

**SOCIETY OF ACADEMIC AND RESEARCH SURGERY**

**(A COMPANY LIMITED BY GUARANTEE)**

**REGISTERED NUMBER - 2767055**

**REGISTERED CHARITY NUMBER - 1015921**

**ENGLAND AND WALES**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2006**

**WYATT, MORRIS, GOLLAND & CO.,**

**CHARTERED ACCOUNTANTS,**

**PARK HOUSE,**

**200 DRAKE STREET,**

**ROCHDALE,**

**LANCASHIRE.**

**OL16 1PJ**



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COMPANIES HOUSE

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SOCIETY OF ACADEMIC AND RESEARCH SURGERY

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

LEGAL AND ADMINISTRATIVE INFORMATION

STATUS -

The charity is a company limited by guarantee, its governing document being its Memorandum and Articles of Association

DIRECTORS -

The charity directors (trustees) during the year were -

Mr M G Wyatt (appointed 13 01 06)

Dr P E Watkins (resigned 13 01 07)

Mr N J Bundred (resigned 13 01 06)

Mr P J Drew (resigned 13 01 06)

Professor J N Primrose (resigned 13 01 06)

Professor B J Rowlands (resigned 13 01 06)

Professor I Taylor

Mr A D K Hill

Mr D Carey (resigned 13 01 07)

Mr D Baker (appointed 13 01 06)

Mr G Carlson

Mr S Wigmore

Professor M Thompson

Professor N J W Cheshire (appointed 13 01 06)

Mr F C T Smith (appointed 13 01 06)

Mr P F Ridgeway (appointed 13 01 06)

Professor K G Burnand (appointed 13 01 06)

Mr I C Chetter (resigned 13 01 07)

The directors are appointed according to the Articles of Association and are referred to as the "Council of Management"

REGISTERED OFFICE -

The Royal College of Surgeons of England

35-43 Lincoln's Inn Fields

LONDON

WC2A 3PE

BANKERS -

Barclays Bank PLC ,

Edgbaston Business Centre,

P O Box 324,

38 Hagley Road,

BIRMINGHAM B16 8NY

CAF Charity Money Management,

Kings Hill,

West Malling

KENT ME19 4TA

AUDITORS -

Wyatt, Morris, Golland & Co ,

Chartered Accountants,

Park House,

200 Drake Street,

ROCHDALE,

Lancashire OL16 1PJ

## SOCIETY OF ACADEMIC AND RESEARCH SURGERY

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

(Continued)

#### PRINCIPAL OBJECTIVES

The charity's principal objective as set out in its Memorandum of Association is the advancement of public education in the fields of surgery and clinical practice and their attendant sciences, by the conduct of research into such subjects and the publication of such research

The following have been adopted in order to further the charity's principal objective -

- a) To provide for the interchange of information about research related to surgery and surgical disease
- b) To foster interchange between surgical science and clinical practice
- c) To promote humanity and high ethical standards in clinical and experimental research
- d) To comment on the standard, place and educational value of surgical research in the training of surgeons
- e) To maintain high standards of scientific evaluation of surgical research by ensuring that the format, quality of slides and illustrations, clarity of presentation and ability to respond to questioning of presentations to the society are of the highest quality
- f) To promote surgical research by providing travelling scholarships and/or research grants
- g) To promote the interchange of information internationally through collaboration with other national surgical societies
- h) To maintain low subscriptions and registration fees to encourage young research workers in surgery to participate in the activity of the society

#### ORGANISATION

The charity is managed by the Council of Management. There are no paid employees and secretarial services are paid for on a six monthly basis through the Royal College of Surgeons of England, which also provides the postal address

#### INVESTMENT POWERS

The Charity's powers of investment are governed by its Memorandum and Articles of Association

#### DEVELOPMENT ACTIVITIES AND ACHIEVEMENTS

Our own Society of Academic and Research meeting was held in Edinburgh (place of AGM)

The sub-committees of the society continue to include,

Programme Committee  
Foundation Committee  
Membership Committee  
Education/Professional Development Committee  
External Relations Committee

Despite the proliferation of committees this has not resulted in a dramatic increase in travelling or accommodation costs as the sub-committees have met at around the same time as the annual meeting

The secretariat based at the Royal College of Surgeons of England continues to be a success with continued improvement in the administration of the Society

SOCIETY OF ACADEMIC AND RESEARCH SURGERY

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

(Continued)

REVIEW OF THE TRANSACTIONS AND FINANCIAL POSITION OF THE CHARITY

The charity had excess expenditure over income for the year prior to inclusion of investment gains. The resultant deficit has been met from reserves brought forward for use in future periods.

The directors have continued to explore the possibility for obtaining charitable donations from industry. To date there has been no successful negotiation, but there are a number of interested parties.

RESERVES POLICY

It is the policy of the charity to maintain a break-even position year on year based on normal activities. The unrestricted reserves brought forward represent surpluses arising in previous years and are to be used to cover shortfalls on years where a break even position is not attained, and also to provide for one-off grants, including research fellowships, should a suitable project arise.

RISK REVIEW

The major risks to which the charity is exposed, as identified by the trustees have been reviewed and systems have been established to mitigate those risks.

DIRECTORS' RESPONSIBILITIES

Under company law the council members have the same legal responsibilities as company directors and the title is interchangeable.

Company law requires the directors to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those accounts the directors are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts, and prepare the accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Messrs Wyatt, Morris, Golland & Co, Chartered Accountants, have intimated their willingness to continue in office as auditors to the company and will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

The above report has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the  
board of directors



D Baker  
Director

Approved by the board 23 November 2007

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOCIETY OF ACADEMIC AND RESEARCH SURGERY

We have audited the financial statements of the Society of Academic and Research Surgery for the year ended 31 December 2006 on pages 5 to 10. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities. The directors also act as trustees for the charitable activities of the association.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

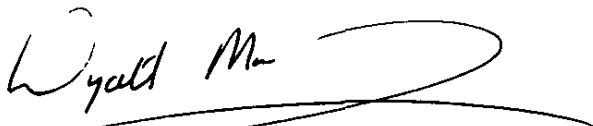
### BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### OPINION

In our opinion the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charitable company's affairs as at 31 December 2006 and of its incoming resources and application of resources, including its income and expenditure for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985, and the information given in the directors report is consistent with the financial statements.



23 November 2007

WYATT, MORRIS, GOLLAND & CO  
CHARTERED ACCOUNTANTS AND  
REGISTERED AUDITORS

Park House,  
200 Drake Street,  
ROCHDALE,  
Lancashire  
OL16 1PJ

SOCIETY OF ACADEMIC AND RESEARCH SURGERY

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	Unrestricted funds	Total funds 2006 £	Total funds 2005 £
		<u>£</u>		
<u>Incoming resources -</u>				
Subscriptions		26,710	26,710	27,313
Donations from meetings		20,411	20,411	9,283
Investment income		3,962	3,962	3,669
		<u>51,083</u>	<u>51,083</u>	<u>40,265</u>
<u>Resources Expended -</u>				
Investment management costs		319	319	548
Charitable activities	2	51,154	51,154	57,394
Governance costs	3	5,052	5,052	5,075
		<u>56,525</u>	<u>56,525</u>	<u>63,017</u>
Net income/(expenditure) for the year		(5,442)	(5,442)	(22,752)
<u>Other recognised gains and losses -</u>				
Gains on investments		13,569	13,569	13,840
Net movement in funds		8,127	8,127	(8,912)
Fund balance brought forward at 1 January 2006		113,288	113,288	122,200
Fund balance carried forward at 31 December 2006		<u>121,415</u>	<u>121,415</u>	<u>113,288</u>

The statement of financial activities includes all gains and losses recognised in the two above financial years

All incoming resources and resources expended derive from continuing operations

THE NOTES ON PAGES 7 TO 10 FORM PART OF THESE ACCOUNTS

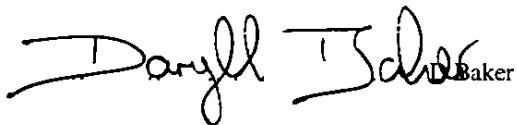
SOCIETY OF ACADEMIC AND RESEARCH SURGERY

BALANCE SHEET AS AT 31 DECEMBER 2006

	<u>Notes</u>	<u>2006</u>	<u>2005</u>
		£	£
<u>FIXED ASSETS</u>			
Investments	5	113,421	99,280
<u>CURRENT ASSETS</u>			
Debtors	6	90	762
Cash at bank and in hand		27,193	47,459
		<u>27,283</u>	<u>48,221</u>
<u>CREDITORS</u> - Amounts falling due within one year	7	(19,289)	(34,213)
		<u>7,994</u>	<u>14,008</u>
<u>NET CURRENT ASSETS</u>			
Net assets		<u>121,415</u>	<u>113,288</u>
<u>FUNDED BY -</u>			
Unrestricted funds		<u>121,415</u>	<u>113,288</u>

The accounts have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies

Signed on behalf of the board of directors

 Daryl Baker

- Director

Approved by the board 23 November 2007

THE NOTES ON PAGES 7 TO 10 FORM PART OF THESE ACCOUNTS

SOCIETY OF ACADEMIC AND RESEARCH SURGERY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

I ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities Statement of Recommended Practice (SORP) issued in March 2005

Cash flow

The accounts do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'

Income

The accounts include income on the following basis -

Subscriptions - are included on an accruals basis

Donations from meetings - The meetings are arranged by people who are not necessarily members of the society. The records of the meetings are kept by the University or establishment organising the meeting. Consequently the charity has no control over the accounting function and accepts as a donation the net income generated from these meetings after all expenditure has been paid. The Society accounts for this income when received.

Other donations and voluntary income - Included when received

Investment income - Included on an accruals basis and includes bank interest, dividend income and similar

Expenditure

All expenditure is included on an accruals basis -

Awards are included when agreed by the council of management. Accordingly provision is made in the accounts for any amounts unpaid at the year end.

Investments

Investments are valued at market value, in order to comply with best practice for charity accounting.

Taxation

The company is a registered charity and as such is entitled to the exemption from tax to the extent that the income received falls within section 505 I C T A 1988 and section 256 C G T A 1992 and is applied to charitable purposes only.



# SOCIETY OF ACADEMIC AND RESEARCH SURGERY

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

(Continued)

### 2 CHARITABLE ACTIVITIES

The charity has not incurred any staff or depreciation costs in either 2006 or 2005

	Other costs	Total funds 2006	Total funds 2005
	<u>£</u>	<u>£</u>	<u>£</u>
Grants and prizes awarded	800	800	700
Meetings costs	9,640	9,640	13,619
Journal subscription	10,784	10,784	7,653
Office and other costs	29,930	29,930	35,422
	<u>51,154</u>	<u>51,154</u>	<u>57,394</u>

All grants and prizes were awarded to individuals

Office and other costs are comprised of -

	2006 <u>£</u>	2005 <u>£</u>
Secretarial assistance	15,394	21,461
Postage, stationery and internet	10,233	10,980
Office accommodation	2,000	2,000
Miscellaneous	2,303	981
	<u>29,930</u>	<u>35,422</u>

### 3 GOVERNANCE COSTS

Audit and accountancy – current year	2,733	1,939
Audit and accountancy – re prior year	405	-
Committee meetings and trustees expenses	1,450	2,601
Bank charges	364	505
Sundry	100	30
	<u>5,052</u>	<u>5,075</u>

### 4 STAFF

The charity does not directly employ staff, but pays fees for secretarial services provided

None of the trustees received any remuneration from the charity during the year (2005- £Nil)

Five trustees were reimbursed a total of £1,692 travel and incidental expenses incurred during the year

SOCIETY OF ACADEMIC AND RESEARCH SURGERY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

(Continued)

5 FIXED ASSET INVESTMENTS

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Quoted investments -		
Market value at 1 January 2006	99,280	86,357
Additions	14,846	18,699
Disposals	(14,274)	(19,616)
Realised gains	629	936
Unrealised gains	12,940	12,904
	<hr/>	<hr/>
Market value at 31 December 2006	<u>113,421</u>	<u>99,280</u>
	<hr/>	<hr/>
Historical cost at 31 December 2006	<u>79,704</u>	<u>76,134</u>
	<hr/>	<hr/>
<u>Investments by category -</u>		
	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
<u>Fixed interest securities</u>		
Halifax 6 375% MTN (3 04 2008)	<u>13,191</u>	<u>14,110</u>
	<hr/>	<hr/>
<u>Equities</u>		
Electra Investment Trust	24,460	20,026
Standard Life UK Equity	21,244	20,230
Newton Unit Trust	21,033	19,803
HSBC Unit Trust	9,390	9,564
Liontrust Unit Trust	-	6,996
Fidelity Unit Trust	9,257	8,551
Invesco Fund	14,846	-
	<hr/>	<hr/>
	<u>100,230</u>	<u>85,170</u>
	<hr/>	<hr/>

SOCIETY OF ACADEMIC AND RESEARCH SURGERY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

(Continued)

6 DEBTORS

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Other debtors and prepaid expenses	90	762

7 CREDITORS - Amounts falling due within one year

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Subscription - British Journal of Surgery	3,592	3,770
Accruals	15,697	30,443
	<u>19,289</u>	<u>34,213</u>

8 CONTINGENT LIABILITIES

There are no contingent liabilities of a material amount for which provision has not been made in the accounts

9 COMMITMENTS

Capital commitments

There were no capital commitments at 31 December 2006 (2005 - £Nil)