



THE ASSOCIATION OF ANAESTHETISTS
of Great Britain & Ireland

A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

Company Number 1888799

Registered Office	21 Portland Place London W1B 1PY
Auditors	Hartley Fowler LLP, Chartered Accountants 44 Springfield Road, Horsham RH12 2PD
Bankers	HSBC PO Box 648 27-32 Poultry, London EC2P 2BX
Solicitors	Hempsons Hempsons House 40 Villiers Street, London WC2N 6NJ

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2006

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**ASSOCIATION OF ANAESTHETISTS
OF GREAT BRITAIN AND IRELAND**

DIRECTORS' REPORT

The directors present their annual report and the audited Financial Statements for the year to 31st March 2006.

1 Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the income and expenditure of the Association for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- follow applicable accounting standards;
- 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 Association will continue in business;
- maintain the integrity of corporate and financial information on the company's website.

The directors have taken all the steps required to make the auditors aware of any relevant audit information in connection with preparing their report.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Companies Act 1985 and United Kingdom Generally Accepted Accounting Practice (UKGAAP). They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have established systems of internal control, comprising financial estimates and annual budgets, delegated authorities for operational management and segregation of duties, reviews of financial and investment performance and the identification and management of risks.

The internal controls are subject to ongoing assessment and evaluation by the directors. At least two meetings a year are held to consider financial management and performance in detail. In addition, the Honorary Treasurer reports on financial matters to each Council meeting of the Association, comprising directors and co-opted members. These meetings record the formal review and approval of all aspects of finance, internal controls and accounts.

2 Review of Activities

The principal activities of the Association were the promotion of the development and study of anaesthetics and the fostering of research into anaesthetics and allied subjects.

A full review of activities is given in the Annual Report.

3 Nature of the Company

The Association is a Company limited by Guarantee and does not have a share capital.

ASSOCIATION OF ANAESTHETISTS OF GREAT BRITAIN AND IRELAND

DIRECTORS' REPORT

4 Results

The Association made a surplus for the year amounting to £13,631 after a transfer of £50,000 to the Development Fund (2005: a surplus of £1,969). The Association is prohibited by its Memorandum of Association from paying a dividend to its Members.

Total income exceeded the previous year, reflecting an increase in membership and activities. Exhibition income associated with scientific meetings held by the Education and Research Trust increased, and the net surplus forms part of the Gift Aid grant to the Trust. The Association continued the publication of its prestigious scientific journal "Anaesthesia" from which it derives a substantial income, together with "Anaesthesia News", the journal for members. In addition, the Association generated an increased income before allocated overheads from services, including administration and event management for a number of specialist societies related to anaesthesia. The post of Specialist Societies Secretary to assist with this service was made possible by industry sponsorship from Abbott Laboratories.

The definition of common administrative expenses shared with the Education and Research Trust was changed at the start of the year. The effect has been to attribute more direct costs to each organisation that were formerly shared, principally the cost of publications that form part of membership benefits. The membership and events database is a major asset and the development to provide member access via the website was substantially completed. The costs of development have been capitalised.

During the year, the Association increased the level of donation by Gift Aid to the Education and Research Trust to advance its educational programme and to support the cost of its activities.

The Association's investments in the stock market increased in value during the year and at the market prices ruling on 31st March 2006 generated further unrealised gains. Disposals during the year resulted in an overall loss of £658, which is reported as a loss of £190 in the year, after deducting previously recognised losses. Cash is held on deposit as part of reserves to meet future operating costs. The Association's Investment Committee takes professional advice in the selection of investments and reviews portfolio performance against investment objectives. The Association has set risk objectives, together with guidelines on diversification of the portfolio.

A Development Fund was re-launched last year to enable the Association to fund future developments. A further amount of £50,000 was transferred in the year to this designated fund.

5 Directors

The directors who served during the year were as follows:

Dr Hilary Anne Aitken	Professor Michael Harmer
Dr Richard John Scriven Birks	Dr Allan William Harrop-Griffiths
Dr David George Bogod	Dr Ian Gordon Johnston
Dr John Anthony Carter	Dr Sean McDevitt
Dr William Alastair Chambers	Dr Leslie Roderick McNicol
Dr John Robert Dick	Professor David John Rowbotham
Dr Diana Elizabeth Dickson	Dr Michael Yoong Kan Wee
Dr Leslie William Gemmell	Dr David Kenneth Whitaker
Dr Stephanie Kathleen Greenwell	Dr Iain Henry Wilson

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DIRECTORS' REPORT

5 **Directors – *continued***

The following director served until 23rd June 2005:

Dr James Fraser Down

The following directors served until 22nd September 2005:

Dr Ellen Patricia O'Sullivan
Dr Ranjit Verma

Dr Peter Gunn MacRae Wallace
Dr David John Wilkinson

The following director served from 23rd June 2005:

Dr Jayne Sara Hunt

The following directors served from 22nd September 2005:

Dr Nicholas Malcolm Denny
Professor Chandra Mohan Kumar

Professor John Robert Sneyd

6 **Political and Charitable Contributions**

During the year the Association made gross charitable contributions of £2,000 to the Royal Medical Benevolent Fund, £1,000 to the Royal Humane Society and £875,100 to the Association of Anaesthetists of Great Britain and Ireland Education and Research Trust.

7 **Auditors**

A resolution to re-appoint Hartley Fowler LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Board

WA Chambers Secretary

Dated *16th June 2006*

**ASSOCIATION OF ANAESTHETISTS
OF GREAT BRITAIN AND IRELAND**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ASSOCIATION OF ANAESTHETISTS
OF GREAT BRITAIN AND IRELAND**

We have audited the financial statements on pages 5 to 12 of the Association of Anaesthetists of Great Britain and Ireland for the year ended 31st March 2006 which comprise the Income and Expenditure Account and Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention (as modified by the revaluation of investments) and the accounting policies set out therein.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31st March 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985. The Directors' Report is consistent with the financial statements.

Dated *19th June 2006*
44 Springfield Road
Horsham RH12 2PD

Hartley Fowler LLP
Chartered Accountants
Registered Auditors

**ASSOCIATION OF ANAESTHETISTS
OF GREAT BRITAIN AND IRELAND**

Income and Expenditure Account for the year ended 31st March 2006

2005 £		Note	£
	Income		
1,089,605	Membership Subscriptions		1,214,543
280,978	Publication of "Anaesthesia"	2	283,213
223,227	Exhibitions	3	263,579
53,684	Investment Income	4	66,989
27,500	Sponsorship and Donations		25,000
74,814	Services and Other Income		135,654
<u>1,749,808</u>			<u>1,988,978</u>
	Expenditure		
164,021	Publication of "Anaesthesia"	2	174,110
187,604	Exhibitions	3	189,298
435,053	Membership and Administrative Expenses	5	511,658
24,960	Accommodation costs		33,315
125,448	Other Expenses	6	141,676
658,000	Grant to Education and Research Trust		875,100
<u>1,595,086</u>			<u>1,925,157</u>
	Surplus of Income over Expenditure before disposal of investments		63,821
154,722			
(2,753)	Profit/(Loss) on Disposal of Investments		(190)
<u>151,969</u>	Surplus of Income over Expenditure		<u>63,631</u>
(150,000)	Transfers (to)/from Designated Funds		(50,000)
<u>1,969</u>	Retained Surplus for the year		<u>13,631</u>

Continuing Operations

None of the Association's activities were acquired or discontinued during the current or previous years.

Statement of Total Recognised Gains and Losses

£		£
1,969	Surplus for the year	13,631
133,410	Unrealised Gain/(Loss) on Revaluation of Investments	318,671
<u>135,379</u>	Total Recognised Gains and Losses since last Annual Report	<u>332,302</u>

**ASSOCIATION OF ANAESTHETISTS
OF GREAT BRITAIN AND IRELAND**

Balance Sheet as at 31st March 2006

2005 £		Note	£
	Fixed Assets		
	Tangible Assets		
95,790	Furnishings and Office Equipment	9	<u>96,366</u>
<u>95,790</u>			96,366
1,422,164	Investments	10	<u>1,991,338</u>
<u>1,517,954</u>			<u>2,087,704</u>
	Current Assets		
9,276	Stock	11	4,596
429,278	Debtors	12	459,994
316,212	Cash at Bank and In Hand		194,187
<u>850,000</u>	Loan to Education and Research Trust	13	<u>850,000</u>
<u>1,604,766</u>			<u>1,508,777</u>
	Creditors: Amounts falling due within one year		
282,623	Subscriptions in Advance		310,988
<u>145,324</u>	Creditors	14	<u>208,886</u>
<u>427,947</u>			<u>519,874</u>
<u>1,176,819</u>	Net Current Assets		<u>988,903</u>
<u>2,694,773</u>	Total Assets less Current Liabilities		<u>3,076,607</u>
	Represented by:		
204,420	Revaluation Reserve	15	523,091
150,000	Development Fund	16	200,000
<u>2,340,353</u>	General Fund	17	<u>2,353,516</u>
<u>2,694,773</u>			<u>3,076,607</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

M Harmer Director

R J S Birks Director

The directors approved the Financial Statements on 16th June 2006.

The notes form part of these financial statements.

**ASSOCIATION OF ANAESTHETISTS
OF GREAT BRITAIN AND IRELAND**

Notes to the Financial Statements for the year ended 31st March 2006

1 ACCOUNTING POLICIES

The accounts are prepared under the historical cost convention except for fixed asset investments which are valued at market value.

All individual assets with a cost of more than £100 or forming part of a larger capital project are capitalised and included in the balance sheet at cost, including software in the course of development. Depreciation is provided at the following rates on a straight line basis:

Furnishings	10%
Office Equipment	33%

The Association operates a defined contribution pension scheme. Contributions are charged to the Income and Expenditure Account as they become payable under the scheme.

Investments are valued at market value. The unrealised gains or losses are taken to the Revaluation Reserve.

Stocks are valued at the lower of cost and net realisable value.

The subscription year runs to 30th June and one quarter of the subscriptions received for the year are carried forward as subscriptions paid in advance. No accrual is made for outstanding subscriptions.

2 PUBLICATION OF "ANAESTHESIA"

2005		
£		£
280,978	Income from Publication	283,213
<u>164,021</u>	Less: Expenses	<u>174,110</u>
<u>116,957</u>		<u>109,103</u>

3 EXHIBITIONS

2005		
£		£
223,227	Income from Marketing	263,579
<u>187,604</u>	Less: Expenses	<u>189,298</u>
<u>35,623</u>		<u>74,281</u>

The surplus on exhibitions was donated by Gift Aid to the Education and Research Trust.

**ASSOCIATION OF ANAESTHETISTS
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Notes to the Financial Statements for the year ended 31st March 2006

4 INVESTMENT INCOME

2005		£
£		
16,399	Interest on Cash Deposits	20,881
18,713	Fixed Interest Securities	14,774
18,572	Other Investments	31,334
<u>53,684</u>		<u>66,989</u>

5 MEMBERSHIP AND ADMINISTRATIVE EXPENSES

2005		£
£	<i>Gross Costs</i>	
237,780	Salaries and Other Staff Costs	228,738
148,964	Printing and Office Expenses	98,465
131,379	Travelling Expenses	130,320
35,298	Public Affairs	37,461
35,846	Computer Services	52,430
8,616	Insurance	8,775
46,151	Legal and Professional Charges	-
62,180	Depreciation of Office Equipment	50,143
<u>706,214</u>		<u>606,332</u>
	Recovered from Education and Research Trust	
45,000	Special Activities	45,000
<u>322,107</u>	Administrative Expenses (50%)	<u>272,166</u>
<u>367,107</u>		<u>317,166</u>
	Retained by the Association	
17,000	Special Activities	17,000
<u>322,107</u>	Administrative Expenses (50%)	272,166
-	Publications	84,174
11,778	Standing Committee expenses	12,902
35,053	Meetings - sundry expenses	31,202
47,974	Personal Accident Insurance for members	50,487
15,244	Linkman Conference	11,712
-	Legal and Professional Charges	20,210
-	Other Governance Costs	24,950
2,897	Audit Fee	3,855
<u>435,053</u>		<u>511,658</u>

Administrative costs for common services are shared with the Association of Anaesthetists Education and Research Trust. The remaining costs related to membership and administration have been directly attributed, such as printing publications and governance. In the previous year these costs were shared; the comparative figures have not been restated.

Standing Committees generated income which offset their costs.

**ASSOCIATION OF ANAESTHETISTS
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Notes to the Financial Statements for the year ended 31st March 2006

6 OTHER EXPENSES

2005		£
£		
28,391	Travelling Abroad	23,961
4,701	Subscription – WFSA	5,040
1,922	Subscription – CENSA/ESA	2,169
60,647	Specialist Society Support	58,261
6,953	Investment Management Fees	10,079
19,834	Rechargeable and Miscellaneous Expenses	39,166
2,000	Donation - Royal Medical Benevolent Fund	2,000
1,000	Donation - Royal Humane Society	1,000
<u>125,448</u>		<u>141,676</u>

7 EMPLOYEE COSTS

The average number of people employed by the Association during the year was ten, including Specialist Societies support (2005: 10). The payroll costs comprised:

2005		£
£		
239,686	Salaries	227,872
25,253	Social Security Costs	22,509
15,170	Pension Costs	17,214
<u>280,109</u>		<u>267,595</u>

The Association operates a defined contribution pension scheme. Contributions are made for eligible staff and assets are held in independently administered funds.

8 TAXATION

There is no liability to Corporation Tax arising on the surplus for the year ended 31st March 2006 (2005: Nil). Provision for deferred tax is not required.

**ASSOCIATION OF ANAESTHETISTS
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Notes to the Financial Statements for the year ended 31st March 2006

9 FURNISHINGS AND OFFICE EQUIPMENT

2005		Furniture & Furnishings	Office Equipment	Total £
499,480	Cost at beginning of year	75,864	395,838	471,702
(106,732)	Disposals this year at cost	-	(50,564)	(50,564)
18,851	Additions this year at cost	1,405	22,825	24,230
60,103	Development costs	-	30,116	30,116
<u>471,702</u>	Cost at end of year	<u>77,269</u>	<u>398,215</u>	<u>475,484</u>
	Depreciation			
410,850	Provided at beginning of year	52,105	323,807	375,912
(106,732)	Disposals this year	-	(50,564)	(50,564)
71,794	Charge for the year	<u>3,627</u>	<u>50,143</u>	<u>53,770</u>
<u>375,912</u>	Provision at end of year	<u>55,732</u>	<u>323,386</u>	<u>379,118</u>
<u>95,790</u>	Net Book Value at end of year	<u>21,537</u>	<u>74,829</u>	<u>96,366</u>

Costs incurred in developing the Association's database have been capitalised and depreciation has been charged.

10 INVESTMENTS

2005 £		£
1,098,303	Market value at beginning of year	1,422,164
387,863	Additions - at cost	284,031
(197,412)	Disposals	(33,528)
133,410	Net unrealised gains or losses on revaluation	<u>318,671</u>
<u>1,422,164</u>	Market value at end of year	<u>1,991,338</u>
	<i>Analysis of investments - at cost</i>	
<u>1,217,744</u>	Investment and Unit Trusts - UK listed	<u>1,468,247</u>

11 STOCK

2005 £		£
4,586	Souvenirs for sale	4,596
4,690	History of the Association publication	-
<u>9,276</u>		<u>4,596</u>

**ASSOCIATION OF ANAESTHETISTS
OF GREAT BRITAIN AND IRELAND**

Notes to the Financial Statements for the year ended 31st March 2006

12 DEBTORS

2005		£
£		£
37,516	Trade Debtors	95,700
272,462	Education and Research Trust Current Account	268,768
58,760	Other Debtors	50,333
60,540	Prepayments	45,193
<u>429,278</u>		<u>459,994</u>

13 LOAN TO THE EDUCATION AND RESEARCH TRUST

The loan to the Association of Anaesthetists of Great Britain and Ireland Education and Research Trust is unsecured and repayable on demand.

14 CREDITORS

2005		£
£	<i>Amounts falling due within one year</i>	£
26,508	Trade Creditors	71,368
80,349	Other Creditors and Accruals	90,921
11,374	Receipts in Advance	16,899
27,093	Taxes and Social Security Costs	29,698
<u>145,324</u>		<u>208,886</u>

15 REVALUATION RESERVE

2005		£
£		£
71,010	At beginning of year	204,420
133,410	Movement during the year	318,671
<u>204,420</u>	At end of year	<u>523,091</u>

The revaluation reserve arises on the valuation of investments at market value.

16 DEVELOPMENT FUND

2005		£
£		£
-	At beginning of year	150,000
150,000	Transfer (to)/from Income and Expenditure	50,000
<u>150,000</u>	At end of year	<u>200,000</u>

The Development Fund has been established to promote the future development of the specialty of anaesthesia.

**ASSOCIATION OF ANAESTHETISTS
OF GREAT BRITAIN AND IRELAND**

Notes to the Financial Statements for the year ended 31st March 2006

17 GENERAL FUND

2005		£
2,333,043	At beginning of year	2,340,353
1,969	Surplus for the year	13,631
5,341	Transfer of realised gains/(losses)	(468)
<u>2,340,353</u>	At end of year	<u>2,353,516</u>

The Association is prohibited by its Memorandum of Association from paying a dividend to its Members. The company is controlled by its members and managed by a Council elected by the members.

18 FUTURE CAPITAL EXPENDITURE

There were no amounts contracted but not provided for in the Accounts.