

**THE BRITISH UROLOGICAL FOUNDATION**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2005**

Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

**LEGAL & ADMINISTRATIVE DETAILS**

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**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 2005, are as follows:

H E Evans	<b>Chairman</b>
R S Kirby	<b>Secretary</b>
H Lamotte	<b>Treasurer</b>
J K Mellon	<b>Chairman of Scientific Committee</b>

I Eardley  
J H Fitzpatrick  
T Jones  
S Norris  
P H O'Reilly  
B L Schroder  
K K Sethia (from June 2005)  
M J Speakman (until June 2005)  
T Stuttford  
P Whelan (from January 2005)  
C R J Woodhouse

**DIRECTOR OF BUF**

Mrs. Sally Walton

**PRINCIPAL ADDRESS**

40 Pentonville Road  
London N1 9HF

**CHARITY NUMBER**

1045048

**LEGAL & ADMINISTRATIVE DETAILS**

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**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**

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The trustees present their report and the financial statements of the British Urological Foundation (“BUF” or the “Foundation”) for the year ended 31 December 2005.

**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.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

BUF is a charitable trust established by deed and is a charity registered with the Charity Commission for England and Wales. The trust deed requires that there should be a minimum of seven trustees. Four of these being Representative Trustees, two nominated by BJU International, and two nominated by the British Association of Urological Surgeons. All other trustees, known as Appointed Trustees, are appointed by unanimous written resolution of all the trustees present or voting at a special meeting called to take place immediately before or after an ordinary meeting. Both Representative and Appointed Trustees are nominated or appointed for a term of three years and at the end of such term shall retire unless re-nominated or re-appointed as the case may be. The board of trustees meets a minimum of three times a year.

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

To date there has been no formal induction procedure for new trustees, but it is planned that this shall be in place by the end of 2006.

The day to day management of the charity is carried out by the Director, Mrs. Sally Walton.

**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.

A Scientific Committee, chaired by Professor Kilian Mellon, adjudicates the academic merit of applications for scholarships, and makes specific recommendations to the board of trustees concerning funding decisions. Membership of the committee currently comprises Mr. Chris Chapple, Mr. Noel Clarke, Mr. Nick George, Professor Freddie Hamdy, Professor David Neal, Mr. Robert Pickard and Mr. Mark Speakman. Decisions regarding choice of applicants for training fellowships, preceptorships and clinical visits are delegated to members of the Scientific Committee and other interested parties appointed for that purpose.

**REPORT OF THE TRUSTEES**

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**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, work was begun on fulfilling the recommendations of the strategic review undertaken in 2004.

An ongoing education programme has been established to help address the training needs of healthcare professionals specialising in urology. In 2006 two training programmes are to take place. The first, in bladder reconstruction, will be held at Mansoura University, in Egypt, and the second, in brachytherapy, supported by Oncura, will take place at the Prostate Cancer Centre, Guildford, UK in association with the Seattle Prostate Institute, USA. It is planned that the brachytherapy programme will be repeated in 2007. In each case it is envisaged that up to six preceptorships will be offered, and for the first time applications will be encouraged from teams of healthcare professionals. These programmes are aimed at bringing best practice to the UK by sending urologists to the centres of specialist expertise wherever they may be in the world.

Clinical visit grants were awarded to five surgeons, bringing the total number of such visits to 67 since the programme was established in 1998. These are designed to enable newly appointed urologists, or those in their final year of training, to visit urological centres world wide to observe new techniques and look at the development of specific areas of treatment. The grant, of a maximum of £1,750, is made towards expenses.

Support was continued for basic research in urology, and eight scholarships were awarded with grants totalling £235,337. The Foundation is grateful to all the companies and trusts who supported this programme: Hadley Trust, Sanofi Aventis, Swire Charitable Trust, Cambridge Laboratories, and Wyeth Pharmaceuticals.

As part of the programme to raise awareness of BUF amongst supporters and the general public, and to support the fundraising programme, the website was redesigned during the course of the year, and a twice-yearly newsletter launched.

For the first time a fundraising dinner was held in Guernsey, organised by Mr. Wade Emmerson and raising £16,000. It is hoped to follow this with a similar event in Jersey in 2006. The annual Gala Dinner, held at The Dorchester on 8 November 2005, was a great success, and contributed £112,000 to BUF funds. Guests included representatives of the pharmaceutical industry and individuals from the financial and business sector throughout the UK. We are most grateful to all the companies and individuals who contributed most generously to this evening.

**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.

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 2005 and investment performance has been sound, consistently out performing the market.

REPORT OF THE TRUSTEES

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**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.

**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

7 September 2006

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

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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 charity 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 16, which have been prepared on the basis of the accounting policies set out on pages 10 and 11.

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 (United Kingdom Generally Accepted Accounting Practice) 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 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 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. This other information comprises the Legal & Administrative Details and the Report of the Trustees. 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 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 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, in accordance with United Kingdom Generally Accepted Practice, of the state of the charity's affairs as at 31 December 2005 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*

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

12 September 2006

**STATEMENT OF FINANCIAL ACTIVITIES**  
**for the year ended 31 December 2005**

	Notes	UNRESTRICTED FUNDS	
		2005	2004
<b>Incoming Resources</b>			
<i>Donations, legacies and similar incoming resources:</i>			
Grants	1	195,000	230,000
Donations		18,016	19,913
<i>Activities for generating funds:</i>			
Gala Dinner & similar events		183,931	262,579
Investment income	2	40,868	34,294
<b>Total Incoming Resources</b>		437,815	546,786
<b>Resources Expended</b>			
<i>Cost of generating funds</i>			
Costs of the Gala Dinner & similar events		82,823	68,448
Other fundraising expenses		5,944	17,794
<i>Charitable expenditure</i>			
Grants payable in furtherance of the charity's objects	3	246,694	324,935
Cost of activities in furtherance of the charity's objects	4	24,472	1,000
Management and administration	5	81,502	52,296
<b>Total Resources Expended</b>		441,435	464,473
<b>NET (OUTGOING)/INCOMING RESOURCES</b>		(3,620)	82,313
Gains on investments		142,199	95,000
<b>NET MOVEMENT IN FUNDS</b>		138,579	177,313
Total funds at 1 January 2005		1,192,836	1,015,523
<b>TOTAL FUNDS AT 31 DECEMBER 2005</b>		£ 1,331,415	£ 1,192,836

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 2005**

	Notes	2005	2004
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	1,619	-
Investments	7	961,283	814,506
		<u>962,902</u>	<u>814,506</u>
<b>CURRENT ASSETS</b>			
Debtors	8	22,030	7,188
Cash at bank and in hand		461,612	477,166
		<u>483,642</u>	<u>484,354</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	115,129	106,024
<b>NET CURRENT ASSETS</b>		<u>368,513</u>	<u>378,330</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£ 1,331,415</u>	<u>£ 1,192,836</u>
		=====	=====
<b>FUNDS OF THE FOUNDATION</b>			
General fund	10	£ 1,331,415	£ 1,192,836
		<u>=====</u>	<u>=====</u>

The financial statements were approved by the board of trustees on 18 July 2006.

*H E Evans*

..... Chairman  
H E Evans

11 September 2006

*H Lamotte*

..... Treasurer  
H Lamotte

11 September 2006

Financial statements for the year ended 31 December 2005

ACCOUNTING POLICIES

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**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.

**TANGIBLE FIXED ASSETS**

Tangible fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Office equipment	25% reducing balance
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**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.

**Financial statements for the year ended 31 December 2005**

**ACCOUNTING POLICIES**

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**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 2005**

	<b>2005</b>	<b>2004</b>
<b>1. GRANTS</b>		
Hadley Trust	50,000	50,000
The Monument Trust	35,000	-
The British Association of Urological Surgeons	30,000	30,000
Sanofi Aventis	30,000	-
Swire Charitable Trust	25,000	-
BJU International	-	25,000
Gatsby Charitable Trust	-	25,000
AstraZeneca	-	20,000
Schroder Charity Trust	-	20,000
Sanofi Synthelabo	-	15,000
Cambridge Laboratories	15,000	15,000
Wyeth Pharmaceuticals	10,000	-
Pfizer	-	10,000
Novartis	-	10,000
Trusthouse	-	10,000
	<u>£ 195,000</u>	<u>£ 230,000</u>
	=====	=====

**2. INVESTMENT INCOME**

Bank deposit interest	14,144	14,561
Income receivable from securities	26,724	19,733
	<u>£ 40,868</u>	<u>£ 34,294</u>
	=====	=====

Of the income receivable from securities shown above, £4,875 (2004: £5,482) relates to income generated during the year from overseas investments.

	<b>2005</b>	<b>2004</b>
<b>3. GRANTS PAYABLE IN FURTHERANCE OF THE CHARITY'S OBJECTS</b>		
Research Scholarships awarded to seven (2004: nine) individuals	236,983	284,030
Preceptorships awarded to no (2004: six) individuals	-	36,000
Clinical Visits by six (2004: three) individuals	9,711	4,905
	<u>£ 246,694</u>	<u>£ 324,935</u>
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2005**

	<b>2005</b>	<b>2004</b>
<b>4. COST OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS</b>		
The Foundation's own website costs	20,064	-
Donation to the National Prostate Cancer website	1,000	1,000
Newsletter production costs	3,408	-
	<u>£ 24,472</u>	<u>£ 1,000</u>
	=====	=====
<b>5. MANAGEMENT AND ADMINISTRATION</b>		
Director of BUF costs recharged by the British Association of Urological Surgeons	42,628	-
Administration costs charged by the British Association of Urological Surgeons	-	21,728
Cost of time charged by the Director of BUF	-	8,857
Committee expenses	4,989	5,245
Travel costs	566	-
Accommodation expenses	11,130	2,993
Printing, postage, and stationery	3,938	4,329
Telephone	1,831	427
Professional fees	2,000	-
Bookkeeping costs	1,470	-
Auditors' remuneration:		
Audit fees	2,115	1,821
Accountancy fees	3,494	2,703
Other advisory fees	676	-
Investment management charges	4,618	3,088
Bank charges	1,049	1,105
Depreciation – owned assets	540	-
Sundry expenses	458	-
	<u>£ 81,502</u>	<u>£ 52,296</u>
	=====	=====

No trustee received any remuneration for services provided to the Foundation during the current or previous year. However, during the year, five (2004: seven) trustees received, in aggregate, £2,938 (2004: £2,860) in respect of committee expenses reimbursed.

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2005**

6.	<b>TANGIBLE FIXED ASSETS</b>			
				Office equipment
	Cost:			
	1 January 2005			-
	Additions			2,159
				<u>2,159</u>
	31 December 2005			2,159
	Depreciation:			
	1 January 2005			-
	Charge for the year			540
				<u>540</u>
	31 December 2005			540
	Net book value:			
	31 December 2005			£ 1,619 =====
	31 December 2004			£ - =====
7.	<b>INVESTMENTS</b>			
		<b>UK</b>	<b>Overseas</b>	<b>Total</b>
	Investment listed on a recognised stock exchange:			
	1 January 2005	597,448	217,058	814,506
	Acquisitions in the year at cost	129,131	91,818	220,949
	Disposals in the year at selling price	(108,504)	(107,867)	(216,371)
	Realised (losses)/gains on disposal	(6,306)	10,493	4,187
	Unrealised increase in market value	123,892	14,120	138,012
		<u>735,661</u>	<u>225,622</u>	<u>961,283</u>
	31 December 2005	=====	=====	=====
	Historical cost:			
	31 December 2005	609,728	205,476	£ 815,204 =====
	31 December 2004	577,899	192,702	£ 770,601 =====
		=====	=====	=====
			<b>2005</b>	<b>2004</b>
			£	£
	Investments representing greater than 5% of the portfolio valuation in the current or previous year:			
	Laserscope common stock NPV		45,790	46,760
	Tomkins ordinary shares of 5p each		61,236	21,611
	Total SA ordinary shares of €10 each		23,814	47,783
			<u>23,814</u>	<u>47,783</u>

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2005**

	<b>2005</b>	<b>2004</b>
<b>8. DEBTORS</b>		
Amounts falling due within one year:		
Income tax recoverable	592	1,950
Other debtors	19,291	3,035
Prepayments	2,147	2,203
	<u>£ 22,030</u>	<u>£ 7,188</u>
	=====	=====
<b>9. CREDITORS</b>		
Amounts falling due within one year:		
Grants payable	95,184	96,830
Accruals	19,945	9,194
	<u>£ 115,129</u>	<u>£ 106,024</u>
	=====	=====
<b>10. GENERAL FUND</b>		
1 January 2005	1,192,836	1,015,523
Incoming resources	580,014	641,786
Outgoing resources	(441,435)	(464,473)
31 December 2005	<u>£ 1,331,415</u>	<u>£ 1,192,836</u>
	=====	=====

Included within general funds are net unrealised gains arising on the revaluation of investments totalling £146,079 (2004: £43,905).

	<b>2005</b>	<b>2004</b>
<b>10. COMMITMENTS UNDER OPERATING LEASES</b>		
At 31 December 2005, 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	£ 7,050	£ 7,050
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2005**

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**11. RELATED PARTY TRANSACTIONS**

I Eardley, M J Speakman, P H O'Reilly, and C R J Woodhouse 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, a connected charity. Transactions with BJU International 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 £Nil (2004: £20,000).