

AAGBI FOUNDATION
(A Company limited by guarantee)

REPORT OF THE TRUSTEES AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

haysmacintyre
Chartered Accountants and Tax Advisors
10 Queens Street Place
London
EC4 R1AG

AAGBI FOUNDATION

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FOR THE YEAR ENDED 31 MARCH 2018**

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AAGBI FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

The Trustee Board of the AAGBI Foundation (the Foundation) presents its report and the audited financial statements for the year ended 31 March 2018.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Structure, Governance & Management

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. It is governed under the Articles of Association (date approved 5 September 2014). The board has adopted a Governance Manual, which is updated annually, containing the regulations and procedures to ensure good governance of the organisation.

Public Benefit Statement

The Foundation's trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 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 anaesthesia including its history', in relation to research, 'the promotion of study and research into anaesthesia and related sciences and the publication of results of all such study and research' and in relation to the public generally, 'the advancement of patient care and safety in the field of anaesthesia and disciplines allied to anaesthesia'. The trustees ensure that the objects are achieved through an extensive programme of education and training and the funding of research into aspects of anaesthesia. 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 to the Foundation Board by the Association of Anaesthetists of Great Britain and Ireland, which is the sole member of the charity. 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 and related parties are used to maximum effect in fulfilling its objectives. The charity's board also appoints up to 5 trustees with appropriate skills/experience relating to its charitable activities. Trustees have adopted a strategy of involving lay members in the charity's governance, and have appointed lay members to the Finance, Audit and Investment, International, Safety, Standards and Research and Grants Committees.

Trustee Induction and Training

Annual training is provided for trustees to enable them to perform their governance duties effectively. Newly elected members are advised on their governance and financial responsibilities as directors and trustees and receive an induction information pack and briefing session. All trustees have access to the Governance Manual online, and receive refresher training as policies and procedures are regularly updated.

Related parties and co-operation with other organisations

None of our trustees receives remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager and a contractor or other third party organisation must be disclosed to the full board. In the current year no related party transactions were disclosed.

AAGBI FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018 - CONTINUED

Organisation and Management

The full-time staff of the Foundation is led by the Executive Director and senior management team, who work closely with appointed Officers and Board members. Professional advisers are used to provide specialist advice in areas of investment, finance, human resources, 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.

The charity's trustees determine overall strategy and policy. In 2017, the board adopted a new long term strategy, which was produced in consultation with staff, members and trustees. This sets out the strategic direction and vision for the next 5 years. The first year of implementation of the strategy is the financial year 2018-19. The strategy now provides the framework in which the board approves an annual business plan, setting the objectives and the budget for the year. Operational management and responsibility for delivery of the plan is delegated to the Executive Director. Expenditure decisions within the approved budget are governed by a scheme of delegated authority. Issues arising during the year concerning matters outside the business plan are referred to the board if required.

Pay policy for senior staff

All the trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses are disclosed in note 12 to the accounts and related party transactions are disclosed in note 22 to the accounts.

The Foundation's board has adopted a salary policy, under which an annual salary review is conducted and overseen by a Remunerations Committee appointed by the board. Salary benchmarking is conducted regularly.

Risk Management

The trustees 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 take place through the Finance, Audit and Investment Committee.

Risks are documented in a risk register which is subject to ongoing assessment and evaluation by senior management and trustees, with regular reports provided for review by the Board and Finance, Audit and Investment Committee.

The senior management and trustees regularly review the risk register, agreeing actions to mitigate and reduce risks identified. During the last year, the principal external risks were changes in the NHS, the impacts of ongoing funding constraints and proposed contract changes on the medical workforce, hence their effect on the AAGBI's consultant and trainee members.

These risks are ongoing, and the AAGBI continues to respond through an active external and member communications strategy, liaison with policy makers and joint action with other stakeholders to support the speciality of anaesthesia.

Key business risks identified are the rising costs of running the organisation, due partly to the need to invest infrastructure, such as the e-education platform and new CRM and IT upgrades. In response, the board has been reviewing both costs and revenue, seeking new ways to generate income. The lack of long term strategy is a key risk, which has now been addressed by the board by the creation and publication in 2017 of the new long term strategy. Over the coming year, a finance plan and strategy will be developed to support the goals articulated in that publication.

AAGBI FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018 - CONTINUED

Objects and activities for the public benefit

The principal objects and activities of the Foundation are related to the improvement of patient care and safety in Great Britain and Ireland and internationally. This is achieved through the advancement of public education concerned with anaesthesia, together with the funding of education and research into anaesthesia and related sciences.

The core programmes of the Foundation are focused in line with these objects on:

- *Education in anaesthesia for the public and medical professionals*
- *Heritage through a museum, library, national archive and anaesthesia history projects*
- *International grants and projects to support anaesthesia in lower resource countries*
- *Research funding to promote improvements in patient care*

The Foundation organises several large scientific meetings and an extensive seminar programme, and is a major grant maker to research into aspects of anaesthesia. An extensive rare book collection, archives and museum dedicated to anaesthesia is open to the public.

An average of 339 visitors a week are welcomed to the Foundation's Grade II* listed premises at 21 Portland Place, London, which offers excellent facilities for education events and meetings and houses the heritage archives, library and museum.

The building offers accommodation for the administrative and finance activities shared with the Association of Anaesthetists of Great Britain and Ireland (the Association) and two other organisations related to anaesthesia, the World Federation of Societies of Anaesthesiologists and Lifebox, a charity.

Over 40 other organisations, mostly health-related, were also able to hold educational events and meetings at the Foundation's premises, so maximising the benefit of the historic building as a centre of medical education and learning.

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 heritage collection, finance and investments.

The Foundation's museum archives and extensive rare book collection is co-ordinated by a heritage manager and a heritage officer, who both have professional qualifications, and is under the direction of the committee overseeing heritage. The members of staff are supported by a group of volunteers who are mostly retired consultant anaesthetists. The Heritage Centre offers anaesthetists and members of the public the opportunity to view an exceptional collection of equipment, printed material and manuscripts related to anaesthesia. In 2017-18 there were 2180 visitors. The 16 group visits which occurred included adults and students from around the world. Travelling exhibitions were taken to WSM, GAT and Annual Congress. A new temporary exhibition was opened and two *Lates* events took place.

Grant making policy

Research 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 (NIAA), which makes awards with the approval of the Board. The progress and outcome of research projects is reviewed and reported to the Board and monitored through a Research and Grants Committee. It is customary for the outcome of successful projects to be published in peer reviewed journals.

AAGBI FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018 - CONTINUED

Grant making policy (continued)

During the year, the trustees reviewed the charity's research strategy and set out the priorities for grant funding:

- Patient safety
- Innovation
- Clinical outcomes
- Education and training
- Environmental impact
- Related professional issues (e.g. standards and guidelines, working conditions, medico-legal issues)

The Foundation continues to co-fund a new Clinical Trials Group (CTG) initiative through the NIAA and the CTG director to lead the work.

With regard to international grants, applications for grants and funding are invited (subject to specified criteria) to support international work and are reviewed by an International Relations Committee; follow up reports are routinely required from grant recipients.

Fundraising

The charity has undertaken more fundraising over the last year, having appointed for the first time a dedicated fundraising officer within the staff team. A fundraising campaign to support the charity's international work in low resource countries has been launched, with a range of community and events fundraising activities being deployed to encourage donations to the SAFE Africa appeal. This is reported further on subsequent pages. With regard to these activities, the trustees are mindful of guidance on fundraising governance and standards from the Fundraising Regulator and Charity Commission. There have been no complaints about the charity's fundraising activities.

Achievements and Performance

Programme delivery

The last financial year has seen continued development of the programmes delivered by the charitable Foundation. Key achievements towards fulfilment of the charity's vision for each programme area in last 12 months are outlined below.

Education in anaesthesia for the public and medical professionals

Vision

Our vision is to provide educational excellence as a leading provider nationally and internationally of relevant, challenging and high quality educational activities and resources, available through face to face events and as online e-learning

Progress to achieve our vision this year

Attendance figures for conferences remain buoyant. The three national conferences – the Annual Scientific Meeting of Trainees in Cardiff, the Annual Congress in Liverpool and the Winter Scientific Meeting (WSM) in London - attracted just under 1900 delegates. In addition, 61 seminars were held by the Foundation in London. This year saw the greatest number of seminars held in one year compared to the last four years. There were 14 regional core topics meetings around the UK and Ireland, attracting an average of 76 delegates.

AAGBI FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018 - CONTINUED

Programme delivery (continued)

A key educational element in the conferences is the opportunity to present posters and abstracts: 188 were displayed at the 2017 trainees' conference in Cardiff, 154 at Annual Congress in Liverpool and a further 142 at WSM London. These conferences attract sponsorship from industry and £64k (2017:£72k) in additional income was brought in to support the Foundation's educational events.

The Foundation's e-education expanded during the year with the video platform now providing access to 650 lectures online. An online CPD zone, Learn@AAGBI, was launched in 2013. During 2017 functionality was further enhanced to provide mobile responsive access to the videos via an app. Over 170,000 video views have occurred since launch. During the year a new webinar programme was launched, with two webinars attracting over 120 delegates.

The website continues as a source of up to date information. The site attracts on average 34,166 sessions a month with the most popular pages being Education and our Guidelines.

Safety in anaesthesia

Vision

To promote safe anaesthesia through the provision of information, education, guidance and expert advice to anaesthetists and healthcare stakeholders

Progress to achieve our vision this year

The publication of guidelines is a core activity in promoting patient safety: during the year new publications included:

Quick Reference Handbook, a collection of guidelines for unexpected or uncommon anaesthesia-related emergencies (January 2018).

Additionally, we updated the guidelines app for AAGBI members, adding newly published guidelines. This has been very popular with the membership attracting over 2,800 downloads during the year.

New working parties were established on the following topics

- *Awareness associated with anaesthesia*
- *Anaesthesia and analgesia for trauma patients at risk of compartment syndrome*
- *Best practice in anaesthesia by intravenous infusions*
- *Catastrophes in anaesthetic practice*
- *Malignant Hyperthermia (review)*
- *Management of proximal femoral fractures (review)*
- *Returning to work*
- *Neurological monitoring practice after obstetric neuraxial block*

Heritage

Vision

Our vision is to link the past with the present and keep alive the history of the specialty through education and information and preserving our heritage

Progress to achieve our vision this year

This year's highlights for the Anaesthesia Heritage Centre included the launch of the fourth and last in a series of temporary exhibitions which explored the work of anaesthetists during the First World War. We

ran two *Lates* events consisting of talks by authors and panel discussions, and most tickets were sold. The May *Lates* event featured Emily Mayhew who spoke about her book *A Heavy Reckoning*. Wendy Moore spoke about her book on mesmerism at the October event. The visitor numbers for this year were 2180 – a decrease on last year of 373 (there were 2,146 visits in 2016). The Heritage Centre took exhibitions to GAT, Annual Congress and WSM. The Anaesthesia Museum received full accredited status from Arts Council England. Museum Assistant Sarah Dixon-Smith attended the International Symposium on the History of Anaesthesia in Boston, USA and gave a paper about the museum. Sarah has now left the AAGBI to undertake a PhD. Sophie-May Johnson will join us as Heritage Officer in May 2018.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018 - CONTINUED

International grants and projects to support anaesthesia in lower resource countries

Vision

Our vision is to promote quality anaesthesia, critical care, pain management, patient care and associated subspecialties in low resourced environments and other overseas locations as appropriate through the exchange of skills and knowledge

Progress to achieve our vision this year

In the course of the year, the charity awarded grants totalling £194k (see note 9) which benefitted educational work in the form of individual travel grants and project funding for anaesthetists from the UK and Ireland to support improvements in care overseas.

During the 2017/2018 financial year the AAGBI funded 19 projects through the International Relations Committee in 10 countries (Cameroon, Ethiopia, Ghana, India, Kenya, Myanmar, Nigeria, Sri Lanka, Uganda and Zambia) to the value of £17,286.

The Foundation's Overseas Anaesthesia Fund continued to attract donations from nearly one hundred regular givers generating a total of £16k (2017: £22k) which is spent on donating medical books, training resources and equipment to lower resource countries, and funding for the Ugandan Fellowship programme.

The Safer Anaesthesia from Education (SAFE) programme is a collaboration between AAGBI Foundation and World Federation of Societies of Anaesthesiologists (WFSA), which we plan to expand and develop globally with a new fundraising campaign, SAFE Africa, launched in 2017. SAFE training courses have been created on obstetric and paediatric anaesthesia; in 2017 we piloted a new SAFE operating theatre course. All SAFE courses are provided by trained volunteers with expertise in the specialty. Over the last seven years the SAFE project has trained 3,001 anaesthetic providers in 31 countries. Each one of these practitioners will go on to treat around 500 patients each year.

The SAFE Steering Group awarded funding to the value of £61,396 for 14 SAFE Courses in 7 countries (Bangladesh, Cameroon, Ethiopia, Indonesia, Namibia, Nigeria and Sierra Leone) and commissioned a SAFE course evaluation through the Manchester Change Exchange.

The Foundation is grateful for grants from the Tropical Health Education Trust (THET) / UKAid to support the SAFE programme with funding for three projects in Africa. These were the Safer Anaesthesia from Education (SAFE) obstetrics project in East Africa (£98k); the SAFE paediatrics project in East Africa (£120k) and the Zambia Anaesthesia Development project (£46k). The charity's trustees thank THET for their continued support for our international programmes.

SAFE Africa Fundraising

In 2017, the charity launched a new two-year fundraising campaign, SAFE Africa, which quickly gained momentum with the following activity: JP van Besouw memorial, SAFE Africa London to Liverpool SAFE Africa Cycle, the members' winter appeal and a strong social media identity. The aim is to raise £100,000 to support the delivery of SAFE training in Africa.

Uganda Fellowships

A flagship project of the Foundation has been the Uganda Fellowship programme, established ten years ago to build physician anaesthetist capacity through funding towards anaesthetic training for individual doctors. The AAGBI and its funding partners (Difficult Airway Society, Obstetric Anaesthetist Association, Royal College of Anaesthetists, World Anaesthesia Society) have, to date, supported 43 Uganda Fellows through their training, a fourfold increase in the number of physician anaesthesiologists in the country. In 2016 the partners initiated a strategic review and evaluation of the Uganda Fellowship programme by funding an international evaluation research fellowship. This report was published in 2017.

AAGBI FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018 - CONTINUED

Research funding to promote improvements in patient care

Vision

Our vision is to improve patient care and safety through relevant and impactful high quality research into anaesthesia and allied specialties

Progress to achieve our vision this year

The Foundation continued to work through the National Institute for Academic Anaesthesia (NIAA) in awarding grants for research. Grants totalling £136k (see note 9) were awarded during the year.

Organisational development and future plans

Following the governance review completed in 2014, the board adopted a governance manual in 2015 containing the regulations and procedures to ensure good governance of the organisation.

Further progress has been made with improving finance systems with the ongoing development of the accounting system addressing the charity's current and future needs.

Progress has been made in the year with upgrades to database and website systems and these will continue to be an ongoing project during the coming year.

In 2017, a branding review was commissioned by the board from Johnson Banks, brand consultants, which recommended a comprehensive re-branding. The new brand is to be launched in 2018.

The Foundation's major asset is the English Heritage listed building in London. The trustees have established a property strategy task group to consider future requirements including how best to optimise this asset and have appointed professional property advisors to support them with this.

Finance review

Voluntary income was £1.82m (2017: £1.93m), a decline attributable to refunds totalling £78k to THET of underspend relating to three restricted fund grants for projects in Africa which were delivered at less than the original budget costs.

Other sources of income have increased by £563k to £2.74m (2017: £2.18m). This is partly exhibition income at conferences and events previously shown in the association and partly increased income from trainee events.

Resources expended have increased by £748k to £4.40m (2017: £3.65m). This partly reflects rebranding costs and external decorations.

Net gains on investment assets were £0 (2017: £1,382k).

In cash terms, the Foundation's bank balances have decreased by £378k to £569k (2017: £947k).

Future strategy

For the future, the charity's trustees are committed to continuously improve and develop the core programmes – education, research, international and heritage – and to be responsive to the needs of members of the specialty of anaesthesia. In 2017 the board and senior management team produced a new 3-5 year long-term strategy, involving wide consultation with members of the AAGBI, staff and other stakeholders. This vision and goals set out in the strategy will be delivered through the annual operational plan and budget, which in turn build on progress made and learning from the last 12 months.

AAGBI FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018 - CONTINUED

Future strategy (continued)

To support the long term strategy, the board is investing in developing the organisation including funding a new CRM and website to improve communications, so as to go fully digital by 2020, and re-branding to project a stronger profile, reflecting the AAGBI's values and strategic priorities. These will be launched in 2018.

Reserves Policy

Unrestricted reserves of £16.5m as at 31 March 2018 (2017: £16.2m) are held for the future development of the Foundation and its charitable activities. In more detail, £5m of unrestricted reserves fund relate to the Foundation's premises and other tangible fixed assets (2017: £5m). £11.2m of unrestricted reserves are accounted for by cash on deposit and realisable investments, net of commitments, ensuring grant funding and all foreseeable operating expenditure may be met. The substantial increase in this element of the reserves is due to the growth in the value of the Foundation's investment portfolio during the year.

The Trustees have set up two designated funds that are included in unrestricted funds. The Development Fund of £0.9m (2017: £1.4m), which is to be used for capital projects, including IT and property, where the benefits of such infrastructure investment will materialise in future years and the Research fund, initially funded via the donation by the Association of a signing bonus of £150,000 from Wiley, the publisher of Anaesthesia. This has been further supplemented by an unused NIAA grant of £51,222 from 2016.

Restricted reserves were £48k as at 31 March 2018 (2017: £151k).

The level of reserves are regularly reviewed by trustees both as part of the annual budget planning process and in year in order to decide whether to invest from reserves into particular projects or organisational development.

Investment Policy

Under the Articles 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 investment policy is kept under review through the Finance and Investment Committee.

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. The investment policy is reviewed annually.

AAGBI FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018 - CONTINUED

LEGAL AND ADMINISTRATIVE INFORMATION

Status

Company limited by Guarantee which 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.

Governing document

Memorandum and Articles of Association

Company Number

01963975 (England and Wales)

Charity Number

293575 (England and Wales)

SCO40697 (Scotland)

Registered office and operational address

21 Portland Place

London

W1B 1PY

Trustees

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

Dr C Bailey
Dr P Barker
Dr P A Clyburn
Dr R E Collis
Dr S El-Ghazali
Dr W Fawcett
Dr K Ferguson
Dr R S Gill
Dr G Jackson
Dr G Keenan
Dr A Klein
Dr E M McGrady
Dr T Meek
Dr U Misra
Dr M Nathanson
Mr A K Naughton
Dr R Rao Baikady
Dr N Redfern
Dr T E Sheraton
Dr S Shinde
Dr I A Walker

The following director served until 6 July 2017:

Dr E Plunkett

The following director served from 6 July 2017:

Dr D Conway

The following directors served until 28 September 2017:

Dr R Griffiths
Dr A J Hartle
Dr S M Yentis

AAGBI FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018 - CONTINUED

REFERENCE AND ADMINISTRATIVE DETAILS

The following directors served from 28 September 2017:

Dr M Davies
Dr A Harvey
Dr M Patteril

The following director served from 03 November 2017:

Ms P Keats

Auditors

haysmacintyre
Chartered Accountants and Tax Advisors
10 Queen Street Place
London
EC4 R1AG

Officers & Senior Management

Dr Paul Clyburn, President
Dr Kathleen Ferguson, President Elect and Immediate Past Honorary Treasurer
Dr Mike Nathanson, Honorary Secretary
Dr Paul Barker, Honorary Treasurer
Dr Upma Mista, Honorary Membership Secretary
Dr Andy Klein, Editor-in-Chief, *Anaesthesia*
Dr Nancy Redfern, Immediate Past Honorary Membership Secretary
Dr Tim Meek, Honorary Secretary Elect
Senior management team
Ms Karin Pappenheim, Executive Director
Ms Gemma Campbell, Head of Support Services & Information Management
Ms Nicola Heard, Head of Education & Membership Services
Mr Adrian Sebastian, Finance Controller (until December 2017)
Ms Pauline Mouskis, Finance Manager (from December 2017)

Bankers

HSBC
60 Queen Victoria Street
London
EC4N 4TR

Solicitors

Hempsons
Hempsons House
40 Villiers Street
London
WC2N 6NJ

Withers
16 Old Bailey
London
EC4M 7EG

AAGBI FOUNDATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018 - CONTINUED**

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Investment Managers

Investec
100 Wood Street
London
EC2V 7AN

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 Accounting Standards (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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 charitable company 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

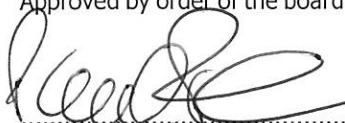
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The board conducted a tender exercise to appoint an auditor for the 2017-18 audit. A resolution to appoint haysmacintyre was approved by the trustees in 2017 to take over from Hartley Fowler LLP, the previous auditor.

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

Approved by order of the board of trustees on 7 September 2018 and signed on its behalf by:


.....
Dr P Barker - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AAGBI FOUNDATION

Opinion

We have audited the financial statements of AAGBI Foundation for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2018 and of the charitable company's net movement in funds, including the 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page X, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AAGBI FOUNDATION (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity Accounts (Scotland) Regulations (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AAGBI FOUNDATION (continued)**

Use of our report

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, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 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.



Jeremy Beard (Senior Statutory Auditor)
10 Queen Street Place
London
EC4R 1AG

For and on behalf of haysmacintyre, Statutory Auditors

7/9/2018
.....

AAGBI FOUNDATION**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)****FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations	3	1,769,159	50,930	1,820,089	1,934,324
Charitable activities					
Educational programme	6	1,368,186	(25,303)	1,342,883	1,256,363
Other trading activities	4	1,103,335		1,103,335	654,625
Investment income	5	298,440		298,440	270,435
Total		4,539,120	25,627	4,564,747	4,115,747
EXPENDITURE ON					
Raising funds	7	68,443		68,443	42,796
Charitable activities					
Educational programme	8	3,216,388	19,570	3,235,958	2,340,679
International programme		236,988	54,692	291,680	477,566
Research programme		240,491	53,364	293,855	351,358
Heritage programme		513,009		513,009	442,478
		4,206,876	127,626	4,334,502	3,612,081
Total		4,275,319	127,626	4,402,945	3,654,877
Net gains/(losses) on investments		(250)		(250)	1,382,460
NET INCOME/(EXPENDITURE)		263,551	(101,999)	161,552	1,781,742
RECONCILIATION OF FUNDS					
Total funds brought forward (as restated)		16,187,560	150,536	16,338,096	14,494,766
TOTAL FUNDS CARRIED FORWARD		16,451,111	48,537	16,499,648	16,338,096

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

AAGBI FOUNDATION

**STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2018**

	Notes	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
FIXED ASSETS					
Tangible assets	15	5,254,932	-	5,254,932	5,057,429
Investments	16	10,370,929	-	10,370,929	10,021,343
		<u>15,625,861</u>	<u>-</u>	<u>15,625,861</u>	<u>15,078,772</u>
CURRENT ASSETS					
Debtors	17	905,671	-	905,671	659,673
Cash at bank		520,722	48,537	569,259	946,872
		<u>1,426,393</u>	<u>48,537</u>	<u>1,474,930</u>	<u>1,606,545</u>
CREDITORS					
Amounts falling due within one year	18	601,143	-	601,143	343,521
NET CURRENT ASSETS		<u>825,250</u>	<u>48,537</u>	<u>873,787</u>	<u>1,263,024</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,451,111</u>	<u>48,537</u>	<u>16,499,648</u>	<u>16,341,796</u>
CREDITORS					
Amounts falling due after more than one year	19	-	-	-	3,700
NET ASSETS		<u>16,451,111</u>	<u>48,537</u>	<u>16,499,648</u>	<u>16,338,096</u>
FUNDS					
Unrestricted funds	21			16,451,111	16,187,560
Restricted funds				48,537	150,536
TOTAL FUNDS				<u>16,499,648</u>	<u>16,338,096</u>

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 and authorised for issue by the Board of Trustees on 7th September 2018 and were signed on its behalf by:

.....
Dr P Barker -Trustee
Company Registration no 01963975

AAGBI FOUNDATION**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>11,168</u>	<u>(345,533)</u>
Net cash provided by (used in) operating activities		<u>11,168</u>	<u>(345,533)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(333,685)	(144,784)
Net cash flow from fixed assets investments		(349,336)	(302,035)
Interest received		1,052	1,935
Listed investment income		<u>297,388</u>	<u>268,500</u>
Net cash provided by (used in) investing activities		(385,081)	(176,384)
Cash flows from financing activities:			
Capital repayments in year	-	<u>(3,700)</u>	<u>(3,300)</u>
Net cash provided by (used in) financing activities		<u>(3,700)</u>	<u>(3,300)</u>
Change in cash and cash equivalents in the reporting period		(377,613)	(525,217)
Cash and cash equivalents at the beginning of the reporting period		<u>946,872</u>	<u>1,472,089</u>
Cash and cash equivalents at the end of the reporting period		<u><u>569,259</u></u>	<u><u>946,872</u></u>

AAGBI FOUNDATION

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

1	RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	2018	2017
		£	£
	Net income/(expenditure) for the reporting period (as per the statement of financial activities)	161,552	1,843,330
	Adjustments for:		
	Depreciation charges	136,182	90,635
	(Gain)/losses on investments	250	(1,382,460)
	Interest received	(1,052)	(1,935)
	Listed investment income	(297,388)	(268,500)
	(Increase)/decrease in debtors	(245,998)	(528,104)
	Increase/(Decrease) in creditors	257,622	(98,499)
	Net cash provided by (used in) operating activities	11,168	(345,533)

AAGBI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 GENERAL INFORMATION

The charitable company is incorporated and domiciled in the United Kingdom. The address of its registered office is 21 Portland Place, London W1B 1PY. The registered number of the company is 01963975 and is registered as a company limited by guarantee in England and Wales. The registered number of the charity is 293575.

The financial information presented is for the year ended 31 March 2018 and 31 March 2017. The financial information is presented in sterling.

The presentation currency of the financial statements is the Pound Sterling (£).

2 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

a) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

b) Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, reserves levels, investments and future plans give the trustees confidence that the charitable company remains a going concern for the foreseeable future.

c) Significant judgements and estimates.

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

(i) Tangible fixed assets. Fixtures and fittings and office equipment are depreciated over their useful lives taking into account residual values, where appropriate.

(ii) Allocation of costs. The allocation of support and governance costs between charitable and expenditure categories.

(iii) Impairments. Management makes judgement on whether there are any indications of impairments to the carrying amounts of the charity's assets.

2 ACCOUNTING POLICIES - continued

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

(i) Grant income, donation income and sponsorship income is accounted for when receivable and include grants for current expenditure.

(ii) Income received for a particular restricted purpose is included in restricted funds.

(iii) Investment income is included when receivable.

(iv) Income from charitable activities includes income from general conferences, trainee conferences and seminars workshops held during the year. Income received for conferences, seminars and workshops which relates to the next financial year is deferred.

(v) Income received from the Association of Anaesthetist of Great Britain and Ireland represents recharged expenses relating to staff costs and general overheads incurred by the charitable company under a cost sharing agreement between the Association and the Foundation in 2012.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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.

VAT

The charity reclaims VAT incurred on goods and services in line with the standard method of partial exemption. Irrecoverable VAT is allocated to the relevant activity in the statement of financial activities.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

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

Allocation and apportionment of costs

Support costs include all those overhead costs of office, utility services and other services and costs, which are in support of the activity. They have been allocated to activity cost categories on a basis consistent with the use of resources.

2 ACCOUNTING POLICIES - continued

Tangible fixed assets

All individual assets with a cost of more than £1,000 or forming part of a larger capital project are capitalised and included in the statement of financial position at cost. The long leasehold is held at historic cost.

The lease of the building was signed in 1954 for 999 years and will continue to have a substantial market value for the foreseeable future. No depreciation has therefore been provided as the property has a high residential value which renders the depreciation amount immaterial.

Depreciation is provided at the following basis:

- Furnishings - 10% straight line
- Equipment - 33% straight line
- CRM- IT project - 25% straight line

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Statement of Financial Position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the period of the lease.

Pension costs

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the statement of financial activities in the period to which they relate.

Financial instruments

Financial instruments comprise Listed Investments at fair value, cash, trade and other debtors at amortised cost and trade creditors, other creditors and a finance lease liability at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**
2 ACCOUNTING POLICIES - continued
Fixed asset investments

Investments are included in the statement of financial position at their market value. All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

Cash at bank

Cash at bank includes bank deposit accounts and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are recognised at the invoiced cost prepaid.

Provision for bad debts is recognised for those debts for which there is no likelihood of recovery and a general provision is recognised in the financial statements.

Creditors

Creditors are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at the settlement amount.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

3. DONATIONS AND LEGACIES

	2018	2017
	£	£
Donations-Individuals	70,089	184,324
Donation from AAGBI	1,750,000	1,750,000
TOTAL DONATION	1,820,089	1,934,324

Donation received, included in the above are as follows:

	2018	2017
	£	£
The Association of Anaesthetists of Great Britain and Ireland	1,750,000	1,750,000

AAGBI FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

4. OTHER TRADING ACTIVITIES

	2018	2017
	£	£
Management charge to association	700,000	650,000
Fee income: e-learning	17,019	4,625
Exhibition stand income	302,535	-
Catering and facilities hire	83,781	-
	<u>1,103,335</u>	<u>654,625</u>

5. INVESTMENT INCOME

	2018	2017
	£	£
Listed investment income	297,388	268,500
Interest on cash deposits	1,052	1,935
	<u>298,440</u>	<u>270,435</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2018	2017
	£	£
	Educational programme	Educational programme
General conferences	775,308	764,270
Trainee conferences	204,827	59,872
Seminars and workshops	362,748	432,221
	<u>1,342,883</u>	<u>1,256,363</u>

7. RAISING FUNDS

	2018	2017
	£	£
Fundraising costs	22,477	-
Investment management fees	45,966	42,796
	<u>68,443</u>	<u>42,796</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities(See note 9)	Support costs (See note 10)	2018 Totals	Restated 2017 Totals
	£	£	£	£	£
Educational programme	1,561,979		1,673,979	3,235,958	2,494,405
International programme	21,600	194,814	75,266	291,680	427,096
Research programme	20,698	201,037	72,120	293,855	234,732
Heritage programme	137,745		375,264	513,009	455,847
	<u>1,742,022</u>	<u>395,851</u>	<u>2,196,629</u>	<u>4,334,502</u>	<u>3,612,080</u>

AAGBI FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

9. GRANTS PAYABLE	2018	2017
	£	£
International programme	194,814	159,641
Research programme	201,037	348,549
	<hr/>	<hr/>
	395,851	508,190
Research Programme and other grants		
The following research projects were funded from general funds during the year:		
	£	£
NIAA Research Grants, Round 1, June 2017		
Prof Gary Mills - Sheffield Teaching Hospitals	14,589	
Dr Richard Armstrong - Barts Health NHS Trust	32,643	
Dr Thomas Craig - Portsmouth Hospital NHS Trust	4,995	
Dr Clare Melikian - Royal Free Hospital, London	32,423	
	<hr/>	
		84,650
NIAA Research Grants, Round 2, December 2017		
Dr Johannes Retief - Derriford Hospital	9,900	
Dr Fahd Aamir - Cork University, Ireland	4,724	
Miss Karen Munting & Dr Andrew Klein - Papworth Hospital	15,750	
Dr Louise Savic - Leeds Teaching Hospital	11,808	
Dr Christopher Gough - Royal United Hospital, Bath	4,632	
Dr Harriet Kemp & Dr Helen Laycock - Imperial College London	4,090	
	<hr/>	
		50,904
Institutional Grant Total		<hr/>
		135,554
AAGBI Undergraduate Elective Travel Grants 2017-2018		
Total awarded 12 Grants		6,100
Research Grants		<hr/>
		141,654
Standards Grants – Travel grants for standards work		6,019
		<hr/>
		147,673
		<hr/>

AAGBI FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018****9. GRANTS PAYABLE – continued**

The total grants paid during the year was as follows:

	2018	2017
	£	£
Individual travel grants	12,119	4,343
Institutional Research Grants - unrestricted	135,554	155,298
Institutional Research Grants - Restricted	53,364	-
Research Grants	201,037	159,641

International

The following types of grants were made by the International Relations Committee (IRC) during the course of the year to support international work in low resource countries

	2018	2017
	£	£
Book Programme	3,158	1,511
Educational Project Grants	40,116	11,832
Travel Grants	17,286	27,635
SAFE, Lifebox and Uganda Fellowship Schemes	134,254	307,571
International programme expenditure	194,814	348,549

10. SUPPORT COSTS

	Management	Administrative expenses	Accommodation expenses	Governance	Totals
	£	£	£	£	£
Educational programme	194,569	688,706	405,421	385,282	1,673,978
International programme	8,748	30,966	18,229	17,323	75,266
Research programme	8,383	29,672	17,467	16,599	72,121
Heritage programme	43,617	154,391	90,885	86,371	375,264
	255,317	903,735	532,002	505,575	2,196,629

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£	£
Audit fees	7,447	7,050
Non-audit remuneration paid to auditors	4,540	13,635
Depreciation - owned assets	136,182	86,698
Depreciation - assets on hire purchase contracts and finance leases	3,938	3,937

AAGBI FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

14. PREVIOUS YEAR COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

31st March 2017	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,763,863	170,461	1,934,324
Charitable activities			
Educational programme	1,256,363	-	1,256,363
Other trading activities	654,625	-	654,625
Investment income	270,435	-	270,435
Total	<u>3,945,286</u>	<u>170,461</u>	<u>4,115,747</u>
	£	£	
EXPENDITURE ON			
Raising funds	42,796	-	42,796
Charitable activities			
Educational programme	2,089,530	251,149	2,340,679
International programme	477,566	-	477,566
Research programme	351,358	-	351,358
Heritage programme	442,478	-	442,478
Total	<u>3,403,728</u>	<u>251,149</u>	<u>3,654,877</u>
Net gains/(losses) on investments	1,382,460	-	1,382,460
NET INCOME/(EXPENDITURE)	<u>1,924,018</u>	<u>(80,688)</u>	<u>1,843,330</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	14,263,542	231,224	14,494,766
TOTAL FUNDS CARRIED FORWARD	<u>16,187,560</u>	<u>150,536</u>	<u>16,338,096</u>

AAGBI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' expenses

Expenses for travel totalling £31,702 (2017: £34,794) were paid to 29 trustees (2017: 29 trustees).

13. STAFF COSTS

	2018	2017
	£	£
Salaries and wages	1,286,849	1,123,232
Social security costs	138,981	119,978
Pension costs	119,922	84,391
Other staff related costs	270,467	181,386
Total Gross	1,816,219	1,508,987
Less: costs capitalised	54,688	54,521
	1,761,531	1,454,466

The average monthly number of employees during the year was as follows:

	2018	2017
Events	8	6
Specialist societies	4	3
Facilities	4	4
Governance and management	5	4
Finance	4	3
Other	14	12
	39	32

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018	2017
£60,001 - £70,000	2	–
£70,001 - £80,000	1	1

The key management personnel of the charitable company are the senior management team, which includes:

- (i) Executive Director
- (ii) Finance Controller
- (iii) Head of Support Services and Information Management
- (iv) Head of Education and Membership Services

The key management personnel received earnings and benefits during the year of £328,779 (2017: £292,534).

AAGBI FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

15. TANGIBLE FIXED ASSETS

	Long leasehold	Fixtures, fittings and furniture	Office equipment	Totals
	£		£	£
COST				
At 1 April 2017	4,773,120	280,788	315,279	5,369,187
Additions	-	3,468	330,217	333,685
At 31 March 2018	<u>4,773,120</u>	<u>284,256</u>	<u>645,496</u>	<u>5,702,872</u>
DEPRECIATION				
At 1 April 2017	-	132,986	178,772	311,758
Charge for year	-	40,030	96,152	136,182
At 31 March 2018	<u>0</u>	<u>173,016</u>	<u>274,924</u>	<u>447,940</u>
NET BOOK VALUE				
At 31 March 2018	<u>4,773,120</u>	<u>111,240</u>	<u>370,572</u>	<u>5,254,932</u>
At 31 March 2017	<u>4,773,120</u>	<u>147,802</u>	<u>136,507</u>	<u>5,057,429</u>

Fixed assets, included in the above, which are held under finance leases are as follows

:	Office equipment £
COST	
At 1 April 2018	11,813
DEPRECIATION	
At 1 April 2017	5,250
Charge for year	3,938
At 31 March 2018	9,188
NET BOOK VALUE	
At 31 March 2018	2,625
At 31 March 2017	6,563

AAGBI FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

16. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2017	10,021,343
Additions	1,220,129
Disposals	(870,293)
Revaluations	(250)
NET BOOK VALUE	
At 31 March 2018	<u>10,370,929</u>
At 31 March 2017	10,021,343

At 31 March 2018 Listed investments included £3,679,489 overseas equities and the balance in UK equities and Bonds.

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

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	45,945	50,346
Other debtors and accrued income	35,540	43,823
The Association of Anaesthetists of Great Britain and Ireland	700,000	557,654
VAT	-	7,850
Prepayments	124,186	-
	<u>905,671</u>	<u>659,673</u>

AAGBI FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018****18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Finance lease (see note 20)	2,424	3,500
Trade creditors	287,056	31,261
Social security and other taxes	37,985	50,512
Other creditors and accruals	212,356	185,768
Deferred income	61,322	72,480
	<u>601,143</u>	<u>343,521</u>

Deferred income breakdown

	2018	2017
	£	£
Deferred income at 1 April 2017	72,480	57,593
Amounts released to income from previous years	(72,480)	(57,593)
Amounts deferred in the year	61,322	72,480
Deferred income at 31 March 2018	<u>61,322</u>	<u>72,480</u>

Deferred income comprises income in respect of seminars and meetings which relates to the year ended 31 March 2019.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Finance lease (see note 20)	0	3,700

20. LEASING AGREEMENTS

	2018	2017
	£	£
Net obligations repayable:		
Within one year	2,424	3,500
Between one and five years	0	3,700
	<u>2,424</u>	<u>7,200</u>

AAGBI FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

21. MOVEMENT IN FUNDS

	Note	At 01/04/17	Net movement in funds	Transfer	At 31/3/18
		£	£	£	£
Unrestricted funds					
General fund		14,790,293	263,551	277,247	15,331,091
Development fund	(a)	1,397,267	-	(478,469)	918,798
Research fund	(b)			201,222	201,222
		<u>16,187,560</u>	<u>263,551</u>	<u>0</u>	<u>16,451,111</u>
Restricted funds					
Overseas anaesthesia fund	(c)	(16,689)	47		(16,642)
THET-SAFE Paediatrics East Africa	(d)	68,392	(68,194)		198
THET-SAFE Obstetrics East Africa	(d)	49,362	(42,795)		6567
THET-ZADP2		(26,029)	26,029		0
THET-ZADP3 Lusaka		10,737	(10,737)		0
THET-SAFE Malawi	(d)	5,321	(5,158)		163
THET-SAFE operating rooms- Uganda			20,860		20,860
Roddie McNichol Patient Safety Prize			5,000		5,000
Safe Africa Campaign			30,237		30,237
Mentoring scheme- 2016-2021	(e)	4,442	(3,924)		518
		<u>95,536</u>	<u>(48,635)</u>		<u>46,901</u>
Research fund- Wiley	(f)	55,000	(53,364)		1,636
Total restricted funds		<u>150,536</u>	<u>(101,999)</u>	<u>0</u>	<u>48,537</u>
TOTAL FUNDS		<u>16,338,096</u>	<u>161,551</u>	<u>0</u>	<u>16,499,648</u>

AAGBI FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018****21. MOVEMENT IN FUNDS (CONTINUED)**

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

	Income £	Expenditure £	Gains / (losses) £	Net movement in funds £
Unrestricted funds				
General fund	4,539,120	(4,275,319)	(250)	263,551
Restricted funds				
Overseas anaesthesia fund	15,693	(15,646)	-	47
THET-SAFE Paediatrics East Africa (d)	(63,982)	(4,212)	-	(68,194)
THET-SAFE Obstetrics East Africa (d)	(15,657)	(27,138)	-	(42,795)
THET-ZADP2	2,000	24,029	-	26,029
THET-ZADP3 Lusaka (d)	29,240	(39,977)	-	(10,737)
THET-SAFE Malawi	2,236	(7,394)	-	(5,158)
Mentoring scheme- 2016-2021		(3,924)	-	(3,924)
THET-SAFE operating rooms- Uganda	20,860		-	20,860
Roddie McNichol Patient Safety Prize	5,000		-	5,000
Safe Africa Campaign	30,237		-	30,237
	25,627	(74,262)	0	(48,635)
Research fund - Wiley		(53,364)		(53,364)
	25,627	(127,626)	0	(101,999)
TOTAL FUNDS	4,564,747	(4,402,945)	(250)	161,552

Notes

(a) Development fund is the renamed new premises fund that was initially set up to fund new freehold premises. This has now been widened to fund capital infrastructure developments including the new CRM, Website, premises and other organisation improvement as part of the plans to go fully digital by 2020.

(b) The Research Fund was set up initially from funds received from Wiley on the signing of their new contract in 2017 with the Association. It has been agreed that this fund is to be used for matched funding and collaboration with other specialist societies or organisations such as Barema. A further £51,222 has been added to this fund being a NIAA research grant that was not used.

(c) The overseas anaesthesia fund essentially provides an opportunity for individual donors to contribute to the international work of the foundation. This has been used in advance of future planned income to fund the Ugandan Fellowship program.

(d) The charitable company has raised grant income mainly from the Tropical Health & Education Trust (THET) towards specific projects: SAFE and the Zambia Anaesthesia Development Project (ZADP). In the year three refunds were made to Tropical Health & Education Trust for projects that had been completed without using the full THET grants.

(e) The Mentoring scheme, funded by a grant from the Goldhill Trust, supports work to develop the vision of providing a mentoring service for AAGBI members

(f) The Research fund – Wiley was a research grant received from Wiley Blackwell.

AAGBI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

22. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statement amounted to £124,000 (2017 £0)

23. RELATED PARTY DISCLOSURES

As per the cost sharing agreement between Foundation and the Association of Anaesthetists of Great Britain and Ireland, the Foundation recharged expenses relating to staff costs and general overheads to Association totalling £750,000 (2017: £650,000).

As at the year end, the Foundation was owed £700,000 by the Association (2016: £557,653).

The Foundation is related to the Association of Anaesthetists of Great Britain and Ireland as the AAGBI is the sole corporate member and appoints most of the trustees/directors. The Association is also the main donor of funds to the Foundation.

During the year the Association made cash donations to the Foundation totalling £1,750,000 (2017: £1,750,000).

24. ULTIMATE CONTROLLING PARTY

The Association of Anaesthetists of Great Britain and Ireland, a company limited by Guarantee and registered in England and Wales, has the right to appoint under the Articles of Association the majority of trustees (20 of 25) so is therefore considered as the ultimate controlling party.

The principal activities of The Association of Anaesthetists of Great Britain and Ireland are the advancement of patient care and safety in the field of anaesthesia, the promotion of education and research into anaesthetics; the support of members and development of international co-operation between anaesthetists.