

**BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF
PATHOLOGY CIO**

**REPORT AND
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2022**



BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

OFFICERS AND PROFESSIONAL ADVISERS

Board of Trustees

Professor ISD Roberts (President from 1 January 2023)
Professor AG Nicholson (President to 31 December 2022)
Professor RFT McMahon (Past President) (Resigned 31 December 2022)
Dr J von der Thüsen (President Elect and Dutch Representative)
Professor M Osborn (Secretary)
Professor SS Cross (Treasurer)
Dr L Browning (Meetings Secretary)
Dr E Calonje (International Secretary)
Professor S Dojcinov (Secretary for Engagement and Collaboration)
Dr P Craig (Divisional Editor) (Resigned 31 December 2021 and reappointed 1 January 2023)

Dr N Wilkinson (Divisional Editor) (Resigned 31 December 2022)
Professor M Van Bockstal (Belgian Representative) (Appointed 1 January 2023)
Dr N D'Haene (Belgian Representative) (Resigned 31 December 2022)
Professor A Fabre (Irish Representative) (Appointed 1 January 2023)
Professor K Sheahan (Irish Representative) (Resigned 31 December 2022)
Dr K Boros (Councillor)
Professor A Burt (Councillor) (Resigned 31 December 2022)
Professor T Marafioti (Councillor) (Appointed 1 January 2023)
Professor M Calaminici (Councillor)
Dr K Lloyd (Councillor)
Professor M Rodriguez-Justo (Councillor)
Professor R Feakins (Councillor) (Resigned 31 December 2021)
Dr K E McIntosh (Trainees Councillor)
Dr A Ghosh (Trainees Councillor)

Principal address

7th Floor
6 Alie Street
London E1 8QT

Website: www.bdiap.org

Banker

HSBC Bank PLC
49a Fishergate
Preston
Lancashire PR1 8BH

Auditor

RSM UK Audit LLP
Chartered Accountants
3rd Floor, Portland
25 High Street
Crawley
West Sussex, RH10 1BG

Investment advisors

Brown Shipley & Co
1 Hardman Square
Manchester
M3 3EB

BRITISH DIVISION OF INTERNATIONAL ACADEMY OF PATHOLOGY

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

The Trustees present their report and the financial statements for the 18 month period ended 31 December 2022.

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 Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The British Division of the International Academy of Pathology is a registered charity (number 1188655) whose main objective is to promote the advancement of pathology by co-ordination with allied sciences, by the encouragement of research, by the improvement of teaching and technical methods through scientific meetings in Britain and overseas.

The public receives an indirect benefit as a result of advancement medical science through scholarships and educational programs.

Structure, governance and management

Up to 1 July 2020, the Charity was controlled by its constitution adopted on 24 February 1961 and amended 1 March 1966 and further amended December 1977 as amended on 2 December 2016. On 1 July 2020 the Charity completed its conversion to a Charitable Incorporated Organisation (CIO), and governed by the constitution dated 1 July 2020.

The Charity is organised so that the Officers, Councillors and executive council meet regularly to manage its affairs. There are two staff members who provide administration and secretarial services to the Division.

As at 31 December 2022, there were 1,399 (2021 – 1,334) members of the British Division of the International Academy of Pathology represented from UK, Belgium, Ireland, Netherlands and other countries.

Details of the Trustees who served during the period can be found on page 1 on the annual report.

The Board of Trustees appoints six permanent subcommittees:

- Nominations and Membership Subcommittee
- Innovation Subcommittee
- Meetings and Programme Subcommittee
- Finance Subcommittee
- International Subcommittee
- Engagement and Collaboration Subcommittee

The Treasurer, Divisional Editor, Meetings Secretary, Past-President, International Secretary, and Secretary for Engagement and Collaboration respectively, chair these Subcommittees.

There shall be at least 18 Trustees on the Board.

Recruitment and appointment of new trustees

Officers, Councillors and Trainee Councillors can be nominated by members of the Division in writing to the Secretary at least one month before the Annual General Meeting provided the consent of the nominee has been obtained.

Nominees for position of Officer must be serving members of Council or have previous experience as Councillors. Officers are elected by Council.

Councillors representing the four incorporated countries of the division must be nominated and seconded by two non-Trainee Members from the relevant countries, who will elect them by ballot.

BRITISH DIVISION OF INTERNATIONAL ACADEMY OF PATHOLOGY

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

Trainee Councillors must be in training within the four incorporated countries of the Division; they are nominated, seconded, and elected by the trainee membership.

Induction and training of new trustees

New trustees undergo a training session to brief them of their legal obligations under the Charity law, the content of the constitution, the committee, and decision-making processes. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Key Management Personnel

The Board of Trustees is responsible for the management and financial affairs of the Charity. The Charity's affairs are conducted on a day-to-day basis by The Education and Divisional Manager, under direction of the Trustees.

Public benefit

The Board of Trustees has due regard of the Charities Act 2011 and the Charity Commission guidance on public benefit. This is reflected in the review of the activities of the Charity contained in this report.

Objectives And Activities

The British Division of the International Academy of Pathology ("the Charity") was registered as a charity on 8 November 1965. On 1 July 2020 all the activities, assets and liabilities of the Charity were transferred to a new charitable incorporated organisation, British Division for the International Academy of Pathology CIO (charity number 1188655). The activities of the Charity will continue in the CIO.

The Charity's objects, as laid out in the governing document, are:

- To promote the advancement of pathology by co-ordination with allied sciences, by the encouragement of research, by the improvement of teaching and technical methods, through scientific meetings in Britain and overseas.

The organisational aims are the advancement of pathology through:

- Organisation of educational symposia and courses in histopathology
- Collaboration with professionals in allied healthcare sciences
- Promotion of research in pathology and development of pathologic techniques
- Publication of reviews and original research work in pathology and related fields
- Organisation of scientific meetings and congresses for exchange of information and ideas

Achievements and performance

Charitable activities

The British Division of the academy had another successful period in promoting education in pathology in the four home countries (UK, Ireland, Belgium and Netherlands) and through international links with the Arab Division, Bosnia, Sri Lanka, and East Central and Southern Africa.

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

REPORT OF THE BOARD OF TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2022

Meetings and seminars

The second half of 2021 saw a mixture of virtual and face to face meetings. 2022 saw a return to almost completely face to face educational meetings. The following meetings were held:

6-8 July 2021 - 13th joint meeting of the BDIAP and the Pathological Society of Great Britain and Ireland took place as a virtual event.

5-6 November 2021 – Joint BDIAP and BAUP (British Association of Urological Pathology) symposium on urological pathology held at RCOG in London.

6-7 March 2022 – BDIAP study days on molecular pathology and specimen dissection took place as virtual events.

18-19 November 2022 – BDIAP symposium on upper gastrointestinal pathology held at RCOG in London.

6 educational meetings are planned for 2023.

Financial review

The current year represents an 18 month period and therefore the is not entirely comparable with the amounts to 30 June 2021 which represent a 12 month period. During the period, the Charity received total income of £811,871 (2021: £835,126 as restated) to help maintain its activities. The charitable activity expenditure amounted to £730,177 (2021: £331,482), raising funds cost of £35,269 (2021: £23,126), other expenditure of £87,821 (2021: £nil) and it made losses on its investments of £640,421 (2021: gains of £632,282), resulting in a deficit at the end of the period of £681,817 (2021: surplus of £1,112,800 as restated).

Investment policy

The charitable company has a portfolio of investments managed by Brown Shipley under a discretionary agreement in accordance with an investment policy agreed and regularly monitored by the Trustees who meet with the Fund Managers every six months. The overall investment objective agreed by the Trustees is to maximise the total return whilst having regard to the charitable nature of these funds and Trustees' responsibility to avoid unacceptable risks. The Fund Managers have been mandated to ensure that securities held in the portfolio do not contravene our specific ethical requirements regarding tobacco, weapons and oil companies. Further discussion about responsible and sustainable investing policies took place between the Trustees and Brown Shipley during 2021. The Fund Manager also ensures that it is an active custodian of the Charity's assets and actively votes on governance issues for any equity securities held directly. Where the Fund Managers use third party funds, it is recognised that there is limited control over the underlying allocation and its ethical positioning. The target required of the Fund Managers is to achieve a performance against a bespoke benchmark.

During the current 18 month period, the Charity received investment income comprising dividends of £110,186 (2021 being a 12 month period: £64,402).

At the period end there were losses of £640,421 (2021: gains of £632,282) arising on disposals and the valuation of the investment fund with Brown Shipley.

Reserves policy

The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities. Consideration is given to ways in which additional funds may be raised. The present level of funding is adequate to support the running of the Charity for the year ahead and beyond. Total funds at the period end were £4,453,325 (2021: £5,135,142). As such, the Trustees are satisfied that the level of reserves at 31 December 2022 was appropriate.

Restricted funds are given or raised for specific purposes and are not available for use in the general purposes of the Charity. The Charity's reserves are held predominantly as investments which are classed as income funds and are used to generate unrestricted income to fund the Charity's activities.

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

REPORT OF THE BOARD OF TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2022

Related parties and connected charities

The Charity is related to International Academy of Pathology (IAP) by way of being the British Division which provides pathology education. Full details on transactions with IAP can be found in note 22.

Going concern

The accounts have been prepared on a going concern basis. The Trustees have reviewed forecasts and cash projections and investments. The bulk of income is derived from publication income (see below) and membership income which is not anticipated to change significantly in the twelve months from the date of approval of the financial statements.

The Charity has sufficient funds to meet its debts as they fall due for a period of at least 12 months from the date of signing the financial statements.

Risk management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board of Trustees has reviewed the major risks and uncertainties to which the Charity is exposed. The Board is satisfied that the procedures in place are adequate to manage such risks appropriately.

The Board considers that the principal risk which faces the Charity is:

- Funding - the BDIAP does rely on the royalties from the journal Histopathology for a large proportion of its income. The existing contract with Wiley, the journal's publishers, ended in 2021. The new contract with Wiley runs for 7 years from the start of 2022. The percentage of royalties that the BDIAP will receive will reduce on a sliding scale during those 7 years. This will result in an anticipated reduction in royalties from £380k in 2021 to £226k in 2028. The BDIAP is planning its future expenditure based on this anticipated reduction in income but it is unlikely to result in any radical changes in its charitable activities.

Plans for future development

In future years, the Trustees will look to fulfil the Charity's objectives of promoting the advancement of pathology, through its various activities and events held.

Responsibilities in relation to the financial statements

The Charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Charity trustees to prepare financial statements for each period which give a true and fair view of the situation of the Charity and of the incoming resources and application of resources, of the Charity for that period. 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 applicable Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

REPORT OF THE BOARD OF TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2022

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Audit

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and a resolution proposing their reappointment will be put forward at a general meeting.

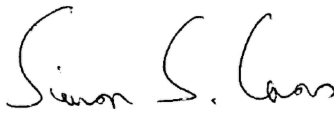
Statement as to disclosure of information to the auditor

The Trustees in office on the date of this report have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by order of the board of trustees on 3rd October 2023 and signed on its behalf by:


.....

Professor Michael Osborn – Trustee


.....

Professor Simon Cross – Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

Opinion

We have audited the financial statements of the British Division of the International Academy of Pathology (the 'charity') for the period ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the period 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 group's or parent charitable company'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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 6, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Charity operates in and how the Charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, and the Charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations.

The audit engagement team identified the risk of management override of controls, as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided 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 Charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3rd Floor
Portland
25 High Street
Crawley
West Sussex, RH10 1BG

Date: 11/10/23
.....

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 DECEMBER 2022

		Unrestricted funds	Restricted funds	Total funds 18 month period ending 31 December 2022	Total funds Year ended 30 June 2021 As restated
	Notes	£	£	£	£
Income from:					
Donations	4	-	-	-	(25,000)
Charitable activities	5	701,685	-	701,685	795,724
Investments	6	110,186	-	110,186	64,402
Total income		<u>811,871</u>	<u>-</u>	<u>811,871</u>	<u>835,126</u>
Expenditure on:					
Raising funds	7	35,269	-	35,269	23,126
Charitable activities	8	730,177	-	730,177	331,482
Other expenditure	10	87,821	-	87,821	-
Total expenditure		<u>853,267</u>	<u>-</u>	<u>853,267</u>	<u>354,608</u>
Net (expenditure)/income		(41,396)	-	(41,396)	480,518
(Loss)/gain on fixed assets investments	13	(640,421)	-	(640,421)	632,282
Net movement in funds for the period		<u>(681,817)</u>	<u>-</u>	<u>(681,817)</u>	<u>1,112,800</u>
Reconciliation of funds					
Total funds brought forward, as restated	23	5,135,142	-	5,135,142	4,022,342
Total funds carried forward		<u><u>4,453,325</u></u>	<u><u>-</u></u>	<u><u>4,453,325</u></u>	<u><u>5,135,142</u></u>

The notes on pages 13 to 23 form part of these accounts.

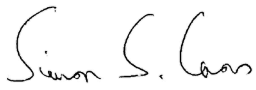
BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	31 December 2022 £	30 June 2021 As restated £
Fixed assets			
Tangible assets	12	1,415	1,800
Investments	13	3,455,410	3,918,309
		<u>3,456,825</u>	<u>3,920,109</u>
Current assets			
Debtors	14	303,732	646,995
Investments		83,643	185,362
Cash at bank		756,046	411,540
		<u>1,143,421</u>	<u>1,243,897</u>
Creditors			
Amounts falling due within one year	15	(146,921)	(28,864)
		<u>996,500</u>	<u>1,215,033</u>
Net current assets			
		<u>996,500</u>	<u>1,215,033</u>
Total assets less current liabilities		<u>4,453,325</u>	<u>5,135,142</u>
Net assets		<u>4,453,325</u>	<u>5,135,142</u>
Funds			
Unrestricted funds	18	4,453,325	5,135,142
Restricted funds	18	-	-
		<u>4,453,325</u>	<u>5,135,142</u>
Total funds		<u>4,453,325</u>	<u>5,135,142</u>

Approved and authorised for issue by the Board of Trustees on 3rd October 2023 and signed on its behalf by:


Professor Michael Osborn
Trustee


Professor Simon Cross
Trustee

The notes on pages 13 to 23 form part of these accounts.

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Cash generated from/(used in) operations	19	310,123	(241,747)
Cash flows from investing activities:			
Purchase of fixed asset investments		(4,149,910)	(2,246,544)
Investment income		110,186	64,402
Disposal of fixed asset investments		3,972,388	2,252,031
Net cash (used in)/generated from investing activities		<u>(67,336)</u>	<u>69,889</u>
Net increase/(decrease) in cash and cash equivalents		242,787	(171,858)
Cash and cash equivalents brought forward		<u>596,902</u>	<u>768,760</u>
Cash and cash equivalents carried forward		<u>839,689</u>	<u>596,902</u>
Relating to:			
Cash at bank and in hand		756,046	411,540
Current asset investments		83,643	185,362
		<u>839,689</u>	<u>596,902</u>

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

British Division of the International Academy of Pathology is a registered charity in the United Kingdom. The principal address is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are detailed on page 2.

The Charity constitutes a public benefit entity as defined by FRS 102.

Basis of preparation

The financial statements have been prepared in accordance with 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 Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities Act 2011 and UK Generally Accepted Practice, for accounting periods effective from 1 January 2019.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the Charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

On 1 July 2020 the Charity completed its conversion to a Charitable Incorporated Organisation (CIO). The Trustees consider that the use of acquisition accounting would not reflect the substance of such a combination, and that as all the other criteria in FRS 102 and the FRS 102 Charities SORP for the use of merger accounting are met, merger accounting should be applied to the combination for the overriding purpose of giving a true and fair view of the newly formed CIO's financial position and performance.

Reporting period

These financial statements cover the 18 month period from 1 July 2021 to 31 December 2022 in comparison to the prior period which covered the 12 months from 1 July 2020 to 30 June 2021. The BDIAP changed its year end to be more in line with the other international groups of Pathology. The Charity applied to the Charity Commission for this change in accounting period and this was approved. Therefore, the comparative amounts presented in the financial statements, including the related notes, are not entirely comparable with the amounts presented in the current period.

Going concern

The accounts have been prepared on a going concern basis. The Trustees have reviewed forecasts and cash projections and investments. The bulk of income is derived from publication income and membership income which is not anticipated to change significantly in the twelve months from the date of approval of the financial statements.

The Charity has sufficient funds to meet its debts as they fall due for a period of at least 12 months from the date of signing the financial statements.

Income recognition

Conference and publications income represent net invoiced value of goods and services (excluding value added tax). Conference income is recognised in the period that the conference takes place. Publications income is recognised according to contracted amounts for editorial expenses income and royalty income due during the accounting period.

Members' subscriptions are recognised on a receipts basis.

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

Grant income

Grant income, where entitlement is not conditional on the delivery of a specific performance by the Charity, is recognised when the Charity becomes unconditionally entitled to the grant.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT

All expenditure is classified under activity headings that aggregate all costs related to that category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Taxation

The Charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Equipment	- 15% on reducing balance
-----------	---------------------------

Investments

Listed investments are stated at market value in the balance sheet with net gains and losses on revaluation and disposal being taken to the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks and other short term liquid investments with original maturities of three months or less.

Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the Charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities

Basic financial liabilities, including trade and other payables are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Taxation

The Charity is exempt from tax on its charitable activities.

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in note 18 of the financial statements.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the equipment and the corresponding accounting policy for the useful economic lives for each class of assets.

3 Net (expenditure)/income

Net (expenditure)/income for the period is stated after charging:

	Unrestricted 18 month period ending 31 December 2022 £	Year ended 30 June 2021 £
Auditor's remuneration (net of VAT) in respect of:		
Audit fee	18,000	17,000
Accountancy and other services	3,600	3,400
Operating lease costs	36,000	24,000
Depreciation of owned assets	385	318

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

4 Donations

	Restricted 18 month period ending 31 December 2022 £	Year ended 30 June 2021 £
Grant income	-	(25,000)

In 2020, £25,000 was received from Glasgow Convention Bureau to be used on The IAP international event. Due to this event not being held in person, the Charity did not meet the criteria of the grant. Therefore this the full grant of £25,000 was returned to the Glasgow Convention Bureau.

5 Income from charitable activities

	Unrestricted 18 month period ending 31 December 2022 £	Year ended 30 June 2021 As restated £
Profit share from Publication of Histopathology	454,984	578,497
Membership subscriptions	72,947	74,108
Received from members attending meetings	104,232	14,442
IAP international event	-	128,450
Other income	69,522	227
	<u>701,685</u>	<u>795,724</u>

6 Income from investments

	Unrestricted 18 month period ending 31 December 2022 £	Year ended 30 June 2021 £
Dividends	<u>110,186</u>	<u>64,402</u>

7 Raising funds

	Unrestricted 18 month period ending 31 December 2022 £	Year ended 30 June 2021 £
Investment management fees	34,384	22,326
Fundraising levy	885	800
	<u>35,269</u>	<u>23,126</u>

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

8 Expenditure on charitable activities

	Unrestricted 18 month period ending 31 December 2022 £	Year ended 30 June 2021 £
Educational services:		
Due to publishers	59,910	42,495
Cost of meetings and conferences	140,503	(4,208)
Educational expenses	83,752	6,031
Due to parent association	12,790	12,191
IAP international event	-	73,609
Expenses of council members	-	165
Room hire	52,898	-
Catering	2,646	-
Event consumables	9,528	-
Support costs (see note 9)	368,150	201,199
	<u>730,177</u>	<u>331,482</u>

9 Support costs

	Unrestricted 18 month period ending 31 December 2022 £	Year ended 30 June 2021 £
Staff salary costs	153,570	105,617
Staff training	403	-
Office rental	36,000	24,000
Advertising and marketing	606	-
Charitable donations	500	-
Repairs and maintenance	156	-
Telephone and insurance	3,150	2,625
Media and presentation costs	22,811	22,323
Printing, postage and stationery	789	919
Bank interest, credit card charges and other fees	21,127	2,372
Accountancy fees	8,448	8,331
Audit fees	21,600	20,400
Legal and professional fees	94,662	10,493
Sundry costs	3,694	658
Equipment depreciation	385	318
Loss on foreign exchange	249	3,143
	<u>368,150</u>	<u>201,199</u>

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

10 Other expenditure

	Unrestricted 18 month period ending 31 December 2022 £	Year ended 30 June 2021 £
Fines and penalties	87,821	-

Other expenditure of £87,821 (2021: £nil) relates to fines and penalties imposed by HMRC in respect of late VAT registration.

11 Wages and salaries

	Unrestricted 18 month period ending 31 December 2022 £	Year ended 30 June 2021 £
Wages and salaries	123,556	84,979
Social security costs	14,797	9,298
Pension costs	15,217	11,340
	<u>153,570</u>	<u>105,617</u>

The average monthly number of employees during the period was as follows:

	2022 £	2021 £
Administrative staff	2	2

No employees received emoluments in excess of £60,000 pro-rated for a 12 month period, in the current or prior period.

During the current period, 11 members of the Board of Trustees (2021: 1) were reimbursed for travel expenses for meetings and conferences totalling £28,544 (2021: £165). In the prior year, following the cancellation of a course, £4,256 of cost previously reimbursed to a Trustee was repaid to the Charity.

The Trustees are considered to be the Charity's key management personnel. No members of the key management personnel receive remuneration.

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

12 Tangible fixed assets

	Equipment £
Cost	
At 1 July 2021 and 31 December 2022	36,491
Depreciation	
At 1 July 2021	34,691
Charge for period	385
At 31 December 2022	35,076
Net book value	
As at 31 December 2022	1,415
As at 30 June 2021	1,800

13 Investments

	Listed investments £
Market value	
At 1 July 2021	3,918,309
Additions	4,149,910
Disposals	(3,972,388)
Revaluations	(640,421)
At 31 December 2022	3,455,410
Net book value	
As at 31 December 2022	3,455,410
As at 30 June 2021	3,918,309

The historical cost of the investments was £3,697,306 (2021: £3,078,356).

Current asset investments

Current asset investments relate to cash held by the investment managers for investment purposes.

14 Debtors

	2022 £	2021 As restated £
Trade debtors	2,002	1,211
Prepayments and accrued income	300,722	645,784
Other debtors	1,008	-
	303,732	646,995

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

15 Creditors

	2022 £	2021 £
Trade creditors	8,927	518
Other taxation and social security	2,655	2,726
Other creditors	1,272	1,260
Accruals	134,067	24,360
	<u>146,921</u>	<u>28,864</u>

16 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Financial assets measured at fair value through profit or loss	<u>3,455,410</u>	<u>3,918,309</u>

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total As restated £
Tangible assets	1,415	-	1,415	1,800
Investments	3,455,410	-	3,455,410	3,918,309
Current assets	1,143,421	-	1,143,421	1,243,897
Current liabilities	(146,921)	-	(146,921)	(28,864)
Total net assets	<u>4,453,325</u>	<u>-</u>	<u>4,453,325</u>	<u>5,135,142</u>
Prior period (restated)				
	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Tangible assets	1,800	-	1,800	2,118
Investments	3,918,309	-	3,918,309	3,291,514
Current assets	1,243,897	-	1,243,897	775,705
Current liabilities	(28,864)	-	(28,864)	(46,995)
Total net assets	<u>5,135,142</u>	<u>-</u>	<u>5,135,142</u>	<u>4,022,342</u>

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

18 Funds

	Balance as at 1 July 2021 As restated	Income	Expenditure	Loss on investment	Balance as at 31 December 2022
Unrestricted fund: General fund	5,135,142	811,871	(853,267)	(640,421)	4,453,325
Total	5,135,142	811,871	(853,267)	(640,421)	4,453,325
As restated	Balance as at 1 July 2020	Income	Expenditure	Gains on investment	Balance as at 30 June 2021
Restricted funds: Glasgow Convention bureau	25,000	(25,000)	-	-	-
Unrestricted fund: General fund	3,997,342	860,126	(354,608)	632,282	5,135,142
	4,022,342	835,126	(354,608)	632,282	5,135,142

In 2020, £25,000 was received from Glasgow Convention Bureau to be used on The IAP international event. Due to this event not being held in person, the Charity did not meet the criteria of the grant. Therefore the full grant of £25,000 was returned to the Glasgow Convention Bureau.

19 Cash generated from/(used in) operations

	2022 £	2021 As restated £
Net movement in funds for the period	(681,817)	1,112,800
Adjustments for:		
Depreciation of tangible assets	385	318
Investment losses/(gains)	640,421	(632,282)
Investment income recognised in statement of financial activities	(110,186)	(64,402)
Movements in working capital:		
Decrease/(increase) in debtors	343,263	(640,050)
Increase/(decrease) in creditors	118,057	(18,131)
Cash generated from/(used in) operations	310,123	(241,747)

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

20 Reconciliation of changes in net debt

	1 July 2021 £	Cash flows £	31 December 2022 £
Cash and cash equivalents	596,902	242,787	839,689
Total net debt	596,902	242,787	839,689

21 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows;

	2022 £	2021 £
Within one year	24,000	24,000
Between one and five years	56,000	92,000
	80,000	116,000

22 Related party transactions

The Charity is related to International Academy of Pathology and European Society of Pathology by way of being the British Division which provides pathology education.

During the period, the Charity paid an annual subscription to the International Academy of Pathology of £12,790 (2021: £12,191).

During the prior period, the Charity hosted a joint conference with the European Society of Pathology and International Academy of Pathology. £128,450 was received from the European Society of Pathology being the Charity's 50% share of income. £73,774 was paid by the Charity to International Academy of Pathology being the surplus of the event and capitation fees.

From 1 December 2022 the BDIAP entered a staff sharing contract with the Central IAP. The total amount due to date is £960 and this amount is included within other debtors.

BRITISH DIVISION OF THE INTERNATIONAL ACADEMY OF PATHOLOGY CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

23 Prior period adjustment

Publication income was recognised according to contracted amounts for editorial expenses and royalty income due, based upon the invoice received in June each year for the previous calendar year, with no adjustment for accrued or deferred income at the balance sheet date. A prior period adjustment has been made to reflect the accrued income due at the 30 June 2021. The impact on comparative and opening reserves is £178,376 as set out below.

Changes to the Balance Sheet

	At 31 December 2021		
	As previously reported	Adjustment at 31 December 2021	As restated at 31 December 2021
Current Assets			
Prepayments and accrued income	467,408	178,376	645,784
Net assets	<u>4,956,766</u>	<u>178,376</u>	<u>5,135,142</u>
Funds			
Unrestricted funds	<u>4,956,766</u>	<u>178,376</u>	<u>5,135,142</u>

Changes to Statement of Financial Activities

Income from:			
Charitable activities	617,348	178,376	795,724
Net movement in funds	<u>934,424</u>	<u>178,376</u>	<u>1,112,800</u>