



International Society of Blood Transfusion

Financial Statements

31 March 2012

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Balance sheet

As of 31 March

	2012	2011
Assets		
Cash (Note 3)	€ 2,702,278	€ 2,299,609
Accounts receivable (Note 4)	6,728	43,777
Amounts due from Congresses (Note 5)	237,541	179,160
Accrued income (Note 6)	61,805	48,847
Other current assets	39,391	22,781
Fixed assets and software (Note 7)	155,425	34,452
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Total assets	€ 3,203,168	€ 2,628,626
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Liabilities and Equity		
Amounts payable from Congresses (Note 5)	€ 117,793	€ 57,197
Accounts payable and other liabilities (Note 8)	156,332	93,322
Deferred income (Note 9)	153,136	164,223
Donation payable to ISBT Foundation (Note 16)	100,000	16,023
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Total liabilities	527,261	330,765
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Equity	2,675,907	2,297,861
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Total liabilities and equity	€ 3,203,168	€ 2,628,626
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The accompanying notes are an integral part of these financial statements.

Income statement

For the year ended 31 March

	2012	2011
Income		
Membership fees	€ 144,946	€ 106,786
Congresses (Note 10)	782,178	313,361
Vox Sanguinis royalties	213,345	257,823
Corporate sponsorship	85,422	-
Advertising income	59,489	86,066
Interest income	55,672	48,018
Total income	1,341,052	812,054
Expenses		
Membership expenses (Note 11)	177,808	179,215
Personnel expenses	181,215	90,829
Professional expenses (Note 12)	160,586	157,296
Promotion expenses	78,126	113,144
Administrative expenses (Note 13)	70,865	94,486
Travel expenses	70,262	77,060
Office expenses	62,120	32,540
Other expenses	65,830	40,499
Total expenses	866,812	785,069
Central office result	474,240	26,985
Activities (Note 14)	3,806	- 10,962
Donation to ISBT Foundation (Note 16)	- 100,000	- 16,023
Net result	€ 378,046	€ -

The accompanying notes are an integral part of these financial statements.

Statement of cash flows

For the year ended 31 March

	2012	2011
Cash flows from operating activities		
Net result	€ 378,046	€ -
Adjustments to net result		
Depreciation	12,024	1,492
Write-off of accounts receivable	-	2,325
Change in accounts receivable	37,049	- 25,717
Change in amounts due and payable from Congresses	2,215	- 144,408
Change in accrued income	- 12,958	- 42,177
Change in other current assets	- 16,610	- 22,781
Change in accounts payable and accrued liabilities	57,510	62,007
Change in donation payable to ISBT Foundation	83,977	16,023
Change in deferred income	- 11,807	164,223
Cash flows provided by operating activities	530,166	10,987
Cash flows from investing activities		
Purchase of fixed assets and software	- 127,497	- 33,527
Cash flows used in investing activities	- 127,497	- 33,527
Net increase / (decrease) in cash	402,669	- 22,540
Cash at the beginning of the period	2,299,609	2,322,149
Cash at the end of the period	€ 2,702,278	€ 2,299,609

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 March

Note 1 General

The International Society of Blood Transfusion (ISBT or the Society) is the premier international professional society for the field encompassing transfusion and transplantation science and medicine. With a long and respected history of achievement, its current strategic vision is: 'Facilitating knowledge about transfusion medicine to serve the interests of donors and patients'. Founded in 1935, The Society brings together more than 1,800 professionals in the field, from over 97 countries.

The Society is governed by a Board of Directors of nine members elected by the membership and an Executive Committee of seven members. All Board and Executive Committee members serve voluntarily. The Society has two full-time employees. Administrative services were provided by MCI Amsterdam (formerly Eurocongress International B.V.) under an administrative agreement until 31 December 2011.

Note 2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. Certain amounts in the 2011 financial statements have been reclassified to conform to the current year presentation.

2.1 Basis of preparation

The ISBT's financial statements have been prepared in accordance with the historical cost method.

2.1 Cash

Cash in the balance sheet and in the statement of cash flows includes cash in hand and deposits held at call with the Society's bank.

2.2 Accounts receivable

Accounts receivables are amounts due from corporate sponsors and advertisers. Such receivables are presented net of an allowance for amounts considered unlikely to be collected. The allowance is included in Other expenses.

2.3 Amounts due and payable from Congresses

Amounts due from congresses represent amounts due from MCI Amsterdam or are claims for sales tax refunds. Amounts payable from congresses represent amounts payable to local organising committees from the Society's congresses.

2.3 Fixed assets and software

Fixed assets and software are stated at historical cost less depreciation. Depreciation is calculated using the straight-line method to allocate the cost of such assets to their residual values over the lesser of their estimated useful lives (ranging between three and five years) or the lease term (in the case of leasehold improvements). Depreciation begins when the asset is placed into service. Depreciation is included in Other expenses.

2.4 Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

2.5 Revenue recognition

Membership fees are voluntary. Consequently, they are recognised over the membership period to the extent such fees are collected. Other revenue is shown net of value-added tax when applicable and discounts. It is recognised over the period in which it is earned.

Note 3 Cash

	2012	2011
Cash in current accounts and on hand	€ 152,278	€ 156,520
Cash in savings accounts	2,550,000	2,143,089
	<u>€ 2,702,278</u>	<u>€ 2,299,609</u>

The Society's principal savings accounts earn 2.7% on an annual basis (2.4% in 2011).

Note 4 Accounts receivable

	2012	2011
Current	€ 6,728	€ 21,323
1 to 30 days overdue	-	5,400
More than 30 days overdue	-	17,054
	<u>€ 6,728</u>	<u>€ 43,777</u>

The allowance for doubtful collections is €0 at 31 March 2012 and 2011.

Note 5 Amounts due and payable from Congresses

Amounts due and payable from congresses at 31 March consist of the following:

	2012	2011
Amounts due		
23rd Regional Congress (Amsterdam)	€ 46,063	€ -
32nd International Congress (Cancun)	6,714	-
22nd Regional Congress (Taipei)	35,000	-
21st Regional Congress (Lisbon)	83,344	-
31st International Congress (Berlin)	66,420	122,239
20th Regional Congress (Nagoya)	-	56,921
	<u>€ 237,541</u>	<u>€ 179,160</u>
Amounts payable		
22nd Regional Congress (Taipei)	€ 48,000	€ -
21st Regional Congress (Lisbon)	36,300	-
31st International Congress (Berlin)	33,493	-
20th Regional Congress (Nagoya)	-	€ 57,197
	<u>€ 117,793</u>	<u>€ 57,197</u>

The balances due from the Amsterdam and Cancun congresses represent costs incurred by the ISBT for such congresses. The balance due from the Taipei congress represents the amount still due from MCI Amsterdam for the estimated gross result of the congress. The balances due from the Lisbon and Berlin congresses are sales tax receivables from the Portuguese (Lisbon) and Dutch (Lisbon and Berlin) tax authorities. Amounts payable represent the share of the congress result payable to the local organising committee. Such amounts are paid when the ISBT collects its outstanding receivables.

Note 6 Accrued income

	2012	2011
Vox Sanguinis royalties	€ 48,000	€ 37,665
Interest	13,805	11,182
	<u>€ 61,805</u>	<u>€ 48,847</u>

Note 7 Fixed assets and software

	Leasehold improvements	Furniture and equipment	Software	Total
At 31 March 2010				
Cost	€ -	€ 4,927	€ -	€ 4,927
Accumulated depreciation	-	- 2,510	-	- 2,510
Net book value at 31 March 2010	-	2,417	-	2,417
Year ended 31 March 2011				
Additions	-	5,061	28,466	33,527
Depreciation	-	- 1,492	-	- 1,492
Disposals				
Cost	-	- 2,878	-	- 2,878
Accumulated depreciation	-	2,878	-	2,878
At 31 March 2011				
Cost	-	7,110	28,466	35,576
Accumulated depreciation	-	- 1,124	-	- 1,124
Net book value at 31 March 2011	<u>€ -</u>	<u>€ 5,986</u>	<u>€ 28,466</u>	<u>€ 34,452</u>
Year ended 31 March 2012				
Additions	84,426	18,993	29,578	132,997
Depreciation	- 1,236	- 2,853	- 7,935	- 12,024
At 31 March 2012				
Cost	84,426	26,103	58,044	168,573
Accumulated depreciation	- 1,236	- 3,977	- 7,935	- 13,148
Net book value at 31 March 2012	<u>€ 83,190</u>	<u>€ 22,126</u>	<u>€ 50,109</u>	<u>€ 155,425</u>

Note 8 Accounts payable and other liabilities

	2012	2011
Accrued liabilities	€ 61,393	€ 46,401
Accounts payable	75,124	43,816
Other liabilities	19,815	3,105
	<u>€ 156,332</u>	<u>€ 93,322</u>

€	156,332	€	93,322
	<u> </u>		<u> </u>

Note 9 Deferred income

	2012		2011
Deferred corporate sponsorship	€ 97,928	€	75,000
Deferred membership fees	35,784		89,223
Deferred advertising income	19,424		-
	<u>€ 153,136</u>		<u>€ 164,223</u>

Note 10 Congresses

	2012		2011
22nd Regional Congress (Taipei)	€ 72,000	€	-
21st Regional Congress (Lisbon), including €57,000 of service charges in 2012	708,453		-
31st International Congress (Berlin)	1,528		260,000
20th Regional Congress (Nagoya)	197		57,196
19th Regional Congress (Cairo)	-		- 3,835
	<u>€ 782,178</u>		<u>€ 313,361</u>

Revenue from Congresses represents the congress' results, net of fees paid to MCI Amsterdam and the amount shared with the local organising committee. Through 2010, this was generally 50%. Beginning in 2012 it will generally be 40%. For certain congresses, the ISBT also recognises revenue for services provided to the congress.

Note 11 Membership expenses

Members are entitled to a subscription to Vox Sanguinis, the Society's scientific journal, and Transfusion Today, the Society's quarterly newsletter.

	2012		2011
Transfusion Today	€ 64,430	€	60,803
Vox Sanguinis	113,378		118,412
	<u>€ 177,808</u>		<u>€ 179,215</u>

Note 12 Professional expenses

	2012		2011
Strategic advice and implementation	€ 68,125	€	-
Litigation	25,788		59,969
Election costs	3,746		31,244
Accounting and administration	41,900		39,095
Fiscal advice	12,655		26,988
Legal advice	8,372		-
	<u>€ 160,586</u>		<u>€ 157,296</u>

In 2010 elections were held for various positions on the ISBT's Board of Directors. Eight positions were eligible for election: President Elect, Vice President, Secretary General and Regional Directors for Southern Americas, North Americas, Eastern Europe, Western Pacific and Eastern Mediterranean.

Members were invited by an email to participate in the elections. From the time that the email was sent to the time voting closed, the ISBT received 458 membership applications. Some of the members joining after voting commenced requested to be able to vote in the elections for Board of Directors. As new members in previous elections were not allowed to vote, the decision was taken that members joining after the election had commenced in 2010 would not be allowed to vote. This was challenged by a small number of members who had joined after voting commenced and therefore following advice from the notary, the Board of Directors passed a resolution that new members should not be allowed to vote.

On 17 May 2010, the Secretary General received a letter from a Swiss law firm on behalf of Ausbio Laboratories Co. Ltd. (Ausbio) and 30 members of the Society requesting that their clients receive full voting rights. Ausbio was informed that a resolution had been passed by the Board and that they would not be allowed to vote.

The counting of the election votes took place on 31 May 2010. It became apparent from the report by the IT company hosting the election website that a number of members who had joined the Society after voting had commenced had voted and therefore an investigation by a forensic IT company into the voting system was requested. The investigating company confirmed that regular as well as irregular votes were cast in the elections and they were able to distinguish between the two kinds of vote. Therefore a recount of the votes took place in the presence of the notary. The results of the election were announced to the membership on 18 June 2010 and were endorsed by the General Assembly on 29 June 2010.

On 28 June 2010, the ISBT received a summons from Ausbio, acting on behalf of 129 new members of the ISBT concerning the issue that they were not allowed to vote in the 2010 elections. The summons was heard on 16 December 2010 in the court in Amsterdam and the outcome announced by the court on 3 February 2011 was in favour of ISBT.

On 3 May 2011, the ISBT was informed that Ausbio would be appealing the decision. The appeal hearing was heard on 6 March 2012. The outcome of the appeal was due 16 May 2012 but has been postponed until mid June 2012.

Note 13 Administrative expenses

Under an agreement entered into with MCI Amsterdam in April 2010, MCI Amsterdam provided various administrative services, including:

- membership services
- communication with the publisher of Vox Sanguinis
- preparation of ISBT congresses and meetings
- financial and legal management and support.

The agreement to provide such services was terminated on 31 December 2011 in connection with the ISBT's move to its own office.

Note 14 Activities, including working parties

	2012	2011
ISBT Academy	€ - 30,931	€ 2,237
Working Party on Transfusion Transmissible Infectious Diseases	31,902	8,351
Working Party on Platelet Immunobiology	485	- 13,368
Working Party on Granulocyte Antibody	- 826	-
Working Party on Information Technology	-	- 5,092
Working Party on Red Cell Immunogenetics and Terminology	3,176	- 2,897
Working Party on Rare Donors	-	- 106
Arab Transfusion Medicine Course	-	- 87
	<u>€ 3,806</u>	<u>€ - 10,962</u>

The goals of the ISBT Academy include among other things, hosting workshops or educational activities in association with a national and international symposium or congress, supporting educational activities in association with a national and international symposium or congress and facilitating core curriculum courses in transfusion medicine. The ISBT Academy is supported in part by contributions from the International Council for Commonality in Blood Banking Automation (ICCBBA) which were used in 2012 to support two events - two sessions on clinical aspects of transfusion safety at the International Alliance for Biological Standardization (IABS) symposium held in Singapore in July 2011 and a one day workshop on blood inventory management and the appropriate use of blood following the Malaysian society of blood transfusion conference held in Kuala Lumpur in October 2011.

Note 15 Commitments and contingencies

On 1 January 2012, the ISBT entered into a five year lease agreement for the use of its office space. Under the terms of the agreement, the ISBT is required to pay €11,331 every quarter. As inducements to enter into the lease agreement, the ISBT was not required to pay rent for the first calendar quarter of 2012 and was given €5,000 towards the purchase of leasehold improvements.

Note 16 Taxes

Under an agreement reached with the Dutch tax authorities, the ISBT is entitled to maintain sufficient equity (Tax Free Equity) to cover the average financial risk associated with a congress. The amount of such equity consists of the ISBT's working capital at 31 March 2008 (as agreed to by the Dutch tax authorities) of €1,218,133 and may be supplemented by a reserve toward future spending (Flexible Risk Reserve).

The Society's reserves for tax purposes are as follows:

	Working Capital	Flexible Risk	Deemed Capital	Total
Balance as of 31 March 2010	1,218,133	181,179	898,549	2,297,861
Net result	-	-	-	-
Balance as of 31 March 2011	€ 1,218,133	€ 181,179	€ 898,549	€ 2,297,861
Net result	-	378,046	-	378,046
Balance as of 31 March 2012	<u>€ 1,218,133</u>	<u>€ 559,225</u>	<u>€ 898,549</u>	<u>€ 2,675,907</u>

As a result of this agreement, the Society will not have an income tax liability as long as it makes sufficient donations to the ISBT Foundation. Under the agreement, if the Society has taxable income, it is obligated to donate up to €100,000 of such income to the ISBT Foundation. The balance of the Society's taxable income is then added to its Flexible Risk Reserve. If the actual Tax Free Equity exceeds the maximum Tax Free Equity (i.e. the average cost of its last three and upcoming two congresses), such excess will also be donated to the ISBT Foundation.

	2012	2011
Total cost of the last three congresses	€ 5,265,618	€ 5,446,703
Expected cost of its upcoming two congresses	4,782,152	2,855,671
	<u>€ 10,047,770</u>	<u>€ 8,302,374</u>
Maximum Tax Free Equity	€ 2,009,554	€ 1,660,475
Actual Tax Free Equity	€ 1,777,358	€ 1,399,312

As the maximum Tax Free Equity is greater than the Society's actual Tax Free Equity, the Society is not required to make any further donations to the ISBT Foundation.

16 May 2012

The Board of Directors