

**The European Society of Cataract and Refractive Surgeons**  
(A company limited by guarantee, not having a share capital)  
**Annual Report and Audited Consolidated Financial Statements**  
**for the year ended 31 December 2017**

THURSDAY



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27/09/2018  
COMPANIES HOUSE

**Company Number: 3153785**  
**Charity Number: 1066532**

# **The European Society of Cataract and Refractive Surgeons**

(A company limited by guarantee, not having a share capital)

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**The European Society of Cataract and Refractive Surgeons**  
(A company limited by guarantee, not having a share capital)  
**REFERENCE AND ADMINISTRATIVE INFORMATION**

|  |  |
|--|--|
| <b>Directors</b>                           | Emanuel Rosen<br>Ulf Stenevi<br>Paul Rosen<br>Rudy Nuijts  |
| <b>Company Secretary</b>                   | Oliver Findl   |
| <b>Charity Number in England and Wales</b> | 1066532  |
| <b>Company Number</b>                      | 3153785  |
| <b>Registered Office</b>                   | 5 Fleet Place<br>London<br>EC4M 7RD<br>United Kingdom  |
| <b>Administrative Office</b>               | Temple House<br>Temple Road<br>Blackrock<br>Co Dublin<br>Ireland   |
| <b>Auditors</b>                            | Hall Lifford Hall<br>Chartered Certified Accountants and Statutory Auditors<br>Greyfriar Lodge<br>5 Greyfriars<br>Waterford<br>Ireland   |
| <b>Bankers</b>                             | Danske Bank<br>International House<br>3 Harbourmaster Place<br>I.F.S.C.<br>Dublin 1<br>Ireland<br><br>Allied Irish Bank<br>Bankcentre Branch<br>PO Box 1121<br>Dublin 4<br>Ireland |

**The European Society of Cataract and Refractive Surgeons**  
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**REFERENCE AND ADMINISTRATIVE INFORMATION**

**Investment Bankers**

Rathbone Investment Management Limited  
8 Finsbury Circus  
London  
EC2M 7AZ  
United Kingdom

Ruffer LLP  
80 Victoria Street  
London  
SW1E 5JL

**Solicitors**

De Cruz Solicitors  
150-151 Fleet Street  
London  
EC4A 2DQ  
United Kingdom

Bircham Dyson Bell LLP  
50 Broadway  
London  
SW1H 0BL  
United Kingdom

# **The European Society of Cataract and Refractive Surgeons**

(A company limited by guarantee, not having a share capital)

## **DIRECTORS' ANNUAL REPORT**

for the year ended 31 December 2017

The directors present their report and the audited consolidated financial statements of the group for the year ended 31 December 2017. The directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and consolidated financial statements of the group.

### **Objectives and activities of the society**

The European Society of Cataract and Refractive Surgeons (ESCRS) was incorporated on 1 February 1996 under the Companies Act 1985 as a Company Limited by Guarantee and not having a Share Capital.

The charitable company is registered with the Charity Commission in the UK – Number 1066532.

The objects for which the charitable company is established are (i) to promote education and research in the field of implant and refractive surgery and promote the study and practice of ophthalmology and research relating thereto and the dissemination of the useful results thereof and (ii) to promote experimental work in the field of intraocular lens implantation and refractive surgery and the dissemination of the useful results thereof.

ESCRS has one wholly owned subsidiary, ESCRS Trading Limited, whose principal activities include arranging and hosting the annual meetings of ESCRS and publishing the society's magazine – EuroTimes. ESCRS Trading Limited is limited by shares and all excess funds are transferred to the charity under the UK Gift Aid rules.

Details of the external advisors engaged by the charity are listed on pages 3 and 4.

### **Public benefit**

The directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the society's aims and objectives and in planning its future activities. In particular, the directors consider how planned activities will contribute to the aims and objectives that have been set.

The purpose of ESCRS is to ensure the best possible outcomes and quality of life for cataract and refractive surgery patients. Through ESCRS's aims of improving education and standards in ophthalmology across Europe, patients with cataract and refractive conditions and the wider public are our main beneficiaries. The funding of original research and registries for benchmarking surgical outcomes contributes to the development of the field of ophthalmology, the education of its practitioners, and ultimately to better patient care.

### **Structure, governance and management**

The governing documents of the charitable company are its Memorandum and Articles of Association, supported by Bye-Laws.

The directors have overall responsibility for the proper management of the charitable company's business.

The general management of the charitable company is vested in a Council of Management ('Council') which has been established to assist the directors by organising the day to day operations of the society. The Council consists of the directors of the charitable company, the President of the society, the Treasurer, the Secretary, the Immediate Past President, the President Elect when applicable, the European Editor of the Journal of Cataract and Refractive Surgery ('JCRC'), 10 ordinary members and Co-Opted members from time to time.

The 10 ordinary members of Council are elected by the members of the society for a period of four years and may be re-elected for a further period of four years only. No more than one ordinary member of the Council may be from the same country.

The Council of Management elects an Executive Committee consisting of the President, the Secretary and the Treasurer, to ensure the decisions of the Council are implemented.

To be elected President, a candidate must be a full member of the society, but not necessarily a member of the Council. He or she is appointed by the Council for a period of two years, which term shall not be renewable. A two-thirds majority is required for appointment as President.

The Secretary is the executive officer of the society and monitors implementation of the decisions of the Council. The Secretary is elected every two years from amongst the members of the Council and can remain in office for a maximum of eight years.

The Treasurer is the finance officer of the society and monitors implementation of the financial decisions of the Council. The Treasurer is elected every two years from amongst the members of the Council and can remain in office for a maximum of eight years.

# **The European Society of Cataract and Refractive Surgeons**

(A company limited by guarantee, not having a share capital)

## **DIRECTORS' ANNUAL REPORT**

for the year ended 31 December 2017

### **Structure, governance and management (continued)**

The European Editor of the Journal of Cataract and Refractive Surgery is proposed by the Executive, in consultation with the existing editor, and approved by the Council. The initial term of office is eight years, with the possibility of extending the term for a further eight years with the agreement of the Council.

The society functions through a number of established committees including:

- Finance Committee – chaired by the Treasurer;
- General Purposes Committee – chaired by the Secretary;
- Publications Committee – chaired by the European Editor of the JCRS;
- Programme Committee – chaired by the President;
- Education Committee – chaired by the immediate past-President;
- Research Committee – chaired by an elected Council member nominated by the Executive.

*The composition of each committee is governed by the Bye-Laws.*

The society also retains the services of an external professional association management company, Agenda Communications and Conference Services Limited. Agenda Communications provides the society with a full range of bespoke services including board, financial management, membership, congress, event, publishing, on-line and education services.

### **Directors of the charitable company**

The directors, who are the trustees of the charity, are appointed by the Council. They are long-serving members of ESCRS who have been members of the Council and of its various committees so they have an intimate knowledge of the workings of the society, its history and evolution, and its core aims and objectives.

The number of directors shall not be less than three but shall not be more than six.

Those who served as directors during the financial year and up to the date of this report are listed below:

Emanuel Rosen  
Ulf Stenevi  
Paul Rosen  
Rudy Nuijts

The directors do not retire by rotation. In general, a director must retire when he or she has served for a maximum term of 8 years, or reaches 75 years of age.

### **Strategic Report**

#### **Principal risks and uncertainties**

##### ***Annual congress***

The main source of income to the society is its annual congress. A key risk therefore to the society is a failed annual congress and the resultant loss of income that would arise. This includes the risk that changes in conditions occur, over time, which reduce the attractiveness and relevance of a large annual meeting developed around a scientific programme. The directors mitigate this risk by taking out insurance for each conference against insurable risks, and maintaining sufficient reserves to ensure the society could continue its operations uninterrupted for a period of at least 12 months while alternative revenue sources could be developed.

##### **Achievements and performance**

The main activities undertaken in 2017, including those of the charitable company's subsidiary, ESCRS Trading Limited, were largely a continuation and expansion of the ongoing activities of ESCRS in 2016.

##### ***(a) Membership***

Membership of the ESCRS is open to ophthalmologists and to ophthalmologists-in-training. At the end of 2017 there were 8,060 members in total, 3,968 of whom were trainee ophthalmologists. This was an increase of 500 since the end of 2016, a continuation of the steady growth in membership which has been seen for the past number of years.

Membership is free for trainee ophthalmologists for up to five years. As a member they can then access ESCRS iLearn and ESCRS On Demand, two key education resources, and the peer-reviewed scientific journal of the society, the Journal of Cataract & Refractive Surgery. They also pay a minimal registration fee to attend the ESCRS annual meetings.

## **The European Society of Cataract and Refractive Surgeons**

(A company limited by guarantee, not having a share capital)

### **DIRECTORS' ANNUAL REPORT**

for the year ended 31 December 2017

The aim of providing free membership for trainees is to invest in the future of this sub specialty of ophthalmology by ensuring that the education resources and the annual meetings are available to as many ophthalmologists as possible.

#### **(b) Meetings**

##### **ESCRS meetings**

The annual meetings are the highlight of the ESCRS calendar.

The 21st ESCRS Winter Meeting took place in Maastricht in February 2017 and was attended by 995 delegates.

The XXXV Congress of ESCRS took place in Lisbon in October 2017 and was extremely well supported with an attendance of 9,884 delegates. Delegates came from 122 countries, an indication of the worldwide reach of the society.

##### **ESCRS participation in other meetings**

Each year the ESCRS supports and participates in a number of eastern European national society meetings by funding senior expert ophthalmologists from the society to attend these meetings and thereby bringing international expertise and teaching to ophthalmologists who might not be in a position to travel to attend the ESCRS meetings.

#### **(c) Publications**

The EuroTimes magazine, which includes the latest news and developments in the world of ophthalmology, is published by the society and circulated free of charge to approximately 45,000 ophthalmologists worldwide. 10 issues were published in 2017.

The Journal of Cataract & Refractive Surgery, which is published jointly with ASCRS, is circulated to members of the ESCRS and contains peer-reviewed articles on the latest research in the field. 12 issues were published in 2017.

#### **(d) Online educational resources**

ESCRS iLearn is an elearning platform offering 55 hours of highly interactive and assessed content over 22 courses which are accredited for CME.

ESCRS On Demand is an online library of presentations and videos from ESCRS meetings since 2007. The library expands further each year to include the presentations from the most recent ESCRS Winter Meeting and Annual Congress.

Both of the above resources are available to members of the society.

The ESCRS Education Portal provides a wide range of content, much of which is free for all ophthalmologists to access. It provides a central location where ophthalmologists can find links to a range of online information and content aimed at providing expert-led educational resources for as wide a population of ophthalmologists as possible.

Landmark articles published in a number of peer-reviewed scientific ophthalmology journals are made available on the Education Portal and can be accessed free of charge. The articles listed are selected by the Publications committee and made available by the publishers without cost to the society (or users).

The Journal of Cataract & Refractive Surgery publishes an Online Case Reports section, which provides an excellent opportunity to see how scientific and medical knowledge is "put into practice". The case reports outline the history and actions taken, as well as providing images/ video, and are considered to have an important educational value. A selection of these case reports are made available to all ophthalmologists on the Education Portal.

The ESCRS Player offers a wide range of video content, including 'Eye Contact' video interviews with experts on a range of key topics. The 'Video of the Month' is a series of surgical videos prefaced by an introduction from an expert, explaining the key features of the video and their importance. A Video Journal of Cataract and Refractive Surgery is also available. All of these are open access for all ophthalmologists. At the end of 2017 there were over 50,000 views of the 250+ videos published on the ESCRS Player.

#### **e) Clinical and scientific research**

The PREMED Study was completed in 2017 and the results were announced at the ESCRS Annual Congress in September. The Patient-Reported Outcomes Questionnaire was also completed by the end of 2017.

Three further research projects are underway, with completion due within three years. In October 2017 the Research Committee reviewed the expressions of interest submitted for the 2017/2018 Clinical Research Awards and selected two projects to be invited to submit a full research proposal to be evaluated in early 2018.

## **The European Society of Cataract and Refractive Surgeons**

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### **DIRECTORS' ANNUAL REPORT**

for the year ended 31 December 2017

#### ***(f) Surgical outcomes registries***

The European Registry of Quality Outcomes for Cataract and Refractive Surgery (EUREQUO) includes data from over 2 million surgeries. Using the registry provides a unique opportunity for surgeons to monitor and compare their surgical results. This self-auditing encourages surgeons to adjust and improve their technique, improving their results and providing a better patient outcome. EUREQUO is linked to the Patient-Reported Outcomes Questionnaire (listed above), thereby allowing the surgeon to compare patient-reported data with the clinical data. Use of the registry is available to ESCRS members free of charge.

Work on the European Cornea and Cell Transplantation Registry (ECCTR) began in 2016 and continued in 2017. Corneal disease is the second largest cause of blindness worldwide and an estimated 30,000 cornea transplantations are performed annually in Europe. The project aims to build a common assessment methodology and establish an EU web-based registry and network for academics, health professionals and authorities to assess and verify the safety, quality and efficacy of corneal transplantation. There are eight partner organisations involved in the ECCTR, with ESCRS responsible for coordinating and managing the three-year project. ESCRS is providing 40% funding for the project, with 60% funding from the EU.

#### ***(g) Grants and bursaries***

60 bursaries are available annually for trainee doctors to attend the two ESCRS conferences. A number of observerships are also available, for trainee doctors to spend a period observing clinical practice at a European centre of expertise.

#### ***(h) Direct donations***

ESCRS makes annual direct donations to selected charities. In 2017 a donation was made to the Spanish charity Ulls del mon (Eyes of the World).

#### **Future developments**

The directors do not envisage any substantial changes to the nature of the charity's activities and, through its work, are confident in the charity's ability to continue to make meaningful impacts on the lives of patients across the world.

#### **Financial review**

The group made an overall surplus of €3,642,630 in 2017 compared to a surplus of €1,011,442 in 2016. The resources available to the group and those expended during the year are set out in the Statement of Financial Activities.

The ESCRS group is in a healthy financial position. This will ensure the continued funding of new educational initiatives and research projects.

#### ***Reserves policy***

The reserves policy takes into consideration the major risks that could affect ESCRS in the future and principally the threat posed to the income of the society through a failed annual congress whether due to competitive factors, an act of God, acts of terror, or the potential withdrawal over time of funding from corporate supporters due to legislative and regulatory changes.

The reserves policy is designed to allow ESCRS to continue running its activities uninterrupted for a full 12 month period, regardless of the level of income received, during which projects would be re-evaluated depending on the level of success in generating new revenue streams. Allowing a 12 month period would also help to minimise the risk of compromising the objectives and core activities of ESCRS.

On this basis, the directors consider that the required level of readily usable reserves should be €12.9m. This compares to a total unrestricted reserve as shown in the audited accounts of €20.3m. There is therefore a surplus above the reserve requirement of €7.4m. The directors are aware of the surplus on unrestricted funds and are actively considering ways to deploy resources on additional charitable activities. In the meantime, the surplus funds are being invested in a yield portfolio with the investment managers and the annual income thereon brought into the immediate spending plans of the society.

#### ***Investments***

During the year the Investment Policy of the Society was reviewed and an updated Investment Policy Statement adopted. In addition, a comprehensive survey of investment managers was carried out, with the assistance of specialist external advisers.

The Investment Policy Statement sets out the investment aims and objectives of the Society and has been revised to more closely reflect the reserves policy of the Society. The investments are divided into two portfolios. Portfolio A provides the reserve fund for ESCRS in the event of a failed annual congress, the main source of income to the society.



## **The European Society of Cataract and Refractive Surgeons**

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### **DIRECTORS' ANNUAL REPORT**

for the year ended 31 December 2017

It is to be managed on a conservative low risk basis with the principal objective of maintaining the real capital value of the funds and to generate a minimum total return in excess of inflation plus 2.5% over rolling three year periods. Portfolio B is to be managed on a low to medium risk basis and provide income which is to be factored into the short term spending plans of the society.

The survey of investment managers was carried out to ensure the investment managers engaged are those best suited to deliver the investment aims and objectives of the Society going forward. Up to and including at 31 December 2017, the Society's funds were invested in products managed by Credit Suisse and JP Morgan. Following the review the decision was taken to appoint Rathbone Investment Management Limited and Ruffer LLP as investment managers and the process of transferring the investment portfolios commenced in early 2018.

The overall return on the Society's investments in 2017, net of fees, was 6.7% which the Trustees consider satisfactory and exceeded the investment objectives for the year.

#### **Going concern**

The directors have a reasonable expectation that the charitable company will continue in operational existence for at least 12 months from the date of this report and have, therefore, used the going concern basis in preparing these financial statements.

#### **Indemnity insurance**

The group purchased and maintained, throughout the financial year, Directors' and Officers' Liability Insurance in respect of the directors.

#### **Auditors**

The auditors, Hall Lifford Hall, have indicated their willingness to continue in office in accordance with the provisions of Section 485 of the Companies Act 2006.

#### **By order of the Board**



Ulf Stenev  
Director

Date: 18.09.04

## **The European Society of Cataract and Refractive Surgeons**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT**

for the year ended 31 December 2017

The directors (who are also trustees of The European Society of Cataract and Refractive Surgeons for the purposes of company law) are responsible for preparing the Directors' Annual Report and the consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare consolidated financial statements for each financial year, which give a true and fair view of the state of affairs of the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these consolidated financial statements, the directors 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 consolidated financial statements;
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

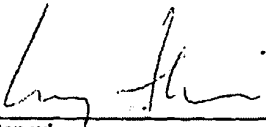
The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the group's auditor is aware of that information.

In approving the Directors' Annual Report, the Directors are also approving the Strategic Report which has been incorporated therein.

On behalf of the Board



Ulf Stenevi  
Director

Date: 18.09.04

## **INDEPENDENT AUDITOR'S REPORT**

### **to the Members of The European Society of Cataract and Refractive Surgeons**

(A company limited by guarantee, not having a share capital)

#### **Report on the audit of the consolidated financial statements**

##### **Opinion**

We have audited the consolidated financial statements of The European Society of Cataract and Refractive Surgeons for the year ended 31 December 2017 which comprise the group Statement of Financial Activities (incorporating an Income and Expenditure Account), the group and parent charitable company Balance Sheet, the group Cash Flow Statement and notes to the consolidated 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice for Charities 2015 (SORP 2015).

This report is made solely to the group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group'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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2017 and of the group's 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 consolidated financial statements" section of our report. We are independent of the group in accordance with ethical requirements that are relevant to our audit of the consolidated 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 ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is not appropriate; or
- the directors have not disclosed in the consolidated financial statements any identified material uncertainties that may cast significant doubt about the group'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 consolidated financial statements are authorised for issue.

##### **Other Information**

The other information comprises the information included in the annual report other than the consolidated financial statements and our Auditor's Report thereon. The directors are responsible for the other information. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated 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.

##### **Opinion 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 Directors' Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT**  
**to the Members of The European Society of Cataract and Refractive Surgeons**  
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**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the consolidated financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

**Responsibilities of directors for the consolidated financial statements**

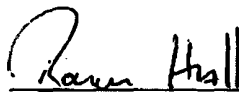
As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is contained in the appendix to this report, located at page 13, which is to be read as an integral part of our report.



Ronan Hall FCCA (Senior Statutory Auditor)  
for and on behalf of  
**HALL LIFFORD HALL**  
Chartered Certified Accountants and Statutory Auditors  
Greyfriar Lodge  
5 Greyfriars  
Waterford  
Ireland

Date: 11/9/2018

## **The European Society of Cataract and Refractive Surgeons APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT**

### **Further information regarding the scope of our responsibilities as auditor**

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 consolidated 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.
- 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 group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 group'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 consolidated 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 group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

# The European Society of Cataract and Refractive Surgeons

(A company limited by guarantee, not having a share capital)

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

for the year ended 31 December 2017

|  | Notes        | Unrestricted<br>Funds<br>2017<br>€ | Restricted<br>Funds<br>2017<br>€ | Total<br>Funds<br>2017<br>€ | Total<br>Funds<br>2016<br>€ |
|--|--------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>Income from:</b>                            |              |                                    |                                  |                             |                             |
| Grants and donations                           |              | -                                  | -                                | -                           | 127,370                     |
| Charitable activities - congress income        |              | 13,503,272                         | -                                | 13,503,272                  | 11,575,222                  |
| Charitable activities - publishing             |              | 1,420,357                          | -                                | 1,420,357                   | 1,451,988                   |
| <b>Other income:</b>                           |              |                                    |                                  |                             |                             |
| Membership                                     |              | 480,258                            | -                                | 480,258                     | 473,618                     |
| Other income                                   |              | 94,734                             | -                                | 94,734                      | 93,714                      |
| <b>Total income</b>                            |              | <b>15,498,621</b>                  | <b>-</b>                         | <b>15,498,621</b>           | <b>13,721,912</b>           |
| <b>Expenditure on:</b>                         |              |                                    |                                  |                             |                             |
| Raising funds                                  |              | 108,086                            | -                                | 108,086                     | 96,430                      |
| Charitable activities                          | 8            | 12,702,431                         | -                                | 12,702,431                  | 13,125,088                  |
| <b>Total expenditure</b>                       |              | <b>12,810,517</b>                  | <b>-</b>                         | <b>12,810,517</b>           | <b>13,221,518</b>           |
| <b>Net income before investment gains</b>      |              | <b>2,688,104</b>                   | <b>-</b>                         | <b>2,688,104</b>            | <b>500,394</b>              |
| Gains on investment assets                     | 9            | 954,526                            | -                                | 954,526                     | 511,048                     |
| <b>Net income</b>                              |              | <b>3,642,630</b>                   | <b>-</b>                         | <b>3,642,630</b>            | <b>1,011,442</b>            |
| Transfers between funds                        |              | -                                  | -                                | -                           | -                           |
| <b>Net movement in funds</b>                   |              | <b>3,642,630</b>                   | <b>-</b>                         | <b>3,642,630</b>            | <b>1,011,442</b>            |
| <b>Reconciliation of funds:</b>                |              |                                    |                                  |                             |                             |
| Balances brought forward at 1 January          |              | 16,673,576                         | 1,572                            | 16,675,148                  | 15,663,706                  |
| <b>Balances carried forward at 31 December</b> | <b>14/15</b> | <b>20,316,206</b>                  | <b>1,572</b>                     | <b>20,317,778</b>           | <b>16,675,148</b>           |

# The European Society of Cataract and Refractive Surgeons

(A company limited by guarantee, not having a share capital)

Company Number: 3153785

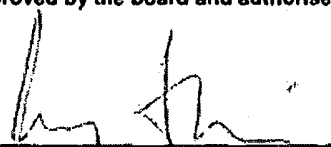
## CONSOLIDATED BALANCE SHEET

as at 31 December 2017

|  | Notes | 2017<br>Group<br>€ | 2017<br>Charity<br>€ | 2016<br>Group<br>€ | 2016<br>Charity<br>€ |
|--|-------|--------------------|----------------------|--------------------|----------------------|
| <b>Fixed Assets</b>                            |       |                    |                      |                    |                      |
| Tangible assets                                | 8     | 153,596            | 153,596              | 189,771            | 189,771              |
| Investments                                    | 9     | 13,486,139         | 13,486,140           | 12,639,699         | 12,639,700           |
|  |       | <u>13,639,735</u>  | <u>13,639,736</u>    | <u>12,829,470</u>  | <u>12,829,471</u>    |
| <b>Current Assets</b>                          |       |                    |                      |                    |                      |
| Debtors  | 10    | 1,251,726          | 5,398,910            | 1,753,229          | 3,234,383            |
| Cash and cash equivalents                      |       | 8,263,927          | 3,887,531            | 4,330,821          | 2,668,235            |
|  |       | <u>9,515,653</u>   | <u>9,286,441</u>     | <u>6,084,050</u>   | <u>5,902,618</u>     |
| Creditors: Amounts falling due within one year | 11    | (2,764,141)        | (2,534,930)          | (2,164,504)        | (1,983,073)          |
| Net Current Assets                             |       | <u>6,751,512</u>   | <u>6,751,511</u>     | <u>3,919,546</u>   | <u>3,919,545</u>     |
| Total Assets less Current Liabilities          |       | 20,391,247         | 20,391,247           | 16,749,016         | 16,749,016           |
| Deferred Income                                | 12    | (73,469)           | (73,469)             | (73,868)           | (73,868)             |
| Net Assets                                     |       | <u>20,317,778</u>  | <u>20,317,778</u>    | <u>16,675,148</u>  | <u>16,675,148</u>    |
| <b>Funds</b>                                   |       |                    |                      |                    |                      |
| Restricted funds                               |       | 1,572              | 1,572                | 1,572              | 1,572                |
| Unrestricted funds                             |       | 20,316,206         | 20,316,206           | 16,673,576         | 16,673,576           |
| Total funds                                    | 14/15 | <u>20,317,778</u>  | <u>20,317,778</u>    | <u>16,675,148</u>  | <u>16,675,148</u>    |

The European Society of Cataract and Refractive Surgeons surplus for the year was €3,642,630.

Approved by the board and authorised for issue on 11 September 2018 and signed on its behalf by

  
**Ulf Stenevi**  
 Director

**The European Society of Cataract and Refractive Surgeons**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 December 2017

|   | 2017<br>€        | 2016<br>€        |
|---|------------------|------------------|
|   | Notes            |                  |
| <b>Cash flows from operating activities</b>                 |                  |                  |
| Net movement in funds                                       | 3,642,630        | 1,011,442        |
| Adjustments for:  |                  |                  |
| Unrealised gains on investments, net                        | (846,440)        | (414,618)        |
| Depreciation  | 48,851           | 60,397           |
|   | <u>2,845,041</u> | <u>657,221</u>   |
| Movements in working capital:                               |                  |                  |
| Movement in debtors   | 501,683          | (532,729)        |
| Movement in creditors and deferred income                   | 599,021          | (507,069)        |
|   | <u>3,945,745</u> | <u>(382,577)</u> |
| <b>Cash flows from investing activities</b>                 |                  |                  |
| Payments to acquire tangible assets                         | (12,676)         | (63,993)         |
| Payments to acquire investments                             | -                | -                |
|   | <u>(12,676)</u>  | <u>(63,993)</u>  |
| <b>Net cash used in investment activities</b>               |                  |                  |
|   | <u>(12,676)</u>  | <u>(63,993)</u>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <u>3,933,069</u> | <u>(446,570)</u> |
| <b>Cash and cash equivalents at 1 January</b>               | <u>4,330,443</u> | <u>4,777,013</u> |
| <b>Cash and cash equivalents at 31 December</b>             | <u>8,263,512</u> | <u>4,330,443</u> |
| <b>Analysed as:</b>   |                  |                  |
| Cash and cash equivalents                                   | 8,263,927        | 4,330,821        |
| Bank overdrafts   | 11 (415)         | (378)            |
|   | <u>8,263,512</u> | <u>4,330,443</u> |



## **The European Society of Cataract and Refractive Surgeons**

(A company limited by guarantee, not having a share capital)

### **ACCOUNTING POLICIES**

for the year ended 31 December 2017

#### **Basis of preparation**

The consolidated financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice for Charities 2015 (SORP 2015), the Charities Act 2011, applicable accounting standards (FRS 102) and the Companies Act 2006. The consolidated financial statements have been presented in Euro (€) which is also the functional currency of the group.

#### **Basis of consolidation**

The group financial statements consolidate the financial statements of The European Society of Cataract and Refractive Surgeons and ESCRS Trading Limited, its wholly owned subsidiary.

No separate Statement of Financial Activities has been presented for the charity alone as permitted by the Companies Act 2006. The charity, being the parent company, has taken advantage of section 408 of the Companies Act 2006 and has not included its own Statement of Financial Activities in these financial statements. The charity's net movement in funds for the year was €3,642,630 (2016: €1,011,442).

#### **Restricted funds**

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### **Unrestricted funds**

Unrestricted funds comprise of incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

#### **Income**

Income comprises membership income, congress income, publishing and other income. Income is included in the Statement of Financial Activities when the group is legally entitled to it, its financial value can be quantified with reasonable certainty and there is reasonable certainty of its ultimate receipt. Income received in advance for membership is accounted for as deferred income until earned. All other income is accounted for on an accruals basis.

#### **Expenditure**

All expenditure is accounted for on an accruals basis when there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. Charitable activities include congress costs, research and education costs and support and governance costs. Governance costs are those associated with constitutional and statutory requirements.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

|                        |            |
|------------------------|------------|
| Purchase lease         | - 21 years |
| Leasehold improvements | - 15 years |
| Fixtures and fittings  | - 5 years  |
| Computer equipment     | - 5 years  |

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### **Financial instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity. The group accounts for its financial instruments using sections 11 and 12 of FRS 102. Basic financial instruments are initially recognised at transaction price and in subsequent years are measured at fair value at the end of each reporting period with any changes in fair value being recognised in the Statement of Financial Activities. The group's financial instruments are currently all classified as basic.

Financial assets are derecognised when the rights to the cash flows from the asset expire or are settled. Financial liabilities are derecognised when the obligation is discharged, cancelled or expired. Any difference between the consideration paid or received and the amounts derecognised are recognised in the Statement of Financial Activities.

## **The European Society of Cataract and Refractive Surgeons**

(A company limited by guarantee, not having a share capital)

### **ACCOUNTING POLICIES**

for the year ended 31 December 2017

#### **Investments**

Investments are initially recognised at transaction value and subsequently measured at their fair value at the balance sheet date using their closing market values. Gains and losses arising on revaluation are included in the Statement of Financial Activities.

#### **Leasing**

Rentals payable under operating leases are dealt with in the Statement of Financial Activities as incurred over the period of the rental agreement.

#### **Trade and other debtors**

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

#### **Trade and other creditors**

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Balance Sheet bank overdrafts are shown within Creditors.

#### **Employee benefits**

The group contracts out all administrative services to a third party, Agenda Communications and Conference Services Limited. As a result there are no persons employed by the group.

#### **Taxation**

The charity is a registered charity and is exempt from corporate tax on its income and gains to the extent that they are applied to its charitable purposes.

#### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions during the year which are denominated in foreign currencies are translated at the rates of exchange ruling at the dates of the transactions. The resulting exchange differences are dealt with in the Statement of Financial Activities.

# The European Society of Cataract and Refractive Surgeons

(A company limited by guarantee, not having a share capital)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

|   |             |             |
|---|-------------|-------------|
| <b>1. NET INCOMING RESOURCES GROUP</b>                        | <b>2017</b> | <b>2016</b> |
|   | <b>€</b>    | <b>€</b>    |
| Net Incoming Resources are stated after charging/(crediting): |             |             |
| Depreciation of tangible assets                               | 48,851      | 60,396      |
| Operating lease rentals                                       |             |             |
| - Buildings   | 205,500     | 205,500     |
| Auditor's remuneration:                                       |             |             |
| - audit services  | 17,472      | 22,440      |

### 2. STATUS

The charity is a company limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the charitable company on winding up such amounts as may be required not exceeding €1.27.

### 3. EMPLOYEES AND REMUNERATION

The group contracts out all operational and any administrative functions to a third party – Agenda Communications and Conference Services Limited. As a result there are no persons employed by the group and the group incurred no employee costs during the year (2016: Nil). None of the directors received any emoluments in respect of their services as directors during the year (2016: Nil).

ESCRS makes every attempt to minimise the cost associated with Board Meetings including, where feasible, holding them at congresses where the Board members are already present. In 2017 the directors' expenses wholly attributable to Board meetings was €4,965 (2016: €Nil).

ESCRS receives invitations to attend and speak at ophthalmology conferences across the world, and these meetings are an important part of promoting the interests of ESCRS globally. The costs of these trips, which can involve long haul flights and accommodation, are met by ESCRS. The total expenses reimbursed to directors or paid on their behalf to third parties amounted to €32,203 in 2017 in respect of 4 directors (2016: €64,924 in respect of 5 directors).

The following amounts were paid to directors in respect of other services provided to ESCRS during the year:

|         |         |                    |
|---------|---------|--------------------|
| E Rosen | €33,667 | Editorial services |
|---------|---------|--------------------|

### 4. JOURNAL OF CATARACT AND REFRACTIVE SURGERY

The European Society of Cataract and Refractive Surgeons (ESCRS) and the American Society of Cataract and Refractive Surgery (ASCRS) jointly publish the Journal of Cataract and Refractive Surgery (the journal). Net editorial costs are borne equally between ESCRS and ASCRS. The journal is printed and distributed by Elsevier and both societies purchase copies of the journal for distribution to their members.

### 5. EXCHANGE RATES

The exchange rates used in preparing the consolidated financial statements were as follows:

|                             |             |             |
|-----------------------------|-------------|-------------|
|                             | <b>2017</b> | <b>2016</b> |
|                             | <b>€</b>    | <b>€</b>    |
| United Kingdom Pounds (GBP) | 0.877       | 0.819       |
| United States Dollars (USD) | 1.130       | 1.107       |

**The European Society of Cataract and Refractive Surgeons**  
(A company limited by guarantee, not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2017

continued

**6. EXPENDITURE ON CHARITABLE ACTIVITIES**

|                        | Activity directly<br>undertaken<br>2017<br>€ | Grant<br>funding of<br>activities<br>2017<br>€ | Activity<br>support<br>costs<br>2017<br>€ | Total<br>2017<br>€ | Total<br>2016<br>€ |
|------------------------|--|--|---|--------------------|--------------------|
| Congress costs         | 7,945,957                                    | -  | 403,134                                   | 8,349,091          | 8,465,659          |
| Publications and other | 1,274,630                                    | -  | 64,668                                    | 1,339,298          | 1,442,856          |
| Membership costs       | 138,524                                      | -  | 30,123                                    | 168,647            | 155,946            |
| Research costs         | 892,917                                      | -  | 194,180                                   | 1,087,097          | 1,140,712          |
| Education costs        | 1,353,691                                    | 78,500   | 311,452                                   | 1,743,643          | 1,642,969          |
| ECCTR project costs    | -  | -  | -   | -                  | 187,370            |
| Donations              | 14,655                                       | -  | -   | 14,655             | 89,576             |
| <b>Totals</b>          | <b>11,620,374</b>                            | <b>78,500</b>                                  | <b>1,003,557</b>                          | <b>12,702,431</b>  | <b>13,125,088</b>  |

€Nil of the above expenditure was attributable to restricted funds and €12,702,431 was attributable to unrestricted funds. Included in the expenditure are governance costs of €191,906 which relate directly to charitable activities. See note 6.1 for further details.

**6.1 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

|   | Support<br>2017<br>€             | Basis of<br>Apportionment |
|---|----------------------------------|---------------------------|
| Governance costs                            | 191,906                          |                           |
| Central office costs                        | 371,901                          |                           |
| Finance, IT, consultancy and computer costs | 192,524                          |                           |
| Travel, insurance and other costs           | 198,376                          |                           |
| Depreciation                                | 48,850                           |                           |
|   | <b>1,003,557</b>                 | Invoiced events           |
|   | <b>Governance<br/>2017<br/>€</b> |                           |
| Council meetings and secretariat            | 70,793                           |                           |
| Audit, consultancy and legal fees           | 109,846                          |                           |
| Board elections                             | 9,973                            |                           |
| Company secretarial fees                    | 1,294                            |                           |
|   | <b>191,906</b>                   | Invoiced events           |

All expenditure was attributable to unrestricted funds.

**7. ANALYSIS OF GRANTS**

|                        | Grants to<br>Individuals<br>2017<br>€ | Grants to<br>Institutions<br>2017<br>€ | Support<br>costs<br>2017<br>€ | Total<br>2017<br>€ | Total<br>2016<br>€ |
|------------------------|---------------------------------------|--|-------------------------------|--------------------|--------------------|
| Observership grants    | 5,000                                 | -                                      | -                             | 5,000              | 15,000             |
| Bursaries              | 43,500                                | -                                      | -                             | 43,500             | 43,172             |
| Fellowship programme   | 5,000                                 | -                                      | -                             | 5,000              | 7,500              |
| Peter Barry Fellowship | 25,000                                | -                                      | -                             | 25,000             | -                  |
|                        | <b>78,500</b>                         | <b>-</b>                               | <b>-</b>                      | <b>78,500</b>      | <b>65,672</b>      |

# The European Society of Cataract and Refractive Surgeons

(A company limited by guarantee, not having a share capital)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

continued

### 8. TANGIBLE FIXED ASSETS GROUP

|                       | Purchase<br>lease | Leasehold<br>improvements | Fixtures and<br>fittings | Computer<br>equipment | Total     |
|-----------------------|-------------------|---------------------------|--------------------------|-----------------------|-----------|
|                       | €                 | €                         | €                        | €                     | €         |
| <b>Cost</b>           |                   |                           |                          |                       |           |
| At 1 January 2017     | 261,282           | 52,587                    | 442,579                  | 466,900               | 1,223,384 |
| Additions             | -                 | -                         | 4,742                    | 7,934                 | 12,676    |
| At 31 December 2017   | 261,282           | 52,587                    | 447,321                  | 474,870               | 1,236,060 |
| <b>Depreciation</b>   |                   |                           |                          |                       |           |
| At 1 January 2017     | 186,630           | 20,086                    | 407,476                  | 419,421               | 1,033,613 |
| Charge for the year   | 12,442            | 3,505                     | 10,315                   | 22,589                | 48,851    |
| At 31 December 2017   | 199,072           | 23,591                    | 417,791                  | 442,010               | 1,082,464 |
| <b>Net book value</b> |                   |                           |                          |                       |           |
| At 31 December 2017   | 62,210            | 28,996                    | 29,530                   | 32,860                | 153,596   |
| At 31 December 2016   | 74,652            | 32,501                    | 35,103                   | 47,515                | 189,771   |

Tangible fixed assets are held by the charity, with none in the Trading Company.

# The European Society of Cataract and Refractive Surgeons

(A company limited by guarantee, not having a share capital)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

continued

### 9. FINANCIAL FIXED ASSETS Investments

| GROUP                      | Listed<br>investments<br>€ | Total<br>€        |
|----------------------------|----------------------------|-------------------|
| <b>Investments</b>         |                            |                   |
| <b>Cost or Valuation</b>   |                            |                   |
| At 1 January 2017          | 12,639,699                 | 12,639,699        |
| Gains on investment assets | 954,526                    | 954,526           |
| Fees and expenses          | (108,086)                  | (108,086)         |
| <b>At 31 December 2017</b> | <b>13,486,139</b>          | <b>13,486,139</b> |
| <b>Net book value</b>      |                            |                   |
| At 31 December 2017        | 13,486,139                 | 13,486,139        |
| At 31 December 2016        | 12,639,699                 | 12,639,699        |

| CHARITY                    | Subsidiary<br>undertaking<br>shares<br>€ | Listed<br>investments<br>€ | Total<br>€        |
|----------------------------|--|----------------------------|-------------------|
| <b>Investments</b>         |  |                            |                   |
| <b>Cost or Valuation</b>   |  |                            |                   |
| At 1 January 2017          | 1  | 12,639,699                 | 12,639,700        |
| Gains on investment assets | -  | 954,526                    | 954,526           |
| Fees and expenses          | -  | (108,086)                  | (108,086)         |
| <b>At 31 December 2017</b> | <b>1</b>                                 | <b>13,486,139</b>          | <b>13,486,140</b> |
| <b>Net book value</b>      |  |                            |                   |
| At 31 December 2017        | 1  | 13,486,139                 | 13,486,140        |
| At 31 December 2016        | 1  | 12,639,699                 | 12,639,700        |

#### Details of subsidiary undertaking

At 31 December 2017 the charitable company had interest in the following subsidiary:

| Undertaking              | Country of<br>Incorporation | Holding         | Proportion of voting<br>rights and shares<br>held | Principal activity                          |
|--------------------------|-----------------------------|-----------------|---|---|
| ESCRS Trading<br>Limited | United Kingdom              | Ordinary shares | 100%  | Organising<br>conferences and<br>publishing |

The registered office of ESCRS Trading Limited, company number 7521602, is 5 Fleet Place, London, EC4M 7RD, United Kingdom. The trading subsidiary donates its entire profits to the charity under the UK Gift Aid scheme (2017: €5,301,572; 2016: €3,185,026).

The summary financial performance of the subsidiary is:

|                                      | 2017<br>€   | 2016<br>€   |
|--------------------------------------|-------------|-------------|
| Turnover                             | 14,923,809  | 13,027,210  |
| Cost of sales                        | (9,220,584) | (9,403,959) |
| Gross profit                         | 5,703,225   | 3,623,251   |
| Administrative expenses              | (467,805)   | (504,557)   |
| Other operating income               | 66,332      | 66,332      |
| Operating profit                     | 5,301,752   | 3,185,026   |
| Tax on profit on ordinary activities | (180)       | -           |
| Gift Aid                             | (5,301,572) | (3,185,026) |
| Total Comprehensive Income           | -           | -           |

**The European Society of Cataract and Refractive Surgeons**  
(A company limited by guarantee, not having a share capital)  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2017

continued

**9. FINANCIAL FIXED ASSETS CONTINUED**

The summary financial performance of the subsidiary (continued):

|                     | 2017<br>€   | 2016<br>€   |
|---------------------|-------------|-------------|
| Current assets      | 7,537,736   | 4,699,537   |
| Current liabilities | (7,537,735) | (4,699,536) |
| Net assets          | 1           | 1           |
| Shareholders' funds | 1           | 1           |

**10. DEBTORS**

|                                 | 2017<br>Group<br>€ | 2017<br>Charity<br>€ | 2016<br>Group<br>€ | 2016<br>Charity<br>€ |
|---------------------------------|--------------------|----------------------|--------------------|----------------------|
| Trade debtors                   | 640,973            | 15,684               | 765,275            | 13,014               |
| Taxation                        | 18,679             | -                    | 4,885              | -                    |
| Prepayments and accrued income  | 592,074            | 81,654               | 983,069            | 36,343               |
| Amounts owed by group companies | -                  | 5,301,572            | -                  | 3,185,026            |
|                                 | <u>1,251,726</u>   | <u>5,398,910</u>     | <u>1,753,229</u>   | <u>3,234,383</u>     |

**11. CREDITORS**

| Amounts falling due within one year | 2017<br>Group<br>€ | 2017<br>Charity<br>€ | 2016<br>Group<br>€ | 2016<br>Charity<br>€ |
|-------------------------------------|--------------------|----------------------|--------------------|----------------------|
| Bank overdrafts                     | 415                | 415                  | 378                | 378                  |
| Trade creditors                     | 280,753            | 83,331               | 286,561            | 158,772              |
| Accruals and deferred income        | 2,482,973          | 444,232              | 1,877,565          | 490,844              |
| Amounts owed to group companies     | -                  | 2,006,952            | -                  | 1,333,079            |
|                                     | <u>2,764,141</u>   | <u>2,534,930</u>     | <u>2,164,504</u>   | <u>1,983,073</u>     |

**12. DEFERRED INCOME**

|                 | 2017<br>Group<br>€ | 2017<br>Charity<br>€ | 2016<br>Group<br>€ | 2016<br>Charity<br>€ |
|-----------------|--------------------|----------------------|--------------------|----------------------|
| Deferred income | 73,469             | 73,469               | 73,868             | 73,868               |
|                 | <u>73,469</u>      | <u>73,469</u>        | <u>73,868</u>      | <u>73,868</u>        |

Deferred income relates to membership, the relevant portion of which has been deferred to future years.

**13. FINANCIAL COMMITMENTS**

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

| GROUP                      | Buildings<br>2017<br>€ | Buildings<br>2016<br>€ |
|----------------------------|------------------------|------------------------|
| Due:                       |                        |                        |
| Within one year            | 205,500                | 205,500                |
| Between one and five years | 822,000                | 822,000                |
| In over five years         | 411,000                | 616,500                |
|                            | <u>1,438,500</u>       | <u>1,644,000</u>       |

# The European Society of Cataract and Refractive Surgeons

(A company limited by guarantee, not having a share capital)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

continued

|   |                                      |                             |                         |                            |  |                               |
|---|--------------------------------------|-----------------------------|-------------------------|----------------------------|--|-------------------------------|
| 14.   | ANALYSIS OF NET ASSETS BY FUND GROUP |                             |                         |                            |  |                               |
|   | Fixed assets<br>- charity use<br>€   | Financial fixed assets<br>€ | Current assets<br>€     | Current liabilities<br>€   | Long-term deferred income<br>€           | Total<br>€                    |
| Restricted income funds   | -                                    | -                           | 1,572                   | -                          | -  | 1,572                         |
| Unrestricted income funds   | 153,596                              | 13,486,139                  | 9,514,081               | (2,764,141)                | (73,469)                                 | 20,316,206                    |
|   | <u>153,596</u>                       | <u>13,486,139</u>           | <u>9,515,653</u>        | <u>(2,764,141)</u>         | <u>(73,469)</u>                          | <u>20,317,778</u>             |
| 15.   | ANALYSIS OF MOVEMENTS ON FUNDS GROUP |                             |                         |                            |  |                               |
|   | Balance<br>1 January<br>2017<br>€    | Incoming resources<br>€     | Resources expended<br>€ | Gains and losses, net<br>€ | Transfers between 31 December funds<br>€ | Balance 31 December 2017<br>€ |
| Restricted income funds   |                                      |                             |                         |                            |  |                               |
| Endophthalmitis study   | 1,572                                | -                           | -                       | -                          | -  | 1,572                         |
|   | <u>1,572</u>                         | <u>-</u>                    | <u>-</u>                | <u>-</u>                   | <u>-</u>                                 | <u>1,572</u>                  |
| Unrestricted income funds   |                                      |                             |                         |                            |  |                               |
| Research fund   | 338,855                              | -                           | (381,977)               | -                          | 250,000                                  | 206,878                       |
| Charity fund  | 41,690                               | -                           | (13,655)                | -                          | 120,000                                  | 148,035                       |
| General fund  | 16,293,031                           | 15,498,246                  | (12,306,424)            | 846,440                    | (370,000)                                | 19,961,293                    |
|   | <u>16,673,576</u>                    | <u>15,498,246</u>           | <u>(12,702,056)</u>     | <u>846,440</u>             | <u>-</u>                                 | <u>20,316,206</u>             |
| Total funds   | <u>16,675,148</u>                    | <u>15,498,246</u>           | <u>(12,702,056)</u>     | <u>846,440</u>             | <u>-</u>                                 | <u>20,317,778</u>             |
| 16.   | FINANCIAL INSTRUMENTS GROUP          |                             |                         |                            |  |                               |
|   | Note                                 | 2017<br>€                   | 2016<br>€               |                            |  |                               |
| Financial assets that are equity instruments measured at fair value                                 |                                      |                             |                         |                            |  |                               |
| Investments in listed shares  | 9                                    | 13,486,139                  | 12,639,699              |                            |  |                               |
| Financial assets that are debt instruments measured at amortised cost                               |                                      |                             |                         |                            |  |                               |
| Trade and other debtors   | 10                                   | 640,973                     | 765,275                 |                            |  |                               |
| Cash and short term deposits  |                                      | 8,263,927                   | 4,330,821               |                            |  |                               |
| Financial liabilities measured at amortised cost  |                                      |                             |                         |                            |  |                               |
| Trade creditors   | 11                                   | 280,753                     | 286,561                 |                            |  |                               |
| Accruals for goods and services   | 11                                   | 2,482,973                   | 1,877,565               |                            |  |                               |
| Group's income, expense, gains and losses in respect of financial instruments are summarised below: |                                      |                             |                         |                            |  |                               |
| On financial assets measured at fair value through SOFA, net  | 9                                    | 846,440                     | 414,618                 |                            |  |                               |



**The European Society of Cataract and Refractive Surgeons**

(A company limited by guarantee, not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2017

continued

**17. RELATED PARTY TRANSACTIONS**

The parent had transactions with group companies and the following amounts are due between the companies at the year end:

|                           | 2017<br>€        | 2016<br>€        |
|---------------------------|------------------|------------------|
| Due from group companies: |                  |                  |
| ESCRS Trading Limited     | <u>5,301,572</u> | <u>3,185,026</u> |
| Due to group companies:   |                  |                  |
| ESCRS Trading Limited     | <u>2,006,952</u> | <u>1,333,079</u> |

ESCRS Trading Limited is 100% owned by The European Society of Cataract and Refractive Surgeons and it donates annually its entire surplus to the parent company in the form of Gift Aid.

**18. POST-BALANCE SHEET EVENTS**

There have been no significant events affecting the group since the year end.