

Company registration number: 7207053

Charity registration number: 1135699

Association of Breast Surgery

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2017

Edmund Carr LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

Association of Breast Surgery

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Association of Breast Surgery

Reference and Administrative Details

Trustees

Miss F MacNeill, (Chair until 15 May 2017)
Mr D M Sibbering, (Chair from 15 May 2017)
Prof J Benson
Mr S Cawthorn (resigned 15 May 2017)
Miss L Chagla (appointed 15 May 2017)
Miss J Doughty
Prof P Drew
Mr A Gandhi
Ms E Grimsey (resigned 15 May 2017)
Mrs R K F Hogben
Prof C Holcombe (appointed 15 September 2017)
Miss M Mullan (appointed 27 July 2017)
Mr S Narayanan (appointed 27 July 2017)
Prof M Reed (resigned 15 September 2017)
Miss N Roche
Mrs J Rowley (appointed 15 May 2017)
Miss A Tansley (appointed 15 May 2017)

Senior Management Team

Ms L Davies, Association Manager

Principal Office

The Royal College Of Surgeon
35-43 Lincoln's Inn Fields
London
WC2A 3PE
The Charity is incorporated in England and Wales.

Association of Breast Surgery

Reference and Administrative Details

| | |
|------------------------------------|--|
| Company Registration Number | 7207053 |
| Charity Registration Number | 1135699 |
| Bankers | Lloyds Bank Plc 25 Gresham Street London EC2V 7HN Nationwide International Ltd 5-11 St Georges Street Douglas IM99 1RN Virgin Money Savings Jubilee House Gosforth Newcastle upon Tyne NE3 4PL The Co-operative Bank Plc 1 Balloon Street Manchester M60 4EP Manchester Building Society 125 Portland Street Manchester M1 4QD |
| Auditor | Edmund Carr LLP Chartered Accountants & Statutory Auditor 146 New London Road Chelmsford Essex CM2 0AW |

Association of Breast Surgery

Trustees' Annual Report

The trustees, who are directors for the purposes of company law, present have pleasure in presenting their report and the audited financial statements and auditor's report for the charity for the year ended 31 December 2017.

Objectives and activities

Objects and aims

The Charity's objects are restricted specifically to the following:

1. to advance the practice of breast surgery for the benefit of the public; and
2. to advance education, research and training in relation to breast conditions and breast surgery for the benefit of the public

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

The Association's membership continues to increase with over 1,500 members. The Association has opened up membership to those from low and middle income countries, junior grade trainees and those from non-surgical specialties. The Association is also in the process of transferring its existing nurse unit members to individual nursing membership.

The ABS Conference was held in Belfast in May 2017 and was attended by 870 delegates and the MDT Meeting in London in January was attended by 440 delegates. In all nearly 700 ABS members attended an ABS event in 2017.

In January 2018 the ABS was involved in the UK Interdisciplinary Breast Cancer Symposium. The Trustees chose not to run the ABS Multidisciplinary Meeting in 2018 in order to help with the process of establishing a multidisciplinary breast cancer conference in the UK. It is hoped this meeting will become bi-annual with the ABS holding its MDT Meeting in the alternate years.

The Association relaunched its website in 2017 and has continued to look at ways it can communicate better with its membership. It has established five networks, which will allow it to target information to those who are most interested. It continues to develop its profile on Twitter and LinkedIn and to communicate with members regularly via e-mail newsletters and bulletins.

The Association worked with PR company, Brown Lloyd James, to ensure it had a robust response in place during the trial of Mr Ian Paterson. His conviction in April 2017 led to a number of press appearances in which the ABS sought to reassure the public and media about the issues raised in the trial.

The Association continues to have three main committees; Academic & Research, Clinical Practice & Standards and Education & Training. In addition it now has two other committees; the Aesthetic Breast Surgery Committee and the International Working Group.

Association of Breast Surgery

Trustees' Annual Report

The Academic & Research Committee are continuing to look at ways to raise the profile of research among breast surgeons. The ABS again offered Research Development Grants in 2017. The Clinical Practice & Standards Committee have developed the new ABS Guidance Platform, responded to NICE appraisals and continue to look at areas in which guidance should be developed. It is also linking in to the Getting it Right First Time initiative. The Education & Training committee continues to input to the General Surgery SAC and the Education and Training Committee of the ASGBI to look at the best ways to deliver specialist breast training in future. In 2017 it has also been considering how the ABS can take on the provision of breast training courses, previously offered by the Royal College of Surgeons of England. Consideration continues to be given to what this portfolio should include and how best it can be delivered.

The ABS continues to input to the NHS BSP and ABS Audit of Screen Detected Breast Cancers, the Sloane Project and the National Audit of Breast Cancer in Older Patients (NABCOP) audit. The ABS is assisting with the development of i-BRA net in its early stages.

Financial review

The ABS Trustees undertook a thorough review of the finances in 2017. The ABS' administration had been run by one full time member of staff and one part time member of staff since its establishment in 2010. In 2016 a member of staff to deal with communications was added but it was felt that the increasing workload would require a further expansion to the team. In November 2017 a second part time Administrative Assistant was employed to help handle the membership processes and conference registrations.

At present the additional running costs of the Association are being covered by the ABS' reserves but in the longer term a new approach will be required. The Trustees are looking at the benefits currently offered to members as to which are of most value and also looking at how the significant administrative costs of running its events can be better met by sponsorship. The membership will be consulted about future changes at the AGM in 2018.

The ABS registered for VAT as of June 2017. To date it has submitted VAT returns for three quarterly periods. The first annual adjustment will be undertaken in July this year and at that stage the Trustees should be better able to assess the implications of registration to the Association's finances.

Traditionally the ABS has received a grant from the NHS BSP for the running of the surgical screening committee and for support of the audit. In 2017 the ABS was informed that this grant would no longer be forthcoming and that PHE would deal with the administration of both the committee and audit in future.

In August 2017 the ABS and BASO~ACS decanted into offices in the Nuffield Building as part of the Royal College of Surgeon's Project 2020 to redevelop the Barry Building. The ABS was asked by the RCS to give up a lease in favour of a licence, which offers less security for the Association. The ABS could have sought compensation for this, but the decision was made not to pursue a claim as it was felt it would be detrimental to the Association's relationship with the College. The intention at this stage is for the ABS to recant back into the Barry Building in 2020 when it reopens. However the ABS negotiated a get out clause in the agreement, which means that if the accommodation is not deemed suitable when it is ready to be viewed, then the Association is not committed to the recant and can look at alternative options at this stage. The ABS and BASO ~ ACS continue to share an office under the terms of the service agreement between them, but both now have separate agreements with the RCS. Work is being undertaken to separate off the administration of the two Associations so that they can make independent decisions in relation to future accommodation if required.

Association of Breast Surgery

Trustees' Annual Report

Policy on reserves

The reserves policy of the Association remains unaltered. The Trustees continue to manage the Association's reserves down to the stated level of £300,000 and will continue to review the policy in case revision is required. The Association's reserves are currently £420,663. At present it is felt this amount continues to ensure that the Association has cover for its running costs for a year and for its ongoing financial commitments. The Association has paid out a number of deposits for future events and so a proportion of its reserves are not held as cash in the bank but form pre-payment for events through to 2023.

Plans for future periods

Aims and key objectives for future periods

The Trustees continue to look at how best it can support its members. Content will continue to be added to the website in the coming year and it is hoped to develop the range of information available.

The ABS is working with the Cancer Transformation Board and the Department of Health who are reviewing the format and function of multidisciplinary team meetings. The ABS has produced recommendations on MDMs in the independent healthcare sector and will continue to engage with the ongoing discussion about the role of the MDM in the treatment of patients with breast disease.

In December 2017 the Government launched an Independent Inquiry into the conviction of Mr Ian Paterson, which will look at the lessons that can be learned from the case and how these can improve care by the independent healthcare sector across the country. The ABS is awaiting information about the Inquiry but will contribute as required and will ensure that it has appropriate responses in place when any report is published.

In 2018 the ABS will be taking on the Royal College of Surgeons of England's portfolio of breast training courses. A review of these courses is being carried out and appropriate facilities are being sought to run the courses in future. The intention is to hold the courses at different venues across the country to make it easier for people to attend the courses. Further information about the courses to be run will be available in due course.

The General Data Protection Regulation is being brought in on the 25th May 2018. The ABS is carrying out work to ensure that it is compliant with this. It is seeking consent from the non-members, who attend their conferences, in order to be able to contact them about future events and it will also be writing out to all its members about the ways in which their data is held.

The ABS will continue to work to expand its membership through the development of appropriate membership categories. It is currently converting all nurse unit members across to individual nurse membership. This will continue to be a free category of membership and this change may result in the membership numbers dropping. It is hoped though that the change will ensure that the ABS can better reach those nurses, who are actively involved in the provision of breast services in the UK.

Structure, governance and management

Nature of governing document

The Association of Breast Surgery was established as a company limited by guarantee (Company number 7207053 and Registered as Charity 1135699) on the 1st July 2010 and constituted under a Memorandum and Articles of Association.

Association of Breast Surgery

Trustees' Annual Report

Organisational structure

The expansion of the electorate for Trustee posts has continued to be a success. In elections for 3 Trustee posts in 2017 the turnout was 47%, which was an increase of 9% on the previous year. The Trustees feel this represents a good level of engagement on the part of the membership and will continue to promote this further.

In 2017 the ABS established 5 networks: Aesthetic breast surgery, Research, Clinical Practice and Standards, Education and Training and International. The aim is to engage the membership on the topics which are most of interest to them.

The day to day administration of the Association is managed by the Association Manager in liaison with the Honorary Officers. The administration team now includes 2 full time and 2 part time members of staff. The main business of the Association is discussed by the Committees and approved and enacted by the Executive Board. Decisions in between times are made by phone or e-mail communication between the Honorary Officers, with phone and video conferences being used where necessary.

The Trustee Strategy Day continues to be held annually to allow the Trustees an opportunity to develop key areas of the Association's work. This year it included a detailed financial review and consideration of the implications of the conviction of Mr Ian Paterson.

The Trustees review the reserves policy regularly and there is an annual review of the controls over key financial systems carried out through an internal audit programme. No major risks have been identified by the Trustees during the year. The Trustees pay due regard to the Charity Commission's guidance on public benefit when deciding what activities the Charity should undertake.

Remuneration of key management personnel is set by the Board of Trustees.

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Trustees' Annual Report

Statement of Responsibilities

The trustees (who are also the directors of the Association of Breast Surgery for the purposes of company law) are responsible for preparing the Trustees' Annual Report 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 these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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 auditor is 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 auditor is aware of that information.

Compliance with prevailing laws and regulations

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published on 16 July 2014.

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

The annual report was approved by the trustees of the Charity on and signed on its behalf by:

.....
Prof P Drew
Trustee

Association of Breast Surgery

Independent Auditor's Report to the Members of Association of Breast Surgery

Opinion

We have audited the financial statements of Association of Breast Surgery (the 'Charity') for the year ended 31 December 2017, which comprise the Statement of Financial Activities, Balance Sheet, 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 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).

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Charity 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.

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 Charity'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 Trustees' Annual Report, other than the financial statements and our auditor's report thereon. 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.

Association of Breast Surgery

Independent Auditor's Report to the Members of Association of Breast Surgery

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 7), 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under 154 of that Act.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Independent Auditor's Report to the Members of Association of Breast Surgery

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

.....
Edmund Carr LLP
Statutory Auditor

146 New London Road
Chelmsford
Essex
CM2 0AW

Date:.....

Edmund Carr LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Association of Breast Surgery

Statement of Financial Activities for the Year Ended 31 December 2017 (Including Income and Expenditure Account)

| | Note | Unrestricted funds £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|------------------------------------|------|----------------------------|--------------------------|-----------------------|-----------------------|
| Income and Endowments from: | | | | | |
| Donations and legacies | 2 | 6,000 | - | 6,000 | 17,750 |
| Charitable activities | 3 | 606,501 | - | 606,501 | 534,497 |
| Investment income | 4 | 1,271 | - | 1,271 | 2,654 |
| Other income | 5 | 1,138 | - | 1,138 | 5,140 |
| Total Income | | <u>614,910</u> | <u>-</u> | <u>614,910</u> | <u>560,041</u> |
| Expenditure on: | | | | | |
| Charitable activities | 6 | <u>(700,802)</u> | <u>-</u> | <u>(700,802)</u> | <u>(666,853)</u> |
| Total Expenditure | | <u>(700,802)</u> | <u>-</u> | <u>(700,802)</u> | <u>(666,853)</u> |
| Net expenditure | | <u>(85,892)</u> | <u>-</u> | <u>(85,892)</u> | <u>(106,812)</u> |
| Net movement in funds | | (85,892) | - | (85,892) | (106,812) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>506,555</u> | <u>-</u> | <u>506,555</u> | <u>613,367</u> |
| Total funds carried forward | 17 | <u><u>420,663</u></u> | <u><u>-</u></u> | <u><u>420,663</u></u> | <u><u>506,555</u></u> |

All of the Charity's activities derive from continuing operations during the above two periods.

Association of Breast Surgery
(Registration number: 7207053)
Balance Sheet as at 31 December 2017

| | Note | 2017 £ | 2016 £ |
|---|------|-----------------|-----------------|
| Fixed assets | | | |
| Tangible assets | 12 | 8,791 | 1,658 |
| Current assets | | | |
| Debtors | 13 | 123,051 | 105,269 |
| Cash at bank and in hand | | <u>336,398</u> | <u>486,436</u> |
| | | 459,449 | 591,705 |
| Creditors: Amounts falling due within one year | 14 | <u>(47,577)</u> | <u>(86,808)</u> |
| Net current assets | | <u>411,872</u> | <u>504,897</u> |
| Net assets | | <u>420,663</u> | <u>506,555</u> |
| Funds of the Charity: | | | |
| Unrestricted income funds | | | |
| Unrestricted funds | | <u>420,663</u> | <u>506,555</u> |
| Total funds | 17 | <u>420,663</u> | <u>506,555</u> |

For the year ending 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011 .

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and in accordance with FRS 102.

The financial statements on pages 11 to 24 were approved by the trustees, and authorised for issue on and signed on their behalf by:

.....
 Prof P Drew
 Trustee

Association of Breast Surgery

Statement of Cash Flows for the Year Ended 31 December 2017

| | Note | 2017 £ | 2016 £ |
|---|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net expenditure | | (85,892) | (106,812) |
| Adjustments: | | | |
| Depreciation | | 2,932 | 554 |
| Investment income | 4 | <u>(1,271)</u> | <u>(2,654)</u> |
| | | (84,231) | (108,912) |
| Working capital adjustments | | | |
| Increase in debtors | 13 | (17,782) | (5,341) |
| (Decrease)/increase in creditors | 14 | (11,252) | 16,827 |
| (Decrease)/increase in deferred income | | <u>(27,979)</u> | <u>14,720</u> |
| Net cash flows from operating activities | | <u>(141,244)</u> | <u>(82,706)</u> |
| Cash flows from investing activities | | | |
| Interest receivable and similar income | 4 | 1,271 | 2,654 |
| Purchase of tangible fixed assets | 12 | <u>(10,065)</u> | <u>-</u> |
| Net cash flows from investing activities | | <u>(8,794)</u> | <u>2,654</u> |
| Net decrease in cash and cash equivalents | | (150,038) | (80,052) |
| Cash and cash equivalents at 1 January | | <u>486,436</u> | <u>566,488</u> |
| Cash and cash equivalents at 31 December | 19 | <u><u>336,398</u></u> | <u><u>486,436</u></u> |

All of the cash flows are derived from continuing operations during the above two periods.

Association of Breast Surgery

Notes to the Financial Statements for the Year Ended 31 December 2017

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Association of Breast Surgery meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the Charity.

Income and endowments

Income from conferences held during the year is accounted for on an accruals basis. Income from annual membership subscriptions is accounted for as received.

Grants receivable

Grants are recognised when the Charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Investment income

Bank interest is recognised when received.

Expenditure

All expenditure is accounted for on an accruals basis. Fellowships and awards are accounted for in the period in which they are notified to the recipient. Governance costs are associated with the governance arrangements of the Charity.

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Notes to the Financial Statements for the Year Ended 31 December 2017

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.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Governance costs

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings.

Irrecoverable VAT

Irrecoverable VAT is expensed in the year in which it arises.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Major expenditure on tangible fixed assets is capitalised. The cost of other items is written off as incurred.

Depreciation and amortisation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| Asset class | Depreciation method and rate |
|---------------------|-------------------------------------|
| Computer equipment | 25% reducing balance |
| Fixtures & fittings | 25% reducing balance |

Trade debtors

Trade and other debtors are recognised at the settlement amount due.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank accounts and bank deposits.

Trade creditors

Creditors are recognised at their settlement amount.

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Notes to the Financial Statements for the Year Ended 31 December 2017

Fund structure

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds – these are funds set aside by the trustees out of unrestricted funds for specific future purposes or projects.

Restricted funds – these are funds that are given to the Charity for use in a particular area or for a specific purpose, the use of which is restricted to that area or purpose.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

2 Income from donations and legacies

| | Unrestricted funds | Restricted funds | Total 2017 | Total 2016 |
|-----------------------------------|-----------------------|---------------------|---------------|---------------|
| | General £ | £ | £ | £ |
| Grants, including capital grants; | | | | |
| NHS BSP | - | - | - | 12,000 |
| General sponsorship | 6,000 | - | 6,000 | 5,750 |
| | 6,000 | - | 6,000 | 17,750 |

3 Income from charitable activities

| | Unrestricted funds | Restricted funds | Total 2017 | Total 2016 |
|---|-----------------------|---------------------|---------------|---------------|
| | General £ | £ | £ | £ |
| Conference delegate fees | 318,487 | - | 318,487 | 327,128 |
| Conference trade fees | 86,206 | - | 86,206 | 82,075 |
| Corporate sponsorship of conferences | 53,417 | - | 53,417 | 51,250 |
| Members' subscriptions | 148,391 | - | 148,391 | 74,044 |
| | 606,501 | - | 606,501 | 534,497 |

Association of Breast Surgery

Notes to the Financial Statements for the Year Ended 31 December 2017

4 Investment income

| | Unrestricted funds | Restricted funds | Total 2017 | Total 2016 |
|--------------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | General £ | £ | £ | £ |
| Interest receivable on bank deposits | 1,271 | - | 1,271 | 2,654 |
| | 1,271 | - | 1,271 | 2,654 |

5 Other income

| | Unrestricted funds | Restricted funds | Total 2017 | Total 2016 |
|--|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | General £ | £ | £ | £ |
| Payment for distribution of literature | 250 | - | 250 | 3,000 |
| Other | 888 | - | 888 | 2,140 |
| | 1,138 | - | 1,138 | 5,140 |

Association of Breast Surgery

Notes to the Financial Statements for the Year Ended 31 December 2017

6 Expenditure on charitable activities

| | | Unrestricted funds | | Total 2017 | Total 2016 |
|--------------------------------------|---------------------------------------|-----------------------|------------|----------------|----------------|
| | | General | Restricted | | |
| | | £ | funds | £ | £ |
| | | | £ | | |
| Events costs: | | | | | |
| | Venue, catering & accommodation costs | 265,776 | - | 265,776 | 283,166 |
| | Speaker expenses | 27,762 | - | 27,762 | 15,585 |
| | Audio visual costs | 26,677 | - | 26,677 | 48,986 |
| | Printing, postage & stationery | 16,057 | - | 16,057 | 14,639 |
| | Other direct conference costs | 44,464 | - | 44,464 | 41,831 |
| | | <u>380,736</u> | <u>-</u> | <u>380,736</u> | <u>404,207</u> |
| Membership costs: | | | | | |
| | EJSO Journal costs | 7,375 | - | 7,375 | 6,900 |
| | ESSO membership subs | 15,332 | - | 15,332 | 8,824 |
| | | <u>22,707</u> | <u>-</u> | <u>22,707</u> | <u>15,724</u> |
| Grants and awards: | | | | | |
| | Fellowships and awards | 7,343 | - | 7,343 | 6,300 |
| | RCS/ABS/BAPRAS Fellowship | 5,000 | - | 5,000 | 19,483 |
| | Research grants | 23,164 | - | 23,164 | 21,641 |
| | | <u>35,507</u> | <u>-</u> | <u>35,507</u> | <u>47,424</u> |
| Other charitable expenditure: | | | | | |
| | Surgical Specialty Lead | - | - | - | 5,000 |
| | Yearbook expenditure | 3,154 | - | 3,154 | 6,339 |
| | Mammary Fold expenses | 606 | - | 606 | 664 |
| | | <u>3,760</u> | <u>-</u> | <u>3,760</u> | <u>12,003</u> |
| Support costs | 7 | 250,176 | - | 250,176 | 179,270 |
| Governance costs | 7 | 7,916 | - | 7,916 | 8,225 |
| | | <u>700,802</u> | <u>-</u> | <u>700,802</u> | <u>666,853</u> |

Association of Breast Surgery

Notes to the Financial Statements for the Year Ended 31 December 2017

Fellowship & awards totalling £7,343 (2016: £6,300) were paid to individuals. All other grants and awards were paid to institutions to support research projects.

7 Analysis of governance and support costs

Charitable activities expenditure

| | Unrestricted funds | Restricted funds | Total | Total |
|------------------------------------|-----------------------|---------------------|----------------|----------------|
| | General £ | | £ | 2017 £ |
| Trustee, Council & Committee costs | 32,945 | - | 32,945 | 29,831 |
| Staff costs | 140,690 | - | 140,690 | 102,578 |
| Other staff costs & training | 1,267 | - | 1,267 | 2,721 |
| Office, Trustee & event insurance | 1,309 | - | 1,309 | 3,601 |
| Printing, postage & stationery | 9,001 | - | 9,001 | 8,419 |
| IT, telephone & website costs | 15,155 | - | 15,155 | 7,910 |
| HR | 661 | - | 661 | 288 |
| Sundry & office running expenses | 863 | - | 863 | 1,434 |
| Rent | 5,773 | - | 5,773 | 4,871 |
| Legal & professional fees | 28,950 | - | 28,950 | 17,241 |
| Depreciation | 2,837 | - | 2,837 | 376 |
| Irrecoverable VAT | 10,725 | - | 10,725 | - |
| | <u>250,176</u> | <u>-</u> | <u>250,176</u> | <u>179,270</u> |

Governance costs

| | Unrestricted funds | Total | Total |
|-----------------------------------|-----------------------|--------------|--------------|
| | General £ | | |
| Audit fees | | | |
| Audit of the financial statements | 2,300 | 2,300 | 2,300 |
| Other fees paid to auditors | 2,891 | 2,891 | 3,044 |
| Bank charges | 831 | 831 | 733 |
| Other governance costs | 1,894 | 1,894 | 2,148 |
| | <u>7,916</u> | <u>7,916</u> | <u>8,225</u> |

Association of Breast Surgery

Notes to the Financial Statements for the Year Ended 31 December 2017

8 Net incoming/outgoing resources

Net outgoing resources for the year include:

| | 2017 | 2016 |
|------------------------------|--------------|------------|
| | £ | £ |
| Audit fees | 2,300 | 2,300 |
| Other non-audit services | 2,891 | 3,044 |
| Depreciation of fixed assets | <u>2,837</u> | <u>376</u> |

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the Charity during the year.

Trustees are reimbursed reasonable travel and subsistence expenses incurred when acting on behalf of the charity.

Expenses totalling £13,088 (2016: £10,465) were reimbursed to 16 Trustees (2016: 10) during the period.

10 Staff costs

The aggregate payroll costs were as follows:

| | 2017 | 2016 |
|--|----------------|----------------|
| | £ | £ |
| Staff costs during the year were: | | |
| Wages and salaries | 119,138 | 88,120 |
| Social security costs | 10,271 | 6,781 |
| Pension costs | <u>11,281</u> | <u>7,677</u> |
| | <u>140,690</u> | <u>102,578</u> |

The monthly average number of persons (including senior management team) employed by the Charity during the year expressed by head count was as follows:

| | 2017 | 2016 |
|----------------|----------|----------|
| | No | No |
| Administrative | <u>3</u> | <u>3</u> |

The number of employees whose emoluments fell within the following bands was:

| | 2017 | 2016 |
|-------------------|----------|----------|
| | No | No |
| £60,001 - £70,000 | <u>1</u> | <u>1</u> |

The total employee benefits of the key management personnel of the Charity were £83,171 (2016 - £75,004).

11 Taxation

The Charity is a registered charity and is therefore exempt from taxation.

Association of Breast Surgery

Notes to the Financial Statements for the Year Ended 31 December 2017

12 Tangible fixed assets

| | Furniture and equipment £ | Computer equipment £ | Total £ |
|-----------------------|---------------------------------|----------------------------|------------|
| Cost | | | |
| At 1 January 2017 | 5,264 | 256 | 5,520 |
| Additions | - | 10,065 | 10,065 |
| | 5,264 | 10,321 | 15,585 |
| At 31 December 2017 | 5,264 | 10,321 | 15,585 |
| Depreciation | | | |
| At 1 January 2017 | 3,642 | 220 | 3,862 |
| Charge for the year | 405 | 2,527 | 2,932 |
| | 4,047 | 2,747 | 6,794 |
| At 31 December 2017 | 4,047 | 2,747 | 6,794 |
| Net book value | | | |
| At 31 December 2017 | 1,217 | 7,574 | 8,791 |
| At 31 December 2016 | 1,622 | 36 | 1,658 |

13 Debtors

| | 2017 £ | 2016 £ |
|-----------------|-----------|-----------|
| Prepayments | 118,749 | 96,705 |
| Accrued income | - | 996 |
| VAT recoverable | 1,800 | - |
| Other debtors | 2,502 | 7,568 |
| | 123,051 | 105,269 |

Association of Breast Surgery

Notes to the Financial Statements for the Year Ended 31 December 2017

14 Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|---------------|---------------|
| Trade creditors | 2,154 | 3,411 |
| Other taxation and social security | 3,616 | 3,486 |
| Other creditors | 87 | 13,314 |
| Accruals | 7,228 | 5,126 |
| Deferred income | 15,797 | 43,776 |
| Accruals for grants payable | 18,695 | 17,695 |
| | <u>47,577</u> | <u>86,808</u> |

| | 2017 £ |
|--|-----------------|
| Deferred income at 1 January 2017 | 43,776 |
| Resources deferred in the period | 15,797 |
| Amounts released from previous periods | <u>(43,776)</u> |
| Deferred income at 31 December 2017 | <u>15,797</u> |

Deferred income relates to fees and sponsorship income received for future conferences and events.

15 Obligations under leases

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2017 £ | 2016 £ |
|---------------------------|--------------|--------------|
| Land and buildings | | |
| Within one year | <u>1,327</u> | <u>3,675</u> |

16 Charity status

The Charity is a Charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the Charity in the event of liquidation.

Association of Breast Surgery

Notes to the Financial Statements for the Year Ended 31 December 2017

17 Funds

| | Balance at 1 January 2017 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 31 December 2017 £ |
|----------------------------------|--------------------------------------|----------------------------|----------------------------|----------------|---|
| Unrestricted funds | | | | | |
| <i>General</i> | | | | | |
| General unrestricted funds | 474,406 | 610,810 | (670,551) | (1,394) | 413,271 |
| <i>Designated</i> | | | | | |
| a) Mammary Fold Trainees Group | 406 | 2,500 | (4,300) | 1,394 | - |
| b) Oncoplastic Trainees Meetings | 11,743 | 1,600 | (5,951) | - | 7,392 |
| c) Academic & Research Committee | 20,000 | - | (20,000) | - | - |
| | <u>32,149</u> | <u>4,100</u> | <u>(30,251)</u> | <u>1,394</u> | <u>7,392</u> |
| Total funds | <u>506,555</u> | <u>614,910</u> | <u>(700,802)</u> | <u>-</u> | <u>420,663</u> |

The specific purposes for which the funds are to be applied are as follows:

- a) Money held on behalf of the Mammary Fold Trainees Group.
- b) Surplus held in relation to the Oncoplastic Trainees Meetings.
- c) Funds allocated to the Academic & Research Committee to support research projects. £60,000 was transferred during 2014 from general unrestricted funds to cover three years of costs.

18 Analysis of net assets between funds

| | Unrestricted funds | | Total funds £ |
|-----------------------|--------------------|-----------------|------------------|
| | General £ | Designated £ | |
| Tangible fixed assets | 8,791 | - | 8,791 |
| Current assets | 452,057 | 7,392 | 459,449 |
| Current liabilities | (47,577) | - | (47,577) |
| Total net assets | <u>413,271</u> | <u>7,392</u> | <u>420,663</u> |

Association of Breast Surgery

Notes to the Financial Statements for the Year Ended 31 December 2017

19 Analysis of net cash

| | At 1 January 2017 £ | Cash flow £ | At 31 December 2017 £ |
|--------------------------|---------------------------|------------------|-----------------------------|
| Cash at bank and in hand | 486,436 | (150,038) | 336,398 |
| Net cash | <u>486,436</u> | <u>(150,038)</u> | <u>336,398</u> |

20 Related party transactions

There were no related party transactions in the year.