

AAGBI FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2009

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AAGBI FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

The directors, who are also the trustees, present their annual report and the audited Financial Statements for the year to 31st March 2009. 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.

1 Reference and Administrative Details

Company Number 1963975

Registered Charity Number 293575

Principal address and
Registered Office 21 Portland Place
London W1B 1PY

Auditors Hartley Fowler LLP, 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

2 Directors and Trustees

The directors who served during the year were as follows:

Dr Richard John Scriven Birks	Dr Janusz Bernard Liban
Dr David George Bogod	Dr Christopher Ian Sutherland Meadows
Dr Valerie Elizabeth Bythell	Dr Ellen Patricia O'Sullivan
Professor William Alastair Chambers	Professor David John Rowbotham
Dr Nicholas Malcolm Denny	Professor John Robert Sneyd
Dr Leslie William Gemmell	Dr Michael Yoong Kan Wee
Dr Andrew James Hartle	Dr David Kenneth Whitaker
Dr Allan William Harrop-Griffiths	Dr Iain Henry Wilson
Dr Felicity Emma Howard	Dr Ranjit Verma
Dr Ian Gordon Johnston	Dr Steven Mark Yentis
Professor Chandra Mohan Kumar	

The following director served until 18th September 2008:

Dr Sean McDevitt

The following directors served from 18th September 2008:

Dr Paul Anthony Clyburn	Dr Isabeau Alexandra Walker
Dr Richard Griffiths	

AAGBI FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

3 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. An amended constitution was adopted on 18th September 2008, following agreement with the Charity Commission of England and Wales. The charity name was changed from the Association of Anaesthetists of Great Britain and Ireland Education and Research Trust to the AAGBI Foundation.

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 educational and training meetings 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 effectiveness in fulfilling its objects. The directors and trustees form a Board for the management of the Foundation.

Trustee Induction and Training

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

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 co-opts members representing other bodies, for example the Royal College of Anaesthetists, to participate in its deliberations. Development and management of specific activities is delegated to sub-committees who report their proceedings to the Board.

AAGBI FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

3 Structure, Governance and Management – *continued*

The Annual Report provides details of the activities undertaken by committees and working parties and is 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 and 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 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.

4 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, 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 membership and finance activities of 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 recommends awards for approval by 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.

The Foundation's museum and extensive library is co-ordinated by a full-time 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

DIRECTORS' AND TRUSTEES' REPORT

5 Achievements and Performance

The Foundation continued its two main activities of organising an extensive educational programme and the funding of research. Scientific meetings attracted large numbers of anaesthetists, together with a separate meeting devoted to the needs of anaesthetists in training. The seminar programme in London provided a wide range of specialist training. Core Topic meetings have been recently introduced to provide educational opportunities to anaesthetists around the UK and Ireland. Such meetings contribute to the evidence needed by doctors to successfully meet the requirements for revalidation. All meetings are evaluated through delegate surveys. Revenues from these activities made a positive contribution to the Foundation's finances. A program of web-based audio recordings of educational material has been developed to further enhance educational opportunities for trainee and consultant anaesthetists.

A team employed by the Foundation administers all meetings and seminars. The future programme of major meetings will continue to make the highest standards of education available to large numbers of anaesthetists.

Research grants are now awarded through the National Institute for Academic Anaesthesia (NIAA). In this transition year, expenditure on research was lower, with refunds arising on fellowships completing having spent less than the original awards. Two research grants were made, including a jointly funded grant, through the NIAA and one other research project grant was made during the year. Undergraduate grants were made to three medical students taking an elective in an area related to anaesthesia.

The International Relations Committee continued to support anaesthetists overseas. Grants were given for lecturers on overseas teaching assignments and training courses. The Overseas Anaesthesia Fund, a restricted fund, continued to attract support during the year, mainly from members of the Association of Anaesthetists. From the income received, educational materials were sent to anaesthetists working in less developed countries and fellowships for training in anaesthesia were funded. In addition, equipment was made available including oximeters and anaesthetic machines. The Global Oximetry Project incurred travel costs in contributing to the development of a low cost measurement device to meet the needs of anaesthetists overseas. The value of oximetry in improving patient safety has been recognised by the WHO and it has been included in the WHO's Safer Surgery Campaign.

The Foundation is dependent on the extensive contribution of volunteers who work closely with the full-time staff.

Further details of activities are given in the Annual Report of the Association of Anaesthetists and the Foundation.

6 Financial Review

The Foundation received a major gift of investments from the Association of Anaesthetists, which provides it with an annual grant towards its activities. Including this gift valued at £1.2 million, the results were a surplus for the year amounting to £1,622,504, before taking account of unrealised losses on investments of £296,690 (2008: £144,957 before taking account of unrealised losses on investments of £136,074). 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.

AAGBI FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

6 Financial Review – *continued*

The regular income of the Foundation was mainly derived from grants, donations and sponsorships, 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 investments were disposed of during the year realising losses of £24,600 in the current year, but an overall profit of £73,767 after taking account of gains recognised in previous years. The value of investments at the market prices ruling on 31st March 2009 resulted in unrealised losses reflecting the global collapse of stock market values. Fees were incurred in undertaking a professional review of investment management and selection of a new manager.

The outcome of the programme of scientific meetings and seminars held during the year for education and training was an increased contribution of £272,861. 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.

Total grant spending on research decreased to £28,881 following refunds on the completion of three fellowships. The lower level of spending also reflected the timing of the award of research grants through the National Institute for Academic Anaesthesia. Details are given in the Note 5 to the Accounts.

The International Relations Committee continued its support for anaesthetists in less developed countries with expenditure of £26,200. In addition, the Overseas Anaesthesia Fund was able to fund additional expenditure. Overseas grants and support exceeded £70,000 in total for the provision of educational materials, assistance with training and travel grants.

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. Staff costs were higher due to temporary staff and recruitment fees. An allocation of the costs of governance has been made and together with direct costs incurred, represent 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 lower and in the previous year included the periodic costs of 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. During the year, the progressive transition to an ethical investment portfolio was completed.

AAGBI FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

6 Financial Review – *continued*

The portfolio comprised investment and unit 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 ethical policy was further developed to ensure that the risk objectives could be met. The performance of investments and aspects of policy has been reviewed with the assistance of professional investment advisers. As a result the objectives will be further refined as part of the appointment of a new investment manager.

Reserves policy

The policy on reserves is to maintain and increase these to provide income to support the Foundation's activities. The intention of this policy is to progressively enable the Foundation to become less dependent on external funding.

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.

7 Plans for Future Periods

There is ongoing development of all of the activities of the Foundation in fulfilment of its aims and its plans are directed at maintaining a unique contribution to the specialty of anaesthesia. The four principal areas of focus will continue to be educational meetings, the funding of research, anaesthesia heritage and support for overseas anaesthetists.

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.

8 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 11.

9 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 Foundation and of the income and expenditure of the Foundation 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 Foundation will continue in business;

The directors 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 1985 and United Kingdom Generally Accepted Accounting Practice (UKGAAP).

AAGBI FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

9 Statement of Directors' Responsibilities – *continued*

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

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

L W Gemmell Secretary

Dated *5th June 2009*

AAGBI FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE AAGBI FOUNDATION

We have audited the financial statements on pages 9 to 18 of the AAGBI Foundation for the year ended 31st March 2009 which comprise the Statement of Financial Activities, the Summary 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 2007), 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 TRUSTEES 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' and Trustees' 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 trustees' remuneration and other transactions with the company is not disclosed.

We read the Directors' and Trustees' Annual 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 in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the charitable company as at 31st March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985. The Directors' and Trustees' Report is consistent with the financial statements.

Dated *10th June 2009*
44 Springfield Road
Horsham RH12 2PD

Hartley Fowler LLP
Chartered Accountants
Registered Auditors

AAGBI FOUNDATION

Statement of Financial Activities for the year ended 31st March 2009

2008 £	Note	£ Unrestricted Funds	£ Restricted Funds	£ Total
Incoming Resources				
<i>Incoming Resources from Generated Funds:</i>				
<i>Voluntary Income</i>				
1,010,000		1,050,000	-	1,050,000
111,628	17	-	32,530	32,530
31,824		27,970	-	27,970
-		1,213,107	-	1,213,107
<i>Activities for generating funds:</i>				
69,067	2	75,583	-	75,583
42,710		48,591	-	48,591
<i>Incoming Resources from Charitable Activities:</i>				
782,224	3	906,808	-	906,808
<u>2,047,453</u>		<u>3,322,059</u>	<u>32,530</u>	<u>3,354,589</u>
Resources Expended				
<i>Costs of Generating Funds:</i>				
8,801	4	4,061	-	4,061
<i>Charitable Activities:</i>				
165,297	5	28,881	-	28,881
703,133	3	633,947	-	633,947
58,277		26,200	46,214	72,414
14,523		17,874	-	17,874
667,613	6	745,461	-	745,461
175,735	8	142,836	-	142,836
66,414	6	62,011	-	62,011
<u>1,859,793</u>		<u>1,661,271</u>	<u>46,214</u>	<u>1,707,485</u>
187,660		1,660,788	(13,684)	1,647,104
Other Recognised Gains and Losses				
Losses on Investments				
(42,703)		(24,600)	-	(24,600)
(136,074)		(296,690)	-	(296,690)
<u>8,883</u>		<u>1,339,498</u>	<u>(13,684)</u>	<u>1,325,814</u>
<u>5,614,008</u>		<u>4,180,981</u>	<u>1,441,910</u>	<u>5,622,891</u>
<u>5,622,891</u>		<u>5,520,479</u>	<u>1,428,226</u>	<u>6,948,705</u>

The notes form part of these financial statements.

AAGBI FOUNDATION

Summary Income and Expenditure Account for the year ended 31st March 2009

2008 £		Note	£
	Income		
1,153,452	Grants and other donations		1,110,500
782,224	Scientific Meetings	3	906,808
111,777	Investment and Other Income		124,174
-	Gift of investments from Association of Anaesthetists		<u>1,213,107</u>
<u>2,047,453</u>			<u>3,354,589</u>
	Expenditure		
1,859,793	Administrative and Direct Charitable Expenditure		1,707,485
<u>187,660</u>	Surplus of Income over Expenditure before disposal of investments		<u>1,647,104</u>
(42,703)	Loss on Disposal of Investments		(24,600)
<u>144,957</u>	Surplus for the year		<u>1,622,504</u>
<u>144,957</u>			<u>1,622,504</u>

Continuing Operations

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

Statement of Total Recognised Gains and Losses

£		£
144,957	Surplus for the year	1,622,504
<u>(136,074)</u>	Unrealised Losses on Revaluation of Investments	<u>(296,690)</u>
<u>8,883</u>	Total Recognised Gains and Losses since last Annual Report	<u>1,325,814</u>

AAGBI FOUNDATION

Balance Sheet as at 31st March 2009

2008		Note	£
£			
	Fixed Assets		
	Tangible Assets		
4,773,120	Land and Buildings	10	4,773,120
<u>147,610</u>	Furnishings and Equipment	11	<u>117,225</u>
4,920,730			4,890,345
<u>1,104,731</u>	Investments	12	<u>2,034,145</u>
<u>6,025,461</u>			<u>6,924,490</u>
	Current Assets		
125,850	Debtors	13	130,478
<u>783,206</u>	Cash at Bank		<u>1,867,045</u>
<u>909,056</u>			<u>1,997,523</u>
	Creditors: Amounts falling due within one year		
73,817	Receipts in Advance	14	152,766
387,809	Creditors	15	1,470,542
<u>850,000</u>	Loan from Association of Anaesthetists	16	<u>350,000</u>
<u>1,311,626</u>			<u>1,973,308</u>
(402,570)	Net Current Assets/(Liabilities)		24,215
<u>5,622,891</u>	Total Assets less Current Liabilities		<u>6,948,705</u>
	Represented by:		
1,441,910	Restricted Funds	17	1,428,226
<u>4,180,981</u>	Unrestricted Funds	18	<u>5,520,479</u>
<u>5,622,891</u>			<u>6,948,705</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 2007).

R J S Birks Director

I H Wilson Director

The directors approved the Financial Statements on 5th June 2009.

The notes form part of these financial statements.

AAGBI FOUNDATION

Notes to the Financial Statements for the year ended 31st March 2009

1 ACCOUNTING POLICIES

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 January 2007), the Charities Act and the Companies Act 1985.

(a) 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.

(b) 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.

(c) 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.

(d) Depreciation

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

Furnishings	10%
Equipment	33%

(e) Investments

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

AAGBI FOUNDATION

Notes to the Financial Statements for the year ended 31st March 2009

1 ACCOUNTING POLICIES - *continued*

(f) 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.

(g) 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 INVESTMENT INCOME

2008			£
			£
32,070	Interest on Cash Deposits		36,712
13,627	Fixed Interest Securities		13,745
<u>23,370</u>	Other Investments		<u>25,126</u>
<u>69,067</u>			<u>75,583</u>

3 SURPLUS/(DEFICIT) ON SCIENTIFIC MEETINGS

2008		Income	Expenditure	
£		£	£	£
41,515	General Meetings	543,039	385,508	157,531
10,603	Trainee Meeting	85,519	58,614	26,905
<u>26,973</u>	Seminars/Workshops	<u>278,250</u>	<u>189,825</u>	<u>88,425</u>
<u>79,091</u>		<u>906,808</u>	<u>633,947</u>	<u>272,861</u>

The surplus provides a contribution to staff and administrative costs associated with scientific meetings.

4 COST OF GENERATING FUNDS

2008			£
			£
<u>8,801</u>	Investment Management Fees		<u>4,061</u>
<u>8,801</u>			<u>4,061</u>

AAGBI FOUNDATION

Notes to the Financial Statements for the year ended 31st March 2009

5 RESEARCH FELLOWSHIPS AND GRANTS

2008		£
£		£
110,079	Research Fellowships - award/(refund)	(15,990)
7,498	Research Grants	7,671
43,720	Research Project Grants	35,000
4,000	Travel and Other Grants	2,200
<u>165,297</u>		<u>28,881</u>

All grants, awards and fellowships were made to individuals. Refunds arose on Research Fellowships completing below the amount awarded. Research Project Grants in the year were awarded through the National Institute of Academic Anaesthesia.

6 STAFF AND ADMINISTRATIVE EXPENSES

2008		Staff and	Governance	
£		Administrative	£	£
		£	£	£
437,592	Salaries and Other Staff costs	472,876	-	472,876
240,184	Administration	245,280	30,622	275,902
20,285	AGM, Annual report and accounts	-	15,924	15,924
8,510	Constitution Development	-	4,067	4,067
23,181	Legal and Professional charges	27,305	6,048	33,353
4,275	Audit Fee	-	5,350	5,350
<u>734,027</u>		<u>745,461</u>	<u>62,011</u>	<u>807,472</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 (2008: £66,414). A review of the constitutional documents was completed and amended Memorandum and Articles of Association introduced.

7 EMPLOYEE COSTS AND TRUSTEES' REMUNERATION

The Foundation employed eleven people during the year (2008: 13). The staff included those involved in the management of the Foundation's property. The payroll costs comprised:

2008		£
£		£
360,743	Salary	360,751
37,713	Social Security Costs	37,865
27,578	Pension Costs	31,122
<u>426,034</u>		<u>429,738</u>

No employee received remuneration of more than £60,000 in either year.

AAGBI FOUNDATION

Notes to the Financial Statements for the year ended 31st March 2009

7 EMPLOYEE COSTS AND TRUSTEES' REMUNERATION - *continued*

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

Trustees received no remuneration (2008: nil). Expenses for travel and subsistence totalling £50,449 were reimbursed to 24 trustees (2008: £44,371 to 25 Trustees).

8 ACCOMMODATION COSTS

2008		£
£		
131,142	Maintenance and Services	97,646
12,246	Rates	12,843
<u>32,347</u>	Depreciation of Furnishings	<u>32,347</u>
<u>175,735</u>		<u>142,836</u>

The Foundation recovers rates from the Association of Anaesthetists of Great Britain and Ireland and one other tenant of 21 Portland Place.

9 TAXATION

The company is exempt from income and corporation taxes under S505(1) of the Income and Corporation Taxes Act 1988.

10 LAND AND BUILDINGS

2008		£
£	<i>Leases more than 50 years unexpired</i>	
	21 Portland Place, London	
<u>4,773,120</u>	Cost at beginning and end of year	<u>4,773,120</u>

AAGBI FOUNDATION

Notes to the Financial Statements for the year ended 31st March 2009

11 FURNISHINGS AND EQUIPMENT

2008 £		Furniture & Furnishings	Museum Equipment	Total £
355,218	Cost at beginning and end of year	334,863	25,070	359,933
<u>4,715</u>	Additions this year	<u>-</u>	<u>2,642</u>	<u>2,642</u>
<u>359,933</u>		<u>334,863</u>	<u>27,712</u>	<u>362,575</u>
	Depreciation			
176,634	Provided at beginning of year	187,253	25,070	212,323
<u>35,689</u>	Charge for the year	<u>32,347</u>	<u>680</u>	<u>33,027</u>
<u>212,323</u>	Provision at end of year	<u>219,600</u>	<u>25,750</u>	<u>245,350</u>
<u>147,610</u>	Net Book Value at end of year	<u>115,263</u>	<u>1,962</u>	<u>117,225</u>

12 INVESTMENTS

2008 £		£
1,014,946	Market value at beginning of year	1,104,731
579,936	Additions - at cost	1,691,388
(276,840)	Disposals	(366,917)
<u>(213,311)</u>	Net unrealised losses on revaluation	<u>(395,057)</u>
<u>1,104,731</u>	Market value at end of year	<u>2,034,145</u>
	<i>Analysis of investments - at cost</i>	
580,234	Unit and Investment Trusts - UK Listed	1,243,441
376,977	Shares - UK Listed	968,907
<u>94,756</u>	Fixed Interest Securities	<u>164,180</u>
<u>1,052,057</u>	Cost at end of year	<u>2,376,528</u>

Investments are held to generate income and provide capital growth to reduce the Foundation's dependence on external funding. Included in additions are investments gifted by the Association of Anaesthetists of Great Britain and Ireland.

Holdings of 5% or more in value of the total portfolio comprised:

Aberdeen Ethical Fund	184,885
F&C Stewardship International Fund	141,642
Treasury 4.25%	113,900

AAGBI FOUNDATION

Notes to the Financial Statements for the year ended 31st March 2009

13 DEBTORS

2008		£
£		
89,571	Trade Debtors	20,520
3,177	Other Debtors	15,708
-	Other Income Receivable	679
<u>33,102</u>	Prepayments	<u>93,571</u>
<u>125,850</u>		<u>130,478</u>

14 RECEIPTS IN ADVANCE

2008		£
£		
64,370	Seminars and meetings	140,852
<u>9,447</u>	Other receipts - rents	<u>11,914</u>
<u>73,817</u>		<u>152,766</u>

Receipts in advance for seminars and meetings represent advance bookings.

15 CREDITORS

2008	<i>Amounts falling due within one year</i>	£
£		
12,687	Trade Creditors	19,293
210,420	Association of Anaesthetists Current Account	1,409,151
<u>164,702</u>	Other Creditors and Accruals	<u>42,098</u>
<u>387,809</u>		<u>1,470,542</u>

16 LOAN FROM THE ASSOCIATION OF ANAESTHETISTS

The loan from the Association of Anaesthetists of Great Britain and Ireland is interest free, unsecured and repayable on demand. A repayment was made during the year.

17 RESTRICTED FUNDS

	At beginning of year £	Income £	Expenditure £	At end of year £
Overseas Anaesthesia Fund	42,540	32,505	(44,507)	30,538
Pulse Oximetry Project Fund	2,103	25	(1,707)	421
New Premises Fund	<u>1,397,267</u>	-	-	<u>1,397,267</u>
	<u>1,441,910</u>	<u>32,530</u>	<u>(46,214)</u>	<u>1,428,226</u>

AAGBI FOUNDATION

Notes to the Financial Statements for the year ended 31st March 2009

17 RESTRICTED FUNDS - *continued*

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.

18 UNRESTRICTED FUNDS

2008		General Fund
£		£
4,258,092	At beginning of year	4,180,981
<u>(77,111)</u>	Surplus/(deficit) for the year	<u>1,339,498</u>
<u>4,180,981</u>	At end of year	<u>5,520,479</u>

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.

19 FUTURE CAPITAL EXPENDITURE

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