the Q&S Regulations) brought the EUTCD into force in the UK.

A third statutory function is the regulation, through an independent assessment process, of the donation from living people of solid organs, bone marrow and peripheral blood stem cells for transplantation into others. The HTA also regulates living donation, in compliance with Scottish legislation, on behalf of the Scottish Government.

The HTA oversees the consent requirements of the HT Act for deceased organ donation.

Principles and values

The HTA has the following core values in achieving our strategic aims and objectives:

- behaving with integrity
- respecting others
- being open and transparent
- engaging stakeholders
- being reliable and consistent

In striving to be a model, modern, risk based regulator the HTA has, from the outset, applied the principles espoused in the reports in 2005 by Philip Hampton and the Better Regulation Task Force. These are that a regulatory system should be:

- proportionate
- accountable
- consistent
- transparent
- targeted

During 2008/09, the HTA was reviewed by the strategic support team of the Better Regulation Executive from the Department for Business, Innovation and Skills. The Hampton Implementation Review team reported in July 2009 that stakeholders valued the HTA's openness and desire to engage them to develop the regulatory framework; and they found that the HTA's risk-based approach had minimised the regulatory burden. In addition, the team rated the HTA highly on the quality and availability of our advice and guidance.

The HTA also publishes an Annual review which is available at www.hta.gov.uk

Resources

As an Executive Non-Departmental Public Body, the HTA receives a proportion of its income through grant-in-aid from central government (i.e. the Department of Health (DH)). Our total annual budget in 2009/10 was in the region of £6.6 million. About 83% of this is funded by income from licence fees. The HTA is not a profit-making organisation.

We have achieved a level of service that is acknowledged to be of a high quality and that meets the needs of our stakeholders.

The HTA's efficiency plan sets out how we work continuously to find ways of working more economically, efficiently and effectively. This includes details of how the HTA is delivering efficiencies in its regulation, use of business technology and other back-office functions and how it is contributing towards the cross-government Operational Efficiency Programme.

On 1 December 2009, HTA staff moved from being seconded employees of the Human Fertilisation and Embryology Authority to being directly employed under HTA contracts. The implementation of the HTA's HR Strategy started in 2008/09. This provided the framework within which the HTA was properly resourced and structured to meet a growing and complex statutory remit as a stand-alone ALB.

During 2009/10 the HTA's corporate support services were delivered by the most cost-effective and efficient means as follows:

- human resources services are provided by a team of two staff, with payroll and some specialist services outsourced
- financial services are provided by a team of two, who also have other office service and governance responsibilities
- IT services are outsourced, with a member of HTA staff providing the intelligent customer and business needs input
- accommodation and associated services are provided by the Government Actuary's Department (GAD), from which the HTA rents office space. An additional small amount of HTA staff time is spent on facilities management to ensure that specific HTA needs are met
- internal audit is outsourced
- legal advice is provided by an in-house lawyer, with some specialist advice bought in

Governance

The Authority (the HTA's statutory non-executive board) comprises a Chair and Members who are appointed by the Secretary of State for Health. The Authority's primary role is to ensure that the HTA's statutory responsibilities are met. It achieves this by setting the HTA's strategic direction and providing both support and challenge to an executive that is responsible for the discharge of these responsibilities on a day-to-day basis.

The Authority met seven times during the year, with two of those meetings being open to the public.

Audit Committee

The Audit Committee is chaired by Michael Banner, a non-executive member of the HTA. In 2009/10 other non-executive members were James Underwood (resigned 30 June 2009), Ruth Musson, Helen Shaw, Brian Coulter and Pamela Goldberg. The Chief Executive, Director of Resources, internal and external auditors, DH representatives and the HTA's Head of Finance and Governance, are invited to attend meetings. The Committee's terms of reference outline the support this body provides to the Accounting Officer (the Chief Executive) throughout the year, in particular, providing scrutiny to support signing the annual Statement on Internal Control (SIC). The Committee met four times in 2009/10.

Register of interests

The HTA maintains a register of interests which details company directorships and other significant interests held by Authority members and their close family and friends, which may conflict with their HTA responsibilities. Anyone who wishes to view the register should apply in writing to the Director of Resources.

Equal opportunities and diversity

The HTA is committed to providing equal opportunities for all staff. Our aim is to ensure that all staff are aware that any form of discrimination against people because of their gender, marital status, race, age, sexual orientation, religion, disability, part time or fixed-term working, is prohibited within the HTA and to ensure that the Authority abides by the statutory regulations regarding discrimination.

Staff involvement and wellbeing

The HTA keep all members of staff informed about organisational, management and policy issues. All-staff meetings are held every two months, chaired in rotation by a member of staff. Directorate team meetings are also held regularly.

The first HTA staff survey was launched in February 2010 and the participation rate was 94%. The HTA is committed to being an employer of choice for motivated and engaged staff and will strive to build on staff engagement and satisfaction scores from the staff survey year on year.

The HTA updated the health and safety policy and set out our responsibilities in the Statement of Intent. The HTA has appointed first aiders and fire wardens and is recruiting a Competent Person to co-ordinate and provide further advice on health and safety. No health and safety incidents were reported in the year.

Training and development

The HTA actively promotes the development of staff through personal development plans and by offering a full suite of corporate and specific training. In 2009/10 we developed and implemented a new comprehensive learning and development framework for all staff.

Payment of suppliers

The HTA is committed to the Better Payment Practice Code and the commitment to speed up payments. We should pay suppliers within 30 days and, wherever possible, aim to pay within 10 days of receipt of a valid invoice. The HTA's systems recorded invoice date, rather than the date of receipt, so payment will have been faster than the recorded statistics. 48% of invoices were paid within 10 days of the invoice date, and 94% within 30 days. The average number of days for payment was 12.65. No interest payments were made to suppliers under the Late Payment of Commercial Debts (Interest) Act 1998.

Auditors

The Comptroller and Auditor General is the external auditor for the HTA's accounts. The external auditor's remuneration in 2009/10 was £35,000. No fees were incurred for non-audit work.

Internal audit services are provided by RSM Tenon.

To the extent of my knowledge, as Accounting Officer for the HTA, I am confident that:

- a) there is no relevant audit information of which the HTA's auditors are unaware; and
- b) I have taken all possible steps to make myself aware of any information of relevance to the HTA's auditors and to make them aware of it.

Personal data incidents

In the 2009/10 business year, the HTA had no personal data incidents.

Adrian McNeil
Chief Executive
Human Tissue Authority
Accounting Officer

Date: 16 June 2010

The Authority

The Authority currently consists of 12 members who are initially appointed by the Secretary of State for Health for a three-year term of office. There is the possibility of reappointment for a further three-year term. The HTA's members come from a variety of medical, scientific, legal, administrative and political backgrounds. By law, at least half must be lay members.

Baroness Diana Warwick Chair (lay member) appointed 1 January 2010

Baroness Warwick has twenty years experience in successful leadership at a senior executive level. She recently retired from her role as CEO of Universities UK, where she was responsible for representing the interests of 130 universities to government, the media, the public, and internationally, and was accountable for an annual budget of £6 million. Prior to taking up this role in 1995, her career was in the public sector and education, spending almost a decade as the CEO of the Association of University Teachers (AUT). She also served several years as Chair of Voluntary Services Overseas. Baroness Warwick is a Member of the House of Lords and has been a Labour life peer since 1999.

Shirley Harrison Chair (lay member) retired 31 December 2009

Shirley Harrison's professional career has been in marketing and public relations. Her community activities have encompassed education, criminal justice and health. She has served as a Justice of the Peace since 1998 and is a former chair of the South Yorkshire Probation Board. Her health-related activities include patient representation on a number of bodies concerned with cancer research and education. She chaired the HFEA in 2007. She is a non-executive director of Sheffield Teaching Hospitals NHS Foundation Trust, where she serves as its Donation Committee Chair. During 2009 she was appointed as an Ambassador for Public Appointments. She is a Fellow of the Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA) and a Member of the Chartered Institute of Public Relations, the Society of Authors and the Magistrates Association.

Michael Banner (lay member)

Michael Banner previously held Chairs in the Universities of Edinburgh and London and is currently a Fellow of Trinity College, Cambridge. He is chair of the Cambridge University Licence Review Committee (Animal Procedures) and is a member of the Committees of Reference and Investment Sub-Committee of F&C Asset Management. Amongst his previous Committee experience, he chaired a Committee of Enquiry for MAFF from 1993 – 1995, the CJD Incidents Panel at the DH, the Home Office's Animal Procedures Committee from 1998-2006, and Shell's Advisory Panel on Animal Testing from 2002-2009. He also served as a member of the Royal Commission on Environmental Pollution.

Jodi Berg (lay member)

Jodi Berg is currently the Independent Complaints Reviewer for public bodies including three regulatory authorities: the Audit Commission, the Charity Commission and the Tenant Services Authority. She is a member of the Administrative Justice and Tribunals Council, and Chair of the Postal Redress Service Council. Between 2001 and 2007, she was Independent Case Examiner for the Department for Work and Pensions. She is a member of the British and Irish Ombudsman Association.

Brian Coulter (lay member)

Brian Coulter has served as a specialist ombudsman for Northern Ireland prisons and as Chief Executive of a not-for-profit social housing and social care provider organisation. For 10 years, he championed patient and public involvement in the health and social services as Chairman of the Eastern Health and Social Services Council. He is a member of the General Optical Council. He has chaired a ministerial review of community care, taken part in an independent review of aspects of endoscopy services and latterly, held responsibility for investigating deaths in custody.

Pamela Goldberg (lay member)

Pamela Goldberg is Chief Executive of Breast Cancer Campaign, a medical research charity supporting research into breast cancer across the UK and Ireland. She is currently on the board of the National Cancer Research Institute; a member of the General Advisory Committee on Science for the Food Standards Agency and a Fellow of the RSA. She is a member of the Independent Review Panel for Borderline Products and Independent Review Panel for Advertising of the MHRA.

Andrew Reid (lay member)

Andrew Scott Reid was appointed in November 2002 as the full-time coroner for the jurisdiction of the Inner Northern District of Greater London, consisting of the London boroughs of Camden, Hackney, Islington and Tower Hamlets. He deals with Inquests at Poplar and St Pancras Coroner's Courts.

Keith Rigg (professional member)

Keith Rigg is Consultant General and Transplant Surgeon at Nottingham University Hospitals NHS Trust. He has been involved in organ donation and transplantation for the last 20 years both as a clinician and by serving on various national committees. He is currently President of the British Transplantation Society.

Catharine Seddon (lay member)

After many years as a film documentary producer for BBC TV and then as an independent producer for Channel 4, Catharine Seddon began working for the judiciary in 2002. She now sits on Department for Works and Pensions and Employment tribunals; she is a magistrate in the City of Westminster and a member of the Greater London Family Panel. She is on the independent appeals committee for the HFEA and she teaches and presents for Cued Speech Association UK, a national organisation working with deaf children and their families. She is also a trustee for the London Centre for Children with Cerebral Palsy.

Ceri Davies (professional member) retired 31 March 2010

Ceri Davies is professor of anatomy at Imperial College London. He has used human tissue for teaching and research for over thirty years. He is a member of the Council of the Institute of Anatomical Society of Great Britain and Ireland and Vice President of the Institute of Anatomical Sciences.

Ruth Musson (professional member) retired 31 March 2010

Ruth Musson started her career in public service administration, before qualifying as a Registered General Nurse, later gaining experience in a number of fields, including medicine, terminal care and research. She now leads a small team of nurses and a midwife who work with families, clinical teams, coroners and researchers addressing all issues relating to consent, retention and return of tissues from post-mortem examinations.

Kate Robson-Brown (lay member) retired 31 March 2010

Kate Robson-Brown is Senior Lecturer in Biological Anthropology at the University of Bristol. Her research interests include human evolutionary anatomy and forensic anthropology.

Helen Shaw (lay member) retired 31 March 2010

Since 1994, Helen Shaw has been co director of INQUEST, an organisation with a national reputation for excellence and a proven track record in providing advice and support about the inquest system to bereaved families and their lawyers. She was a member of the Retained Organs Commission from 2001–2004. She is a trustee of the charity Centre for Crime and Justice Studies and the chair of the charity British Irish Rights Watch.

James Ironside CBE (professional member) resigned 30 June 2009

James Ironside is Professor of Clinical Neuropathology at the University of Edinburgh, and an Honorary Consultant Neuropathologist in the Lothian Health University Hospital and Tayside Health University Hospital, Scotland. He has been using human tissue in diagnosis, education and research for 30 years and was formerly Deputy Chair of the Spongiform Encephalopathy Advisory Committee. He is now Director of the MRC Network of UK Brain Banks.

Attendance at Authority meetings

A total of seven meetings were held during 2009/10; member attendance is listed below. Attending Authority meetings represents only a part of the work carried out by Authority Members. All are involved in a mix of Authority activity. These include membership of the Audit Committee; Remuneration Committee; chairing and participating in conferences and workshops for stakeholders; participating in working groups and members' groups covering the work of the Directorates; representing the HTA in the media and at conferences and providing advice to the executive.

Name

Diana Warwick (Chair), appointed 1 January 2010	1
Shirley Harrison (Chair), retired 31 December 2009	5
Michael Banner	5
Jodi Berg	6
Brian Coulter	7
Pamela Goldberg	7
Andrew Reid	6
Keith Rigg	6
Catharine Seddon	6
Ceri Davies, retired 31 March 2010	7
Ruth Musson, retired 31 March 2010	6
Kate Robson-Brown, retired 31 March 2010	5
Helen Shaw, retired 31 March 2010	6
James Ironside, resigned 30 June 2009	1

Attendance at Audit Committee meetings

Four meetings were held in 2009/10.

Name

Michael Banner (Chair)	4
Brian Coulter	2
Pamela Goldberg	4
Ruth Musson	3
Helen Shaw	1

Attendance at Remuneration Committee meetings

Two meetings were held in 2009/10.

Name

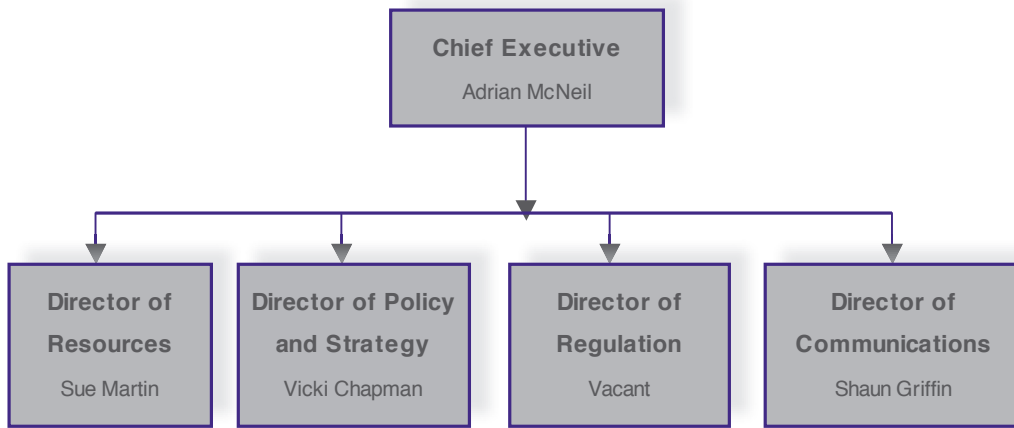
Shirley Harrison (Chair)	2
Michael Banner	1
Jodi Berg	2
Catharine Seddon	1
Helen Shaw	2

The executive

The executive implements the policy and strategic goals set by the Authority. It is led by a Chief Executive and consists of a core team that is split into four directorates.

- Adrian McNeil, Chief Executive
- Vicki Chapman, Director of Policy and Strategy
- Shaun Griffin, Director of Communications
- Sue Martin, Director of Resources (appointed 6 October 2009)
- Director of Regulation, vacant (Interim Director Vicki Chapman)

Organisational structure as at 31 March 2010



Management commentary

Financial position

2009/10 is the fifth year since the HTA was established as the statutory regulator of the removal, retention, use and storage of human tissue in England, Wales and Northern Ireland. The focus for us this year has been on continuing to strengthen our core and support teams; continuously refining our processes to take a risk-based, cost-effective approach; and implementing major projects that will assist us in our drive to improve quality and efficiency. The cost of these initiatives is met from revenue and capital funding.

The total income compared with 2008/09 has increased by 44%. This is principally as a result of changes in the fees structure and an increase in the number of licensed establishments.

Total expenditure for the year was in the region of £6.0 million, an increase of 27%. This is mainly because of increased numbers of staff needed to manage the complexity and increase in the volume and scope of the HTA's statutory responsibilities. The increase in staff, still within the overall ceiling of 67 that was approved by central Government, reflected the work required and the 10% growth in the number of licensed establishments – particularly in the Human Application sector – and the 8% increase in the number of living organ donations. Salaries and related expenditure represent 54% of total expenditure, whilst expenditure relating to office accommodation such as rent, utilities and facilities management constitutes 8.6% of overall costs.

The summary table below includes data taken from our accounting schedules and notes contained in these annual accounts.

Table 1 – Income and expenditure for the year ended 31 March 2010

	2009/10	2008/09
	£'000's	£'000's
Income*		
Income from devolved administrations	127	71
Licence fee	5,328	3,719
Other income	12	0
Total income	5,467	3,790
Expenditure		
Staff costs	3,290	2,703
General administrative costs	2,735	2,000
Total expenditure	6,025	4,703
Net income/(expenditure) for the financial year**	(558)	(913)

*Income is exclusive of revenue grant-in-aid which for accounting purposes is treated as financing rather than income.

**Net expenditure for the year therefore also reflects the position without grant-in-aid funding. The HTA has spent all of the grant-in-aid allocation on the activities for which it provides. It is a requirement to report in this way in the Net Expenditure Account, from which this table is extracted.

Key Performance Indicators 2009/10

Each year, we agree a business plan with the DH that includes performance targets covering delivery of our statutory remit and public accountability.

The HTA agreed the following key targets for 2009/10 with the DH:

- Implement a risk based schedule of inspections
- Apply regulatory enforcement policy
- Re-accredit all independent assessors and accredited assessors to help regulate living organ donation
- Develop a programme for stakeholder engagement

- Evaluate and communicate the impact of human tissue legislation on stakeholders
- Audit communication activities to inform future communications strategy
- Audit policies and statements of practice
- New enquiries system and log in place
- Update HTA values
- Implement new licensing and inspection IT system (CRM)

Progress against our key targets was monitored throughout the year by the Senior Management Team and progress against these and the business plan reported to the DH at quarterly accountability meetings.

Risks and uncertainties as at March 2010

Risks	Mitigating factors and actions
Inability to carry out our statutory remit	<ul style="list-style-type: none"> • 3 year vision & objectives • 1 year business plan • staff objectives linked to business objectives • staff recruitment and training programme • performance management • IT systems development • horizon scanning with partners/stakeholders • business continuity planning
Failure to manage change	<ul style="list-style-type: none"> • corporate leadership by SMT • business plan reflects operational and change activity with appropriate prioritisation • planning for major projects • internal communications • organisational learning process • engage key stakeholders
Inability to react to a major event	<ul style="list-style-type: none"> • emergency team in place and briefed • business continuity plan and testing • off-site disaster recovery office • external access to IT framework and hardware • insurance • staff awareness
Insufficient financial resources	<ul style="list-style-type: none"> • budget management framework • financial procedures framework • Senior Management Team monthly review • monthly financial reporting to Authority • rigorous debt recovery • continuous improvement and efficiency action • 2010/11 business plan costed
Inadequate relationship/stakeholder management	<ul style="list-style-type: none"> • meetings with Key Opinion Leader/umbrella organisations • ongoing engagement with Department for Health and Other Government Departments • effective engagement with stakeholders on key regulatory issues • consultations and events for regulated sectors • communications and media strategies and mechanisms for implementing • key messages and brand/style guidelines • evaluation of public and professional perception of HTA • knowledge management strategy

Social, community and environmental issues

The HTA has adopted a sustainable development plan in line with the government directive for all central government departments and non-executive departmental public bodies. The measures contained within our plan are centred on the reduction in consumption of energy and paper, and an increase in recycling. Staff have formed an Environmental Committee to develop ideas, implement positive change and monitor that the HTA are doing everything we can to be a sustainable organisation whilst being as environmentally friendly as possible.

2009/10 accounts

The Annual Accounts have been prepared and issued by the HTA, under directions given by the Secretary of State, with the approval of HM Treasury, in accordance with Schedule 2 (paragraph 16) of the HT Act. The Accounts report the resources that have been used by the HTA to deliver its objectives. These Annual Accounts have been prepared in accordance with the guidance set out in the Government Financial Reporting Manual (FReM) 2009/10.

Post 31 March 2010

During April 2010, the HTA entered into a new lease agreement with its landlords – the Government Actuary's Department (GAD). The new Memorandum of Terms of Occupation (MOTO) took effect from 12 April 2010 until 31 March 2011. The HTA anticipates that it will relocate to a Department of Health procured location during 2010/11, along with other Arms Length Bodies.

During 2009, the HTA applied for authority to rebate to establishments the £700k of unused licence fees held at 31 March 2009. Surplus licence fees are presently held in reserves.

Ongoing projects

During 2009/10 the HTA continued the implementation of its IT strategy to revise those systems centred around licensing, evaluation, billing, document storage, contact databases and enquiry handling and to replace them with a customer relationship management system (CRM). This has been configured to provide the technology required to operate HTA processes. CRM is going live in stages from the end of March 2010.

Adrian McNeil
Chief Executive
Human Tissue Authority
Accounting Officer

Date: 16 June 2010

Remuneration report

Salary and pension entitlements of Authority Members

Members of the Authority receive an annual remuneration that is agreed by the Secretary of State for Health. This remuneration does not include any pension entitlements. Any increase or change to the remuneration is notified to the HTA by its sponsor department, the Department of Health. In the financial year 2009/10 these payments were as follows:

Chair	£40–45,000 per annum
Chair Audit Committee	£10–15,000 per annum
Member (x10)	£5–10,000 per annum

During the year, there was a change of Chair. Both Chairs were paid at the annual rate noted above.

In addition to the retired Chair's salary, benefits in kind have arisen in respect to reimbursement of travel and subsistence costs arising from her home base being outside London. This amounted to £10,166 (2008/09, £14,370). The incoming chair received expenses amounting to £311. The HTA is required to meet the resulting tax liability under a PAYE settlement agreement.

The Member who retired in the course of the year was paid at the same rate as other Members and his payment during the year was in the range £0 – 5,000 per annum.

Remuneration policy

Staff salaries comprising cost of living increases and performance related pay were reviewed by the HTA Remuneration Committee in 2009. Performance related pay is determined through the process as outlined in the HTA's appraisal and performance management guidelines. This year saw a review of staff salaries which resulted in an uplift by salary bandings to bring staff salaries in line with similar organisations within the public sector.

Duration of contract, notice periods and termination payments on contracts of employment

Members of staff in Bands 1 – 2 (Assistants and Officers) are required to give the HTA six weeks notice for termination of contract. The HTA is required to give the same notice period. Members of staff in Bands 3 – 4 (Managers and Heads of) and Directors are required to give three months notice. The HTA is required to give the same notice period. Termination payments are made only in appropriate circumstances and may arise where staff are not required to work their notice period.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the senior management of the executive team. These details are shown in accordance with the FReM. 'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

Senior Management Team

Adrian McNeil – Chief Executive has been seconded to the HTA from the Department of Health until 30 June 2010.

Sue Martin – Director of Resources has been seconded to the HTA from the Home Office from 6 October 2009 until 5 October 2012.

Senior management remuneration

Post	Name	Dates		Salary range	
				2009/10 £'000	2008/09 £'000
Chief Executive	Adrian McNeil	Appointed 1 July 2005		110-115	110-115
Director of Policy and Strategy	Vicki Chapman	Appointed 1 December 2008		80-85	20-25 (full year equivalent 75-80)
Director of Regulation	Sandy Mather	Appointed 15 August 2005	Until 9 March 2010	95-100*	75-80
Director of Communications	Shaun Griffin	Appointed 15 August 2005		70-75	70-75
Interim Director of Resources	Geoff Gibbs	Appointed 25 February 2009	Until 9 October 2009	100-105	15-20
Director of Resources	Sue Martin	Appointed 6 October 2009		35-40 (full year equivalent 70-75)	N/A

*Sandy Mather left her post on 9 March 2010. Her salary includes an amount of £21,395 payable on termination of her contract.

**The "salary" quoted for Geoff Gibbs represents the cost to the HTA of his services.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HMRC as a taxable emolument. The HTA has agreed a PAYE Settlement Agreement with HMRC re taxable emoluments of HTA staff and Authority members. This includes travel and subsistence, gym membership and wellbeing at work therapy. The cost of wellbeing therapy to the HTA is £5,650 (2008/09 £5,625). The gym membership available to staff is a subsidy of 40% of monthly membership up to £17 per month. No other benefits in kind were received by senior staff members in 2009/10 or 2008/09.

Senior staff pensions

For the period from 01 April 2009 to 30 November 2009 employees were covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). At the 1 December 2009 employees' pension were transferred to the NHS Pension Scheme. Staff who are seconded to the HTA from the Civil Service continue to be covered by the PCSPS.

Civil Service pensions

Pension benefits are provided through the National Health Service Pension Scheme/Civil Service pension arrangements. The PCSPS is an unfunded multi-employer defined benefit scheme, but the HTA is unable to define its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007 by the Scheme Actuary, Hewitt Associates. Details can be found in the resource accounts of the Cabinet Office at www.civilservice-pensions.gov.uk.

From 1 October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes (classic, premium, and classic plus). New entrants after 1 October 2002 must join premium. From 30 July 2007 staff may join Nuvos which is a "whole career" scheme.

Pensions payable under classic, premium, and classic plus are increased in line with the Retail Prices Index.

The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus and Nuvos. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Nuvos

In Nuvos, a member builds up pension based on his or her pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

NHS Pension Scheme

Details of the benefits payable under the NHSPS can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable an organisation to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme; the cost to the HTA of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

In 2009-10 HTA employer's contributions were £134,677 (2008-09 nil) at a rate of 14% of pensionable pay.

The Scheme is subject to a full actuarial valuation every four years (until 2004, based on a five year valuation cycle), and an IAS26 accounting valuation every year. An outline of these follows:

a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period 1 April 1999 to that date.

The conclusion from the 2004 valuation was that the Scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004. However, after taking into account the changes in the benefit and contribution structure effective from 1 April 2008, the Scheme actuary reported that employer contributions could continue at the existing rate of 14% of pensionable pay. On advice from the Scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme liabilities. Up to 31 March 2009, the vast majority of employees paid contributions at the rate of 6% of pensionable pay. From 1 April 2009, employees' contributions are on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

b) IAS 26 Accounting valuation

In accordance with IAS 26, a valuation of the Scheme liability is carried out annually by the Scheme Actuary as at the balance sheet date by updating the results of the full actuarial valuation.

Between the full actuarial valuations at a two-year midpoint, a full and detailed member data-set is provided to the Scheme Actuary. At this point the assumptions regarding the composition of the Scheme membership are updated to allow the Scheme liability to be valued.

The valuation of the Scheme liability as at 31 March 2009 is based on detailed membership data as at 31 March 2006 (the latest midpoint) updated to 31 March 2009 with summary global member and accounting data.

The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pensions Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

Scheme provisions prior to 31 March 2008

The Scheme is a 'final salary' scheme. Annual pensions are normally based on 1/80th of the best of the last three years pensionable pay for each year of service. A lump sum normally equivalent to three years pension is payable on retirement.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement, less pension already paid, subject to a maximum amount equal to twice the member's final year's pensionable pay less their retirement lump sum for those who die after retirement, is payable.

For early retirements other than those due to ill health, the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the income and expenditure account at the time the organisation commits itself to the retirement, regardless of the method of payment.

The Scheme provides the opportunity to members to increase their benefits through money purchase Additional Voluntary Contributions (AVCs) provided by an approved panel of life companies. Under the arrangement the employee/member can make contributions to enhance an employee's pension benefits. The benefits payable relate directly to the value of the investments made.

Scheme provisions from 1 April 2008

From 1 April 2008 changes have been made to the NHS Pension Scheme contribution rates and benefits. Further details of these changes can be found on the NHS Pensions website www.pensions.nhsbsa.nhs.uk.

Senior staff pensions – Principle Civil Service Pension Scheme											
Name of Officer	Real increase in pension at age 60 (2009/10) (ii)	Real increase in pension at age 60 (2008/09) (iii)	Real increase in lump sum at age 60 (2009/10) (iv)	Real increase in lump sum at age 60 (2008/09) (v)	Pension at 31/03/10 (vi)	Lump sum at 31/03/10 (vii)	CETV at 31/03/10 (viii)	CETV at 31/03/09 (ix)	Employee contributions and transfers-in (x)	Real increase in CETV as funded by employer (2009/10) (xi) ¹	Real increase in CETV as funded by employer (2008/09) (xii) ²
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adrian McNeil – Chief Executive	0-2.5	-2.5-0	5.0-7.5	-2.5-0	50-55	155-160	1,214	1,168	2	45	(7)
Vicki Chapman – Director of Policy and Strategy (appointed 1 December 2008)	0-2.5	0-2.5	0	0	0-2.5	0	13	6	3	4	5
Sandy Mather – Director of Regulation	0-2.5	0-2.5	0	0	25-30	0	360	313	3	24	13
Shaun Griffin – Director of Communications	0-2.5	0-2.5	0	0	5-7.5	0	68	49	3	13	11
Sue Martin – Director of Resources (appointed 6 October 2009)	0-2.5	0-2.5	2.5-5.0	2.5-5.0	25-30	80-85	478	416	1	17	24

Senior staff pensions – National Health Service Pension Scheme											
Name of Officer	Real increase in pension at age 60 (2009/10) (ii)	Real increase in pension at age 60 (2008/09) (iii)	Real increase in lump sum at age 60 (2009/10) (iv)	Real increase in lump sum at age 60 (2008/09) (v)	Pension at 31/03/10 (vi)	Lump sum at 31/03/10 (vii)	CETV at 31/03/10(viii)	CETV at 31/03/09 (ix)	Employee contributions and transfers-in (x)	Real increase in CETV as funded by employer (2009/10) (xi)	Real increase in CETV as funded by employer (2008/09) (xii)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Vicki Chapman – Director of Policy and Strategy (appointed 1 December 2008)	0	0	0	0	0-2.5	0	6	0	2	0	0
Sandy Mather – Director of Regulation	0	0	0	0	0-2.5	0	14	0	2	0	0
Shaun Griffin – Director of Communications	0	0	0	0	0-2.5	0	4	0	2	0	0

Cash equivalent transfer value

Columns (viii) and (ix) of the above tables show the staff member's cash equivalent transfer value accrued at the beginning and end of the reporting period. Column (xi) reflects the increase in cash equivalent transfer value effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A cash equivalent transfer value is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the staff member's accrued benefits and any contingent spouse's pension payable from the scheme. A cash equivalent transfer value is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity, to which disclosure applies. The cash equivalent transfer value figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the National Health Service Pension Scheme /Principal Civil Service Pension Scheme arrangements and for which, the Civil Superannuation Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

Cash equivalent transfer values are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries, as advised by the actuary to the Principal Civil Service Pension Scheme.

The real increase in the value of the CETV

This takes account of the increase in accrued pension due to inflation and contributions paid by the officer and are calculated using common market valuation factors for the start and end of the period.

Audit

Specific areas of the remuneration report are audited by NAO the HTA's external auditors. These sections cover salary and pension data in the above tables, non-cash benefits and amounts payable to third parties for services of senior staff.

Adrian McNeil
Chief Executive
Human Tissue Authority
Accounting Officer

Date: 16 June 2010

Statement of the Authority's and Chief Executive's responsibilities

Under the HT Act, the HTA is required to prepare annual accounts for each financial year, in conformity with a Secretary of State's direction Schedule 2 (paragraph 16), detailing the resources acquired, held or disposed of during the year and the use of resources by the HTA during the year. The Annual Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the HTA, the income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the Government Managing Public Money manual prepared by HM Treasury, and in particular to:

- observe the Accounts Direction issued by DH, including the relevant disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis

The DH has appointed the Chief Executive as Accounting Officer of the Authority with responsibility for preparing the HTA's accounts and for transmitting them to the Comptroller and Auditor General.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances, for which an Accounting Officer is answerable for keeping proper records and safeguarding the Authority's assets, are set out in the Accounting Officers' Memorandum, issued by the DH, and published in Managing Public Money.

Statement on internal control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the HTA's policies, aims and objectives, whilst safeguarding the public funds and HTA assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The HTA is an executive Non-Departmental Public Body (NDPB) established by the Human Tissue Act 2004. Our responsibilities to ensure compliance with the Management Statement and Financial Memorandum agreed with the Department of Health (DH) include:

- the DH's approval of the HTA's strategic and business plans
- the HTA to submit budget profile and headcount reports and quarterly performance reports to the timetable outlined by the DH
- quarterly accountability reviews to be held between the HTA's Senior Management Team, the senior department sponsor and the Arm's Length Body Business Change Manager

DH officials attend Authority meetings, Audit Committee meetings and other HTA committees or working groups (at the invitation of the HTA) as observers. Officials from the NAO and RSM Tenon – the HTA's internal auditors – also attend Audit Committee meetings as observers.

The HTA has maintained close links with the DH since it was established and has held regular meetings with representatives from the departmental sponsor branch.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of HTA policies and aims and objectives
- evaluate the likelihood of those risks being realised and the impact should they be realised
- manage them efficiently, effectively and economically

The system of internal control has been in place in the HTA for the year ended 31 March 2010 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

Throughout the year, the Authority and its Senior Management Team (SMT) have monitored the HTA's expenditure through a monthly reporting system. In addition, systems of internal control previously implemented have been developed and embedded throughout the year in order to ensure the safe custody of the assets and finances of the HTA. These systems will continue to be refined and enhanced in order to ensure the HTA meets best practice for an established public body. The HTA will build on advice from our external and internal auditors as well as other professional sources to ensure it remains fit for purpose to meet the changing nature of our business.

Capacity to handle risk

The HTA understands the importance of risk management and internal control. All members of the Authority and the executive have responsibility for risk management.

The Authority is ultimately responsible for overseeing management of the HTA's strategic risks. The Authority is supported by the Audit Committee who monitor risks through quarterly reports from the executive and updates of the strategic risk register. I am responsible for providing leadership for management of risk within the organisation and all members of the Senior Management Team are responsible for managing the strategic risks that may impact the delivery of policies and objectives in their areas of work. Heads manage the operational risks to the delivery of their areas of work.

In order to strengthen its internal controls and provide assurance, the HTA has appointed internal auditors. The HTA is also subject to external audit by the Comptroller and Auditor General.

The risk and control framework

The HTA Risk Management Strategy sets out the principles and approach to managing risk at the HTA. The HTA has refined systems and processes to enable it to meet the requirements of a leading regulator. In 2009/10 this included developing the strategy and holding workshops with Authority members and the SMT and with the SMT and Heads to review risks and develop the strategic and operational risk registers. Risks are reviewed monthly (strategic risks by SMT and operational risks by Heads, reporting to SMT) and mitigating actions incorporated into workplans.

The strategy sets out:

- how the HTA will proactively identify, evaluate and manage risks to the delivery of its policies, aims and objectives
- roles and responsibilities in relation to risk management and how these will be communicated
- how the HTA will involve its stakeholders in identifying and managing risk
- how the HTA will determine the levels of risk it is willing to tolerate (risk appetite)
- how the risk management process itself will be reviewed and continually improved
- how business continuity will be addressed through the production of a business continuity plan

The HTA recognises the need to ensure that its risk management and internal control arrangements are fit for purpose and applied throughout the organisation as it develops its functions and works towards achieving its objectives. It also recognises the role of the Audit Committee as vital in ensuring that all elements of our risk and internal controls framework are scrutinised and reviewed on a regular basis. The Audit Committee is charged by the Authority to carry out this work and report back its findings to the Authority on a regular basis.

Data Protection and Information assurance

In accordance with our responsibilities under Schedule 2 (paragraph 16) of the HT Act and the provisions of the Human Tissue (Quality and Safety for Human Application) Regulations 2007, the HTA has in place various robust and specific arrangements to ensure information security, including data protection, information security and information risk policies, which apply to all staff. Other arrangements include secure and confidential storage of information, encrypted removable equipment such as USB memory sticks for key staff, and a fixed asset register to track the location of items of IT equipment. The HTA has a secure data wiping and hardware disposal process for all obsolete and decommissioned computer equipment. The HTA has confidential disposal arrangements in place.

The Director of Resources holds the role of Senior Information Risk Owner (SIRO). This is one of the requirements to strengthen controls around information security set out in the report of the Data Handling Review, which was carried out in 2008 for the Cabinet Office. The SIRO makes an annual report of compliance with the requirements for protecting information and an assessment of information risk management to the Accounting Officer and the Audit Committee which contributes to this Statement.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive directors within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of the reviews of the effectiveness of the system of internal control by the Authority, the Audit Committee and plans to address weaknesses and ensure continuous improvement of the system are in place.

During the year, the HTA engaged internal auditors to investigate six key operational systems. Overall, we have received positive assurances from the internal auditors and are actively introducing measures to cover areas of weakness that have been identified.

During the first six months of 2009/10, the HTA had an interim Director of Resources. This arrangement, following a period of change in postholder, had an impact on the work of the resources directorate and a permanent director took up post in October 2009. The Director of Regulation was absent from the HTA from January 2010 and is no longer working at the HTA. The Director of Policy acted in addition as interim Director of Regulation. No material errors or omission arose as a result of these changes.

I can confirm that there have been no significant internal control problems in the HTA up to 31 March 2010 and up to the date of this report.

Adrian McNeil
Chief Executive
Human Tissue Authority
Accounting Officer

Date: 16 June 2010

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Human Tissue Authority (“the Authority”) for the year ended 31 March 2010 under the Human Tissue Act 2004. These comprise the Net Expenditure Account the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers’ Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer’s Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authority; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Authority’s affairs as at 31 March 2010 and of its net expenditure, changes in taxpayers’ equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Human Tissue Act 2004 and directions issued thereunder by the Secretary of State.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Secretary of State’s directions issued under the Human Tissue Act 2004; and
- the information given in the Chief Executive’s report, management commentary and the unaudited part of the remuneration report, included within the Annual Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

23 June 2010

Human Tissue Authority

Financial accounts

Presented pursuant to section 7 of the Government Resources and Accounts Act 2000

Human Tissue Authority
Financial accounts 2009/10
(For the year ended 31 March 2010)

Net Expenditure Account

for the period ended 31 March 2010

		2009/10	2008/09
	<i>Note</i>	£	£
Expenditure			
Staff costs	4	3,290,010	2,703,419
Depreciation and amortisation	7/8	351,486	257,460
Other Expenditures	5	2,383,784	1,743,140
		<u>6,025,280</u>	<u>4,704,019</u>
Income			
Income from Activities	6	5,454,744	3,789,734
Other Income	6	12,000	431
		<u>5,466,744</u>	<u>3,790,165</u>
Net operating expenditure		558,536	913,854
Cost of Capital		51,329	28,280
Net Expenditure after cost of capital charge and interest		609,865	942,134

The notes on pages 28 to 42 form part of the accounts

Human Tissue Authority
Statement of Financial Position

as at 31 March 2010

		31 March 2010	31 March 2009	01 April 2008
	<i>Note</i>	<u>£</u>	<u>£</u>	<u>£</u>
Non-current assets:				
Property, plant and equipment	7	396,776	369,770	215,438
Intangible assets	8	778,562	347,667	199,763
Total non-current assets		1,175,338	717,437	415,201
Current assets:				
Trade and other receivables	10	128,697	331,410	86,976
Cash and cash equivalents	11	2,762,124	1,471,983	1,408,815
Total current assets		2,890,821	1,803,393	1,495,791
Total assets		4,066,159	2,520,830	1,910,992
Current liabilities				
Trade and other payables	12	621,430	530,565	649,873
Total current liabilities		621,430	530,565	649,873
Non-current assets plus net current assets		3,444,729	1,990,265	1,261,119
Assets less liabilities		3,444,729	1,990,265	1,261,119
Taxpayers' Equity				
I&E Reserve		3,444,729	1,990,265	1,261,119
Total		3,444,729	1,990,265	1,261,119

The financial statements on pages 24 to 42 were approved by the Board on 25 May 2010 and were signed on its behalf by:

(Signed) (Chief Executive)

16 June 2010

Human Tissue Authority
Statement of cashflows
for the year ended 31 March 2010

		2009/10	2008/09
	<i>Note</i>	<u>£</u>	<u>£</u>
Cash flows from operating activities			
Net (Deficit)/Surplus after cost of capital and interest		(609,865)	(942,134)
Adjustments for cost of capital charge		51,329	28,280
Adjustment for depreciation and amortisation		351,486	257,460
Adjustment for loss on disposal of property, plant and equipment	5	53,247	5,783
(Increase)/Decrease in trade and other receivables	10	202,713	(244,434)
Increase/(Decrease) in trade payables	12	90,865	(119,308)
Net cash (outflow) inflow from operating activities		<u>139,775</u>	<u>(1,014,353)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(304,494)	(257,595)
Purchase of intangible assets	8	(561,682)	(307,885)
Proceeds of disposal of property, plant and equipment		3,542	0
Proceeds of disposal of intangibles		0	0
Net cash outflow from investing activities		<u>(862,634)</u>	<u>(565,480)</u>
Cash flows from financing activities			
Grants from parent department		2,013,000	1,643,000
Net financing		<u>2,013,000</u>	<u>1,643,000</u>
Net increase/(decrease) in cash and cash equivalents in the period		<u>1,290,141</u>	<u>63,168</u>
Cash and cash equivalents at the beginning of the period	11	<u>1,471,983</u>	<u>1,408,815</u>
Cash and cash equivalents at the end of the period		<u>2,762,124</u>	<u>1,471,983</u>

The notes on pages 28 to 42 form part of the accounts

Human Tissue Authority
Statement of Changes in Reserves
for the year ended 31 March 2010

	I & E Reserve	Total Equity
<i>Note</i>	<u>£</u>	<u>£</u>
Balance at 1 April 2008	1,261,119	1,261,119
Changes in taxpayers' equity for 2008/09		
Non-cash charges – cost of capital	28,280	28,280
Retained Surplus/(Deficit)	<u>(942,134)</u>	<u>(942,134)</u>
Total recognised Income and expense for 2008/09	<u>(913,854)</u>	<u>(913,854)</u>
Grant from Parent	<u>1,643,000</u>	<u>1,643,000</u>
Balance at 31 March 2009	<u>1,990,265</u>	<u>1,990,265</u>
Changes in taxpayers' equity for 2009/10		
Net gain/(loss) on revaluation of property, plant and equipment	0	0
Net gain/(loss) on revaluation of intangible assets	0	0
Net gain/(loss) on revaluation of investments	0	0
Release of reserves to the I&E	0	0
Non-cash charges – cost of capital	51,329	51,329
Retained Surplus/(Deficit)	<u>(609,865)</u>	<u>(609,865)</u>
Total recognised Income and expense for 2009/10	<u>(558,536)</u>	<u>(558,536)</u>
Grant from Parent	1 <u>2,013,000</u>	<u>2,013,000</u>
Balance at 31 March 2010	<u>3,444,729</u>	<u>3,444,729</u>

The notes on pages 28 to 42 form part of the accounts

Notes to the accounts

1. Statement of accounting policies

These financial statements have been prepared pursuant to the Human Tissue Act 2004, Schedule 2 (paragraph 16) and in accordance with the 2009-10 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Human Tissue Authority for the purposes of giving a true and fair view has been selected. The particular policies adopted by the Human Tissue Authority for the year ended 31 March 2010 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting Convention

The accounts have been prepared under the historical cost convention

1.2 Accounting Policies

There were no changes in accounting policy during this financial year. In preparing the accounts for the financial year 2009/10 under IFRS, the amounts for 2008/09 have been restated to reflect the balances that appear in the comparatives for 2009/10.

The following Accounting policies have been applied to the accounts for 2009/10.

1.3 Non-current assets

Non current assets are plant and equipment and intangible assets including the costs of acquiring or developing computer systems and software. Only items or groups of related items costing £1,000 or more are capitalised. Items costing less are treated as revenue expenditure in the year of acquisition.

All plant and equipment and intangible assets held by the HTA at 31 March 2010 are carried in the Statement of Financial Position at depreciated (plant and equipment) or amortised (intangible assets) historical cost. The depreciated or amortised historical cost is used as a proxy for fair value, for the classes of assets listed below, since the useful life over which the asset class is depreciated or amortised is considered to be a realistic reflection of the consumption of that asset class. Depreciation and amortisation are provided on a monthly basis from the date of deemed economic benefit, at rates calculated to write off the costs of each asset evenly over its expected useful life.

Plant and Equipment

Information Technology	3 years
Furniture and fittings	3 years

Intangible assets

Information Technology	3 years
Websites	3 years

1.4 Grant-in-aid

Grant-in-aid received is used to finance activities and expenditure which support the statutory and other objectives of the HTA. Grant-in-aid is treated as financing and credited to the income and expenditure reserve, because it is regarded as contributions from a controlling party. During the year ended 31 March 2010 the Human Tissue Authority received Grant-in-Aid from the Department of Health as follows:

Capital Grant-in-Aid:	£880,000.00
Revenue Grant-in-Aid:	£1,133,000.00

1.5 Foreign currency transactions

There were no transactions in foreign currency in 2009/10 (2008/09 Nil)

1.6 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease. Rents for those leasehold properties which are held under operating leases are charged against profits.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.7 Income

In 2009/10 income takes the form of fees for licences from establishments which have human tissue on their premises and fixed fees from devolved administrations, for work on policies and transplants. There is also a small amount of income from the rental of facilities to Government Actuaries' Department located in the same building. All income derived from licensing activities is recognised at the date of the invoice. Other income is recognised on an accruals basis when the goods or services are delivered.

1.8 Expenditure

Expenditure reflects the costs of running the HTA

1.9 Cost of Capital

In accordance with Treasury guidance, notional interest at 3.5 per cent of the average capital employed, excluding balances held in cash and in hand, has been credited in the income and expenditure account.

1.10 Holiday pay accrued

As part of the transition to reporting under International Financial Reporting Standards (IFRS), the HTA has calculated the annual leave accrued but not taken by staff as at 31 March 2010, together with the value of any annual leave taken, in excess of holiday entitlement earned at that date.

1.11 Pensions

For the period from 01 April 2009 to 30 November 2009 employees were covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). At the 1 December 2009 employees' pension were transferred to the NHS Pension Scheme.

From the 1 December employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying Scheme's assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

The Scheme is subject to a full actuarial valuation every four years (until 2004, based on a five-year valuation cycle), and a IAS 26 accounting valuation every year. An outline of these follows:

a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the Scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and Scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date.

The conclusion from the 2004 valuation was that the Scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004. However, after taking into account the changes in the benefit and contribution structure effective from 1 April 2008, the Scheme actuary reported that employer contributions could continue at the existing rate of 14% of pensionable pay. On advice from the Scheme actuary, Scheme contributions may be varied from time to time to

reflect changes in the Scheme's liabilities. Up to 31 March 2008, the vast majority of employees paid contributions at the rate of 6% of pensionable pay. From 1 April 2008, employees contributions are on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

Further details of pension costs and commitments are included in the Remuneration Report.

b) IAS 26 Accounting valuation

In accordance with IAS 26, a valuation of the Scheme liability is carried out annually by the Scheme Actuary as at the balance sheet date by updating the results of the full actuarial valuation.

Between the full actuarial valuations at a two-year midpoint, a full and detailed member data-set is provided to the Scheme Actuary. At this point the assumptions regarding the composition of the Scheme membership are updated to allow the Scheme liability to be valued. The valuation of the Scheme liability as at 31 March 2009, is based on detailed membership data as at 31 March 2006 (the latest midpoint) updated to 31 March 2009 with summary global member and accounting data.

The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

Scheme Provisions as at 31 March 2009

The Scheme is a 'final salary' scheme. For early retirements other than those due to ill health the additional pension liabilities are not funded by the Scheme. The full amount of the liability for the additional costs is charged to the income and expenditure account at the time HTA commits itself to the retirement, regardless of the method of payment. The Scheme provides the opportunity for members to increase their benefits through money purchase Additional Voluntary Contributions (AVCs) provided by an approved panel of life companies. Under the arrangement the employee/member can make contributions to enhance an employee's pension benefits. The benefits payable relate directly to the value of the investments made. From 1 April 2008 a voluntary additional pension facility became available, under which members may purchase up to £5,000 per annum of additional pension at a cost determined by the actuary from time-to-time.

Early payment of a pension is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice the final year's pensionable pay for death in service, and five times their annual pension for death after retirement, less pension already paid, subject to a maximum amount equal to twice the member's final year's pensionable pay less their retirement lump sum for those who die after retirement, is payable.

Existing members at 1 April 2008

Annual pensions are normally based on 1/80th of the best of the last 3 years' pensionable pay for each year of service. A lump sum normally equivalent to 3 years pension is payable on retirement. From 1 April 2008 there is the opportunity of giving up some of the pension to increase the retirement lump sum. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse or eligible unmarried partner.

New entrants from 1 April 2008

Annual pensions for new entrants from 1 April 2008 will be based on 1/60th of the best three-year average of pensionable earnings in the ten years before retirement. Members wishing to obtain a retirement lump sum may give up some of this pension to obtain a retirement lump of up to 25% of the total value of their retirement benefits. Survivor pensions will be available to married and unmarried partners and will be equal to 37.5% of the member's pension.

1.12 Value Added Tax

The HTA was not registered for VAT during the financial year 2009/10.

1.13 Debtors

The HTA provides for bad debts on an individual establishment basis. This year a provision of £13,800 was provided (2008/09 £18,850).

1.14 Financial Instruments and Financial Liabilities

Financial assets and financial liabilities which arise from contracts for the sale or purchase of non-financial items (such as goods and services), which are entered into in accordance with the HTA's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services are made.

1.15 Cash

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents would be investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.16 IFRSs, amendments and interpretations in issue but not yet effective, or adopted

IAS8, accounting policies, changes in accounting estimates and errors, require disclosures in respect of new IFRSs, amendments and interpretations that are, or will be applicable after the reporting period. There are a number of IFRSs, amendments and interpretations that have been issued by the International Accounting Standards Board that are effective for the financial statements after this reporting period. The following have been considered as relevant and have not been adopted early by the HTA.

IFRS 9 Financial instruments

A new standard intended to replace IAS 39. The effective date is for accounting periods beginning on, or after 1 January 2010.

IAS 7 statements of cash flow

Amendments to the existing standard. The effective date is for accounting period beginning on, or after 1 January 2010.

IAS 17 leases

Amendments to the existing standard. The effective date is for accounting period beginning on, or after 1 January 2010.

IAS 24 related party disclosure

Amendments to the existing standard. The effective date is for accounting period beginning on, or after 1 January 2011.

IAS 36 impairment of assets

Amendments to the existing standard. The effective date is for accounting period beginning on, or after 1 January 2010.

None of these new or amended standards and interpretations are likely to be applicable or are anticipated to have a future material impact on the financial statements of the HTA.

In addition, the following are changes to the FReM, which will be applicable for accounting periods beginning on 1 April 2010.

Chapter 8 impairments

Adoption of IAS 36 impairment of assets

Chapter 11 income and expenditure

Removal of cost of capital charging

None of these changes to the FReM are anticipated to have a future material impact on the financial statements of the HTA.

2. First time adoption of IFRS

	I&E Reserve
	<u>£</u>
Taxpayer's equity at 31 March 2009 under UK GAAP	2,018,474
Removal of general provision	19,085
IAS 39 Specific provision	(18,850)
IAS 19 Employee Benefits	(28,444)
Taxpayer's equity at 1 April 2009 under IFRS	<u>1,990,265</u>
Net Expenditure for 2008/09 under UK GAAP	(939,721)
Adjustments for:	
Removal of general provision	19,085
IAS 39 Specific provision	(24,100)
IAS 19 Employee Benefits	30,882
Net Expenditure for 2008/09 under IFRS	<u>(913,854)</u>

3. Analysis of Net Expenditure by Segment

Under the definition of IFRS 8 the HTA is a single operating segment whose objectives are the licensing and inspection of premises involved in the storage and use of human tissue for purposes such as research, patient treatment, post-mortem examination, teaching and public exhibitions. The HTA also gives approval for organ and bone marrow donations from living people.

The HTA charges fees for its licensing activities which along with Grant-in-Aid from the Department of Health, its sponsoring body, are applied in pursuit of these objectives.

4. Staff numbers and related costs

Staff costs comprise:

	Permanently Employed Staff 2009/10	Seconded Staff 2009/10	Temporary Staff 2009/10	Total 2009/10	Total 2008/09
	£	£	£	£	£
Wages and salaries	2,109,590	194,203	565,444	2,869,237	2,244,916
Social security costs	189,073		0	189,073	165,240
Pension costs	293,387		0	293,387	293,263
Sub Total	2,592,050	194,203	565,444	3,351,697	2,703,419
Less recoveries in respect of outward secondments	(61,687)			(61,687)	
Total net costs	2,530,363	194,203	565,444	3,290,010	2,703,419

Of which members emoluments	140,863	0	0	140,863	164,216
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For 2009/10 contributions of £158,710 (2008/09, £287,579) were paid to the PCSPS to 30 November 2009 and £134,677 to NHSPS from 1 Dec 2009 at rates prescribed by the Treasury. These rates were in the range of 17.1 – 25.5 and 14 per cent of pensionable pay according to salary level.

Average number of persons employed

The average number of whole-time equivalent WTE persons employed during the year was as follows.

				2009/10	2008/09
Number	Permanently Employed Staff	Seconded Staff	Temporary Staff	Total	Total
Directly Employed	50	2	19	71	37
Other	0	0	0	0	11
Staff engaged on capital projects	0	0	0	0	0
Total	50	2	19	71	48

Staff are either directly employed by HTA or under contract. Two staff are seconded through the DH and the Home Office. During the year a number of temporary staff were employed to cover vacancies during recruitment to those posts. As at 31 March 2010 the HTA employed 50 WTE staff.

A former member of staff of the HTA was on secondment to the Department of Health during the period 6 April 2009 to 19 February 2010.

Contract staff

5% percent of the cost of a contractor has been capitalised as the work relates to the on-going CRM project (see management commentary for further details). In 2009 -10 the amount was £29,719 for 1 contractor

5 Other Expenditure

	2009/10	2008/09
	£	£
Accommodation	517,400	334,212
Computer running costs	231,490	198,423
Staff recruitment, training and welfare (note 5)	573,998	257,860
Consultancy	149,938	149,223
Shared services (note 1)	14,600	128,629
Travel subsistence and hospitality	150,356	111,802
Conferences & Events	65,484	74,908
Stationery and publications	87,594	79,134
Auditors Remuneration (note 3)	63,195	59,688
Legal and professional fees	112,625	57,867
Project Costs	63,722	20,590
Telecommunications	36,498	14,617
Business continuity costs (note 2)	9,497	(128)
Organisational development costs (note 4)	175,702	204,919
Bad Debt Provision	(5,050)	18,850
Bad Debt Write Offs	20,850	0
	<u>2,267,899</u>	<u>1,710,594</u>
Other Costs	62,638	26,763
Non-cash items		
Depreciation and amortisation	351,486	257,460
Loss on disposal of plant and equipment	53,247	5,783
Total	<u>2,735,270</u>	<u>2,000,600</u>

Notes

1. Shared services is one month's fee for Legal Services.
2. Insurance costs of Business Continuity. The negative values in 2008/09 re the operating lease on office equipment and business continuity cost are the result of a reversal of an accrual made for a charge that was no longer required.
3. Auditors remuneration includes accrued fees for the external auditors (NAO), £35,000 (2008/09, £35,000). This fee represents the cost for the audit of financial statements carried out by the Comptroller and Auditor General. This account does not include fees in respect of non-audit work. No such work was undertaken by NAO. The remainder of the audit fee relates to internal audit work. This again does not include non-audit work.
4. Organisational development costs are those costs that have arisen due to restructuring of the HTA and developing policies and strategies to foster the new structure.
5. Staff recruitment, training and welfare costs include costs of recruiting an additional 25 staff as agreed by the Department of Health. Recruitment costs for existing head count has also been included.

6. Income

	2009/10	2008/09
	£	£
Income from Services:		
Licence Fee Income	5,327,655	3,719,150
Income from devolved administrations	127,089	70,584
	5,454,744	3,789,734
Other Income:	12,000	431
	5,466,744	3,790,165

The HTA's remit is to regulate the removal, storage, use and disposal of human organs and tissue from the living and deceased.

In accordance with section 16, schedule 3, paragraph 2 (4) (f) and paragraph 13 of the Human Tissue Act 2004, the HTA may grant licences to other organisations and charge fees for those licences.

6a. Fees and charges

Licence fees are set to recover the full cost incurred by the HTA in the granting and regulation of licences.

SECTOR	2009/10	2008/09
	£	£
Anatomy	247,925	180,000
Post mortem	1,894,100	1,380,900
Public display	42,430	42,350
Research	960,600	873,200
Human application	2,182,600	1,242,700
Total licence fee income	5,327,655	3,719,150
Costs allocated to licensing activities	(4,800,194)	(3,619,974)
Surplus/(Deficit) on licensing activities	527,461	99,176

In addition, there are elements of the HTA's work that do not relate directly to the regulatory process. The DH accordingly contributes to the funding of these activities through the provision of annual grant-in-aid.

This disclosure is provided for the purposes of providing information on fees and charges and not for IFRS 8 purposes.

7. Plant and Equipment

	Information Technology Hardware	Furniture & Fittings	Total
	£	£	£
Cost or valuation			
At 1 April 2009	317,640	220,539	538,179
Additions	72,609	231,884	304,493
Disposals	(44,181)	(126,988)	(171,169)
At 31 March 2010	346,068	325,435	671,503
Depreciation			
At 1 April 2009	61,033	107,376	168,409
Charge for the year	116,692	104,008	220,700
Disposals	(40,609)	(73,773)	(114,382)
At 31 March 2010	137,116	137,611	274,727
Net book value at 31 March 2010	208,952	187,824	396,776
Net book value at 1 April 2009	256,607	113,163	369,770
Asset financing:			
Owned	208,952	187,824	396,776
Net book value at 31 March 2010	208,952	187,824	396,776
Cost or valuation			
At 1 April 2008	102,440	190,514	292,954
Additions	227,570	30,025	257,595
Disposals	(12,370)	0	(12,370)
At 31 March 2009	317,640	220,539	538,179
Depreciation			
At 1 April 2008	33,921	43,595	77,516
Charge for the year	33,700	63,781	97,481
Disposals	(6,588)	0	(6,588)
At 31 March 2009	61,033	107,376	168,409
Net book value at 31 March 2009	256,607	113,163	369,770
Net book value at 1 April 2008	68,519	146,919	215,438
Asset financing:			
Owned	256,607	113,163	369,770
Net book value at 31 March 2009	256,607	113,163	369,770

8. Intangible Assets

	Information Technology	Websites	Total
	£	£	£
Cost or valuation			
At 1 April 2009	554,185	108,173	662,358
Additions	549,261	12,420	561,681
Disposals	0	0	0
At 31 March 2010	1,103,446	120,593	1,224,039
Amortisation			
At 1 April 2009	274,650	40,041	314,691
Charged in year	91,278	39,508	130,786
Disposals	0	0	0
At 31 March 2010	365,928	79,549	445,477
Net book value at 31 March 2010	737,518	41,044	778,562
Net book value at 1 April 2009	279,535	68,132	347,667
Asset financing:			
Owned	737,518	41,044	778,562
Net book value at 31 March 2010	737,518	41,044	778,562
Cost or valuation			
At 1 April 2008	258,377	96,098	354,475
Additions	295,808	12,075	307,883
Disposals	0	0	0
At 31 March 2009	554,185	108,173	662,358
Amortisation			
At 1 April 2008	146,704	8,008	154,712
Charged in year	127,946	32,033	159,979
Disposals	0	0	0
At 31 March 2009	274,650	40,041	314,691
Net book value at 31 March 2009	279,535	68,132	347,667
Net book value at 1 April 2008	111,673	88,090	199,763
Asset financing:			
Owned	279,535	68,132	347,667
Net book value at 31 March 2009	279,535	68,132	347,667

9. Financial instruments

IFRS 7 Financial Instruments Disclosure requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. The HTA has powers to invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Authority in undertaking activities.

Liquidity risk

The HTA receives the majority of its income from annual licence fees payable by various establishments mainly in the public sector. Other revenue resource requirements are financed by a grant from the Department of Health. These together with a robust debt recovery and payment process ensure that the HTA is not exposed to significant liquidity risk.

Market and interest rate risk

At 31 March 2010 the Authority's financial liabilities carried nil rates of interest. The Authority's financial assets relate to receivables and its cash balances held at 31 March 2010 within the Office of Paymaster General (OPG) bank account and Barclays commercial current account, which is not interest bearing at present. Interest on cash balances are set by OPG. The HTA is therefore not exposed to significant interest-rate-risk.

Credit risk

The Authority receives most of its income from licence fees. It has in place and operates a fit for purpose credit control policy and where applicable, provides for the risk of debts not being discharged by those establishments it licenses. The HTA is therefore not exposed to significant credit risk.

Foreign currency risk

The Authority has no foreign currency income or expenditure.

Financial assets

Financial assets by category

	Total	Receivables and other financial assets
	£	£
Assets per balance sheet		
Licence fee debtors (net of provisions)	36,086	36,086
Other Debtors	15,571	15,571
Cash at bank and in hand	2,762,124	2,762,124
Total at 31 March 2010	2,813,781	2,813,781
Licence fee debtors (net of provisions)	88,315	88,315
Other debtors	5,903	5,903
Cash at bank and in hand	1,471,983	1,471,983
Total at 31 March 2009	1,566,201	1,566,201

The cash balances as at 31 March 2010 and 31 March 2009 carried a floating rate.

Financial liabilities

Financial liabilities by category

	Total	Other financial liabilities
Liabilities per balance sheet	£	£
Trade creditors	13,301	13,301
Other creditors	0	0
Accruals	479,530	479,530
Total at 31 March 2010	492,831	492,831
Trade creditors	158,864	158,864
Other creditors	123,771	123,771
Accruals	247,930	247,930
Total at 31 March 2009	530,565	530,565

As at 31 March 2010 none of the Authority's liabilities carried a floating rate.

Fair values

The fair value of the financial assets and liabilities was equal to book value.

10. Trade receivables and other current assets

	2009/10	2008/09	1 April 2008
	£	£	£
Amounts falling due within one year:			
Trade receivables – Licence fee debtors	36,086	88,550	49,691
Other Receivables	15,571	5,903	2,296
Prepayments and accrued Income	77,040	236,957	34,989
	128,697	331,410	86,976

Amounts falling due after more than one year:

There are no Debtors falling due after more than one year.

10.1 Intra Government Balances

	2009/10	2008/09	1 April 2008
	£	£	£
Balances with other central government bodies	9,036	92,092	8,678
Balances with local authorities	0	12,932	0
Balances with NHS bodies	9,600	42,058	17,236
Balances with bodies external to government	110,061	184,328	61,062
	128,697	331,410	86,976

11. Cash and cash equivalents

	£
Balance at 1 April 2008	1,408,815
Net change in cash and cash equivalent balances	63,168
Balance at 31 March 2009	1,471,983
Net change in cash and cash equivalent balances	1,290,141
Balance at 31 March 2010	2,762,124

	31 March 2010	1 March 2009	1 April 2008
	£	£	£
The following balances were held at:			
Office of the Paymaster General	2,110,770	821,463	1,203,676
Commercial banks	651,310	650,463	204,966
Cash in hand	44	57	173
	2,762,124	1,471,983	1,408,815

12. Trade payables and other current liabilities

	2009/10	2008/09	1 April 2008
	£	£	£
Amounts falling due within one year			
Other taxation and social security	62,512	48,518	37,243
Trade payables	13,301	158,864	245,712
Other payables	66,087	46,809	59,326
Accruals and deferred Income	479,530	276,374	307,592
	621,430	530,565	649,873

Amounts falling due after more than one year:

There are no creditors falling due after one year

12.1 Trade payables and other current liabilities

Analysis of current liabilities

	2009/10	2008/09	1 April 2008
	£	£	£
Balances with other central government bodies	165,787	164,939	271,736
Balances with NHS bodies	74,086	25,600	0
Balances with bodies external to government	381,557	340,026	378,137
	621,430	530,565	649,873

13. Capital commitments

	2009/10		2008/09	
	Plant and Equipment	Intangible Assets	Plant and Equipment	Intangible Assets
	£	£	£	£
Contracts entered into not provided for in the accounts				
Project Fees	0	0	22,481	0
Office fit-out	0	0	192,289	0
Computer costs	0	0	52,704	0
Total costs	0	0	267,474	0

14. Commitments under leases

Operating leases

14.1 Operating Lease Payments

Payments recognised as an expense	2009/10	2008/09
	£	£
Minimum lease payments rent	297,649	211,711
Minimum lease payments other	20,529	(10,697)
	318,178	201,014

Total future minimum lease payments	Rent	Other	2009/10	2008/09
	£	£	£	£
Payable:				
Not later than one year	0	25,326	25,326	302,731
Between one and five years	0	26,028	26,028	0
After 5 years	0	0	0	0
Total	0	51,354	51,354	302,731

14.2 Operating Rental income

Rental Revenue	2009/10	2008/09
	£000	£000
Rental income	12,000	0
Total rental revenue	12,000	0

The HTA has an agreement with Government Actuary Department for the rental of furniture. The income received for 2009/10 was £12,000 (2008-09 £0)

15. Contingent liabilities

At 31 March 2010 there were no contingent liabilities (2008/09 £Nil).

16. Related party transactions

The DH is regarded as a related party and had various material transactions with the HTA during the year. This mainly related to the provision of the grant-in-aid and seconded employees. One member of staff was on secondment from the DH during the year. At 31 March 2010 the HTA owed the DH £Nil and the DH owed the HTA £9,036

The HTA has also had material transactions with other entities for which the DH is regarded as the parent department:

NHSBT – transactions totalled £204,400 and were for the provision of licences under the human application sector. The balance outstanding as at 31 March 2010 was £Nil (2008/09 £25,600 due to NHSBT).

During 2009/10 no Authority Member or senior manager or other related parties undertook any material transactions with the HTA.

17. Performance against key financial targets

During 2009/10 the Authority managed income and expenditure so that draw downs were kept to within the DH's cash allocation. A total of £1,133,000 was drawn down from the DH to 31 March 2010, out of a total available cash allocation of £1,133,000 for revenue expenditure.

At the year end the creditor days were 12.65 (2008/09, 19 days) and throughout the year creditors were paid promptly. It is expected that through strict procurement procedures, this figure will further improve in 2010/11 and enable the HTA to fullfill the criteria of the Better Payment Practice Code.

18. Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover. There were no losses over £250,000 for the year 2009/10 (2008/09 £Nil), and no special payments over £250,000 were made in 2009/10 (2008/09 £Nil).



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ISBN 978-0-10-296631-2



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