



Ileostomy and Internal Pouch Association

Registered Charity No. 1172338 (England and Wales) and SC048658 (Scotland)

A Company limited by guarantee in England and Wales No. 10375943

ANNUAL REPORT

and

ACCOUNTS

2021

Because we know, we care



Ileostomy and Internal Pouch Association

(Originally established 1956)

Registered Charity No. 1172338

Registered Company No. 10375943

PRINCIPAL ADDRESS AND REGISTERED OFFICE

Danehurst Court, 35-37 West Street, Rochford, Essex SS4 1BE

PRESIDENT:

Professor Gordon Carlson CBE, BSc (Hons), MB ChB (Hons), MD, FRCS, FRCS (Gen),
FRCSEd (Ad Hom)

BOARD OF TRUSTEES

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Vice-chair: Ms Anna Rennie

Finance sub-committee
chair: Mr Gordon Briars

Trustees: Ms Cepta Burke

Mrs Alison Crawshaw RGN, BSc, ENB216 (from 15 May 2021)

Mr David Drakeley

Ms Nicola Gee

Mrs Carol Katté RGN, DipN (Lond), NDNCert, ENB216 (until 15 May 2021)

Mrs Jacqui Sibbald

Mr John Smail

Mr Michael Thompson MD, FRCS

Ms Tracey Usher



NATIONAL OFFICERS

Chief Executive Officer and National Treasurer:	Mr Michael Bell
National Office Manager:	Ms Leann Lepley
PR Manager:	Mrs Caroline Bramwell
Journal Editor:	Ms Ashleigh Condon

HONORARY CONSULTANT ADVISERS

Medical adviser:	Professor Christopher Probert MD, FRCP, ILTM
Gynaecological adviser:	Mr Olujimi Jibodu MRCOG
Research advisers:	Professor Sir Miles Irving DSc (Hon). MD, ChM, FRCS, FMedSci Professor Sir Norman S Williams FRCS, FRCP, FRCPE, FMedSci, FRCA Professor M G Dunlop MD, FRCS, FMedSci, FRSE Professor J R T Monson MD, FRCS, FRCSI, FACS, FRCPS Glas (Hon) Professor D G Morton MD, FRCS (Colorectal)
Surgical advisers:	Professor Neil Mortensen MBChB, MD, MA, FRCS Eng, FRCS Glas, FRCS Edin, FRCSI Mr Mike Thompson MD, FRCS
Dermatological adviser:	Dr Calum Lyon MA, MRCP
Pharmaceutical adviser:	Ms Anne Chetwood

PROFESSIONAL ADVISERS

Legal advisers:	Bates Wells & Braithwaite LLP 10 Queen Street Place London EC4R 1BE
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Investment manager:	Rathbone Investment Management Limited George House, 50 George Square, Glasgow G2 1EH

BOARD OF TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

The Board of Trustees has pleasure in presenting its report for the year ended 30 September 2021. This report represents a Directors' Report as required by s417 of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102)" (as amended for accounting periods commencing from 1 January 2019).

LEGAL STATUS AND OBJECTS

Ileostomy and Internal Pouch Association is a Company Limited by Guarantee in England and Wales (10375943) and is a Charity registered in England and Wales no. 1172338 and in Scotland no. SC048658 with a working name of IA. The Charity is governed by its Articles of Association, last amended in August 2018. Although the Company was incorporated on 14 September 2016 it remained dormant until 30 September 2018, with the Charity operating until that date as an unincorporated association registered in England and Wales under charity number 234472 in the name of IA. The Charity's principal address and registered office is Danehurst Court, 35-37 West Street, Rochford, Essex SS4 1BE.

In setting the Charity's objectives and planning its activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on the relief of those in need by reason of ill-health.

IA's objects are:

1. To help anyone whose colon has been, or is about to be, removed by surgical procedure or who has an ileostomy or an internal pouch;
2. To promote and co-ordinate research into bowel disease and other conditions leading to the removal of the colon, surgical procedures pertaining thereto, and related matters, and further to promote the dissemination of knowledge gained by such research;
3. To keep ileostomists and others informed of all matters of interest to the Charity by the periodic dissemination of information by way of publications, by arranging conferences, seminars and courses on topics of interest, and in any other manner which is charitable and which the trustees consider appropriate.

ORGANISATIONAL STRUCTURE

This charity was originally founded in 1956 and operated as a charitable unincorporated association registered under charity number 234472 until 30 September 2018. Local groups, known as member organisations, located throughout the United Kingdom and Ireland operated as independent charities but under the IA umbrella, with the national charity providing support to the local groups and operating as the governing body of IA through its National Council, which consisted of the honorary president, the national officers and one representative from each member organisation. The National Council elected the president and the other trustees, who operated as the executive committee, which was responsible for the overall and day-to-day administration of the association. Policy matters were referred to the annual meeting of the National Council for consideration and decision.

In 2017 the National Council voted in favour of transferring its undertakings, including all activities, employees and assets subject to all its liabilities in its entirety to a charitable Company Limited by Guarantee, Ileostomy and Internal Pouch Association, company number 10375943 (England and Wales). As part of this organisational restructure, member organisations were given the option of either merging into the national charity and becoming an Integrated Branch (hereinafter termed

"Branch") of the national charity or remaining as a separate charity and becoming an Affiliated Member Organisation (hereinafter termed "Affiliate") of the national charity, with the relationship between the Affiliate and the national charity being governed by an Affiliation Agreement. The Branch option was offered to allow a reduction in the administrative workload placed on the committees of local member organisations, this in turn hopefully alleviating the difficulties in identifying suitable volunteers to sit on the committees of local member organisations. Of the 45 member organisations that existed at the point the transfer to the charitable Company took place at midnight on 30 September 2018, 33 opted to become Branches and 12 became Affiliates, with one of those Affiliates opting to change its status and become a Branch in the financial year ended 30 September 2020. During the year under review, one further Affiliate decided to change its status and became a Branch, leaving 10 Affiliates and 35 Branches in total as at year end.

The trustees, who are also the directors for the purposes of company law, who served during the year, are listed on page 2. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The members of the Company consist of the board of trustees and one representative from each member organisation, thereby closely replicating the arrangements that existed under the unincorporated predecessor charity and ensuring that member organisations continue to be central to the charity's governance and policy setting. There are generally four board meetings a year which historically have taken place in London, however, in the year under review all four board meetings took place online instead of in person due to the ongoing Covid pandemic. However, this did not affect the Trustees' ability to discuss important issues and make decisions where appropriate.

Applications for trustee positions are invited from member organisations when a position becomes available. Trustees are elected at a general meeting of the company for an initial period of three years, following which they are eligible for re-election for two further terms of three years. Once elected, they receive an induction which includes visiting the charity's national office where possible and receiving training as and when required.

Authority for the day to day management of the charity is delegated to the Chief Executive Officer. Mr. Michael Bell, as per the charity's governing document. Remuneration for all staff including key management personnel is agreed by the remuneration sub-committee. Salaries are reviewed annually by the committee and are benchmarked against similar charities using independent data to ensure that salary levels are appropriate and competitive, whilst taking into account performance, the past year's achievements and other relevant factors.

The unincorporated association IA (charity registration number 234472 (England & Wales)) remains in existence as a dormant shell charity in order to safeguard any future legacies in its name that might otherwise have failed due to the manner in which a particular will was written and therefore might have been distributed instead to another charity or beneficiary. The Company holds £100 on trust for the unincorporated association and is one of the two trustees of this shell charity, the other being the chair of the Company.

ACHIEVEMENT OF OBJECTIVES

To help anyone whose colon has been, or is about to be, removed by surgical procedure or who has an ileostomy or an internal pouch.

During the year 2020/21, the number of general enquiries received at IA national office from members of the public, healthcare professionals and others with a professional interest in the work of IA showed a decrease compared to the previous year, however, in part this was due to the impact of Covid-19 and also reflected the increase in the provision of information using other channels such as the website and social media. Membership enquiries resulted in 226 joining as full or associate members, 214 (95%) of whom joined on-line which continues to demonstrate the shift towards the use of our online offering compared to more traditional print methods.



Each new member received an information pack containing booklets and leaflets on a wide range of relevant subjects covering many aspects of life with an ileostomy or internal pouch. This literature has been specially written by IA's honorary consultant advisers and by members with particular experiences and expertise upon which they can draw. A total of 191 requests for literature and publications were received from a combination of healthcare professionals, members and member organisations this year, which was down very slightly on the previous year's total of 200. This is to be expected given the increase in information available online.

Enquiries regarding travel continue to be received although at a lower level than in recent years and there is still a demand for our popular travel certificates which, in a range of languages, explain the conditions of ileostomy and internal pouch.

Due to the lack of face-to-face events, it was not possible to make promotional items available in the usual way for distribution at exhibitions, meetings and open days. However, the supply of IA face masks to IA members continued during the earlier part of the financial year and this once again proved very popular.

We currently have 45 member organisations located throughout the United Kingdom. These continue to provide information, advice and assistance to existing, new and potential members, mainly through remote means at present. We also continue to offer valuable support via our newly rebranded One2One Support offering, further details of which are included below.

To promote and co-ordinate research into bowel disease and other conditions leading to the removal of the colon, surgical procedures pertaining thereto, and related matters, and further to promote the dissemination of knowledge gained by such research.

Covid-19 has had a significant impact on both existing research and also on the number of applications that the Charity received during the year. However, we are seeing encouraging signs that some of the projects that had been delayed due to the pandemic are now beginning to be picked up again and restarted.

In terms of funded research, IA continued to support the new National Pouch Registry administered by The Association of Coloproctology of Great Britain and Ireland by providing a grant for the ongoing maintenance of the registry.

Work on project being funded by the Professor Neil Mortensen Research Fellowship (in association with the Royal College of Surgeons), "Resolving the immunopathology of perianal Crohn's fistulae", started during the year. It is gratifying our former president's Fellowship funding this exciting project and we look forward to the outcome of the research.

In addition to funded research, IA assisted in a variety of research projects involving members' participation covering a wide range of subjects, including -

- Stoma support study: supporting management of psychological distress in young people with inflammatory bowel disease (IBD). Recognising that emotional distress is common in young people with IBD, this research aimed to develop novel online resources to support young people to manage stoma-related distress and information/training for stoma care nurses and GPs to help them identify and manage distress. IA agreed to support the study's funding application to Bowel Research UK and also facilitated contact between the applicant and Young IA.
- The development of a Core Outcome Set for pouch anal and vaginal fistulae using a Delphi study. Fistulae may develop in 4.5% of patients causing significant difficulties and are challenging to treat with symptoms often persisting despite multiple surgical attempts at closure of the fistulae. Although studies have been conducted to assess the different treatment modalities as these studies have not assessed the same outcomes following treatment it has made it difficult for clinicians to compare evidence between studies and carry out meaningful analysis. This project aimed to produce a core outcome set in order to

standardise reporting in interventional studies and eventually improve clinical management of patients. IA helped with this project by allowing the IA platform to inform patients of the study and the web-based Delphi survey used to develop the core outcome set.

- Study investigating the efficacy of AMT-101 in subjects with chronic antibiotic-resistant Pouchitis: This research aimed at determining whether the investigational medication, AMT-101, was safe and beneficial in research participants with pouchitis. IA supported this project through the publicising of the study to our members.
- Service evaluation of Paediatric Patients with Familial Adenomatous Polyposis and Inflammatory Bowel Disease undergoing Reconstructive Colorectal Surgery (Ileo-rectal anastomosis and ileal pouch-anal anastomosis): This study explored the timing of FAP and IBD patients' reconstructive surgery and quality of pre-operative counselling and care. IA assisted through giving feedback on the patient questionnaire.
- Understanding day-to-day well-being and self-management practices in people with a stoma: This study used ecological momentary assessment (EMA) methodology to intensively gather data on participants in real time over 7 days from which interventions could be developed which could have an impact in participants' everyday lives. IA helped publicise this study to its membership and provided input into the definition of the inclusion criteria.

To keep ileostomists and others informed of all matters of interest to the Charity by the periodic dissemination of information by way of publications, by arranging conferences, seminars and courses on topics of interest, and in any other manner which is charitable and which the trustees consider appropriate.

The quarterly IA Journal continues to be the primary form of communication between the Charity and members, providing updates with the latest developments in products and services along with human interest stories and other articles of interest, such as readers' letters, medical articles and news items. Last year's introduction of a regular article from an exercise expert, which was well received by readers, has been added to this year by a regular article on diet from a qualified dietician – gratifyingly this has also been a great success. The current Journal Editor will continue to incorporate new ideas into the Journal moving forward.

Historically, one of the most important support mechanisms that IA offers around the country has been its visiting service, which allows high quality support to be given to patients by volunteers who have lived experience with an ileostomy or internal pouch. Last year's report noted how there was to be a renewed focus in this area with the aim of further strengthening it to meet the needs of our members and the wider community, taking into account the way the world has changed since the service was first started. Following an extensive review and the introduction of a new online training and assessment tool for volunteers, the service has now been rebranded as One2One Support and its recent launch has been a great success. IA Support Volunteers work in conjunction with stoma care nurses to offer a unique non-medical perspective which can be invaluable in recovery from surgery and at the start of a new life with an ileostomy or an internal pouch. Anyone can request support from the volunteers – there is no requirement to be an IA member to use One2One Support. Our aim is to continue identifying and training more volunteers in the months ahead using our new online training course, the first iteration which has recently been completed.

Covid continued to have a major impact on our ability to hold face-to-face meetings and a number of planned events had to be postponed until further notice. However, whilst we were unable to hold our usual national annual event (historically known as our National Council meeting and more recently as our Information Day) in Spring 2021, we were able to take advantage of an opportunity given to us by the Royal Society of Medicine to hold our Information Day online on 1 May 2021 as part of their Medicine and Me programme. The day was a great success, with a number of online presentations and discussions taking place throughout the day and attended virtually by a significant number of members and other interested parties, including medical professionals.



Other online events have been held throughout the year, including Saturday Coffee and Chat online session run by the Internal Pouch sub-committee and various online events run by Young IA, such as “Middle of the Month Mondays”, quiz nights and a murder mystery evening.

The Charity launched its new website in February 2021 with a more modern look and feel and with new content. The website will continue to be further developed and improved to ensure it remains relevant and informative for all its users.

Media coverage using both traditional channels such as TV and radio outlets, as well as printed media such as newspaper and magazines, continued during the year, with various subjects tackled, from the stigma of having a stoma to life after surgery. In addition to traditional media, a greater focus was given to IA’s social media presence through Facebook, Twitter and Instagram and engagement continued to increase as a result. A Facebook private group called “Pouch Pals” was launched and membership has continued to grow since its launch. All who have an interest in internal pouches are welcome, whether they are IA members or not.

SERVICES FOR MEMBERS

Services for members and potential members continued, as did the work of the association under the appropriate national officers as listed on pages 2 and 3. At national office, enquiries of a general nature came from potential and existing members, healthcare professionals and commercial companies and working relationships continued with member organisations, Government bodies and associated patient support organisations.

IA’s website, which as noted above was relaunched in February 2021, remains a popular resource for information to those looking for guidance on living with an ileostomy and internal pouch.

This year there were no new applications for welfare grants, which was disappointing given there are funds available for members to apply for in cases of hardship. Further advertising of the grant will therefore be undertaken to ensure members are aware of this service. As noted earlier in this report, the number of enquiries did fall last year but enquiries were still received on wide range of welfare issues such as access to toilet cards and keys and disability benefits, and these were handled by national office, with a number of these being referred to other organisations for further information where relevant.

Matched funding continued to assist member organisations to support local projects such as equipment for hospitals and healthcare professionals. This year grants totalling £1,308 were paid out under this scheme (see Note 9 on page 32).

Although we were unable during the year under review to hold any face-to-face events such as Information Days, as noted elsewhere in this report we continued to operate using online channels, running a variety of events over the period, including an online event on 3 October 2020 for Ostomy Awareness Day.

The receipt of a pecuniary legacy during the year from the estate of Robert Wainwright means that we will shortly be launching new online classes, videos, workshops and other similar services to promote exercise and fitness in stoma patients, available exclusively for our members. We are excited by the prospect of launching this new service to our members.

GRANT MAKING POLICY

Members of IA benefit from a number of grants which enable them to apply for funding to attend events and purchase essential items.

- Bryan N Brooke IA Overseas Travel Fund: Professor Bryan Brooke, IA’s national founding President, wanted to enable ordinary IA members to attend international meetings, which they otherwise might not consider. Therefore, the Bryan N Brooke (IA) Overseas Travel



Fund (BBOTF) was set up to assist IA members with their travel costs for overseas meetings and events. The fund was established as Bryan Brooke's retirement gift from IA and in memory of his contribution as President for over 20 years.

- Victoria Wills (IA) Internal Pouch Bursary: This bursary is available for members with an internal pouch to assist with their travel costs to relevant IA meetings and events.
- Welfare Fund: This fund has been set up to assist IA members who are experiencing financial hardship to:
 - Purchase essential item(s) where ileostomy or internal pouch surgery has directly affected the need for the item(s).
 - Provide towards a convalescent break immediately following ileostomy or internal pouch surgery.
 - Purchase essential medical equipment which is not covered by a state grant or benefit.
- YIA Bursary Fund: The Young IA Bursary Fund has been set up to fund IA members under the age of 40 to attend events in circumstances whereby the IA member may not be able to attend the event through financial hardship.
- Research Fund: This fund supports research being carried out throughout the UK. This support can take the form of financial assistance, or promoting awareness of research being carried out that may be of benefit to members.

Each fund has its own set of grant making guidelines which must be adhered to and all applications are assessed by the appropriate executive committee sub-committee. Information and instructions for making an application are available to members, and application forms available from national office.

These grant making activities contribute to the achievement of IA's aims and objectives by:

- Helping those with an ileostomy and internal pouch who are in financial hardship.
- Providing a service to its members, and keeping ileostomists and those with an internal pouch informed by giving them the opportunity to attend a variety of conferences, meetings and seminars.
- Promoting research by enabling members to attend a variety of research events and/or participate in research activities.

We continue to encourage the take up of the various grants available as the level of applications has remained low over recent years.

In addition to the grants noted above, during the year under review we also awarded five bursaries to stoma care nurses to allow them to access the Advanced Stoma Care module run by the University of East Anglia. Given the importance of good stoma care nursing practices to all our current and future members, these bursaries are a valuable way of ensuring this is achieved.

LIAISON WITH OTHER GROUPS

We continue to maintain good working relationships with other ostomy associations in the UK such as Colostomy UK and the Urostomy Association, as well as with internal pouch support groups, with Crohn's & Colitis UK, and other relevant charities such as A Bear Named Buttomy. Membership of the European Ostomy Association enabled co-operation with ostomy support organisations in Europe and the worldwide ostomy community. IA is also one of the patient and professional organisations working together in partnership as IBD UK to improve standards of care and treatment for everyone with Inflammatory Bowel Disease.

Mutual benefit was derived from the continued liaison with the Royal College of Nursing, the Association of Stoma Care Nurses UK, the Royal College of Surgeons of England, Guts UK, the National Institute for Health Research, the Kingston Trust, the Association of Coloproctology of Great Britain & Ireland, the Romanian Ostomy Patients' Support Foundation, the British Healthcare



Trades Association, Patients, Industry and Professionals (PIPs) Forum and the Scottish Stoma Forum.

RISK AND RISK MANAGEMENT

The trustees have a risk management strategy which comprises:

- The maintenance of a risk register recording all identified risks.
- An annual review of the risk register including the principal risks and uncertainties that the charity faces.
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review.
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that the performance of its investments is the major financial risk for the charity. Investment income forms a significant proportion of overall income and any reduction in investment income levels would have an adverse effect on the income available to support day-to-day operations. This risk is mitigated by retaining expert investment managers, Rathbone Investment Management (Rathbones), on a discretionary basis and ensuring that an investment policy is in place which specifies both the level of risk to be applied to the management of the investment portfolio and the approach to income generation. The arrangement with Rathbones is reviewed on an annual basis to ensure that performance continues to meet with the charity's requirements. *An annual review meeting with Rathbones also normally takes place, although the Covid pandemic has meant that this has not taken place this year.* Nevertheless, regular communication between the charity and Rathbones has continued during this period and email updates are provided by our dedicated investment manager whenever changes to the portfolio's composition.

Attention has also been focused on non-financial risks, the principal ones relating to the employment of staff and the potential loss of key staff and officers. The former risk has been mitigated by the engagement of professional legal advice on employment matters, the latter by the creation of contingency plans that include the identification of alternate resources able to assume responsibility should the loss of key people occur.

During the financial year, the Covid-19 pandemic continued to affect operations and the charity's activities, and as in the previous year the Trustees reviewed the situation on a regular basis to ensure risks caused by this were mitigated as necessary. Arrangements around staff working at our National Office remained a priority, with appropriate Covid-safe procedures put in place to ensure the safeguarding of our staff's health and wellbeing, whilst at the same time ensuring that the charity could continue its operational activities without interruption. As part of this, remote working procedures continued to be followed for periods during the year under review according to government guidance at that time. Last year's report noted the likelihood of a fall in income levels on our investment portfolio managed by Rathbones and our expectations were realised as income earned did indeed fall during the period under review. However, overall total returns (that is, taking into account capital gains as well as income) on the portfolio remain above benchmark levels looking over one, three and five year periods and on this basis the Trustees do not believe this is a matter of concern, although they will continue to monitor the situation going forward. They do not consider that any changes need to be made to the financial statements as a result of the ongoing Covid-19 situation.

FINANCIAL RESULTS AND REVIEW

The full accounts of IA are shown on pages 20 to 44. They show the activities of the principal charity and the Branch member organisations but do not include the activities of the Affiliate



member organisations, who are separately registered charities responsible for preparing their own accounts in accordance with the appropriate legislation.

The accounts show a surplus of £786,450 in the financial year to 30 September 2021. This figure includes an amount of £807,296 in relation to gains on investments. Of the £786,450 surplus recorded, £670,363 related to a surplus on unrestricted funds whilst £116,087 related to restricted funds. Taking these results into account, closing assets stood at £6,125,892.

RESERVES POLICY

The Board of Trustees has determined that the following policies will apply in respect of the various funds held.

General Fund

The General Fund provides resources for the day to day running of the charity and should hold reserves sufficient to cover a minimum of six months' payments based on the expenses incurred in the last full financial year, plus any future planned additional expenditure.

Designated funds

Any designated funds established by the Board of Trustees are intended to provide income for specific purposes. The Capital Investment Fund was established to provide income for the General Fund. The Elizabeth Clay Memorial Fund has in recent years been used to provide income for grants to member organisations, although as described in note 1.8 below, this fund will be closed immediately following the financial year under review as the balance is reduced to nil following a transfer to the General Fund. All capital in any funds so designated may be spent on the authority of the Board of Trustees. In addition to the designated funds noted above, each Branch member organisation has its own designated fund. Further information on this is provided in the section Branch Funds below.

Restricted Funds

Restricted funds have been established either where the donations received are restricted by the donors, or where the fund has been established for a restricted purpose. In the case of the Welfare Fund and the Bryan N. Brooke (IA) Overseas Travel Fund, the intention is to maintain the capital, adding any donations received, and to spend the income providing grants for the purposes for which the funds were established. All other restricted funds are holding donations until such time as they can be spent in accordance with the restriction. In addition to the named restricted funds, each Branch member organisation has its own restricted fund(s). Further information on this is provided in the section Branch Funds below.

During the year under review, a new restricted fund titled the Robert Wainwright Fund was established, further details of which can be found in note 1.8.

When assessing levels of reserves in each fund, the Board of Trustees ignores unrealised profits on investments, as these are not considered sufficiently reliable to guarantee future spending levels.

Branch Funds

Each Branch member organisation has its own designated fund and restricted fund. All income for a particular Branch is credited to its designated fund, whilst all expenditure for that Branch is taken from its restricted fund until such time as that fund has been exhausted, when expenditure is then set against the branch's designated fund. Rather than set an individual reserves policy for each Branch and its funds, the Board of Trustees instead monitor the net position of each Branch on an ongoing basis to ensure that sufficient funds remain in each branch to continue their activities for the foreseeable future.

Overall



Other than the balance on the Elizabeth Clay Memorial Fund which as at year end and for the reasons noted in note 1.8 is zero, all fund balances are in line with or exceed their reserves policy. The total funds held by the charity at 30 September was £6,125,892, of which £5,479,218 was held as unrestricted funds and the remaining £646,674 held as restricted funds. Included in unrestricted funds are designated funds of £5,268,763 leaving £210,455 in general unrestricted funds.

INCOMING AND OUTGOING RESOURCES

Income for the year was £468,095 compared to £453,566 in the prior year, a 3.2% increase year on year.

Of this increase, the most significant contributor was income from donations and legacies, which rose from £142,888 in 2020 to £213,531 this year, with a rise in legacy income being the main driver behind that increase. It is in the nature of this income stream that levels can fluctuate significantly year on year and are neither controllable nor forecastable.

Income from charitable activities fell from £124,649 last year to £109,278 this year. Of this figure, income from advertising in the IA Journal remained broadly static at £44,920 this year compared to £45,138 last year. Also included within income from charitable activities, member organisation annual subscription income of £30,951 (2020: £32,274) credited to unrestricted funds relates to the annual charge payable by member organisations to the national charity and includes £27,279 of annual subscription income charges to Branch member organisations. As the £27,279 is also a cost to the Branches, the same amount is also included in expenditure on charitable activities as this was charged against the Branches' individual restricted funds. Income from member subscriptions fell to £33,407 (2020: £47,075). However, much of this decrease can be explained by the 2020 figure including an element of catch up on overdue subscriptions from 2019 which were chased and received during 2020, thereby skewing the 2020 figure somewhat upwards and leading to it being of limited use as a comparative for the 2021 results.

Income from investments was down to £145,286 from a figure of £181,271 the previous year, this fall being expected given the continued economic impact of Covid-19 during the reporting period, which has adversely affected dividend payments made by companies worldwide. However, total return on investments was in positive territory as reported elsewhere.

Expenditure for the year was £488,941 (2020: £626,340), of that £446,690 (2020: £491,468) being charged to unrestricted funds and £42,251 (2020: £134,872) to restricted funds. Of total expenditure, 94% (2020: 97%) or £457,929 (2020: £608,410) was in support of IA's charitable activities with 6% (2020: 3%) or £31,012 (2020: £17,930) being the cost of raising funds. Of the £457,929 incurred as expenditure of charitable activities, £27,835 (2020: £32,956) related to costs borne by Branches as a result of their charitable activities and charged to their restricted funds.

INVESTMENT POLICY

Investments are shown in the accounts at market value. Up until October 2019, the charity had a single investment portfolio managed under a discretionary management agreement with Rathbone Investment Management using a medium risk stance. In October 2019 £385,000 was transferred from the charity's bank account in to a new "B" portfolio, this being the investment of a proportion of funds held on behalf of Branches. The "B" portfolio is similarly managed under a discretionary management agreement using a low to medium risk stance.

The charity's investment policy is shown in the Financial Regulations document and is "to hold investments to provide income in support of its core operations". Income generated from the "B" portfolio is credited to Branches taking into account their average funds over the financial year as a proportion of total funds. There are no social, environmental or ethical considerations contained within the investment policy.



As noted above, combined total investment income from both portfolios was £145,286 this year compared to £181,271 in 2020. Net gains on investment stood at £807,296 (2020: net losses of £750,688). Of the total net gains of £807,296, unrealised gains on investments held within the portfolios at year end were £635,715, whilst realised gains on investment sales were £171,581.

Total return on investments over the 12-month period to 30 September 2021 for the main portfolio was 17.86%, a little ahead of the reference point benchmark return of 17.59%. These returns are stated after all charges. The one year return is abnormal reflecting a recovery in equity markets from a period of market weakness following the first of the Covid lockdowns last year. Returns over three years on an annualised basis were 5.47% against a benchmark of 4.61%, again on a total return basis after all charges, which gives a better picture of the longer term performance on the portfolio. The "B" portfolio, which has a slightly more defensive strategy than the main portfolio, posted a total return over the 12-month period to 30 September 2021 of 12.6% against its benchmark of 13.01%. Longer term performance figures are not available for this portfolio given it was only set up in 2019.

In accordance with the requirements of the Trustee Act, 2000, Part II, section 4(2), from time to time, the trustees review the investments of the trust and consider whether, having regard to the standard investment criteria, they should be varied. Changes in policy would be reflected in the investment management agreement and in the targets set for IA's investment managers. There were no changes to the investment policy document during the year.

FUTURE PLANNING

The restructure that the Charity went through in 2018 put firm foundations in place on which to build a more resilient charity, with the option of local groups becoming a Branch if they wished to ease their regulatory and administrative burdens and concentrate instead on supporting their members, or to remain as an independent charity affiliated to IA, these groups known as Affiliates. A further Affiliate group took the decision to become a Branch in the year under review, and another Affiliate has taken that decision post the year end, leaving a total of 36 Branches and 9 Affiliates. This demonstrates that the decision to restructure was the right one to take for the Charity. The Trustees will continue to offer the option of becoming a Branch to any Affiliate who feels their circumstances warrant a change of status going forward.

In order to ensure that the benefits of the restructure are fully realised, the Trustees recognise that further work needs to be done to ensure the longer-term success of the Charity. To this end, during the year under review they started an extensive strategy planning process which will continue over the coming months. The review is considering all aspects of the organisation and the resultant strategic plan will identify both new opportunities as well as challenges that the Charity needs to deal with through adaptation and innovation. In this way the Charity will continue to meet the needs of both its members and those connected with them, as well as its charitable objectives.

The working being undertaken to create a national set of policies and procedures will continue over the coming year as the Charity seeks to ensure that all areas of the Charity are operating in a consistent way and that good governance is built into everything it does.

The management committee, which was formed post restructure and consists of senior staff and Trustees, continues to meet regularly to consider matters of both strategic and operational natures, making recommendations to the Board of Trustees where relevant. All meetings at present are still held online rather than face-to-face due to the ongoing Covid-19 situation, this including all Board meetings and sub-committee meetings as well.

We are currently planning to hold our annual Information Day for 2022 in person for the first time since 2019, as our local groups and members get so much out of the event and the networking opportunities it provides. It is hoped that the event will be able to go ahead but this will depend on government guidance at the time.

The Trustees consider that the charity will be able to continue to meet its charitable objectives over the coming year.



CONCLUSION

Although Covid-19 continues to have some negative impact on the charity, it remains the case that IA has a significant level of assets which offers a cushion against future problems. All funds remain stable and all activities can continue as planned. The Trustees are satisfied that all known commitments can be met for the foreseeable future.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.



STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees, who are also the directors of IA for the purposes of company law, are responsible for preparing the trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources including the income and expenditure of the charitable company for that year.

In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures that must be disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Stuart Hay', is written over a large, faint, circular stamp or watermark.

Stuart Hay
Chair of the Trustees
12 February 2022



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IA

Opinion

We have audited the accounts of IA (the 'Charity') for the year ended 30 September 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and the Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report which includes the directors' report for the purposes of company law for the financial year for which the accounts are prepared is consistent with the accounts; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal controls as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Identification and assessment of irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We designed procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures were capable of detecting irregularities, including fraud is detailed below:

-
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the association, including The Companies Act 2006.
 - we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework by making appropriate enquiries of management as well as considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
 - we made enquiries of those charged with governance and management concerning:
 - the risks of fraud;
 - instances of non-compliance with laws and regulations or knowledge of actual, suspected, or alleged fraud is documented during the period;
 - we allocated an engagement team that we considered collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

Audit response to the risk of irregularities including fraud

Based on the results of our risk assessment, our procedures included, but were not limited to:

- performing analytical procedures to identify any unusual or unexpected relationships.
- evaluating whether the selection and application of accounting policies by the entity that may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
- assessing whether judgements and assumptions made in determining the accounting estimates set out in note 1.11 were indicative of potential bias.
- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.
- reviewing the correspondence with relevant regulatory bodies.
- testing of journal entries to address the risk of fraud through management override.
- incorporating an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.
- corroborating the business rationale for transactions outside the normal course of business.

Conclusions regarding the risks of irregularities including fraud

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

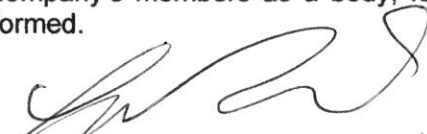
We considered our audit was capable of detecting irregularities due to:

- the effectiveness of the entity's internal controls;
- the nature, timing and extent of audit procedures performed; and
- the absence of contradictory evidence.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company'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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Claire Norwood BSc FCA ATII (Senior Statutory Auditor)
for and on behalf of Jones Avens Limited
Chartered Accountants
Statutory Auditor
Piper House, 4 Dukes Court,
Bognor Road, Chichester
W. Sussex PO19 8FX

Dated 13/4/22



Statement of Financial Activities (including income and expenditure account) for the year ended 30 September 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total funds 30/9/2021 £	Total funds 30/9/2020 £ (Note 2)
Income from:					
Donations and legacies	3	122,283	91,248	213,531	142,888
Charitable activities	4	109,278	-	109,278	124,649
Investments	5	135,303	9,983	145,286	181,271
Other income	6	-	-	-	4,758
Total income		366,864	101,231	468,095	453,566
Expenditure on:					
Raising funds	7	28,934	2,078	31,012	17,930
Charitable activities	8	417,756	40,173	457,929	608,410
Total expenditure		446,690	42,251	488,941	626,340
Net income/(expenditure) before gains and losses on investments		(79,826)	58,980	(20,846)	(172,774)
Net gains (losses) on investments		751,265	56,031	807,296	(750,688)
Net income/(expenditure)		671,439	115,011	786,450	(923,462)
Transfers between funds	21	(1,076)	1,076	-	-
Net movement in funds		670,363	116,087	786,450	(923,462)
Reconciliation of funds:					
Total funds brought forward		4,808,855	530,587	5,339,442	6,262,904
Total funds carried forward		5,479,218	646,674	6,125,892	5,339,442

IA has no recognised gains or losses other than those dealt with in the Statement of Financial Activities.

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



Balance Sheet as at 30 September 2021

	Notes	£	Total 30/9/2021 £	£	Total 30/9/2020 £
Fixed Assets					
Intangible assets	14		-		117
Investments	15		6,025,689		5,295,539
Total Fixed Assets			6,025,689		5,295,656
Current Assets					
Debtors	17	105,240		74,490	
Cash on deposit and in hand		161,902		162,495	
Total Current Assets		267,142		236,985	
Liabilities					
Creditors falling due within one year	19	166,939		193,199	
Net Current Assets			100,203		43,786
Total assets less current liabilities			6,125,892		5,339,442
Net Assets			6,125,892		5,339,442
The Funds of the Charity					
General unrestricted income funds	21 & 22	4,673,030		4,197,983	
Revaluation reserve		806,188		610,872	
Total unrestricted income funds			5,479,218		4,808,855
General restricted income funds	21 & 22	567,387		501,628	
Revaluation reserve		79,287		28,959	
Total restricted income funds			646,674		530,587
Total Charity Funds			6,125,892		5,339,442

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The notes on pages 23 to 44 form part of these accounts.

Approved by the board on 12 February 2022 and signed on its behalf by

Mr. Stuart Hay
Chair

Company Registration No. 10375943

Mr. Gordon Briars
Finance Sub-Committee Chair

Statement of Cash Flows for the year ended 30 September 2021

	Notes	Total Funds 2021 £	Total Funds 2020 £
Net cash used in operating activities	24	(223,025)	(332,624)
Cash flows from investing activities			
Interest and dividend income		145,286	181,271
Proceeds from sale of investments		1,999,623	1,461,553
Purchase of investments		(1,922,477)	(1,790,546)
Net cash provided by/(used in) investing activities		222,432	(147,722)
Change in cash and cash equivalents in the year		(593)	(480,346)
Cash and cash equivalents brought forward		162,495	642,841
Cash and cash equivalents carried forward		161,902	162,495
Relating to:			
Cash on deposit and in hand		161,902	162,495

Notes to the Accounts for the Year ended 30 September 2021

1 ACCOUNTING POLICIES

Charity information

Ileostomy and Internal Pouch Association is a private company limited by guarantee incorporated in England and Wales. The registered address is Danehurst Court, 35-37 West Street, Rochford, Essex SS4 1BE.

1.1) Basis of preparation and assessment of going concern

The Charity is a public benefit entity and the financial statements have been prepared in accordance with the governing document, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (as amended for accounting periods commencing from 1 January 2019), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Act 2011, relevant law and accounting standards.

The charity meets the definition of a public benefit entity under FRS102.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in the financial statements are rounded to the nearest pound.

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies are set out below.

All property, assets, rights and charitable undertakings of IA (Ileostomy and Internal Pouch Support Group) (registered charity number 234472) were transferred to Ileostomy and Internal Pouch Association with effect from 1 October 2018.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern, and that they have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing these accounts of the incorporated association.

1.2) Income

Income is recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount of the income can be measured reliably.

Journal advertising is taken on an accruals basis. Donations are recognised when the charity has been notified in writing of both the amount and the settlement date. Legacies are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Investment income is recognised on a receipts basis upon notification by the charity's investment manager.

All other income has been taken into account on a cash received basis.



1.3) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

“Raising funds” includes all direct costs incurred in running fundraising events and investment management costs.

“Charitable activities” includes all costs incurred in meeting our charitable objects and providing support and information to our beneficiaries. Half of the costs of the annual meeting (formerly known as the National Council meeting) are charged under this heading since this meeting not only fulfils the requirements of an annual general meeting but also includes activities designed to help representatives of IA’s member organisations to run their charities effectively. Included are updates on research undertaken and other matters important to the running of the charity.

In addition 50% of the costs of our national office are included. The national office of IA not only provides administrative support to the Board of Trustees but also acts as the first point of contact for patients needing our advice and support, as well as supporting IA’s member organisations. For this reason the costs are divided between this category and “governance costs”.

Much of the work of IA is managed by sub-committees of the main board. The costs of their meetings are included as part of our charitable activities. In addition, since the responsibilities of the board include much direct charitable work, 50% of the cost of the board meetings is included as charitable activities.

“Governance costs” include all costs incurred in the financial management of IA. In addition, 50% of the cost of the annual meeting, the running of national office and the meetings of the board are shown here. Any other costs of an administrative nature are also charged to this heading.

Grants for research and other purposes are recognised as soon as a written agreement between the parties confirming the amount committed and the work to be carried out has been made. Provisions for grants for research and other purposes are recognised when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of the grant payable.

1.4) Tangible and intangible fixed assets

Expenditure on tangible and intangible fixed assets is normally charged to revenue in the year of purchase, unless the level of expenditure on individual items would distort the accounts, or if the asset has been donated to a research project while ownership has been retained by IA. In such cases assets are written off on a straight-line basis at rates calculated to reduce their cost to expected residual value over the term of their anticipated useful lives as follows:

Software	33%
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1.5) Investments

All investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their



opening carrying value or their purchase value if acquired on or subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

1.6) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7) Financial instruments

The charity has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments” of FRS102 to all of its financial instruments.

Financial instruments are recognised in the Charity’s balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at the market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are an obligation to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity’s contractual obligations expire or are discharged or cancelled.

1.8) Funds

IA has both unrestricted and restricted funds, but no endowment funds. Two of the unrestricted funds, the Capital Investment Fund and the Elizabeth Clay Memorial Fund, have been designated



to special purposes by decisions of the board which can be changed in the future. With respect to the Elizabeth Clay Memorial Fund, the Board took the decision during the year under review to formally close the fund immediately post the year end date of 30 September, taking into account the fact that the balance on the fund would be reduced to nil as at year end as a result of the transfer from the fund to the General fund to cover the latter fund's reserves policy (see note 21 below).

For the purposes of clarity in these financial statements, all Branch designated funds have been amalgamated into a single reporting line shown as Branch Designated within unrestricted funds and similarly all Branch restricted funds have been amalgamated into a single reporting line shown as Branch Restricted funds under restricted funds.

In the year under review a new restricted fund was set up, the Robert Wainwright Fund. This fund has been established as a result of a pecuniary legacy from the estate of Robert Wainwright and will promote exercise and fitness in stoma patients through online classes, videos, workshops and other similar services.

Unrestricted Funds

1. General Fund
2. Capital Investment Fund (designated to provide income for the General Fund)
3. The Elizabeth Clay Memorial Fund (previously designated to provide grants for member organisations and for specific one-off non-recurring and material items of expenditure, this fund will be closed immediately post year end as noted above)
4. Branch member organisation Designated funds

Restricted Funds

1. Research Fund (to provide grants for research projects relevant to our beneficiaries)
2. Welfare Fund (to provide small financial grants to members)
3. Bryan N. Brooke (IA) Overseas Travel Fund (established by our founding president, Professor Bryan N. Brooke, to provide grants to assist members to attend related meetings abroad)
4. Young IA Bursary Fund (to provide grants to young people to attend events which will aid their recovery after surgery)
5. The Victoria Wills IA Internal Pouch Bursary (established in memory of Victoria Wills to provide grants to those with an internal pouch to attend events which will aid their recovery after surgery)
6. IA Annual Award for Innovation (established by former executive committee chairman Carolyn Stammers to provide funds for an annual award offered to IA member organisations for innovative ideas and activities).
7. Robert Wainwright Fund (established as a result of a pecuniary legacy from the estate of Robert Wainwright to promote exercise and fitness in stoma patients through online classes, videos, workshops and other similar services).
8. Branch member organisation Restricted funds

Further details of each fund are disclosed in note 21.

1.9) Operating leased assets



Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of financial activities on a straight-line basis over the period of the lease.

1.10) Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

As required by law, the charity offers a workplace pension scheme to all eligible employees. The scheme is operated by the National Employment Savings Trust (NEST) and is a defined contribution scheme with contributions made by both employer and employee. The amount charged to the Statement of Financial Activities in respect of pension costs is the contribution payable by the charity in the year.

1.11) Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and the future periods where the revision affects both current and future periods.

2 ANALYSIS OF PRIOR YEAR TOTAL FUNDS SHOWN ON STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	Total funds 30/9/2020 £
Income from:				
Donations and legacies	3	118,773	24,115	142,888
Charitable activities	4	124,649	-	124,649
Investments	5	168,660	12,611	181,271
Other income	6	4,758	-	4,758
Total income		416,840	36,726	453,566
Expenditure on:				
Raising funds	7	16,748	1,182	17,930
Charitable activities	8	474,720	133,690	608,410
Total expenditure		491,468	134,872	626,340
Net income/(expenditure) before gains and losses on investments		(74,628)	(98,146)	(172,774)
Net gains (losses) on investments		(697,987)	(52,701)	(750,688)
Net income/(expenditure)		(772,615)	(150,847)	(923,462)
Net movement in funds		(772,615)	(150,847)	(923,462)
Reconciliation of funds:				
Total funds brought forward		5,581,470	681,434	6,262,904
Total funds carried forward		4,808,855	530,587	5,339,442



3 INCOME FROM DONATIONS AND LEGACIES

	Funds transferred in from Branch member organisations	Member organisation donations £	Other donations £	Legacies £	Total 2021 £	Total 2020 £
General Fund	-	-	10,677	23,939	34,616	22,666
Elizabeth Clay Memorial Fund	-	-	-	67,374	67,374	82,927
Branch Designated funds	-	-	19,793	500	20,293	13,180
Total unrestricted funds	-	-	30,470	91,813	122,283	118,773
Research Fund	-	500	345	25,224	26,069	2,219
Robert Wainwright Fund	-	-	-	60,000	60,000	-
Branch Restricted funds	5,179	-	-	-	5,179	21,896
Total restricted funds	5,179	500	345	85,224	91,248	24,115
Total 2021	5,179	500	30,815	177,037	213,531	
Total 2020	21,500	500	24,590	96,298		142,888

As of 1 July 2021, one Affiliate member organisation opted to become a Branch and the transfer of their funds of £4,497 into the national charity is therefore included in donations in the Statement of Financial Activities, along with a further £682 transferred in from another Affiliate member organisation as their final transfer, this member organisation becoming a branch on 1 September 2020 and whose initial transfer in of £21,500 was disclosed in the previous year's accounts.

The charity benefits greatly from the involvement and support of its volunteers, details of which are given in our annual report. In accordance with FRS102 and the Charities SORP (FRS102), the economic contribution of general volunteers is not recognised in the accounts.



4 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
IA Journal	44,920	-	44,920	45,138
Annual (National Council) meeting	-	-	-	-
Member organisation annual subscriptions	30,951	-	30,951	32,274
Member subscriptions	33,407	-	33,407	47,075
Pouch Information Day	-	-	-	162
Total	109,278	-	109,278	124,649
Total 2020	124,649	-	-	124,649

Income of £30,951 shown above under unrestricted funds as member organisation annual subscriptions includes £27,279 in relation to annual subscription charges levied on Branch member organisations by the charity. A corresponding expense of £27,279 is included under charitable expenditure to reflect the cost to the individual Branches' restricted funds. As such, the overall net effect of these items on the charity is zero.

5 INVESTMENT INCOME

Investment and interest income was £145,286 (2020: £181,271) of which £135,303 was unrestricted (2020: £168,660) and £9,983 was restricted (2020: £12,611). It came from the following sources:

	2021 £	2020 £
UK listed investments	145,286	181,271
Bank interest	-	-
Total	145,286	181,271

6 OTHER INCOME

	2021 £	2020 £
Coronavirus Job Retention Scheme grant	-	4,758
Total	-	4,758



7 EXPENDITURE ON RAISING FUNDS

	2021 £	2020 £
Investment management costs	30,434	17,352
Online fundraising costs	578	578
Total	31,012	17,930

Expenditure on raising funds was £31,012 (2020: £17,930) of which £28,934 was unrestricted (2020: £16,748) and £2,078 was restricted (2020: £1,182).

8 EXPENDITURE ON CHARITABLE ACTIVITIES

	Note	2021 £	2020 £
IA Journal (including distribution costs)		53,535	53,738
Grants and donations	9	20,851	105,523
Annual (National Council) meeting (apportioned)		1,185	476
Young IA activities		318	-
Internal Pouch Group activities		-	2,782
Visitor training		1,110	807
Publicity & promotion		71,768	89,942
Information sheets & booklets		241	1,187
National office (apportioned)		144,783	159,609
Charitable activities		91	3,028
Branch member organisation activities		27,835	32,956
Support costs	10	8,273	12,684
Governance costs	11	127,939	145,678
Total		457,929	608,410

In 2021, expenditure on charitable activities was £457,929 (2020: £608,410), of which £417,756 was expenditure from unrestricted funds (2020: £474,720) and £40,173 was expenditure from restricted funds (2020: £133,690). Expenditure of £27,835 shown above as Branch member organisation activities includes £27,279 in relation to annual subscription charges levied on Branch



member organisations by the charity. Corresponding income of £27,279 is included under charitable income to reflect the income due to the unrestricted funds of the charity. As such, the overall net effect of these items on the charity is zero.

9 GRANTS AND DONATIONS

	2021 £	2020 £
Grants to individuals	8,850	11,880
Grants to institutions and organisations (see below)	10,300	91,709
Grants to IA member organisations	1,308	804
Other donations	393	1,130
Total	20,851	105,523

Recipients of grants to institutions and organisations were:

	£
The Association of Coloproctology of Great Britain and Ireland: Grant for maintenance of the National Pouch Registry	10,300

10 SUPPORT COSTS

	2021 £	2020 £
IA Journal	3,105	2,972
Annual (National Council) meeting (apportioned)	-	380
Publicity & promotion	-	4,793
Young IA	120	-
Internal Pouch	120	30
Charitable activities	4,928	4,509
Total	8,273	12,684

11 GOVERNANCE COSTS

	2021 £	2020 £
National office (apportioned)	111,769	118,590
Annual (National Council) meeting (apportioned)	1,173	96
Other administrative meetings	5	2,541
Audit fee	3,700	3,600
Insurance	3,350	2,690
Bank charges & currency costs	812	1,056
Legal costs	1,513	7,078
Other expenses	5,617	10,027
Total	127,939	145,678

IA has Trustee Indemnity Insurance to indemnify the trustees and other officers against the consequences of any neglect or default on their part and to cover the trustees of IA's member organisations. The cost of this insurance is £3,350 (2020: £2,690) and is shown above.

12 ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2021 £	2020 £
Salaries and wages	162,083	174,597
Social security costs	12,354	13,238
Pension costs	20,499	17,473
Other benefits	4,403	4,608
Agency/contract staff	16,765	15,297
Total	216,104	225,213



The average number of employees during the year was 6 (2020: 6) with all employee time involved in providing either support to the governance of the charity or support to charitable activities. The average number of full time equivalent employees during the year was 4 (2020: 5).

The number of employees receiving total employee benefits (excluding employer pension costs) in excess of £60,000 were

Total employee benefits (excluding employer pension costs)	2021	2020
£60,001 - £70,000	1	1

The charity considers that its key management personnel comprise the trustees, the Chief Executive Officer and the National Officer Manager. The total employee benefits of the key management personnel were £128,571 (2020: £114,883).

13 PAYMENTS TO TRUSTEES AND RELATED PARTY TRANSACTIONS

The trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind (2020: nil). Trustees were reimbursed expenses incurred in performing their duties as board members, as follows -

Three trustees (2020: 8) were paid £204 (2020: £4,938) for travelling, postage, telephone, stationery and other costs incurred in fulfilling their voluntary activities. No trustees received remuneration for providing services to the charity.

Total donations received without conditions from trustees were zero (2020: nil).

14 INTANGIBLE FIXED ASSETS

	Total £
Software	
Cost	
At 1 October 2020	6,211
Additions	-
At 30 September 2021	6,211
Amortisation	
At 1 October 2020	6,094
Charge for the year	117
At 30 September 2021	6,211
Net book value	
At 30 September 2020	117
At 30 September 2021	-

Software comprises the membership database purchased to administer the membership records of the charity. Development costs which enhance the functionality of the software are capitalised. Costs for the software are amortised over a three year life from the date the expenditure was incurred, with amortisation included within expenditure on charitable activities in the statement of financial activities. The trustees have chosen to amortise such costs over a three year period as in their opinion this most accurately reflects the life of all software, which is inherently limited due to ongoing product development and the retirement and replacement of current software products with new improved versions .



15 FIXED ASSET INVESTMENTS

Movements on investments for the year ended 30 September 2021 were as shown below.

Market value basis	2021 £	2020 £
Quoted investments		
Brought forward	5,295,539	5,717,234
Additions	1,922,477	1,790,546
Disposals at carrying value	(1,828,042)	(1,666,568)
Unrealised gains/losses	635,715	(545,673)
At market value 30th September	6,025,689	5,295,539
At cost 30 September	5,140,214	4,655,708

Prior to October 2019, all investments were held in a single main portfolio, with investments allocated to funds on the basis of the cost input by each fund. At 1 October 2019, the split was as follows:

Capital Investment Fund	87.54%	Research Fund	6.64%
General Fund	0.00%	Welfare Fund	0.46%
Elizabeth Clay Memorial Fund	5.18%	Bryan N. Brooke (IA) Overseas Travel Fund	0.18%

In October 2019, £375,000 was transferred from the charity's bank account into a new "B" portfolio, this being the investment of a proportion of funds held on behalf of Branches in order to generate an income for these Branches. The main portfolio continued to operate using the split noted above.

The table above showing movement on investments for the year represents the combined investments held on both the main and "B" portfolios.

The cash held within the investment portfolios is £29,452 (2020: £14,535). All the investments are quoted on the UK Stock Exchange. IA does not hold any investments outside the UK. Looking at the combined investment portfolios, there is one investment that exceeds 5% of the total market value as at 30 September 2021 as detailed below. There are no restrictions on the realisation of any investment held by the charity.

Holding: Sarasin Global Higher Dividend Market value: £321,701

16 FINANCIAL INSTRUMENTS

	2021 £	2020 £
Carrying value of financial assets		
Instruments measured at fair value through profit and loss	6,025,689	5,295,539

17 DEBTORS

Amounts falling due within one year:	2021 £	2020 £
Legacies due	68,042	-
Prepayments	3,255	4,539
Other debtors	19,501	24,110
Due from branch member organisations	10,942	42,341
Rent deposit	3,500	3,500
Total	105,240	74,490

18 CASH ON DEPOSIT AND IN HAND

The balance shown includes an amount of £100 held on trust for the unincorporated predecessor charity, IA (Charity Commission (England & Wales) registration number 234472).

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Accruals	34,715	30,601
Deferred income	-	1,012
Research projects	113,210	146,333
Taxation and social security	4,121	4,585
Due to branch member organisations	758	638
Other creditors	14,135	10,030
Total	166,939	193,199



20 RETIREMENT BENEFIT SCHEMES

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The company contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the company with respect to the scheme is to make the specified contributions.

The charge to profit or loss in respect of defined contribution schemes was £20,499 (2020: £17,473). The creditor at the balance sheet date relating to this scheme is £1,668 (2020: £1,766).



21 ANALYSIS OF CHARITABLE FUNDS

For the financial year ended 30 September 2021

	Balance 1/10/20 £	Income £	Expenditure £	Gains/ (losses) on investment assets £	Transfers between funds	Balance 30/9/2021 £
Unrestricted funds						
General	231,106	231,384	441,159	-	189,124	210,455
Capital Investment	4,420,790	-	-	711,411	(30,119)	5,102,082
Elizabeth Clay Memorial	47,461	74,475	2,785	39,854	(159,005)	-
Branch Designated	109,498	61,005	2,746	-	(1,076)	166,681
Total unrestricted funds	4,808,855	366,864	446,690	751,265	(1,076)	5,479,218
Restricted funds						
Research	45,960	35,175	12,196	51,107	-	120,046
Welfare	32,375	626	130	3,517	-	36,388
Bryan N Brooke (IA) Overseas Travel	18,931	251	52	1,407	-	20,537
Young IA Bursary	5,230	-	-	-	-	5,230
The Victoria Wills IA Internal Pouch	1,813	-	-	-	-	1,813
IA Annual Award for Innovation	571	-	-	-	-	571
Robert Wainwright	-	60,000	-	-	-	60,000
Branch Restricted	425,707	5,179	29,873	-	1,076	402,089
Total restricted funds	530,587	101,231	42,251	56,031	1,076	646,674
Total funds	5,339,442	468,095	488,941	807,296	-	6,125,892

The transfer of £189,124 made to the General Fund from the Elizabeth Clay Memorial Fund (£159,005) and the Capital Investment Fund (£30,119) respectively was made to bring the level of General Fund reserves back into line with the charity's reserves policy. A transfer of £1,076 was



made from Branch Designated to Branch Restricted funds to cover a deficit on an individual Branch's Restricted Funds account.

For the financial year ended 30 September 2020

	Balance 1/10/19 £	Income £	Expenditure £	Gains/ (losses) on investment assets £	Transfers between funds	Balance 30/9/2020 £
Unrestricted funds						
General	228,533	258,164	488,819	-	233,228	231,106
Capital Investment	5,081,291	-	-	(660,501)	-	4,420,790
Elizabeth Clay Memorial	227,740	91,897	1,462	(37,486)	(233,228)	47,461
Branch Designated	43,906	66,779	1,187	-	-	109,498
Total unrestricted funds	5,581,470	416,840	491,468	(697,987)	-	4,808,855
Restricted funds						
Research	173,095	13,722	92,787	(48,070)	-	45,960
Welfare	35,466	791	574	(3,308)	-	32,375
Bryan N Brooke (IA) Overseas Travel	20,221	317	284	(1,323)	-	18,931
Young IA Bursary	5,230	-	-	-	-	5,230
The Victoria Wills IA Internal Pouch	1,813	-	-	-	-	1,813
IA Annual Award for Innovation	571	-	-	-	-	571
Branch Restricted	445,038	21,896	41,227	-	-	425,707
Total restricted funds	681,434	36,726	134,872	(52,701)	-	530,587
Total funds	6,262,904	453,566	626,340	(750,688)	-	5,339,442

The transfer of £233,228 between the Elizabeth Clay Memorial Fund and the General Fund was made to bring the level of General Fund reserves back into line with the charity's reserves policy.

22 ANALYSIS OF NET ASSETS BETWEEN FUNDS

For the financial year ended 30 September 2021

	Fixed Assets £	Net Current Assets/ (Liabilities) £	Long Term Liabilities £	Total 30/9/2021 £
Unrestricted funds				
General	-	210,455	-	210,455
Capital Investment	4,939,168	162,914	-	5,102,082
Elizabeth Clay Memorial	292,265	(292,265)	-	-
Branch Designated	-	166,681	-	166,681
Total unrestricted funds	5,231,433	247,785		5,479,218
Restricted funds				
Research	374,641	(254,595)	-	120,046
Welfare	25,954	10,434	-	36,388
Bryan N Brooke (IA) Overseas Travel	10,156	10,381	-	20,537
Young IA Bursary	-	5,230	-	5,230
The Victoria Wills IA Internal Pouch Bursary	-	1,813	-	1,813
IA Annual Award for Innovation	-	571	-	571
Robert Wainwright	-	60,000	-	60,000
Branch Restricted	383,505	18,584	-	402,089
Total restricted funds	794,256	(147,582)	-	646,674
Total funds	6,025,689	100,203	-	6,125,892

For the financial year ended 30 September 2020

	Fixed Assets £	Net Current Assets/ (Liabilities) £	Long Term Liabilities £	Total 30/9/2020 £
Unrestricted funds				
General	-	231,106	-	231,106
Capital Investment	4,331,075	89,715	-	4,420,790
Elizabeth Clay Memorial	256,399	(208,938)	-	47,461
Branch Designated	-	109,498	-	109,498
Total unrestricted funds	4,587,474	221,381		4,808,855
Restricted funds				
Research	328,517	(282,557)	-	45,960
Welfare	22,758	9,617	-	32,375
Bryan N Brooke (IA) Overseas Travel	8,906	10,025	-	18,931
Young IA Bursary	-	5,230	-	5,230
The Victoria Wills IA Internal Pouch Bursary	-	1,813	-	1,813
IA Annual Award for Innovation	-	571	-	571
Branch Restricted	348,001	77,706	-	425,707
Total restricted funds	708,182	(177,595)	-	530,587
Total funds	5,295,656	43,786	-	5,339,442

Unrealised gains on investment assets included above:

	2021 £	2020 £
Unrestricted funds	806,188	610,872
Restricted funds	79,287	28,959
Total	885,475	639,831

23 OPERATING LEASE COMMITMENTS

The charity previously entered into a lease for the rental of office premises at Danehurst Court, Rochford on 27/1/2016 with a lease term of 5 years. A rental of £14,000 was payable per annum for the first 3 years of the lease with a rent review after that period based on the rise in the Retail Price Index (RPI) during the lease term, which led to an increased rental of £15,336 per annum



payable from 27/1/2019 until the lease expired. An annual service charge of £1,000 was also payable. A security deposit of £3,500 was paid on the inception of the lease which was returnable at the expiry of the lease term.

The charity entered into a further 5 year lease on the same premises on 27/1/2021 with an agreed rental for the first 2 years of the lease of £14,000 and a rent review after that period where the rent will be subject to negotiation with the landlord but where in any event the increased annual rental payable will not exceed £15,336 per annum. The annual service charge of £1,000 will continue to be payable and the security deposit of £3,500 has been retained by the landlord, the latter amount being disclosed in note 17 above.

The amount charged to expenditure on charitable activities in relation to the lease was £15,385.

The charity has the following future minimum payments under this lease for each of the following periods:

Payment due	2021 £	2020 £
No later than one year	15,000	4,814
Later than one year and not later than five years	49,583	-
Total	64,583	4,814

The charity had no other off-balance sheet arrangements.

24 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	786,450	(923,462)
Adjustments for:		
Add back depreciation on intangible fixed assets	117	2,802
Deduct interest income shown in investing activities	(145,286)	(181,271)
Deduct gains/add back losses on investments	(635,715)	546,575
Loss/(profit) on the sale of investments	(171,581)	204,113
(Increase)/decrease in debtors	(30,750)	(23,874)
Increase/(decrease) in creditors	(26,260)	42,493
Net cash used in operating activities	(223,025)	(332,624)

25 ANALYSIS OF CHANGES IN NET FUNDS

The charity had no debt during the year.

26 MEMBER ORGANISATIONS' ACCOUNTS

Branch member organisations' activities are included in these financial statements. Affiliate member organisations, being separately registered charities, prepare their own accounts in accordance with the appropriate legislation and are accordingly not included in these financial statements.

As noted in notes 4 and 8 above, annual subscription charges of £27,279 were charged to Branch member organisations by the charity and as a result, both charitable income for unrestricted funds and charitable expenditure for restricted funds have been increased by this amount to reflect those transactions. The overall net effect on the charity is zero.