

REGISTERED COMPANY NUMBER: 21963975 (England and Wales)
REGISTERED CHARITY NUMBER: 293575 (England and Wales) SC040697 (Scotland)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2011**

**FOR
AAGBI FOUNDATION**

Hartley Fowler LLP
Statutory Auditors
Chartered Accountants
44 Springfield Road
Horsham
West Sussex
RH12 2PD

AAGBI FOUNDATION

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FOR THE YEAR ENDED 31 MARCH 2011**

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AAGBI FOUNDATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011**

The directors, who are also the trustees, present their annual report and the audited Financial Statements for the year to 31 March 2011. This Report is prepared in accordance with the Memorandum and Articles of Association (the governing document) and the recommendations of the Statement of Recommended Practice (SORP 2005) - Accounting and Reporting by Charities - and complies with applicable law.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
21963975 (England and Wales)

Registered Charity number
293575 (England and Wales)
SC040697 (Scotland)

Registered office
21 Portland Place
London
W1B 1BY

AAGBI FOUNDATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011**

REFERENCE AND ADMINISTRATIVE DETAILS

Principal address and Registered Office

21 Portland Place
London
W1B 1PY

Auditors

Hartley Fowler LLP, Statutory Auditors
Chartered Accountants
44 Springfield Road,
Horsham
RH12 2PD

Bankers

HSBC
60 Queen Victoria Street
London
EC4N 4TR

Solicitors

Hempsons
Hempsons House
40 Villiers Street,
London
WC2N 6NJ

Directors and Trustees

The directors and trustees who served during the year were as follows:

Dr R J S Birks
Dr D G Bogod
Dr P A Clyburn
Dr L W Gemmell
Dr A W Harrop-Griffiths
Dr R Griffiths
Dr A J Hartle
Dr I G Johnston
Dr J B Liban
Dr B J Nicholls
Dr E P O'Sullivan
Dr F S Plaat
Dr M T Papat
Professor J R Sneyd
Dr I A Walker
Dr I H Wilson
Dr S M Yentis

The following directors served until 1 July 2010:

Dr F E Howard
Dr S L Williams

REFERENCE AND ADMINISTRATIVE DETAILS

Directors and Trustees

The following directors served until 23 September 2010:

Dr V E Bythell

Dr R Verma

The following directors served from 1 July 2010:

Dr R H Broomhead

Dr N J Love

The following directors served from 23 September 2010:

Dr A Mallick

Dr S Shinde

Dr S Q M Tighe

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Foundation is a Company limited by Guarantee and does not have a share capital, and is a Registered Charity with the Charity Commissioners for England and Wales and with the Office of the Scottish Charity Regulator.

Public Benefit Statement

The Foundation's trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. The charitable purposes of the Foundation are set out in its constitution and the objects include 'the advancement of public education in and the promotion of those branches of medical science concerned with anaesthesiology', in relation to research, 'the publication of the useful results of all such study and research' and in relation to the public generally, 'the advancement of and improvement in patient care and safety in the field of anaesthesiology and disciplines allied to anaesthesiology'. The trustees ensure that the objects are achieved through an extensive programme of education and training and the funding of research into aspects of anaesthesiology. Educational events and applications for research awards are openly advertised and the public are able to access the museum and library in London, which the Foundation's maintains to preserve the heritage of anaesthesia.

Appointment of Directors and Trustees

The majority of directors and trustees are appointed for an initial four year period, and comprise those elected by members of the Association of Anaesthetists and currently serving on the Council of that organisation. They may be re-elected for further periods while continuing to serve as elected members of the Council of the Association of Anaesthetists. In addition, up to five former Officers and Council members of the Association of Anaesthetists may be appointed as directors and trustees. This enables the management and activities of the Foundation to be co-ordinated with those of the Association, ensuring that the resources available to the Foundation are used to maximum effect in fulfilling its objects. The directors and trustees form a Board for the management of the Foundation.

Induction and training of new trustees

Newly elected members are advised on their responsibilities as directors and trustees and are progressively involved in areas of management of the Foundation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisation and Management

The full-time staff of the Foundation, together with the administrative support staff shared with the Association of Anaesthetists, work closely with appointed Officers and Board members to ensure the effective management of the organisation through its committee structure. Professional advisers are used to provide specialist advice in areas of investment, finance, law and property.

The Board meets regularly to direct the affairs of the Foundation and consults members representing other related bodies, for example the Royal College of Anaesthetists. Development and management of specific activities is delegated to sub-committees who report their proceedings to the Board.

Details of the activities undertaken by the AAGBI Foundation are available on the website of the Association of Anaesthetists.

Risk management

The directors have established systems of internal control, comprising annual budgets and financial forecasts, delegated authorities, procedures for operational management and segregation of duties. Regular reviews of financial and investment performance took place.

Risks are subject to ongoing assessment and evaluation by the directors and senior management with a summary tabled annually for review by the Board. At least two meetings a year are held to consider financial management and investment performance in detail. In addition, the Honorary Treasurer reports on financial matters to each Board meeting of the Foundation. These meetings record the formal review and approval of all aspects of finance, internal controls and accounts.

The directors have established budgetary procedures and controls to manage the commercial risks inherent in organising large scientific meetings.

OBJECTIVES AND ACTIVITIES

The principal activities of the Foundation are related to the improvement of patient care. This is primarily achieved through the advancement of public education concerned with anaesthesiology, together with the funding of study and research into anaesthesiology and related sciences. In fulfilment of these aims, the Foundation organises several large scientific meetings and an extensive seminar programme, and is a major grant maker to researchers into aspects of anaesthesia. An extensive library and museum dedicated to anaesthesia is open to the public.

The Foundation's premises at 21 Portland Place, London continue to provide excellent facilities for its seminar programme and other activities, including the library and museum in the specially designed Abbott Forum. The building offers accommodation for the administrative and finance activities shared with the Association and one other organisation related to anaesthesia.

The Foundation works closely with the Association of Anaesthetists, which provides major funding each year for the Foundation's activities. Committees have been established to oversee education through a programme of scientific meetings and seminars, and for the management of the museum and archive collection, finance and investments.

Grants are advertised to attract high quality applications from trainee and consultant anaesthetists. All applications for research are considered by a process of evaluation of proposals through the National Institute for Academic Anaesthesia, which makes awards with the approval of the Board. The progress and outcome of research projects is reviewed and reported to the Board. It is customary for the outcome of successful projects to be published in peer reviewed journals.

Support for overseas anaesthetists is given through the International Relations Committee budget and the work of the Overseas Anaesthesia Fund. The Foundation was involved in the collaborative development of a low cost pulse oximeter, a device to increase patient safety.

The Foundation's museum and extensive library is co-ordinated by an archivist and is under the direction of the committee overseeing heritage. The museum and library offers anaesthetists and members of the public the opportunity to view an exceptional collection of equipment and manuscripts related to anaesthesia.

AAGBI FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2011

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Foundation's activities were delivered in line with its charitable purpose under the following themes in 2010-11:

Education

Education events and opportunities for professional development were supported in the interests of improving patient care including 50 Seminars, 13 Regional Core Topics meetings, an Annual Congress in Harrogate and a Winter Scientific Meeting. Initial steps were taken towards offering more e-learning in 2011-12. The professional education programme is closely linked to the production of publications containing guidance on safety and standards to ensure that latest research and best practice is communicated to the field.

Research

Research funding was awarded through a variety of grants and prizes for undergraduate and post graduate work.

International

Managed through the International Relations Committee (IRC), which met regularly throughout the year, the Foundation contributed funds to support international projects and collaboration and raised money through donations to the Overseas Anaesthesia Fund.

Amongst those was the Global Oximetry (GO) Project, a UK/USA collaboration which was officially launched in New York in February 2011 and will be established soon as a new charity, Lifebox. The Foundation provided financial support towards the costs of a development officer and the purchase of 100 oximeters to be distributed to target countries. A new publication, Obstetric Anaesthesia for Developing Countries, was produced which will improve patient care overseas.

History of anaesthesia

The Foundation maintained support for the national Heritage Centre which contains archives, a museum and rare book collection and is a unique resource for research into the history of anaesthesia. Highlights of the year were a visit to the museum for a party of 60 school children, and temporary exhibitions on Anaesthesia for Animals and The Development of Pulse Oximetry.

A dedicated group of volunteers donate their time to the work of the Heritage Centre and we are very grateful for their ongoing support. An oral history project was launched with recordings with Barbara Weaver, Maurice Burrows, Professor William Mapleson and Jean Horton. A notable addition to the archives is Professor Mapleson's manuscript "Gas Flow in Anaesthetic Systems" donated via the Royal College of Anaesthetists. The history seminar entitled "Regional Anaesthesia - Past, Present and Future" was held in November 2010.

FINANCIAL REVIEW

The Foundation made a surplus for the year amounting to £417,604 including an unrealised gain on investments of £108,488 (2010: £993,740 including unrealised gains on investments of £528,740). The results are stated on the basis of the Statement of Recommended Practice 'Accounting and Reporting by Charities', issued by the Accounting Standards Board and approved by the Charity Commissioners.

The Foundation is prohibited by its Memorandum of Association from paying a dividend to its members.

The regular income of the Foundation was mainly derived from grants, donations and a net contribution from scientific meetings, together with services and investment income. The Association of Anaesthetists of Great Britain and Ireland made a grant of £1,050,000 to the education and research activities of the Foundation and to fund staff and administrative costs.

The Foundation's investment portfolio is actively managed and investment performance exceeded the benchmark return. Investments disposed of during the year realised gains of £71,443 in the current year, with overall gains of £166,682 after taking account of gains recognised in previous years. The value of investments at the market prices ruling on 31st March 2011 resulted in further unrealised gains.

The outcome of the programme of scientific meetings and seminars held during the year for education and training was a contribution of £209,528. The policy is to set delegate fees to cover all direct costs and aims to minimise the commercial risks of large meetings. This was achieved together with a contribution towards salary and overhead costs incurred by the Foundation.

AAGBI FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2011

FINANCIAL REVIEW

Total grant spending on research was £74,413, including travel and other grants. This continued the commitment to major funding of research into anaesthesia by awarding research grants through the National Institute for Academic Anaesthesia.

The International Relations Committee increased its support for anaesthetists in less developed countries substantially with expenditure of £39,519. In addition, the Overseas Anaesthesia Fund received a higher level of income and was able to increase expenditure to £61,784. Overseas grants and support amounted to over £100,000 in total for the provision of educational materials, assistance with training and travel grants, together with equipment, including support for the Global Oximetry project.

The Foundation shared administrative services with the Association of Anaesthetists and received a proportionate share of common costs for these services at 21 Portland Place. These costs were higher as a result of organisational changes. An allocation of the costs of governance has been made and, together with direct costs incurred, represents the financial cost of meeting constitutional and statutory requirements.

Rent was received during the year from tenancies with the Association of Anaesthetists of Great Britain and Ireland and the World Federation of Societies of Anaesthesiologists. The cost of maintaining 21 Portland Place to a high standard is expensed as incurred. Expenditure on maintenance was considerably higher in the previous year due to extensive work on the air conditioning system. In addition, periodic costs are incurred for redecoration under lease obligations. The building is owned on a long lease, originally 999 years granted in the 1950s, and no amortization of the lease has been provided on the grounds of materiality.

INVESTMENT POWERS AND POLICY

Under the Memorandum of Association the Foundation has the power to invest without restriction. The Foundation has adopted an ethical investment policy reflecting its position as a medical charity.

The portfolio comprised investment trusts, Treasury stock and direct holdings in shares, in line with the Foundation's agreed policy. The Foundation has set risk objectives, and adopted guidelines on diversification of the portfolio. The performance of investments and policy is regularly reviewed with the assistance of professional investment advisers. The investment policy is reviewed annually.

RESERVES POLICY

The trustees regularly review policy on reserves held in unrestricted funds and have set a goal to increase reserves when surplus funds are generated to progressively enable the Foundation to become less dependent on external funding and to utilise reserves to invest in specific projects or activities to further the charity's purpose. The Foundation's trustees are also responsible for overseeing the use and care of the historic Grade II listed building which houses the Heritage Centre and other charitable activities. Trustees therefore take into account the need to ensure sufficient reserves are held for ongoing building maintenance costs.

Unrestricted funds are held as cash on deposit or readily realisable investments to meet grant funding commitments and approximately three months operating expenditure, excluding scientific meetings that are self-funding.

PLANS FOR FUTURE PERIODS

In fulfilling its objects, the Foundation continues to rely on the support of the Association of Anaesthetists and other sponsors in maintaining its educational programme of meetings and seminars and for funding research. The financial resources available are sufficient to meet existing commitments. A strategic review is being undertaken in 2011 and this will include consideration of the future funding priorities for the Foundation.

FIXED ASSETS

Leasehold property is held on a long lease and has a market value which, in the opinion of the directors, is not materially different from the amount of £4,773,120 included in the Balance Sheet. Movements in other Fixed Assets are shown in Note 12.

AAGBI FOUNDATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of AAGBI Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 Foundation will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Foundation's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

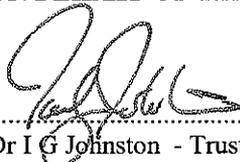
The trustees have taken all the steps required to make the auditors aware of any relevant audit information in connection with preparing their report.

AUDITORS

Hartley Fowler LLP has expressed their willingness to continue in office. A resolution to re-appoint them has been approved by the trustees.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


.....
Dr I G Johnston - Trustee

Date: 5th August 2011

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AAGBI FOUNDATION

We have audited the financial statements of AAGBI Foundation for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page seven, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We are acting as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance to those acts.

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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AAGBI FOUNDATION**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.

I R Gilchrist (Senior Statutory Auditor)
for and on behalf of Hartley Fowler LLP
Statutory Auditors
Chartered Accountants
44 Springfield Road
Horsham
West Sussex
RH12 2PD

Date: 31st August 2011



Note:

The maintenance and integrity of the AAGBI Foundation web site is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

AAGBI FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	1,055,520	91,170	1,146,690	1,137,600
Activities for generating funds	3	54,664	-	54,664	56,198
Investment income	4	67,574	-	67,574	72,749
Incoming resources from charitable activities					
Scientific Meetings	5	983,484	-	983,484	1,103,074
Total incoming resources		2,161,242	91,170	2,252,412	2,369,621
RESOURCES EXPENDED					
Costs of generating funds					
Investment management costs	6	19,229	-	19,229	13,966
Charitable activities					
Research Fellowships and Grants	7	74,413	-	74,413	163,336
Scientific Meetings		773,956	-	773,956	851,450
Overseas Grants		39,519	89,068	128,587	56,300
Heritage - Library, Museum and Archives		24,823	-	24,823	25,409
Staff and Administrative Expenses		763,907	-	763,907	757,198
Governance Costs		54,811	-	54,811	46,414
Accommodation Costs		175,013	-	175,013	214,918
Total resources expended		1,925,671	89,068	2,014,739	2,128,991
NET INCOMING RESOURCES		235,571	2,102	237,673	240,630
Other recognised gains/losses					
Gains/losses on fixed asset investments		179,931	-	179,931	753,110
Net movement in funds		415,502	2,102	417,604	993,740
RECONCILIATION OF FUNDS					
Total funds brought forward		6,510,329	1,432,116	7,942,445	6,948,705
TOTAL FUNDS CARRIED FORWARD		<u>6,925,831</u>	<u>1,434,218</u>	<u>8,360,049</u>	<u>7,942,445</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

AAGBI FOUNDATION

**BALANCE SHEET
AT 31 MARCH 2011**

	Notes	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
FIXED ASSETS					
Tangible assets	12	4,870,694	-	4,870,694	4,902,274
Investments	13	<u>2,904,981</u>	<u>-</u>	<u>2,904,981</u>	<u>2,554,248</u>
		7,775,675	-	7,775,675	7,456,522
CURRENT ASSETS					
Stocks		8,976	-	8,976	-
Debtors: amounts falling due within one year	14	94,723	-	94,723	105,589
Cash in hand		<u>(324,408)</u>	<u>1,434,218</u>	<u>1,109,810</u>	<u>1,286,327</u>
		(220,709)	1,434,218	1,213,509	1,391,916
CREDITORS					
Amounts falling due within one year	15	<u>(629,135)</u>	<u>-</u>	<u>(629,135)</u>	<u>(905,993)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(849,844)</u>	<u>1,434,218</u>	<u>584,374</u>	<u>485,923</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>6,925,831</u>	<u>1,434,218</u>	<u>8,360,049</u>	<u>7,942,445</u>
NET ASSETS					
		<u><u>6,925,831</u></u>	<u><u>1,434,218</u></u>	<u><u>8,360,049</u></u>	<u><u>7,942,445</u></u>
FUNDS					
Unrestricted funds	16			6,925,831	6,510,329
Restricted funds				<u>1,434,218</u>	<u>1,432,116</u>
TOTAL FUNDS				<u><u>8,360,049</u></u>	<u><u>7,942,445</u></u>

AAGBI FOUNDATION

**BALANCE SHEET - CONTINUED
AT 31 MARCH 2011**

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 5 August 2011 and were signed on its behalf by:


.....

Dr I G Johnston -Trustee


.....

Dr I H Wilson -Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment assets and are in accordance with the Statement of Recommended Practice (SORP 2005) - 'Accounting and Reporting by Charities', the Financial Reporting Standard for Smaller Entities (effective April 2008), the Charities Act and the Companies Act 2006.

Incoming resources

'Grants', 'Donations' and 'Sponsorships' are accounted for when receivable and include grants for current expenditure. Income received for a particular restricted purpose is included in restricted funds.

'Investment Income' is included when received.

'Services and Other Income' includes rents receivable.

'Scientific Meetings' income includes registration fees and associated income received from meetings and seminars held in the year.

Resources expended

All expenditure is accounted for on an accruals basis and includes unrecovered VAT.

'Cost of Generating Funds' are those costs incurred in fund-raising and professional management of investments.

'Research Fellowships and Grants' are accrued as expenditure when the application is approved, except where expenditure relates to grant income receivable in a future accounting period.

'Scientific Meetings' are the direct costs related to meetings and seminars.

'Staff and Administrative Expenses' are those incurred in connection with the operations and administration of the charity and include costs shared with the Association of Anaesthetists.

'Governance Costs' associated with charity management and constitutional and statutory requirements include direct costs related to this activity and an allocation of administration expenditure.

The Foundation operates a defined contribution pension scheme and contributions are included in expenditure as they become payable under the scheme. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

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.

Amortisation of leasehold buildings is not provided as the amount would not be material. Buildings are maintained to a high standard and major repair costs are expensed as incurred.

Depreciation is provided at the following rate on a straight line basis:

Furnishings 10%

Equipment 33%

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2011**

1. ACCOUNTING POLICIES - continued**Investments**

Investments are valued at market value. The unrealised gains or losses are taken to the General Fund.

Fund Accounting

General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of the funds is set out in the notes to the financial statements.

Restricted funds comprise funds that have been donated or raised for a particular purpose. The aim and use of the funds is set out in the notes to the financial statements.

Going concern

The charitable company continues to enjoy the support of the Association of Anaesthetists of Great Britain and Ireland. On the basis that this support will continue for the foreseeable future, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

2. VOLUNTARY INCOME

	2011 £	2010 £
Donations	96,690	87,600
Grants	<u>1,050,000</u>	<u>1,050,000</u>
	<u>1,146,690</u>	<u>1,137,600</u>

Grants received, included in the above, are as follows:

	2011 £	2010 £
Association of Anaesthetists	<u>1,050,000</u>	<u>1,050,000</u>

3. ACTIVITIES FOR GENERATING FUNDS

	2011 £	2010 £
Services & Other Income	<u>54,664</u>	<u>56,198</u>

4. INVESTMENT INCOME

	2011 £	2010 £
Interest on Cash Deposits	2,202	6,137
Fixed Interest Securities	14,962	14,679
Other Investments	<u>50,410</u>	<u>51,933</u>
	<u>67,574</u>	<u>72,749</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2011**

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2011 £	2010 £
General Meetings	Scientific Meetings	512,446	579,671
Trainee Meetings	Scientific Meetings	75,624	90,397
Seminars/Workshops	Scientific Meetings	<u>395,414</u>	<u>433,006</u>
		<u>983,484</u>	<u>1,103,074</u>

6. INVESTMENT MANAGEMENT COSTS

	2011 £	2010 £
Investment Management Fees	<u>19,229</u>	<u>13,966</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Grant funding of activities (See note 8) £	Totals £
Scientific Meetings	773,956	-	773,956
Overseas Grants	128,587	-	128,587
Heritage - Library, Museum and Archives	24,823	-	24,823
Staff and Administrative Expenses	763,907	-	763,907
Governance Costs	54,811	-	54,811
Accommodation Costs	175,013	-	175,013
Research Fellowships and Grants	-	74,413	74,413
	<u>1,921,097</u>	<u>74,413</u>	<u>1,995,510</u>

Funding was received for staff and administrative costs by an annual grant from the Association of Anaesthetists and these costs are not allocated to activities. Common administration costs were shared with the Association of Anaesthetists and comprised administration and accounting, computing and office equipment, telephone and insurance. Governance costs include a time based allocation of Board and administration expenditure, a share of costs related to constitutional and statutory requirements, legal and professional charges and audit fees.

The Foundation recovers the cost of accommodation services provided to the Association of Anaesthetists of Great Britain and receives rental income under leases with the Association and one other tenant of 21 Portland Place.

8. GRANTS PAYABLE

	2011 £	2010 £
Research Fellowships and Grants	<u>74,413</u>	<u>163,336</u>

The total of grants paid to institutions during the year were £40,868 (2010: £63,318).

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2011**

8. GRANTS PAYABLE - continued

The total grants paid to individuals during the year was as follows:

	2011	2010
	£	£
Other grants	<u>33,545</u>	<u>100,018</u>

9. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2011	2010
	£	£
Depreciation - owned assets	<u>40,586</u>	<u>38,467</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2011 nor for the year ended 31 March 2010.

Trustees' Expenses

The Trustees received no remuneration during the year (2010:£nil). Expenses for travel totalling £47,675 were paid to 20 trustees (2010: £48,009 to 28 trustees).

11. STAFF COSTS

	2011	2010
	£	£
Wages and salaries	<u>430,729</u>	<u>477,954</u>

The foundation employed eleven people during the year (2010: 13). The staff included those involved in the management of the Foundation's property.

No employee received remuneration of more than £60,00 in either year.

AAGBI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2011

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Furniture and Furnishings £	Museum Equipment £	Totals £
COST				
At 1 April 2010	4,773,120	385,259	27,712	5,186,091
Additions	-	2,927	6,079	9,006
At 31 March 2011	<u>4,773,120</u>	<u>388,186</u>	<u>33,791</u>	<u>5,195,097</u>
DEPRECIATION				
At 1 April 2010	-	256,987	26,830	283,817
Charge for year	-	37,679	2,907	40,586
At 31 March 2011	-	<u>294,666</u>	<u>29,737</u>	<u>324,403</u>
NET BOOK VALUE				
At 31 March 2011	<u>4,773,120</u>	<u>93,520</u>	<u>4,054</u>	<u>4,870,694</u>
At 31 March 2010	<u>4,773,120</u>	<u>128,272</u>	<u>882</u>	<u>4,902,274</u>

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2010	2,554,248
Additions	737,126
Disposals	(399,642)
Revaluations	13,249
At 31 March 2011	<u>2,904,981</u>
NET BOOK VALUE	
At 31 March 2011	<u>2,904,981</u>
At 31 March 2010	<u>2,554,248</u>

There were no investment assets outside the UK.

Investments are held to generate income and provide capital growth to reduce the Foundation's dependence on external funding.

AAGBI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2011

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade Debtors	36,347	36,065
Other debtors	6,310	5,545
Prepayments	<u>52,066</u>	<u>63,979</u>
	<u>94,723</u>	<u>105,589</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade creditors	18,825	24,286
Other creditors and accruals	68,698	115,410
Association of Anaesthetists	445,468	631,416
Seminars and meetings	84,139	122,876
Other receipts - rents	<u>12,005</u>	<u>12,005</u>
	<u>629,135</u>	<u>905,993</u>

16. MOVEMENT IN FUNDS

	At 1/4/10 £	Net movement in funds £	At 31/3/11 £
Unrestricted funds			
General fund	6,510,329	415,502	6,925,831
Restricted funds			
Overseas Anaesthesia Fund	34,428	(1,031)	33,397
Pulse Oximetry Project Fund	421	3,133	3,554
New Premises Fund	<u>1,397,267</u>	<u>-</u>	<u>1,397,267</u>
	1,432,116	2,102	1,434,218
	<u>7,942,445</u>	<u>417,604</u>	<u>8,360,049</u>
TOTAL FUNDS			

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2011**

16. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,161,242	(1,925,671)	179,931	415,502
Restricted funds				
Overseas Anaesthesia Fund	60,753	(61,784)	-	(1,031)
Pulse Oximetry Project Fund	<u>30,417</u>	<u>(27,284)</u>	<u>-</u>	<u>3,133</u>
	91,170	(89,068)	-	2,102
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u><u>2,252,412</u></u>	<u><u>(2,014,739)</u></u>	<u><u>179,931</u></u>	<u><u>417,604</u></u>

Restricted Funds

The Overseas Anaesthesia Fund raises income to enable travel grants, equipment and educational materials to be provided to anaesthetists overseas. The Pulse Oximetry Project Fund has been established to develop a low cost measuring device for use in less developed countries. The balance of these funds is held in cash deposits.

The New Premises Fund is represented by land and buildings.

Unrestricted Funds

The Foundation is prohibited by its Memorandum of Association from paying a dividend to its members. The Foundation is controlled by a Board of directors and trustees elected by the members of the Association of Anaesthetists of Great Britain and Ireland.

17. CAPITAL COMMITMENTS

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