

THE BRITISH UROLOGICAL FOUNDATION

FINANCIAL STATEMENTS

31 DECEMBER 2004

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

LEGAL & ADMINISTRATIVE DETAILS

STATUS

The British Urological Foundation (“BUF” or the “Foundation”) is a registered charity, which is governed by the rules and regulations set down in its trust deed.

TRUSTEES

The trustees of the charity, who have served on the board of trustees since 1 January 2004, are as follows:

H E Evans	Chairman
R S Kirby	Secretary
H Lamotte	Treasurer (from December 2004)
P Whelan	Treasurer (until December 2004)
K Mellon	Chairman of Scientific Committee (from October 2004)
J H Fitzpatrick	Chairman of Scientific Committee (until October 2004)

J Bramble	(until June 2004)
I Eardley	
T Jones	(from October 2004)
S Norris	
P H O'Reilly	
B L Schroder	
M J Speakman	
T Stuttaford	
C R J Woodhouse	

DIRECTOR OF BUF

Mrs. Sally Walton

PRINCIPAL ADDRESS

40 Pentonville Road
London N1 9HF

CHARITY NUMBER

1045048

LEGAL & ADMINISTRATIVE DETAILS

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

BANKERS

National Westminster Bank plc
PO Box 2021
10 Marylebone High Street
London W1A 1FH

CCLA Investment Management Limited
St Alphage House
2 Fore Street
London EC2Y 5AQ

INVESTMENT MANAGERS

UBS Laing & Cruickshank Limited
1 Curzon Street
London W1J 5UB

CONNECTED CHARITIES

The British Association of Urological Surgeons
BJU International (formerly the British Journal of Urology)

REPORT OF THE TRUSTEES

The trustees present their report and the financial statements of the British Urological Foundation (“BUF” or the “Foundation”) for the year ended 31 December 2004.

OBJECTS

The objects of BUF are to advance, promote, encourage, develop and improve the study and knowledge of urology, urological surgery and general knowledge of science and medicine and all matters relating to the progress and development of that branch of science and medicine and for that purpose to fund, aid, maintain and endow scholarships, fellowships, chairs and bursaries and generally to assist in the funding, instruction and support of persons and institutions engaged or involved in urological research work.

GRANT MAKING POLICY

BUF undertakes fundraising from the pharmaceutical industry, members of the British Association of Urological Surgeons, and from the general public. It encourages competitive applications for specific research projects.

BUF has a scientific committee whose role it is to adjudicate on the academic merit of applications for scholarships received each January, and it makes specific recommendations to the board of trustees concerning funding decisions.

REVIEW OF CHARITABLE ACTIVITIES & FINANCIAL REVIEW

The results for the year are set out in the Statement of Financial Activities on page 8.

During the course of the year, the trustees undertook a strategic review in respect of the Foundation, and an operational plan looking to the next three years has been produced. As a part of this process the first Director of BUF, Mrs. Sally Walton, was appointed, and new office premises have been acquired.

The five main strategic objectives of the charity have been determined to be as follows:

- To define and implement an education programme that will help address the training needs of healthcare professionals specialising in urology;
- To continue to support basic research in urology through the funding of scholarships awarded by the scientific committee;
- To create a chair of urology in the United Kingdom;
- To develop a fundraising programme for each target audience; and
- To maximise opportunities to raise awareness of BUF and its programmes amongst current donors and where appropriate the general public.

In July 2004, the board of trustees ratified the Foundation’s new mission statement:

“The mission of the British Urological Foundation is to improve the management of urological disease through the development and support of medical education and sponsorship of research”

BUF aims to address the poor funding of research into urological disease in the United Kingdom and Ireland. In nine years, it has raised over £2,500,000, which has been disbursed in 58 Research Scholarships. The number of applications has increased each year, and nine scholarships with a total value of £284,035 were awarded for the 2004/2005 academic year.

REPORT OF THE TRUSTEES

In 1998, the Foundation introduced a programme of funding for Clinical Visits (Visiting Fellowships). These are designed for recently appointed urologists or for those in their final year of training, enabling them to visit major urological centres worldwide in order to observe new techniques and look at the development of specific areas of treatment. Applications are judged on the same basis as the research scholarships, and grants made towards expenses. The maximum grant is £1,750, and a total of 62 visits have been funded to hospitals as diverse as The Memorial Sloane Kettering Cancer Centre, New York and the Fistula Hospital for Poor Women with Child Birth Injuries in Addis Ababa, Ethiopia.

For the second year, BUF funded six Preceptorships to enable UK consultant urologists to train in advanced laparoscopic techniques (keyhole surgery) at the Cleveland Clinic Foundation, Ohio, USA. Placements were for one month and successful applicants received a grant of £6,000, which covers tuition fees of \$5,000, with the balance for travel, accommodation and subsistence. Laparoscopic procedures are increasingly used in urology and the Foundation is committed to enabling UK surgeons to observe and practice techniques and develop skills in their hospital departments. This made a total cost of £72,000 over the 2 years.

The level of interest in Research Scholarships, Clinical Visits and Preceptorships is very high, and the Foundation is working to extend its fundraising activities to meet demand. Following the success of the Preceptorships to Cleveland, the Foundation hopes to develop more Preceptorships to other centres of excellence.

An updated report is published annually listing all awards made by BUF.

The Foundation has been fortunate in continuing to attract support from a number of major pharmaceutical companies with interests in the urological field. BUF is also assisted by annual grants from the British Association of Urological Surgeons and BJU International (formerly British Journal of Urology), which provides a secure basis for funding its grants programme.

Following the success of annual fundraising dinners held in the Royal College of Surgeons since 1998, a first Gala Dinner was held at The Dorchester in November 2004. Those invited included representatives of the pharmaceutical industries and individuals from the financial and business sector throughout the UK. Sir Stuart Lipton is particularly thanked for the role he played in obtaining support for this evening.

BUF is committed to furthering research and education in urology and will continue to explore new initiatives to achieve these ends.

INVESTMENTS POLICY

The trustees are empowered to invest any money that the Foundation does not immediately require in such a manner as they may determine.

In practice, the trustees feel that the most appropriate investment policy for the Foundation is to aim for long-term growth of surplus funds. In order to continue financing urological research within the British Isles, BUF must be in a position to depend upon the continuing accumulation of a significant capital sum, which maintains steady growth. This not only enables income to be available to fund scholarships, but also means that the problem of over-dependence on one particular source of finance is avoided. This policy has been successfully maintained in the year to end December 2004 and investment performance has been sound, at 2.6% in the first six months and 9.9% in the second six months of 2004.

REPORT OF THE TRUSTEES

RESERVES POLICY

The Foundation observes a policy of maintaining the original 1995 start-up funding of £500,000, and utilising only the investment income generated, together with donations from companies and individuals, to fund scientific research projects, clinical visits, preceptorships and patient information, as intended by the original donors. Current levels of reserves have risen as part of our strategy to fund a BUF Chair of Urology at some point in the future.

RISK REVIEW

The trustees have conducted a review of the major risks to which the charity is exposed and systems and procedures have been established to mitigate those risks. These systems and procedures are periodically reviewed to ensure that they still meet the needs of the charity.

TRUSTEES

Names of trustees who served during the year are listed on page 1.

METHOD OF APPOINTMENT & ELECTION OF TRUSTEES

There are a minimum of 7 trustees, including 4 representative trustees, 2 nominated by the BJU International, and 2 nominated by the British Association of Urological Surgeons. All other trustees are appointed by unanimous resolution of all the existing trustees present at the meeting that considers their appointment. Both representative and appointed trustees serve for a term of 3 years, at the end of which term they retire, unless, in the case of appointed trustees, they are re-appointed, or in the case of representative trustees they are re-nominated.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors, will be put to the members at the Annual General Meeting.

By order of the board of trustees

R S Kirby

..... Secretary
R S Kirby

14 July 2005

**TRUSTEES' RESPONSIBILITIES IN THE PREPARATION
OF FINANCIAL STATEMENTS**

The provisions of charity law require the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity as at the balance sheet date, and of the incoming resources and application of resources for that period. In preparing those financial statements, the trustees are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue on that basis.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity, and to enable them to ensure that the financial statements comply with the requirements of the Charities Act 1993. They are also responsible for safeguarding the assets of the charity, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BRITISH UROLOGICAL FOUNDATION

We have audited the financial statements on pages 8 to 14, which have been prepared on the basis of the accounting policies set out on pages 10.

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' 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 Trustees' Responsibilities on page 6. We have been appointed as auditors under section 43 of the Charities Act 1993, and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Charities Act 1993. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. We 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 United Kingdom Auditing Standards 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 of the state of the charity's affairs as at 31 December 2004 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

BAKER TILLY
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

14 July 2005

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2004

	Notes	UNRESTRICTED FUNDS	
		2004	2003
Incoming Resources			
<i>Donations, legacies and similar incoming resources:</i>			
Grants	1	230,000	260,500
Donations		19,913	35,945
<i>Activities for generating funds:</i>			
Gala Dinner		262,579	-
Investment income	2	34,294	34,930
Total Incoming Resources		546,786	331,375
Resources Expended			
<i>Cost of generating funds</i>			
Costs of the Gala Dinner and auction		68,448	-
Other fundraising expenses		17,794	48,298
<i>Charitable expenditure</i>			
Grants payable in furtherance of the charity's objects	3	324,935	231,806
Cost of activities in furtherance of the charity's objects	4	1,000	680
Management and administration	5	52,296	45,964
Total Resources Expended		464,473	326,748
NET INCOMING RESOURCES		82,313	4,627
Gains on investments		95,000	73,022
NET MOVEMENT IN FUNDS		177,313	77,649
Total funds at 1 January 2004		1,015,523	937,874
TOTAL FUNDS AT 31 DECEMBER 2004		£ 1,192,836	£ 1,015,523

The net movement in funds for the year arises from the charity's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses are dealt within the Statement of Financial Activities.

BALANCE SHEET
31 December 2004

	Notes	2004	2003
FIXED ASSETS			
Investments	6	814,506	546,091
CURRENT ASSETS			
Debtors	7	7,188	53,423
Cash at bank and in hand		477,166	467,153
		<u>484,354</u>	<u>520,576</u>
CREDITORS			
Amounts falling due within one year	8	106,024	51,144
NET CURRENT ASSETS		<u>378,330</u>	<u>469,432</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 1,192,836</u>	<u>£ 1,015,523</u>
		=====	=====
FUNDS OF THE FOUNDATION			
General fund	9	£ 1,192,836	£ 1,015,523
		=====	=====

The financial statements were approved by the board of trustees on 14 July 2005.

H E Evans

..... Chairman
H E Evans

14 July 2005

H Lamotte

..... Treasurer
H Lamotte

14 July 2005

Financial statements for the year ended 31 December 2004

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared to comply with current statutory requirements, under the historical cost convention except as modified for the annual revaluation of investments, and in accordance with applicable accounting standards. The recommendations in *Accounting and Reporting by Charities: Statement of Recommended Practice* issued in October 2000 have been followed.

INCOME

Grants and donations are credited directly to the Statement of Financial Activities in the period to which they relate, unless otherwise specified by the donor.

Investment income is accounted for once the interest or dividend has been declared.

EXPENDITURE

Costs of generating funds are those costs directly attributable to fundraising activities to generate income.

Grants payable are charged to the Statement of Financial Activities for the period in which the grants are awarded. Grants are generally awarded for the year April to March, and the final quarterly payment is accounted for as a liability at the balance sheet date, to be paid provided the conditions of the grant have been met.

Management and administration comprises the costs of running the charity itself as an organisation.

INVESTMENTS

Investments are stated at market value at the balance sheet date. Realised and unrealised gains and losses on investments are taken to the Statement of Financial Activities in the period in which they arise.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the Statement of Financial Activities in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

FUND ACCOUNTING

The general fund comprises the accumulated surpluses of unrestricted income over resources expended, and are available for use in furtherance of the general objectives of the charity.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004**

	2004	2003
1. GRANTS		
Hadley Trust	50,000	-
The British Association of Urological Surgeons	30,000	30,000
BJU International (formerly the British Journal of Urology)	25,000	50,000
Gatsby Charitable Trust	25,000	-
AstraZeneca	20,000	35,000
Schroder Charity Trust	20,000	20,000
Sanofi Synthelabo	15,000	15,000
Cambridge Laboratories	15,000	10,000
Pfizer	10,000	10,000
Novartis	10,000	10,000
Trusthouse	10,000	-
Merck Sharp & Dohme	-	30,500
The Swire Charitable Trust	-	25,000
Aventis	-	15,000
Wyeth	-	10,000
	<u>£ 230,000</u>	<u>£ 260,500</u>
	=====	=====
2. INVESTMENT INCOME		
Bank deposit interest	14,561	15,652
Dividends receivable	19,733	19,278
	<u>£ 34,294</u>	<u>£ 34,930</u>
	=====	=====

Of the dividends receivable shown above, £5,482 (2003: £4,802) relates to income generated during the year from overseas investments.

	2004	2003
3. GRANTS PAYABLE IN FURTHERANCE OF THE CHARITY'S OBJECTS		
Research Scholarships awarded to nine (2003: nine) individuals	284,030	182,840
Preceptorships awarded to six (2003: six) individuals	36,000	36,000
Clinical Visits by three (2003: eight) individuals	4,905	12,966
	<u>£ 324,935</u>	<u>£ 231,806</u>
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004**

	2004	2003
4. COST OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS		
Donation to the National Prostate Cancer website	1,000	-
Scholarship breakfast	-	680
	<u>£ 1,000</u>	<u>£ 680</u>
	=====	=====
5. MANAGEMENT AND ADMINISTRATION		
Administration costs charged by the British Association of Urological Surgeons	21,728	23,565
Cost of time charged by the Director of BUF	8,857	-
Committee expenses	5,245	2,955
Accommodation expenses	2,993	-
Printing and stationery	4,329	12,646
Telephone	427	-
Auditors' remuneration:		
Audit fees	1,821	1,733
Accountancy fees	2,703	2,351
Other advisory fees	-	264
Investment management charges	3,088	2,318
Bank charges	1,105	143
Bookkeeper fees	-	50
Sundries	-	(61)
	<u>£ 52,296</u>	<u>£ 45,964</u>
	=====	=====

No trustee received any remuneration for services provided to the Foundation during the current or previous year. However, during the year, seven (2003: three) trustees received, in aggregate, £2,860 (2003: £1,617) in respect of committee expenses reimbursed.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004**

6. INVESTMENTS	UK	Overseas	Total
Investment listed on a recognised stock exchange:			
1 January 2004	439,210	106,881	546,091
Acquisitions in the year at cost	294,433	146,417	440,850
Disposals in the year at selling price	(214,242)	(53,193)	(267,435)
Realised gains/(losses) on disposal	38,195	(5,100)	33,095
Unrealised increase in market value	39,852	22,053	61,905
31 December 2004	<u>597,448</u>	<u>217,058</u>	<u>£ 814,506</u>
Historical cost:			
31 December 2004	<u>577,899</u>	<u>192,702</u>	<u>£ 770,601</u>
31 December 2003	<u>439,952</u>	<u>125,083</u>	<u>£ 565,035</u>
		2004	2003
		£	£
Investments representing greater than 5% of the portfolio valuation in the current or previous year:			
Laserscope common stock NPV		46,760	-
Total SA ordinary shares of €10 each		47,783	33,236
		<u>=====</u>	<u>=====</u>
		2004	2003
7. DEBTORS			
Amounts falling due within one year:			
Income tax recoverable		1,950	1,473
Other debtors		3,035	50,000
Prepayments		2,203	1,950
		<u>£ 7,188</u>	<u>£ 53,423</u>
		<u>=====</u>	<u>=====</u>
8. CREDITORS			
Amounts falling due within one year:			
Grants payable		96,830	45,710
Accruals		9,194	5,434
		<u>£ 106,024</u>	<u>£ 51,144</u>
		<u>=====</u>	<u>=====</u>

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004**

	2004	2003
9. GENERAL FUND		
1 January 2003	1,015,523	937,874
Incoming resources	643,109	404,397
Outgoing resources	(464,473)	(326,748)
	<u>£ 1,194,159</u>	<u>£ 1,015,523</u>
	=====	=====

Included within general funds are net unrealised gains arising on the revaluation of investments totalling £43,905 (2003: £18,944 losses).

	2004	2003
10. COMMITMENTS UNDER OPERATING LEASES		
At 31 December 2004, BUF was committed to make the following payments during the next year under non-cancellable operating leases as follows:		
In respect of land & building leases expiring in 5 years or more	£ 7,036	£ -
	=====	=====

11. RELATED PARTY TRANSACTIONS

R S Kirby, J Bramble, I Eardley, M J Speakman, and P H O'Reilly are trustees of BUF and also trustees of the British Association of Urological Surgeons, a connected charity. Transactions with the British Association of Urological Surgeons are disclosed in the preceding pages of these accounts.

I Eardley, C R J Woodhouse, and P H O'Reilly are trustees of BUF and also trustees of BJU International (formerly the British Journal of Urology), a connected charity. Transactions with BJU International (formerly the British Journal of Urology) are disclosed in the preceding pages of these accounts.

B L Schroder is a trustee of BUF and also a trustee of the Schroder Charity Trust from which BUF received grant income during the year of £20,000 (2003: £20,000).