

The Nuffield 1940 Trust
(Formerly THE NUFFIELD TRUST FOR RESEARCH
AND POLICY STUDIES IN HEALTH SERVICES)

Report and Accounts
For the year ended 30 September 2008

The Nuffield Trust
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Charity number 209201

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Published by The Nuffield Trust
59 New Cavendish Street, London W1G 7LP

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LEGAL AND ADMINISTRATIVE DETAILS

Patron

Her Royal Highness The Princess Royal

Governing Trustee

The Nuffield Trust for Research and Policy Studies in Health Studies, a charitable company (formerly The Nuffield Health and Social Services Fund).

Senior Staff

Jennifer Dixon *Director (appointed February 2008)*

Kim Beazor *Chief Operating Officer (resigned February 2008)*

Professional Advisers

Auditors

BDO Stoy Hayward LLP

Emerald House

East Street

Epsom

Surrey

KT17 1HS

Bankers

Coutts & Co

440 Strand

London

WC2R 0QS

Investment Managers

JPMorgan Asset Management

Finsbury Dials

20 Finsbury Street

London

EC2Y 9AQ

Legal Advisers

Stone King LLP

16 St John's Lane

London

EC1M 4BS

TRUSTEES' REPORT

The Trustees present their report and the financial statements of the charity ("the Trust") for the year ended 30 September 2008. The Trustees have prepared the accounts in accordance with current statutory requirements and the Statement of Recommended Practice (SORP) 2005 – Accounting and Reporting by Charities.

The objects of The Nuffield 1940 Trust are to promote, carry out or advance any charitable objects, and in particular the prevention or relief of sickness and the advancement of the health of the people of the United Kingdom, specifically through the promotion of improvements in the quality of healthcare and health policy.

Structural reorganisation

The Position prior to 30 November 2007.

Under the terms of the original endowment from Lord Nuffield, two entities existed; *The Nuffield Trust for Research and Policy Studies in Health Services* and *The Nuffield Health and Social Services Fund*, each with its own legal basis and separable purposes. The Nuffield Trust for Research and Policy Studies in Health Services was unincorporated and to spring clean, Trustees needed simultaneously to merge the activities of The Nuffield Trust for Research and Policy Studies in Health Services into The Nuffield Health and Social Services Fund and bring the two together in a form satisfactory to regulators. Complications arose through The Nuffield Trust for Research and Policy Studies in Health Services' membership of the Universities Superannuation Scheme.

On 30 November 2007.

The assets, liabilities and operations of The Nuffield Trust for Research and Policy Studies in Health Services were added to those already in The Nuffield Health and Social Services Fund, The Nuffield Trust for Research and Policy Studies in Health Services was renamed '*The Nuffield 1940 Trust*', The Nuffield Health and Social Services Fund was renamed '*The Nuffield Trust for Research and Policy Studies in Health Services*', the newly named The Nuffield Trust for Research and Policy Studies in Health Services became the sole trustee of The Nuffield 1940 Trust and all of the Trustees of The Nuffield 1940 Trust resigned and became the directors and Trustees of the newly named The Nuffield Trust for Research and Policy Studies in Health Services

Within these Report and Accounts, the term 'the Trust' refers to the newly named The Nuffield Trust for Research and Policy Studies in Health Services (formerly The Nuffield Health and Social Services Fund) and the term 'the 1940 Trust' refers to The Nuffield 1940 Trust (formerly The Nuffield Trust for Research and Policy Studies in Health Services).

The 1940 Trust has been inactive since 30 November 2007 and it is intended that the Charity Commissioner will shortly be asked to remove the Charity from the Register of Charities.

Financial Matters

Total incoming resources for the year were £512,000 (eighteen months ended September 2007 - £3,553,000) and total resources expended were £74,561,000 (eighteen months ended September 2007 - £3,106,000). In the year, total resources expended exceeded incoming resources by £74,049,000 (eighteen months ended September 2007 – £447,000).

The costs, as detailed in note 5, include the management processes in commissioning the outsourced work and also the monitoring of the performance of all outsourced programmes and coordination of external advice including commissioned work refereeing.

Risk Assessment

The Trustees continue to review procedures and reporting systems to manage and reduce risks.

Policy on investment

There are no restrictions on the Charity's power to invest.

The Trustees keep under review the investment policy and the investment objectives given to the Trust's investment managers, JP Morgan Asset Management. The Trustees agreed that with effect from 1 July 2007 the funds should be managed on a Total Returns basis and that the objectives should be:

- i) to increase in real terms the value of the Trust's assets over time;
- ii) to receive a minimum income in the financial year 2007-08 of 4% of the value of funds net of fees measured over a rolling three year period;
- iii) there should be no direct investment in tobacco manufacturers.

The 1940 Trust's investments were transferred in their entirety to the Trust on 30 November 2007.

Policy on reserves

The 1940 Trust's assets, liabilities and operations were transferred to the Trust on 30 November 2007, therefore the 1940 Trust no longer holds or has a need for reserves.

Public Benefit

The 1940 Trust worked during October and November 2007 to promote improvements in the quality of healthcare and health policy. In so doing it sought to improve patient care and health for all members of the public. All its charitable activities focused on healthcare policy and were undertaken to further its charitable purpose for the public benefit.

Connected Charity

The Nuffield Trust for Research and Policy Studies in Health Services (the Trust), a charitable company (charity number 209169, company number 382452), is a connected charity of the Nuffield 1940 Trust as during the period under review it shared some common Trustees (not all). The sole trustee of the 1940 Trust is now The Nuffield Trust for Research and Policy Studies in Health Services and the administration of this entity is carried out at The Nuffield Trust for Research and Policy Studies in Health Services' headquarters. See Structural Reorganisation above for further details.

The original capital for the Trust arose from a grant given to the Trust by the 1940 Trust.

Responsibilities of the Trustees

The Trustees are responsible for preparing the report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice and are required by law to prepare financial statements for each financial period which give a true and fair view of the financial activities of the charity and of its financial position at the end of that period. In preparing those financial statements the Trustees are required to:

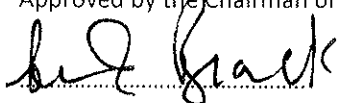
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

BDO Stoy Hayward LLP have indicated their willingness to continue in office.

Approved by the Chairman on behalf of The Nuffield 1940 Trust

A handwritten signature in black ink, appearing to read 'B. J. G. G. G.', written over a dotted horizontal line.

Chairman, The Nuffield 1940 Trust

2 March 2009

Report of the Independent Auditors to The Nuffield 1940 Trust (formerly The Nuffield Trust for Research and Policy Studies in Health Services)

We have audited the financial statements of The Nuffield 1940 Trust (formerly The Nuffield Trust for Research and Policy Studies in Health Services) for the year ended 30 September 2008 which comprise the statement of financial activities, the balance sheet and the related notes. These statements have been prepared under the accounting policies set out therein.

Respective Responsibilities of Trustees and Auditors

The Trustees' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustee's Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if the financial statements are not in accordance with the charity's accounting records.

We read other information in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information. We have been appointed as auditors under s43 of the Charities Act 1993 and report in accordance with regulations made under s44 of that Act.

Our report has been prepared pursuant to the requirements of the Charities Act 1993 and for no other purpose. No person is entitled to rely on the report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Charities Act 1993 or has been expressly authorised to do so by prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of Audit Opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with applicable accounting standards, of the state of the charity's affairs as at 30 September 2008 and of its incoming resources and application of resources in the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993.

BDO Stoy Hayward LLP
Chartered Accountants and
Registered Auditors
Epsom, Surrey



9th March 2009

THE NUFFIELD 1940 TRUST formerly
THE NUFFIELD TRUST FOR RESEARCH AND POLICY STUDIES IN HEALTH SERVICES

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Note	Unrestricted funds	Expendable endowment fund	Total funds year to Sept 2008	Total funds eighteen months to Sept 2007
		£000	£000	£000	£000
Incoming resources					
Investment income	2	-	508	508	3,514
Publication sales and royalties		4	-	4	3
Other income	3	-	-	-	36
Total incoming resources		4	508	512	3,553
Resources expended					
Costs of generating funds	4	-	48	48	352
Charitable activities	5	74,474	-	74,474	2,420
Governance costs	6	39	-	39	334
Total resources expended		74,513	48	74,561	3,106
Net Outgoing/(Incoming) Resources for the year		(74,509)	460	(74,049)	447
Transfers	8	74,509	(74,509)	-	-
Net Incoming/(Outgoing) resources for the year before other recognised gains and losses		-	(74,049)	(74,049)	447
Other recognised gains and losses					
Gains on investments Realised on disposal of investments		-	-	-	4,336
Unrealised		-	(1,484)	(1,484)	(1,064)
Net movement in funds		-	(75,533)	(75,533)	3,720
Balances brought forward at 1 October 2007		-	75,533	75,533	71,814
Balances carried forward at 30 September 2008		-	-	-	75,533

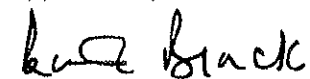
The notes on pages 9 to 18 form part of these accounts. All transactions derive from the activities of the charity.

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BALANCE SHEET AT 30 SEPTEMBER 2008

	Note	30 September 2008	30 September 2007
		£000	£000
Fixed assets			
Tangible fixed assets	9	-	1,927
Investments	10	-	73,861
		-----	-----
		-	75,788
 Current assets			
Debtors	11	-	119
Short term deposits		-	282
Cash at bank and in hand		-	13
		-----	-----
		-	414
 Creditors: amounts falling due within one year	12	-	(669)
		-----	-----
Net current (liabilities)		-	(256)
		-----	-----
 Net assets		-	75,533
		=====	=====
 Funds			
Expendable endowment fund	13	-	75,533
		=====	=====

Approved by the Chairman on behalf of The Nuffield 1940 Trust on 2 March 2009



Chairman, The Nuffield 1940 Trust
2 March 2009

The notes on pages 9 to 18 form part of these accounts.

THE NUFFIELD 1940 TRUST formerly
THE NUFFIELD TRUST FOR RESEARCH AND POLICY STUDIES IN HEALTH SERVICES

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention (except for investments and a leasehold property, which are valued at market value) and in accordance with the revised Statement of Recommended Practice Accounting and Reporting by Charities, issued in October 2005, applicable accounting standards and the Charities Act 1993. The accounts include the results of the charity's operations which are described in the Trustees' Report.

The principal accounting policies of The Nuffield 1940 Trust are shown below.

a) **Investment income**

Dividends and interest are included on an accruals basis.

Dividends and interest are stated inclusive of the relevant tax claim as The Nuffield 1940 Trust, being a charity, has activities that are not liable to income tax.

b) **Resources expended**

Direct charitable expenditure comprises all expenditure directly relating to the objects of The Nuffield 1940 Trust.

Costs of generating funds comprises expenses relating to management of The Nuffield 1940 Trust's investments.

c) **Fixed assets**

Furniture and equipment acquisitions have been capitalised and depreciation provided for at 25% on an annual straight line basis.

The leasehold premises acquired in 1992 are being depreciated on a straight line basis over the remaining 87 years of the lease. Straight line depreciation of 5% per annum has been applied to capital additions.

d) **Investments**

Investments are included at market value. Any realised or unrealised gains or losses arising from disposals are taken direct to the General Funds, by way of a credit or debit to the Statement of Financial Activities.

The cost of investments is shown in note 10.

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

- e) **Foreign transactions**
 Assets in foreign currencies held at the year end have been translated into sterling at the rates ruling at that date. Transactions during the year have been converted at the rates ruling at the date of the transaction.
- f) **Commissioned work**
 Commissioned work is allocated and recognised as expenditure in full in the year of approval from the General Fund on the basis of the anticipated expenditure during the tenure of each piece of commissioned work.
- g) **Staff Pensions**
 The Nuffield 1940 Trust participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The liabilities are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustee on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which The Nuffield 1940 Trust benefits from the employees' services. See note 18.
- h) **Governance Costs**
 Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

	Year ended 30 Sept 2008	18 months ended 30 Sept 2007
2. INVESTMENT INCOME	£000	£000
Investment income received in the year/period was made up as follows:		
Investment portfolio	490	3,388
Bank interest	18	126
	508	3,514
	508	3,514

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THE NUFFIELD TRUST FOR RESEARCH AND POLICY STUDIES IN HEALTH SERVICES

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

3.	OTHER INCOME		Year ended 30 Sept 2008 £000	18 months ended 30 Sept 2007 £000	
	Costs recharged to Nuffield Health & Social Services Fund		-	36	
			<u> </u>	<u> </u>	
4.	COSTS OF GENERATING FUNDS		Year ended 30 Sept 2008 £000	18 months ended 30 Sept 2007 £000	
	Investment management fees – charged		48	166	
	Investment management fees – offset portfolio valuation			75	
	Investment management fees – brokers fees		-	111	
			<u> </u>	<u> </u>	
			48	352	
			<u> </u>	<u> </u>	
5.	CHARITABLE EXPENDITURE		Year ended 30 Sept 2008 £000	18 months ended 30 Sept 2007 £000	
		Commissioned Work £000	Direct Spend £000	Support Costs £000	
	General (note 14)	74,333	-	-	74,333
	Policy Futures	-	0	0	0
	Changing Role of the State	-	0	3	3
	Health of the People	-	-	-	-
	Quality Health Care	-	7	41	47
	Sponsored conferences, meetings etc	-	12	73	85
	Alliances & Partnerships	-	-	-	-
	Fellowships	-	0	3	3
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		74,333	20	120	74,472
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE NUFFIELD 1940 TRUST formerly
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

6. ALLOCATION OF SUPPORT COSTS

	Year Ended 30 September 2008			18 Months Ended 30 Sept 2007	Basis of Apportionment
	Total Allocated	Governance	Charitable Activities		
	£000	£000	£000	£000	
Staff Costs	36	13	23	510	Staff Time
Premises Costs	48	1	47	199	Use of Area & Staff Time
General Costs	33	2	31	400	Use of Area & Staff Time
Professional Fees & Other Costs	31	12	19	396	Staff Time
Governance Fees	11	11		137	Nature of Charge
	159	39	120	1642	

Trustees expenses included in general costs above amount to £Nil (2007 £7,000)

Governance fees include audit fees of £2,500 (2007 £15,000)

	Year ended 30 September 2008 £000	18 months ended 30 September 2007 £000
7. STAFF COSTS		
Wages and salaries	31	427
Social Security costs	3	33
Pension costs	2	50
	36	510

The average number of employees, including directors, during the period was 5 (2007 - 9). During the period no person received emoluments in excess of £60,000 p.a. (2007 - one person received emoluments in the band £80,001 to £90,000). The 2007 pension contribution costs include a £20,000 contribution payable to the USS on the transfer of activities from the Trust to the Fund – see note 18.

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

8. TRANSFERS BETWEEN FUNDS

Under the terms of the expendable endowment, any shortfall in unrestricted funds can be transferred from the expendable endowment.

9. TANGIBLE FIXED ASSETS

	Leasehold properties £000	Furniture and equipment £000	Total £000
Cost or valuation			
1 October 2007	2,020	243	2,263
Transfer to the Fund	(2,020)	(243)	(2,263)
	_____	_____	_____
30 September 2008	-	-	-
	_____	_____	_____
Depreciation			
1 October 2007	115	221	336
Provision during year	4	1	5
Transfer to the Fund	(119)	(222)	(341)
	_____	_____	_____
30 September 2008	-	-	-
	_____	_____	_____
Net Book Value at 30 September 2008	-	-	-
	=====	=====	=====
Net Book Value at 30 September 2007	1,905	22	1,927
	=====	=====	=====

**THE NUFFIELD 1940 TRUST formerly
THE NUFFIELD TRUST FOR RESEARCH AND POLICY STUDIES IN HEALTH SERVICES**

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008**

10. **FIXED ASSET INVESTMENTS**

	2008	2007
	£000	£000
Quoted investments		
Market value 1 October 2007	71,368	68,458
Additions	390	32,519
Disposals	-	(27,965)
Unrealised losses	(1,484)	(1,064)
Transfer to the Trust	(70,274)	-
	<hr/>	<hr/>
Market value at 30 September 2008	-	71,948
Short term deposits	-	1,913
	<hr/>	<hr/>
Total investments at 30 September 2008	-	73,861
	<hr/> <hr/>	<hr/> <hr/>
Historical cost as at 30 September 2008	-	68,684
	<hr/>	<hr/>
The geographical split of investments is as follows:		
UK:		
Equities		45,712
Fixed interest bonds		9,639
Overseas:		
Equities	-	16,016
Other:		
Cash deposit	-	581
Cash in hand	-	1,913
	<hr/>	<hr/>
	-	73,861
	<hr/> <hr/>	<hr/> <hr/>

THE NUFFIELD 1940 TRUST formerly
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

11. DEBTORS

	2008	2007
	£000	£000
Current Account – Connected Charity (Note 17)	-	47
Prepayments	-	21
Other debtors	-	51
	-	119
	-	119

12. CREDITORS: amounts falling due within one year

	2008	2007
	£000	£000
Tax and social security	-	6
Commissioned work commitment	-	334
Accruals and other creditors	-	329
	-	669
	-	669

13. EXPENDABLE ENDOWMENT FUNDS

The expendable endowment fund was created by a gift from Viscount Nuffield in June 1940.

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

14. **COMMISSIONED WORK AWARDED**

	Year ended 30 September 2008 £000	18 months ended 30 September 2007 £000
The Nuffield Health and Social Services Fund	74,333	600
Quest for Quality 10 Year Review	-	75
Independent management in the NHS	-	50
Health reforms and system changes for the UK	-	39
Academic health centres (series II)	-	28
Devolution in Health Revisited	-	24
Electronic patients' records Nov 07	-	10
Allied Health Professionals in Europe	-	9
Market reforms and equity	-	8
The politics of scrutiny	-	7
Howard Goodman Research Fellowship	-	5
Commissions Withdrawn	-	(43)
	<hr/>	<hr/>
	74,333	812
	<hr/> <hr/>	<hr/> <hr/>

15. **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible fixed assets £000	Investments £000	Other net (liabilities) £000	Total £000
Expendable endowment fund	-	-	-	-

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

16. TRUSTEES' EXPENSES

The Trustees are reimbursed the costs of attending the offices and meetings relating to the affairs of The Nuffield 1940 Trust and receive no other form of payment or remuneration. The total costs incurred for the year were £Nil (2007 - £7,000).

17. CONNECTED CHARITY

The Nuffield Trust for Research and Policy Studies in Health Services (formerly The Nuffield Health and Social Services Fund) ('the Trust'), a charitable company (charity number 209169, company number 382452) is a connected charity of The Nuffield 1940 Trust as, during the year under review, it shared some common Trustees (not all) and the administration of this charitable company was carried out at The Nuffield 1940 Trust's headquarters. The objectives and constitution of The Nuffield Trust for Research and Policy Studies in Health Services were changed in April 2006 to match those of The Nuffield 1940 Trust.

On 30 November 2007 the 1940 Trust's assets, liabilities & operations were transferred to the Trust. The net book value of assets transferred at this date was £74,333,000 and in accordance with the Statement of Recommended Practice *Accounting and Reporting by Charities*, issued in October 2005, this transfer has been treated as commissioned work (see Note 5).

18. STAFF PENSIONS

The Nuffield 1940 Trust participates in the Universities Superannuation Scheme, a defined benefit scheme that is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it were a defined contribution scheme. The cost recognised within the surplus/deficit for the period in the statement of financial activities is equal to the contributions payable to the scheme for the period.

The latest actuarial valuation of the scheme was at 31 March 2005. The detailed Actuarial Valuation Report is available on the USS website www.usshq.co.uk. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest) and the rates of increase in salary and pensions. In relation to the past service liabilities the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 4.5% per annum, salary increases would be 3.9% per annum and pensions would increase by 2.9% per annum. In relation to the future service liabilities it was assumed that the valuation rate of interest would be 6.2% per annum, including an additional investment return assumption of 1.7% per annum, salary increases would be 3.9% per annum and pensions would increase by 2.9% per annum. The valuation was carried out using the

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

projected unit method.

At the valuation date, the market value of the assets of the scheme was £21,739 million and the value of the past service liabilities was £28,308 million leaving a deficit of £6,568 million.

The assets therefore were sufficient to cover 77% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Surpluses or deficits which arise at future valuations may have an impact on The Nuffield 1940 Trust's future contribution commitment. The next formal actuarial valuation is due as at 31 March 2008, when the above rates will be reviewed. The total pension cost for The Nuffield 1940 Trust was £2,000 (2007 £30,000). The contribution rate payable by The Nuffield 1940 Trust was 14% of pensionable salaries.