

Company registration number: 01963975
Charity number England & Wales: 293575
Charity number Scotland: SC040697



**Association
of Anaesthetists**

AAGBI Foundation

(A company limited by guarantee)

Report of the Directors and Audited Financial Statements for the
Year Ended 31 March 2020

Company registration number: 01963975

Charity number England & Wales: 293575

Scotland: SC040697

AAGBI Foundation

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AAGBI Foundation
Report of the Trustees
For the year ended 31 March 2020

Report of the Trustees

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 R McCrossan
Dr P Barker	Dr T Meek
Dr M Davies	Dr U Misra
Dr S El-Ghazali	Dr C Mowatt
Prof W Fawcett	Dr M Nathanson
Dr K Ferguson	Dr M Patteril
Dr R Fleming	Dr R Rao Baikady
Dr R S Gill	Dr N Redfern
Dr A Harvey	Dr R Self
Dr P Keats	Dr T E Sheraton
Dr S M Kinsella	Dr I A Walker
Prof A Klein	Dr J Ward
	Dr P Young

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For the year ended 31 March 2020

Legal and administrative information – continued

The following director served until 4 July 2019:
Dr S Denning

The following director served from 4 July 2019:
Dr R McCrossan

The following directors served until 12 September 2019:
Dr P Clyburn
Dr E McGrady
Dr S Shinde

The following directors served from 12 September 2019:
Dr R Fleming
Dr C Mowatt
Dr J Ward

Reference and administrative details

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Officers & Senior Management

Dr Kathleen Ferguson, President
Dr Mike Nathanson, President Elect
Dr Tim Meek, Honorary Secretary
Dr Ravi Gill, Honorary Treasurer
Dr Tei Sheraton, Honorary Membership Secretary
Prof Andy Klein, Editor-in-Chief, *Anaesthesia*
Dr Paul Barker, Immediate Past Honorary Treasurer
Dr Upma Misra, Immediate Past Honorary Membership Secretary
Dr Matthew Davies, Honorary Secretary Elect

Senior management team

Ms Karin Pappenheim, Chief Executive Officer
Ms Gemma Campbell, Head of Support Services & Information Management
Ms Nicola Heard, Head of Education & Membership Services
Mr Vipin Narang, Chief Operating Officer

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Legal and administrative information – continued

Bankers

HSBC
60 Queen Victoria Street
London
EC4N 4TR

Solicitors

Withers
16 Old Bailey
London
EC4M 7EG

Investment Managers

Investec
100 Wood Street
London
EC2V 7AN

AAGBI Foundation

Report of the Trustees

For the year ended 31 March 2020

The Trustee Board of the AAGBI Foundation (the Foundation) presents its report and the audited financial statements for the year ended 31 March 2020.

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).

Association of Anaesthetists is the brand name used to collectively refer to both the AAGBI Foundation and the Association of Anaesthetists of Great Britain & Ireland.

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 rare book collection 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 independent specialists (formerly known as lay members) in the charity's governance, and have appointed independent specialists to the Finance, Audit and Investment, International, Safety, Environment and Research and Grants Committees as well as to the Foundation's board.

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.

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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.

Organisation and Management

The full-time staff of the Foundation is led by the Chief Executive Officer 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.

Strategic vision

The charity's trustees determine overall strategy and policy. In 2017, the Board adopted a new long term strategy, setting out the vision for the next 5 years, produced in consultation with staff, members and trustees. Implementation started in the 2018-19 financial year and the strategy was updated in 2019 to take account of progress in that first year. A three year financial plan has been developed to support the strategy, and the board has designated a fund for strategic investment. The strategy and three year financial plan provide the framework in which the Board approves annual business plans, setting the objectives and the budget for the year. Operational management and responsibility for delivery of the plan is delegated to the Chief Executive Officer. 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 of the key risks provided for review by the Finance, Audit and Investment Committee, and Board.

This ongoing evaluation includes agreeing actions to mitigate and reduce risks identified. Key business risks presently include those relating to changes brought about from the need to respond swiftly and appropriately to the global Covid-19 pandemic. This has impacted not only on the NHS and the members of the Association who are engaged in providing frontline treatment and care,

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Report of the Trustees

For the year ended 31 March 2020

but also on the charity's business and operating model.

Risks to the organisation at this time are all driven by the very rapid and unplanned changes resulting from the Covid-19 health emergency, which affects every aspect of our activity and the core programmes of the charity. The primary focus is on supporting members and communicating timely, relevant information in a rapidly changing situation, whilst managing the impact on the organisation.

The SMT and management team have implemented a rapid business continuity and change management action plan; and a Covid-19 risk register has been developed, which is reported monthly to the Board. The key risks are summarised below.

The provision of anaesthesia education is a core programme of the Foundation. Traditionally, this has predominantly taken the form of being delivered face to face. Responding to Covid-19, with Board support, from March 2020, education has been adapted to being delivered digitally. This work is ongoing, and involves significant change to established business models. As of the end of July 2020, from the six seminars held to date, these have been very well received by both delegates and sponsors. A key challenge now is to the major educational conferences run annually and how best to deliver these as virtual rather than face to face. The requirement to radically shift the events business model in this way is a potential risk, which is being mitigated by consulting and partnering with experts in digital learning and conferences.

Covid-19 also poses a risk to the health and safety of staff, board members and volunteers. In response to government guidance, this has entailed becoming a fully virtual organisation since 17 March, when the charity's building at 21 Portland Place was closed - with all staff working from home. The wellbeing of the staff team has been given high priority. A health and safety risk assessment has been produced and will form the basis of any future return to the building to ensure compliance with Health and Safety requirements for a COVID- secure workplace. Senior management will continue to work closely with the Trustee Board and Health and Safety and HR advisers to ensure these risks are mitigated.

As all aspects of the charity's activities have been affected, previous business plans and budgets are no longer deliverable. To ensure the financial risks are managed, the Board and SMT have revised budgets based on reduced income and cost savings to mitigate the loss of income. This has been accompanied by strong financial controls and close cash flow management and close working with the Treasurer and Board to monitor the position.

Over 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 Association's consultant and trainee members. These risks have been exacerbated as a consequence of Covid-19. The Association continues to respond through an active external and member communications strategy, liaison with policy makers and joint action with other stakeholders to support the specialty of anaesthesia.

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*

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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 77 visitors a week were 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. This number was affected by the closure of the building due to water damage.

The building offers accommodation for the administrative and finance activities of the Association of Anaesthetists.

27 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 use of the building was impacted for five months from mid August to the end of December 2019 due to substantial water damage following a burst pipe. During this time the staff team worked from temporary office space and remotely from home and maintained the activities of the Foundation, including finding alternative venues to deliver the entire educational event programme. This provided an opportunity to modernise and improve the building and resulted in additional capital expenditure investment for the year, in addition to the costs covered by the insurance in place. The building re-opened in January 2020 and the Heritage Centre re-opened to visitors in February 2020.

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 Heritage Centre, which comprises the Foundation's museum, archives and extensive rare book collection, is co-ordinated by the Heritage Manager and Heritage Assistant, who both have professional qualifications. The Centre is under the direction of the committee overseeing heritage. The members of staff are supported by a group of 12 volunteers, who are mostly retired consultant anaesthetists.

The Heritage Centre tells the remarkable story of anaesthesia, from its first public demonstration in 1846 to the founding of anaesthesia as we know it today. Formed in 1953 from the private collection of A. Charles King's historic anaesthetic apparatus, the heritage team now care for over 13,000 items across the museum, library and archive collections. It is accessible to all, and is free to visit.

The centre's 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*'. To achieve this, the heritage team actively engages audiences throughout the year with a programme of group visits, talks, late events and a new venture running family activities. They are always looking to engage new audiences and increase outreach opportunities.

During 2019-20, despite a closure of the building, the Heritage Centre welcomed 1495 visitors. This figure accounts for visitors to the museum, group visits, late events, family activities and travelling exhibitions.

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

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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.

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)
- Audits and quality assurance/quality improvement projects that involve guideline implementation

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

In 2019 the Foundation offered a new joint research grant in partnership with Barema (the Association for Anaesthetic and Respiratory Device Suppliers). This is an annual award expected to continue for three years.

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, with 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. The charity does not use third party fundraisers.

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 Trainee Conference in Telford, the Annual Congress in Glasgow and the Winter Scientific Meeting (WSM) in London - attracted just over 2,000 delegates. In addition, 65 seminars were held by the Foundation in and out of London. This year saw the greatest number of seminars held in one year compared to the last five years. There were 13 regional core topics meetings around the UK and Ireland, attracting an average of 77 delegates.

A key educational element in the conferences is the opportunity to present posters and abstracts: 171 were displayed at the 2019 Trainee Conference in Telford, 183 at Annual Congress in Glasgow and a further 180 at WSM London. These conferences attract sponsorship from industry and £71k (2018: £64k) in additional income was brought in to support the Foundation's educational events.

The Foundation's e-education expanded during the year with the Learn@ online video platform now providing access to 730 lectures. During 2018 functionality was further enhanced by the addition of a new video player. Over 213,000 video views have occurred since launch. During the year the webinar programme was expanded, with seven webinars attracting over 700 delegates. In addition, the recordings of all webinars are made available after the fact, and have been viewed over 500 times.

The Foundation launched its new website in May 2019 which continues as a source of up to date information. Since going live the site has attracted on average 49,426 sessions a month with the most popular pages being membership, 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:

Day-case surgery, April 2019

Controlled drugs in peri-operative care, September 2019

Suicide amongst anaesthetists, November 2019

Safe transfer of the brain-injured patient: trauma and stroke, December 2019

Checklist for draw-over anaesthetic equipment, December 2019

Staff and Associate Specialist (SAS) grade handbook, January 2020

Infection prevention and control, January 2020

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Management of glucocorticoids during the peri-operative period, February 2020

Audio/visual recording of doctors in hospitals, March 2020

Neurological monitoring associated with obstetric neuraxial block, March 2020

Additionally, we updated the guidelines app for Association members, adding newly published guidelines. This has been very popular with the membership attracting over 2,307 downloads during the year.

New working parties were established on the following topics

- *Fire safety (joint with Intensive Care Society);*
- *Standards of Monitoring;*
- *Wellbeing of anaesthetists;*
- *Muscular skeletal wellbeing for anaesthetists;*
- *Human factors and ergonomics (joint with Difficult Airway Society);*
- *The Vital Signs: a guide for anaesthetists seeking help and advice (joint with Royal Medical Benevolent Fund);*
- *Age and the anaesthetist;*
- *Bullying, incivility and unprofessional behaviours.*

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

In 2019-20, despite a closure of the building, the Centre delivered 13 groups visits with a total of 242 visitors, and welcomed 316 visitors to the museum. Across three conferences (WSM, GAT and Annual Congress) we received 765 visitors to the Centre's exhibition stand. The Centre also exhibited at the London Museums of Health and Medicine annual event, *Up Close and Medical*, and at the Royal College of Nursing's exhibition launch, receiving 84 visitors respectively, which was an average of 70% of the total attendee figures. Unfortunately, the late events programme had to be cancelled for the financial year due to the building closure, which has impacted on visitor numbers.

For the first time the Centre ran a half-term activity for families, *Practice Makes Perfect*, which had 88 visitors, 40 of whom were children. The temporary exhibition, *Comfortably Numb*, which explores local and regional anaesthesia opened at the end of February 2020.

The heritage team are also building partnerships with STEM Learning, In2Science and Queen Mary University, which will help us reach new audiences. Museum improvements are underway with new interpretation panels, and the development of an interactive and immersive operating theatre in collaboration with interactive design studio Stand + Stare.

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 £109k (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 2019/2020 financial year the Foundation funded 25 projects through the International Relations Committee in 8 countries (India, Kenya, Nepal, Senegal, Uganda, United Kingdom, Vietnam and Zambia) to the value of £49,041.

The Safer Anaesthesia from Education (SAFE) programme is 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 5,255 clinicians, mostly anaesthesia providers but also midwives, obstetricians, surgeons and other physicians in 44 countries. Over 1,000 clinicians have been trained as SAFE trainers.

The SAFE Steering Group awarded funding to the value of £46,358 for 7 SAFE Courses in 6 countries (Bangladesh, Mozambique, Somaliland, Gambia, Tanzania and Uganda) and commissioned a SAFE course evaluation through the Manchester Change Exchange.

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 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. As at 31 March 2020 we have raised a total of £87,015.

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 £216k (see note 9) were awarded during the year.

Advocacy and campaigns – a voice for the specialty

Vision

To be an effective voice for the specialty, a leading contributor to health policy affecting anaesthesia and a leader in raising public awareness and understanding of the anaesthetist's role

The 3-5 year strategy places a high priority on advocacy and campaigns and building a stronger voice for the specialty in health policy. This work stream was launched in 2018 with the appointment of a new advocacy and campaigns manager and activity deploying communications, public affairs, and media/communications to promote policy and campaign messages to professional, political and public audiences. A press and policy officer was added to this team in 2019. Advancing the Fight Fatigue campaign has been a central part of the work with 28 new campaign backers added during 2019-20. Meetings with a number of stakeholders have taken place and the Foundation has joined some coalitions.

Organisational development and future plans

This report outlines much progress made over the last year in delivering the charity's core purpose and programmes. Improvements and changes have continued to be made to develop the organisation, its infrastructure and capacity. In this period, 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.

The new Association brand was launched in 2018, and re-branding has been applied to the website and all communications in 2019. Alongside this a new CRM database and website has been launched, and the charity is now positioned with a modern IT infrastructure to enable full digitalisation in 2020-21.

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. In response to the health emergency and government instructions, the building has been closed and face to face events have been cancelled or postponed.

As reported under Risk Management (pages 4 and 5) the charity expects to be much affected by the Covid-19 health emergency for the foreseeable future. Currently, the organisation is reviewing future plans and strategy due to the impact of Covid-19. There is uncertainty about the future, and we expected that the charity's activities will continue to be affected by constraints due to infection control of Covid-19 and related social and economic factors.

Looking ahead, we anticipate that we will re-open our building when safe to do so and in line with COVID-Secure standards. We also expect that our educational programmes may continue to be digital and blended.

Finance review

The Foundation's net surplus from operational activities increased by £20k, from £120k to £140k. Given the ongoing uncertainties in the UK economy during the year, this improvement was pleasing, indicating a modest improvement in operational performance, together with good financial management and controls in place in the year.

Review of the Foundation's key income and expenditure categories.

Total income increased by £323k to £4.972m (2019: £4.65m), a year-on-year increase of 7%.

Reviewing the key income categories:

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For the year ended 31 March 2020

Income from our Educational Programme increased by £112k to £1.52m (2019: £1.41m). In the main, this was due to the success of our January Winter Scientific Meeting, which attracted 992 delegates, compared to the 882 in the previous year.

Within this, voluntary income reduced to £1.57m (2019: £1.82m). This was expected given the donation received in the year from the Association of Anaesthetists was £1.49m as compared to £1.75m in 2019.

Income from investments increased by 3.9% to £346k (2019: £333k).

Other trading activities income increased by £454k to £1.54m (2019: £1.08m). This increase was due two factors: a) the transfer of contract support services income of £206k for Specialist Societies from the Association of Anaesthetists to the Foundation; b) following a review of the cost sharing agreement between the Foundation and the Association, an increase in the management charge to Association of £256k.

Resources expended increased by £294k to £4.82m (2019: £4.52m).

This increase is in the main due to depreciation charges of £237k contained within support costs and administrative expenses (see note 10). The increase in depreciation is line with the investment in our new CRM system and its successful launch in May 2019. In addition, we invested £30k in a joint project with the Royal Medical Benevolent Fund to promote wellbeing of anaesthetists.

During in the year we suffered significant water damage at 21 Portland Place which required the building to be closed for repairs. We took the opportunity of a closed building to invest in required capital improvements to the building including £258k on a new air conditioning system, £72k upgrade on audio-visual equipment for our meeting rooms and £62k on a water detection system.

To fund planned organisational growth and cash flow, and so enhance the Foundation's ability to offer improved member services, in early 2020, £900k of investments were sold, with the resulting cash balance invested into supporting the Foundation's operational cash flow.

The Foundation's investments were affected by the market turbulence in March 2020, brought about by Covid-19. As a result, after a £440k gain in value in 2018-19, in 2019-20, the Foundation's investments reduced in value by £1,024k in March 2020. The value of the Foundation's investments has since rebounded by £400k, as of mid-July 2020.

Future strategy

For the future, the charity's trustees are committed to continuously improve and develop its 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 Association, staff and other stakeholders. This vision and goals set out in the strategy are delivered through the annual operational plan and budget, which in turn build on progress made and learning from the preceding 12 months. The strategy was reviewed and updated in 2019 to take account of progress made.

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 increase its digital presence. Supporting this was a re-brand to project a stronger profile, reflecting the Association's values and strategic priorities. This launched in May 2019. The board has established a designated fund for investment in strategic change. Noting again the impact of Covid-19, the board and SMT are reviewing the 3-5 year strategy. Implementation of the strategy may need to change and adapt to the very different social and economic conditions produced by the coronavirus health emergency.

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Reserves Policy

Unrestricted reserves of £16.17m as at 31 March 2020 (2019: £17.05m) are held for the future development of the Foundation and its charitable activities.

£6.4m of these unrestricted reserves fund relate to the Foundation's premises and other tangible fixed assets (2019: £5.9m).

£9.87m 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 decrease in this element of the reserves is due to the drop, following the break out of the Covid-19 pandemic of the value of the Foundation's investment portfolio during the year-ended 2019-20.

As part of our strategic review, commencing in Q2 2020/21, we will review and update our reserves policy. It will be cognisant of, both the future aspiration of the organisation, and an appraisal of the impact going forward of Covid-19 on the financial health of the organisation.

The Trustees have set up three designated funds that are included in unrestricted funds. The Development Fund of £93k (2019: £233k), which is to be used for capital projects, including IT and property, where the benefits of such infrastructure investment will materialise in future years. Secondly the Research fund £148k (2019: £179k) to be used as match funding for research projects. The third is a Strategic Development Fund of £408k (2019: £564k) which was set up in 2018/19 to provide initial funding for new works streams of advocacy and campaigns and wellbeing. Restricted reserves were £25k as at 31 March 2020 (2019: £17k).

The level of reserves are reviewed by trustees as part of the annual budget planning process, and then during the year if needed, to determine whether to invest from reserves into particular projects or organisational development.

The strategic review process noted above will consider the appropriate level for organisational reserves. Next year, this section will include reserves targets for the short, medium and long-term.

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, Audit 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.

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Statement of Trustee 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

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 11 September 2020 and signed on its behalf by:



Dr R Gill – Trustee

Report of the Independent Auditors

To the members of the AAGBI Foundation

Report of the Independent Auditors

Opinion

We have audited the financial statements of AAGBI Foundation for the year ended 31 March 2020 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 2020 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 14, 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 the AAGBI Foundation

Auditor's responsibilities for the audit of the financial statements - 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 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 directors' report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

AAGBI Foundation

Statement of Financial Activities

(Incorporating An Income And Expenditure Account)

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.
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

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)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
10 Queen Street Place
London, EC4R 1AG
DATE ...16 September 2020.....

AAGBI Foundation
Statement of Financial Activities
(Incorporating An Income And Expenditure Account)

Statement of Financial Activities
Continuing operations

For the year ended 31 March 2020	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Income and endowments from					
Donations	3	1,510,291	62,848	1,573,139	1,828,071
Charitable activities					
Educational programme	6	1,516,108	-	1,516,108	1,404,745
Other trading activities	4	1,537,299	-	1,537,299	1,082,893
Investment income	5	346,042	-	346,042	333,367
Total		4,909,740	62,848	4,972,588	4,649,076
Expenditure on					
Raising funds	7	79,180	-	79,180	76,960
Charitable activities					
Educational programme		3,637,859	5,250	3,643,109	3,323,449
International programme		255,907	18,086	273,993	309,640
Research programme		350,237	31,049	381,286	319,001
Heritage programme		441,161	300	441,461	495,610
		4,685,164	54,685	4,739,849	4,447,700
Total		4,764,344	54,685	4,819,029	4,524,660
Net income before investment (losses)/gains		145,396	8,163	153,559	124,416
Net (losses)/gains on investments		(1,024,518)	-	(1,024,518)	442,308
Net movement in funds		(879,122)	8,163	(870,959)	566,724
Reconciliation of funds					
Total funds brought forward (as restated)		17,049,315	17,057	17,066,372	16,499,648
Total funds carried forward		16,170,193	25,220	16,195,413	17,066,372

All income and expenditure has arisen from continuing activities.

AAGBI Foundation

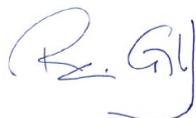
Statement of Financial Position

For the year ended 31 March 2020

	Notes	2020 Total funds £	2019 Total funds £
Fixed assets			
Tangible assets	15	6,371,968	5,908,920
Investments	16	9,032,853	11,026,073
		<u>15,404,821</u>	<u>16,934,993</u>
Current assets			
Debtors	17	426,572	330,817
Cash at bank		982,148	921,562
		<u>1,408,720</u>	<u>1,252,379</u>
Creditors			
Amounts falling due within one year	18	618,128	1,121,000
		<u>790,592</u>	<u>131,379</u>
Net current assets			
		<u>16,195,413</u>	<u>17,066,372</u>
Total assets less current liabilities			
		<u>16,195,413</u>	<u>17,066,372</u>
Net assets			
		<u>16,195,413</u>	<u>17,066,372</u>
Funds			
Unrestricted funds	20	16,170,194	17,049,315
Restricted funds		25,219	17,057
		<u>16,195,413</u>	<u>17,066,372</u>
Total funds			
		<u>16,195,413</u>	<u>17,066,372</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 11 September 2020 and were signed on its behalf by:



Dr R Gill –Trustee
 Company Registration no 01963975

AAGBI Foundation

Statement of Cash Flows

For the year ended 31 March 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(474,874)</u>	<u>964,011</u>
Net cash provided by (used in) operating activities		<u>(474,874)</u>	<u>964,011</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(779,284)	(732,239)
Purchase of fixed asset investments		(740,930)	(725,763)
Proceeds from sale of fixed asset investments		1,709,632	512,927
Interest received		1,282	1,166
Listed investment income		<u>344,760</u>	<u>332,201</u>
Net cash provided by (used in) investing activities		<u>535,460</u>	<u>(611,708)</u>
Change in cash and cash equivalents in the reporting period		60,586	352,303
Cash and cash equivalents at the beginning of the reporting period		<u>921,562</u>	<u>569,259</u>
Cash and cash equivalents at the end of the reporting period		<u><u>982,148</u></u>	<u><u>921,562</u></u>

The charity has no borrowings so the movements in net funds are all included in the statement of cash flows above.

Notes to the Statement of Cash Flows

For the year ended 31 March 2020

1. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020	2019
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(870,959)	566,724
Adjustments for:		
Depreciation charges	316,236	78,251
(Gain)/losses on investments	1,024,518	(442,308)
Interest received	(1,282)	(1,166)
Listed investment income	(344,760)	(332,201)
(Increase)/decrease in debtors	(95,755)	574,854
Increase/(Decrease) in creditors	(502,872)	519,857
Net cash provided by (used in) operating activities	<u>(474,874)</u>	<u>964,011</u>

AAGBI Foundation

Notes to the Financial Statement

For the year ended 31 March 2020

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 2020 and 31 March 2019

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) (Second edition, effective 1 January 2019), 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.

a) 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. The impact of Covid-19 on our operations is under continual review. More detail is available within the Trustees' Report on page 5 and page 12.

b) 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.

AAGBI Foundation

Notes to the Financial Statement - continued

For the year ended 31 March 2020

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, seminars and 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 Anaesthetists 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.

AAGBI Foundation

Notes to the Financial Statement - continued

For the year ended 31 March 2020

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.

AAGBI Foundation
Notes to the Financial Statement - continued
For the year ended 31 March 2020

2. Accounting policies - continued

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.

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.

AAGBI Foundation
Notes to the Financial Statement - continued
For the year ended 31 March 2020

3. Donations and legacies

	2020	2019
	£	£
Unrestricted		
Donation from Association of Anaesthetists	1,493,764	1,750,000
Donations Individuals	16,528	(2,039)
	<u>1,510,292</u>	<u>1,747,961</u>
Restricted		
Donations Individuals	24,413	61,336
Donations Corporate	31,049	-
Grants	7,386	18,774
	<u>62,848</u>	<u>80,110</u>
TOTAL DONATIONS	<u>1,573,140</u>	<u>1,828,071</u>

Donations received, included in the above are as follows:

	2020	2019
	£	£
The Association of Anaesthetists of Great Britain and Ireland	<u>1,493,764</u>	<u>1,750,000</u>

4. Other trading activities

	2020	2019
	£	£
Management charge to Association of Anaesthetists	956,236	700,000
Fee income: e-learning	41,627	27,403
Exhibition stand fees	315,963	295,378
Catering and facilities hire	17,850	60,112
Support services	205,623	-
	<u>1,537,299</u>	<u>1,082,893</u>

5. Investment income

	2020	2019
	£	£
Listed investment income	344,760	332,201
Interest on cash deposits	1,282	1,166
	<u>346,042</u>	<u>333,367</u>

6. Income from charitable activities

	2020	2019
	£	£
General conferences	928,587	853,054
Trainee conferences	174,622	170,458
Seminars and workshops	412,899	381,233
	<u>1,516,108</u>	<u>1,404,745</u>

AAGBI Foundation
Notes to the Financial Statement - continued
For the year ended 31 March 2020

7. Raising funds

	2020	2019
	£	£
Fundraising costs	30,000	28,031
Investment managers fees	49,180	48,929
	<u>79,180</u>	<u>76,960</u>

8. Charitable activities costs

2020 Costs	Direct costs	Grant funding of activities (See note 9)	Support costs (See note 10)	2020 Totals
	£	£	£	£
Educational programme	1,692,191	-	1,950,918	3,643,109
International programme	29,663	108,871	135,459	273,993
Research programme	36,593	215,561	129,132	381,286
Heritage programme	112,971	-	328,490	441,461
Total 2019 Costs	<u>1,871,418</u>	<u>324,432</u>	<u>2,543,999</u>	<u>4,739,849</u>

2019 Costs	Direct costs	Grant funding of activities (See note 9)	Support costs (See note 10)	2018 Totals
	£	£	£	£
Educational programme	1,610,711	-	1,712,738	3,323,449
International programme	(1,020)	199,176	111,484	309,640
Research programme	48,433	162,079	108,489	319,001
Heritage programme	131,575	-	364,035	495,610
Total 2019 Costs	<u>1,789,699</u>	<u>361,255</u>	<u>2,296,746</u>	<u>4,447,700</u>

9. Grants payable

	2020	2019
	£	£
International programme	108,871	199,176
Research programme	215,561	162,079
	<u>324,432</u>	<u>361,255</u>

AAGBI Foundation
Notes to the Financial Statement - continued
For the year ended 31 March 2020

9. Grants payable – continued

Research Programme and other grants

The following research projects were funded from unrestricted funds during the course of the year:

	2020	2019
	£	£
NIAA Research Grants, Round 1		
Sheffield Teaching Hospital NHS Foundation Trust	1,920	-
University Hospitals Birmingham NHS Foundation Trust	4,867	-
Cardiff & Vale University Health Board	30,661	-
University of Liverpool	11,751	-
Sheffield Teaching Hospital NHS Foundation Trust	12,820	-
University Hospitals Birmingham NHS Foundation Trust	6,330	-
Sheffield Teaching Hospital NHS Foundation Trust	28,685	-
King's College London	33,412	-
Imperial College London, Charing Cross Hospital	-	22,236
Royal Cornwall Hospital Trust	-	5,142
University of Glasgow	-	25,239
Kings College NHS Trust	-	21,879
Southmead Hospital, Bristol	-	28,092
	<hr/> 130,446	<hr/> 102,588
NIAA Research Grants, Round 2		
University Hospitals Birmingham NHS Foundation Trust	9,769	-
Queen Elizabeth Hospital Birmingham Charity	14,000	-
Manchester University Hospitals	18,680	-
North Bristol NHS Trust	9,965	-
University of Glasgow	16,440	-
Royal United Hospital Bath	-	4,882
Royal United Hospital Bath	-	17,479
Leeds Teaching Hospital NHS Trust	-	20,000
James Cook University Hospital	-	40,000
	<hr/> 68,854	<hr/> 82,361
NIAA UK Perioperative Medicine Clinical Trials Network	10,000	20,000
Grants returned as unspent during the year		
University College Cork Research	(2,399)	-
University Hospital Southampton	(3,185)	-
University College Hospitals NHG Foundation Trust	-	(51,222)
University of Nottingham (Sept 2015)	-	(87)
University of Nottingham (June 2016)	-	(5,188)
	<hr/> (5,584)	<hr/> (56,497)
Total Institutional Grants in the Year	<hr/> 203,716	<hr/> 148,452
Undergraduate Elective Grants		
18 (2019:11) grants awarded in year	8,900	6,900
Total Grants to Individuals in Year	<hr/> 8,900	<hr/> 6,900
Total Research Grants in Year	<hr/> 212,616	<hr/> 155,352
Standard Grants – Travel grants for standards work	2,945	6,727
Total Grants Awarded	<hr/> 215,561	<hr/> 162,079

AAGBI Foundation
Notes to the Financial Statement - continued
For the year ended 31 March 2020

9. Grants payable – continued

The total grants paid during the year was as follows:

	2020	2019
	£	£
Individual Grants	11,845	13,627
Institutional Research Grants - Unrestricted	172,667	148,452
Institutional Research Grants - Restricted	31,049	-
Research and Other Grants	<u>215,561</u>	<u>162,079</u>
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		
Book Programme	2,229	3,246
Educational Project Grants	38,435	41,407
Travel Grants	19,763	19,963
SAFE, Lifebox and Uganda Fellowship Schemes	48,444	134,560
International programme expenditure	<u>108,871</u>	<u>199,176</u>
Total Grants in Year	<u>324,432</u>	<u>361,255</u>

10. Support costs

Programme 2020	Accommodation expenses	Administrative expenses	Management	Governance	Totals 2020
	£	£	£	£	£
Educational	312,046	1,013,066	195,873	429,933	1,950,918
International	21,668	70,345	13,601	29,845	135,459
Research	20,655	67,056	12,964	28,457	129,132
Heritage	52,540	170,573	32,979	72,398	328,490
	<u>406,909</u>	<u>1,321,040</u>	<u>255,417</u>	<u>560,633</u>	<u>2,543,999</u>

Programme 2019	Accommodation expenses	Administrative expenses	Management	Governance	Totals 2019
	£	£	£	£	£
Educational	339,329	759,837	185,854	427,708	1,712,728
International	22,087	49,459	12,098	27,840	111,484
Research	21,496	48,134	11,774	27,095	108,489
Heritage	72,123	161,501	39,503	90,908	364,035
	<u>455,035</u>	<u>1,018,931</u>	<u>249,229</u>	<u>573,551</u>	<u>2,296,746</u>

AAGBI Foundation
Notes to the Financial Statement - continued
For the year ended 31 March 2020

11. Net income/(expenditure)

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

	2020	2019
	£	£
Audit fees	8,340	7,670
Non-audit remuneration paid to auditors	462	1,788
Depreciation - owned assets	316,236	78,251

12. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses

Expenses for travel totalling £29,792 (2019: £38,568) were paid to 28 trustees (2019: 28 trustees).

13. Staff costs

	2020	2019
	£	£
Salaries and wages	1,614,894	1,489,582
Social security costs	148,993	136,823
Pension costs	199,142	153,611
Other staff related costs	110,176	287,251
Total gross	2,073,204	2,067,267
Less: costs capitalised	(104,312)	(141,650)
	<u>1,968,893</u>	<u>1,925,617</u>

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

	2020	2019
Events	7	8
Specialist societies	2	4
Facilities	4	4
Governance and management	4	5
Finance	5	4
Other	18	15
	<u>40</u>	<u>39</u>

AAGBI Foundation
Notes to the Financial Statement - continued
For the year ended 31 March 2020

13. Staff costs - continued

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

	2020	2019
£50,001 - £60,000	2	2
£60,001 - £70,000	2	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,000 - £100,000	1	-

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

- (i) Chief Executive Officer
- (ii) Chief Operating Officer
- (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 £361,363 (2019: £346,283).

AAGBI Foundation
Notes to the Financial Statement - continued
For the year ended 31 March 2020

14. Previous year comparatives for the statement of financial activities

31st March 2019	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments from			
Donations and legacies	1,747,961	80,110	1,828,071
Charitable activities			
Educational programme	1,404,745	-	1,404,745
Other trading activities	1,082,893	-	1,082,893
Investment income	333,367	-	333,367
Total	4,568,966	80,110	4,649,076
	£	£	£
Expenditure on			
Raising funds	76,960	-	76,960
Charitable activities			
Educational programme	3,315,273	8,176	3,323,449
International programme	197,183	112,457	309,640
Research programme	319,001	-	319,001
Heritage programme	495,610	-	495,610
Total	4,327,067	122,633	4,447,700
Net gains/(losses) on investments	442,308	-	442,308
Net income/(expenditure)	607,247	(40,523)	566,725
Transfer between funds	(9,043)	9,043	
Total funds after transfers	598,204	(31,480)	566,724
Reconciliation of funds			
Total funds brought forward	16,451,111	48,537	16,499,648
Total funds carried forward	17,049,315	17,057	17,066,372

AAGBI Foundation
Notes to the Financial Statement - continued
For the year ended 31 March 2020

15. Tangible fixed assets

	Long leasehold	Fixtures, fittings and furniture	Office equipment	Totals
	£	£	£	£
Cost				
At 1 April 2019	4,773,120	309,938	1,340,240	6,423,298
Reclassification	-	(23,665)	23,665	-
Additions	-	541,220	238,064	779,284
At 31 March 2020	<u>4,773,120</u>	<u>827,493</u>	<u>1,601,969</u>	<u>7,202,582</u>

Depreciation

At 1 April 2019	-	204,770	309,608	514,378
Reclassification	-	(19,036)	19,036	-
Charge for year	-	35,594	280,642	316,236
At 31 March 2020	<u>-</u>	<u>221,328</u>	<u>609,286</u>	<u>830,614</u>

Net book value

At 31 March 2020	<u>4,773,120</u>	<u>606,165</u>	<u>992,683</u>	<u>6,371,968</u>
At 31 March 2019	<u>4,773,120</u>	<u>105,168</u>	<u>1,030,632</u>	<u>5,908,920</u>

AAGBI Foundation
Notes to the Financial Statement -
continued

For the year ended 31 March 2020

16. Fixed asset investments

	Listed investments
	£
Market value	
At 1 April 2019	11,026,073
Additions	740,930
Disposals	(1,709,632)
Net Losses	(1,024,518)
At 31 March 2020	<u>9,032,853</u>
At 31 March 2019	11,026,073
Investments held within the UK	5,654,730
Investments held outside of UK	3,378,123
	<u>9,032,853</u>

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

	2020	2019
	£	£
Trade debtors	134,748	154,312
Other debtors and accrued income	124,081	23,117
Prepayments	167,744	153,388
	<u>426,573</u>	<u>330,817</u>

AAGBI Foundation
Notes to the Financial Statement - continued
For the year ended 31 March 2020

18. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	200,929	228,861
Social security and other taxes	49,625	47,846
Other creditors and accruals	175,343	324,263
Association of Anaesthetists	138,043	292,653
Deferred income	54,188	227,377
	<u>618,128</u>	<u>1,121,000</u>

Deferred income breakdown

	2019	2018
	£	£
Deferred income at 1 April 2019	227,377	61,322
Amounts released to income from previous years	(227,377)	(61,322)
Amounts deferred in the year	54,188	227,337
Deferred income at 31 March 2020	<u>54,188</u>	<u>227,337</u>

Deferred income comprises income in respect of seminars and meetings which relates to the year ended 31 March 2020.

19. Operating lease agreements

	2020	2019
	£	£
Net obligations repayable:		
Within one year	3,515	3,515
Between one and five years	1,758	5,273
	<u>5,273</u>	<u>8,788</u>

AAGBI Foundation
Notes to the Financial Statement - continued
For the year ended 31 March 2020

20. Movement in funds

2020	Note	At 01/04/19	Income	Expenditure	Gains/(losses)	Transfers	At 31/03/20
		£	£	£	£	£	£
Unrestricted funds							
General fund		16,073,392	4,909,740	(4,733,295)	(1,024,518)	295,139	15,520,458
Development fund	(a)	232,580	-	-	-	(139,476)	93,104
Research fund	(b)	179,343	-	(31,049)	-	-	148,294
Strategic change fund	(c)	564,000	-	-	-	(155,663)	408,337
		17,049,315	4,909,740	(4,764,344)	(1,024,518)	-	16,170,193
Restricted funds							
THET-SAFE operating rooms- Uganda		-	2,086	(2,086)	-	-	-
Roddie McNicol Patient Safety Prize		4,700	-	(250)	-	-	4,450
Safe Africa Campaign		10,721	24,413	(16,000)	-	-	19,134
Heritage Centre		-	300	(300)	-	-	-
Mentoring scheme - 2016-2021	(f)	-	5,000	(5,000)	-	-	-
		15,421	31,499	(23,636)	-	-	23,584
Research fund - Wiley	(g)	1,636	-	-	-	-	1,636
Research fund - Barema		-	31,049	(31,049)	-	-	-
Total restricted funds		17,057	62,848	(54,685)	-	-	25,220
Total funds		17,066,372	4,972,588	(4,819,029)	(1,024,518)	-	16,195,413

AAGBI Foundation
Notes to the Financial Statement - continued
For the year ended 31 March 2020

20. Movement in funds (continued)

2019	Note	At 01/04/18	Income	Expenditure	Gains/(losses)	Transfers	At 31/03/19
		£	£	£	£	£	£
Unrestricted funds							
General fund		15,331,091	4,568,966	(4,382,148)	442,308	113,175	16,073,392
Development fund	(a)	918,798	-	-	-	(686,218)	232,580
Research fund	(b)	201,222	-	(21,879)	-	-	179,343
Strategic change fund	(c)	-	-	-	-	564,000	564,000
		16,451,111	4,568,966	(4,404,027)	442,308	(9,043)	17,049,315
Restricted funds							
Overseas anaesthesia fund	(d)	(16,642)	14,759	(7,358)	-	9,241	-
THET-SAFE Paediatrics East Africa	(e)	198	-	-	-	(198)	-
THET-SAFE Obstetrics East Africa	(e)	6,567	-	-	-	(6,567)	-
THET-SAFE Malawi		163	-	(163)	-	-	-
THET-SAFE operating rooms- Uganda		20,860	18,774	(39,634)	-	-	-
Roddie McNicol Patient Safety Prize		5,000	-	(300)	-	-	4,700
Safe Africa Campaign		30,237	46,577	(72,660)	-	6,567	10,721
Mentoring scheme - 2016-2021	(f)	518	-	(518)	-	-	-
		46,901	80,110	(120,633)	-	9,043	15,421
Research fund - Wiley	(g)	1,636	-	-	-	-	1,636
Total restricted funds		48,537	80,110	(120,633)	-	9,043	17,057
Total funds		16,499,648	4,649,076	(4,524,660)	442,308	-	17,066,372

AAGBI Foundation
Notes to the Financial Statement - continued
For the year ended 31 March 2020

20. Movement in funds (continued)

Notes

- (a) The Development Fund was created by the Trustees 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 by the Trustees as match funding programme for the award of research grants.
- (c) The Strategic Change Fund has been created by the Trustees to initially fund our wellbeing and advocacy and campaigns work with a view that these work streams will become sustainable.
- (d) 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.
- (e) 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.
- (f) The Mentoring scheme, funded by a grant from the Goldhill Trust, supports work to develop the vision of providing a mentoring service for Association members.
- (g) The Research fund – Wiley was a research grant received from Wiley Blackwell.

AAGBI Foundation

Notes to the Financial Statement - continued

For the year ended 31 March 2020

21. Capital commitments

Amounts contracted for but not provided in the financial statement amounted to £nil (2019 £18,812)

22. 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 £956,236 (2019: £700,000).

As at the year end, the Foundation owed the Association £138,043 (2019: £292,653).

The Foundation is related to the Association of Anaesthetists; it 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 £1,493,764 (2019: £1,750,000).

23. 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.

24. Post balance sheet events

Global markets have recovered some of their losses since 31 March 2020 which has had a positive effect on the value of our investment portfolio. The market value as at 30 June 2020 is £10.4m.

The trustees have approved a reforecast budget for 2020/21 in response to the Covid-19. Further detail on risks and future plans can be found on pages 5 and 12 of the trustees report.