

AAGBI FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2010

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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 2010. 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 (England and Wales) and [SC040697](#) (Scotland)

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 Ian Gordon Johnston
Dr David George Bogod	Dr Janusz Bernard Liban
Dr Valerie Elizabeth Bythell	Dr Ellen Patricia O'Sullivan
Dr Paul Anthony Clyburn	Professor John Robert Sneyd
Dr Leslie William Gemmell	Dr Isabeau Alexandra Walker
Dr Richard Griffiths	Dr Iain Henry Wilson
Dr Andrew James Hartle	Dr Ranjit Verma
Dr Allan William Harrop-Griffiths	Dr Steven Mark Yentis
Dr Felicity Emma Howard	

The following director served until 2nd July 2009:

Dr Christopher Ian Sutherland Meadows

The following directors served until 24th September 2009:

Professor William Alastair Chambers	Professor David John Rowbotham
Dr Nicholas Malcolm Denny	Dr Michael Yoong Kan Wee
Professor Chandra Mohan Kumar	Dr David Kenneth Whitaker

The following director served from 2nd July 2009:

Dr Susan Louise Williams

AAGBI FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

2 Directors and Trustees - *continued*

The following directors served from 24th September 2009:

Dr Barry John Nicholls
Dr Felicity Sarah Plaat

Dr Mansukhlal Tulsidas Popat

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 and with the Office of the Scottish Charity Regulator. The Foundation became a registered charity in Scotland on 29th July 2009.

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 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 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.

AAGBI FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

3 Structure, Governance and Management – *continued*

The Board meets regularly to direct the affairs of the Foundation and regularly 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.

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, 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 membership 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.

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

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 become established and provide educational opportunities to anaesthetists at different venues around the country, including Scotland. 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 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 were awarded through the National Institute for Academic Anaesthesia (NIAA). Research activity increased in the year, with two research project grants being made and a number of smaller research grants. Undergraduate grants were made to four medical students taking an elective in an area related to anaesthesia and one travel grant was awarded.

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 be well supported during the year, mainly by 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 an anaesthetic machine. The Global Oximetry Project is contributing to the development of a low cost measurement device to meet the needs of anaesthetists overseas. No expenditure was incurred from the Pulse Oximetry Project fund in the year.

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

Following a review of investment performance, the Foundation completed a process to appoint a new investment manager. The change to the new manager was completed in July 2009. Investment performance has improved and the re-structured portfolio has benefitted from the recovery in global stock markets during the year.

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

6 Financial Review

The Foundation made a surplus for the year amounting to £465,000, before taking account of an unrealised gain on investments of £528,740 (2009: £1,622,504, including a gift of investments from the Association of Anaesthetists, before taking account of unrealised losses on investments of £296,690). 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 re-structured resulting in a high level of disposals and additions. Investments disposed of during the year realised gains of £224,370 in the current year, but an overall loss of £4,386 after taking account of losses recognised in previous years. The value of investments at the market prices ruling on 31st March 2010 resulted in a reversal of the unrealised losses arising from the global collapse of stock market values in the previous year.

The outcome of the programme of scientific meetings and seminars held during the year for education and training was a contribution of £251,624. 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 increased to £163,336 as part of a commitment to major funding of research into anaesthesia. The lower level of spending in the previous year reflected the timing of the award of research grants through the National Institute for Academic Anaesthesia.

The International Relations Committee continued its support for anaesthetists in less developed countries with expenditure of £18,560. In addition, the Overseas Anaesthesia Fund was able to maintain expenditure. Overseas grants and support amounted to £56,300 in total for the provision of educational materials, equipment and 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 as a result of organisational changes and an increase in staff numbers. 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. These decreased in the year as a result of constitutional simplification and greater use of electronic communication.

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 than 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 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 performance of investments and policy is regularly reviewed with the assistance of professional investment advisers. During the year, the investment policy was reviewed and revised as part of the appointment of a new investment manager.

AAGBI FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

6 Financial Review – *continued*

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 conjunction with the Association of Anaesthetists, a major re-development of the website for the benefit of members and the public is being undertaken.

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 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 Foundation and to enable them to ensure that the financial statements comply with the Companies Act 2006 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.

10 Re-appointment of Auditors

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

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

Signed on behalf of the Board

L W Gemmell Secretary

Dated *6th August 2010*

AAGBI FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE AAGBI FOUNDATION

We have audited the financial statements of the AAGBI Foundation for the year ended 31st March 2010 on pages 10 to 19. The financial statements have been prepared under the accounting policies set out therein.

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 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 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

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Directors' and Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out on pages 6 and 7.

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.

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, are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and are prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the information given in the Directors' and Trustees' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Directors' and Trustees' 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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.

AAGBI FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE AAGBI FOUNDATION

OPINION

In our opinion:

- the financial statements give a true and fair view of the state of charitable company's affairs as at 31st March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information in the Directors' and Trustees' Report is consistent with the financial statements.

Date: *10th August 2010*
44 Springfield Road
Horsham
West Sussex RH12 2PD

Ian Gilchrist (Senior Statutory Auditor)
for and on behalf of Hartley Fowler LLP
Statutory Auditors
Chartered Accountants

AAGBI FOUNDATION

Statement of Financial Activities for the year ended 31st March 2010

2009 £	Note	£ Unrestricted Funds	£ Restricted Funds	£ Total
Incoming Resources				
<i>Incoming Resources from Generated Funds:</i>				
<i>Voluntary Income</i>				
1,050,000		1,050,000	-	1,050,000
32,530	17	-	41,630	41,630
27,970		45,970	-	45,970
1,213,107		-	-	-
<i>Activities for generating funds:</i>				
75,583	2	72,749	-	72,749
48,591		56,198	-	56,198
<i>Incoming Resources from Charitable Activities:</i>				
<u>906,808</u>	3	<u>1,103,074</u>	<u>-</u>	<u>1,103,074</u>
<u>3,354,589</u>		<u>2,327,991</u>	<u>41,630</u>	<u>2,369,621</u>
Resources Expended				
<i>Costs of Generating Funds:</i>				
4,061	4	13,966	-	13,966
<i>Charitable Activities:</i>				
28,881	5	163,336	-	163,336
633,947	3	851,450	-	851,450
72,414		18,560	37,740	56,300
17,874		25,409	-	25,409
745,461	6	757,198	-	757,198
142,836	8	214,918	-	214,918
62,011	6	46,414	-	46,414
<u>1,707,485</u>		<u>2,091,251</u>	<u>37,740</u>	<u>2,128,991</u>
1,647,104		236,740	3,890	240,630
Other Recognised Gains and Losses				
Gain (Loss) on Investments				
(24,600)		224,370	-	224,370
(296,690)		528,740	-	528,740
<u>1,325,814</u>		<u>989,850</u>	<u>3,890</u>	<u>993,740</u>
<u>5,622,891</u>		<u>5,520,479</u>	<u>1,428,226</u>	<u>6,948,705</u>
<u>6,948,705</u>		<u>6,510,329</u>	<u>1,432,116</u>	<u>7,942,445</u>

The notes form part of these financial statements.

AAGBI FOUNDATION

Summary Income and Expenditure Account for the year ended 31st March 2010

2009 £		Note	£
	Income		
1,110,500	Grants and other donations		1,137,600
906,808	Scientific Meetings	3	1,103,074
124,174	Investment and Other Income		128,947
<u>1,213,107</u>	Gift of investments from Association of Anaesthetists		<u>-</u>
3,354,589			2,369,621
	Expenditure		
1,707,485	Administrative and Direct Charitable Expenditure		2,128,991
<u>1,647,104</u>	Surplus of Income over Expenditure before disposal of investments		<u>240,630</u>
(24,600)	Gain/(Loss) on Disposal of Investments		224,370
<u>1,622,504</u>	Surplus for the year		<u>465,000</u>

Continuing Operations

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

Statement of Total Recognised Gains and Losses

£		£
1,622,504	Surplus for the year	465,000
<u>(296,690)</u>	Unrealised Losses on Revaluation of Investments	<u>528,740</u>
<u>1,325,814</u>	Total Recognised Gains and Losses since last Annual Report	<u>993,740</u>

AAGBI FOUNDATION

Balance Sheet as at 31st March 2010

2009 £		Note	£
	Fixed Assets		
	Tangible Assets		
4,773,120	Land and Buildings	10	4,773,120
<u>117,225</u>	Furnishings and Equipment	11	<u>129,154</u>
4,890,345			4,902,274
<u>2,034,145</u>	Investments	12	<u>2,554,248</u>
<u>6,924,490</u>			<u>7,456,522</u>
	Current Assets		
130,478	Debtors	13	105,589
<u>1,867,045</u>	Cash at Bank		<u>1,286,327</u>
<u>1,997,523</u>			<u>1,391,916</u>
	Creditors: Amounts falling due within one year		
152,766	Receipts in Advance	14	134,881
1,470,542	Creditors	15	421,112
<u>350,000</u>	Loan from Association of Anaesthetists	16	<u>350,000</u>
<u>1,973,308</u>			<u>905,993</u>
24,215	Net Current Assets		485,923
<u>6,948,705</u>	Total Assets less Current Liabilities		<u>7,942,445</u>
	Represented by:		
1,428,226	Restricted Funds	17	1,432,116
<u>5,520,479</u>	Unrestricted Funds	18	<u>6,510,329</u>
<u>6,948,705</u>			<u>7,942,445</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

R J S Birks Director

I G Johnston Director

The directors approved the Financial Statements on 6th August 2010.

The notes form part of these financial statements.

AAGBI FOUNDATION

Notes to the Financial Statements for the year ended 31st March 2010

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 April 2008), the Charities Act and the Companies Act 2006.

(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 2010

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

2009			
£		£	
36,712	Interest on Cash Deposits	6,137	
13,745	Fixed Interest Securities	14,679	
<u>25,126</u>	Other Investments	<u>51,933</u>	
<u>75,583</u>		<u>72,749</u>	

3 SURPLUS ON SCIENTIFIC MEETINGS

2009		Income		Expenditure	
£		£		£	
157,531	General Meetings	579,671	449,429	130,242	
26,905	Trainee Meeting	90,397	80,358	10,039	
<u>88,425</u>	Seminars/Workshops	<u>433,006</u>	<u>321,663</u>	<u>111,343</u>	
<u>272,861</u>		<u>1,103,074</u>	<u>851,450</u>	<u>251,624</u>	

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

4 COST OF GENERATING FUNDS

2009			
£		£	
<u>4,061</u>	Investment Management Fees	<u>13,966</u>	
<u>4,061</u>		<u>13,966</u>	

AAGBI FOUNDATION

Notes to the Financial Statements for the year ended 31st March 2010

5 RESEARCH FELLOWSHIPS AND GRANTS

2009		£
£		
(15,990)	Research Fellowships - award/(refund)	-
7,671	Research Grants	108,710
35,000	Research Project Grants	50,256
<u>2,200</u>	Travel and Other Grants	<u>4,370</u>
<u>28,881</u>		<u>163,336</u>

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

6 STAFF AND ADMINISTRATIVE EXPENSES

2009		Staff and		
£		Administrative	Governance	
		£	£	£
472,876	Salaries and Other Staff costs	477,954	-	477,954
275,902	Administration	258,186	30,088	288,274
15,924	AGM, Annual report and accounts	-	5,379	5,379
4,067	Constitution Development	-	-	-
33,353	Legal and Professional charges	21,058	6,047	27,105
<u>5,350</u>	Audit Fee	<u>-</u>	<u>4,900</u>	<u>4,900</u>
<u>807,472</u>		<u>757,198</u>	<u>46,414</u>	<u>803,612</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 (2009: £62,011).

7 EMPLOYEE COSTS AND TRUSTEES' REMUNERATION

The Foundation employed thirteen people during the year (2009: 11). The staff included those involved in the management of the Foundation's property. The payroll costs comprised:

2009		£
£		
360,751	Salary	387,260
37,865	Social Security Costs	39,743
<u>31,122</u>	Pension Costs	<u>31,055</u>
<u>429,738</u>		<u>458,058</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 2010

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 (2009: nil). Expenses for travel and subsistence totalling £48,009 were reimbursed to 28 trustees (2009: £50,449 to 24 trustees).

8 ACCOMMODATION COSTS

97,646	Maintenance and Services	164,048
12,843	Rates	13,483
<u>32,347</u>	Depreciation of Furnishings	<u>37,387</u>
<u>142,836</u>		<u>214,918</u>

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.

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

2009		
£	<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>

11 FURNISHINGS AND EQUIPMENT

2009		Furniture & Furnishings	Museum Equipment	Total
£				£
359,933	Cost at beginning and end of year	334,863	25,070	359,933
<u>2,642</u>	Additions this year	<u>50,396</u>	<u>2,642</u>	<u>2,642</u>
<u>362,575</u>		<u>385,259</u>	<u>27,712</u>	<u>362,575</u>
	Depreciation			
212,323	Provided at beginning of year	219,600	25,750	212,323
<u>33,027</u>	Charge for the year	<u>37,387</u>	<u>1,080</u>	<u>38,467</u>
<u>245,350</u>	Provision at end of year	<u>256,987</u>	<u>26,830</u>	<u>250,790</u>
<u>117,225</u>	Net Book Value at end of year	<u>128,272</u>	<u>882</u>	<u>111,785</u>

AAGBI FOUNDATION

Notes to the Financial Statements for the year ended 31st March 2010

12 INVESTMENTS

2009		£
£		
1,104,731	Market value at beginning of year	2,034,145
1,691,388	Additions - at cost	1,427,397
(366,917)	Disposals	(1,664,790)
(395,057)	Net unrealised losses on revaluation	757,496
<u>2,034,145</u>	Market value at end of year	<u>2,554,248</u>
<i>Analysis of investments - at cost</i>		
1,243,441	Unit and Investment Trusts - UK Listed	959,328
968,907	Shares - UK Listed	1,065,456
164,180	Fixed Interest Securities	114,351
<u>2,376,528</u>	Cost at end of year	<u>2,139,135</u>

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

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

Rathbone Ethical Bond Fund	£ 129,003
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13 DEBTORS

2009		£
£		
20,520	Trade Debtors	36,065
15,708	Other Debtors	5,545
679	Other Income Receivable	-
93,571	Prepayments	63,979
<u>130,478</u>		<u>105,589</u>

14 RECEIPTS IN ADVANCE

2009		£
£		
140,852	Seminars and meetings	122,876
11,914	Other receipts - rents	12,005
<u>152,766</u>		<u>134,881</u>

Receipts in advance for seminars and meetings represent advance bookings.

AAGBI FOUNDATION

Notes to the Financial Statements for the year ended 31st March 2010

15 CREDITORS

2009	<i>Amounts falling due within one year</i>	£
£		
19,293	Trade Creditors	24,286
1,409,151	Association of Anaesthetists Current Account	281,416
<u>42,098</u>	Other Creditors and Accruals	<u>115,410</u>
<u>1,470,542</u>		<u>421,112</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.

17 RESTRICTED FUNDS

	At beginning of year	Income	Expenditure	At end of year
	£	£	£	£
Overseas Anaesthesia Fund	30,538	41,630	(37,740)	34,428
Pulse Oximetry Project Fund	421	-	-	421
New Premises Fund	<u>1,397,267</u>	<u>-</u>	<u>-</u>	<u>1,397,267</u>
	<u>1,428,226</u>	<u>41,630</u>	<u>(37,740)</u>	<u>1,432,116</u>

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

2009		General Fund
£		£
4,180,981	At beginning of year	5,520,479
<u>1,339,498</u>	Surplus for the year	<u>989,850</u>
<u>5,520,479</u>	At end of year	<u>6,510,329</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.

AAGBI FOUNDATION

Notes to the Financial Statements for the year ended 31st March 2010

19 FUTURE CAPITAL EXPENDITURE

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