

KERATEC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 1999

The directors submit their report together with the financial statements for the year ended 30 April 1999. The report and financial statements have been prepared in accordance with current statutory requirements and with the charity's governing document.

Directors' statement

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the results for that year. In preparing those financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent; and

Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue its operations.

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

Full name of the charity Keratec

Keratec is a registered charity and a company limited by guarantee, not having a share capital.

Governing document Memorandum and Articles of Association

Charity registration number 803386

Company registration number 2495205

Directors

Directors are appointed by the existing directors in accordance with the Memorandum and Articles of Association.

The directors during the year under review were:

C K Rostron
P N Dilly
D N Burke

In accordance with the articles of association, C K Rostron, P N Dilly and D N Burke will retire by rotation and, being eligible, will offer themselves for re-election.

KERATEC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 1999

Charitable activities continued

During the year a total of 228 corneas were retrieved by the Eye Bank (1998: 240). In the same period 203 corneas and 6 scleras were issued for transplantation (1998: 83 and 2 respectively). The exceptionally high apparent tissue utilisation rate of 89% was made possible by drawing on stocks of freeze-dried corneas held in preservation. The charity hopes that the Eye Bank can undertake its core functions on a self-funding basis, and the charges from increased tissue distribution will enable a greater proportion of the Eye Bank work to be undertaken by salaried employees. The appointment of a full time Scientific Director at the end of the year has been a positive step in the development of the service.

Review of financial activities

The level of activity in provision of tissue for transplantation increased during the year with income from tissue charges rising to £114,100 (1998 £48,006). This accounted for approximately 93% of total incoming resources for the year (1998 93%). Approximately 92% of expenditure was incurred in direct charitable activities and support costs, primarily the employment of an Eye Bank Co-ordinator and contracting the services of the laboratories of St. George's Hospital Medical School in the preparation of corneal tissue for transplantation. Management and administration accounted for the balance of expenditure. Overall net income for the year was £53,573 which compared with net expenditure in the previous financial year of £25,693.

None of the charity's income was subject to restriction imposed by external donors. At 30 April 1999 the balance of general funds, excluding funds invested in fixed assets, amounted to £110,688 (1998 £58,629). The directors consider that this level of unrestricted income funds assures the continuing work of the company for the foreseeable future.

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

Approved by the Board on 7th March 2000

C K Rostron
Director

ACCOUNTANTS' REPORT TO THE MEMBERS
ON THE UNAUDITED FINANCIAL STATEMENTS OF KERATEC

We have prepared, without audit, the financial statements for the year ended 30 April 1999 set out on pages 5 to 11 and report that they are in accordance with the records, information and explanations given to us.

Moore Stephens
Chartered Accountants

Abbotsbury House
156 Upper New Walk
Leicester
LE1 7QA

11th April 2000

KERATEC

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 APRIL 1999

	Note	Total funds 1999 £	Total funds 1998 £
Account of income and expenditure for the year			
Incoming resources			
Donations		4,578	4,326
Trading activities in furtherance of objects - tissue charges	2	114,100	48,006
UK bank interest receivable		4,078	3,321
Total incoming resources		<u>122,756</u>	<u>55,653</u>
Resources expended			
Direct charitable expenditure		53,182	62,475
Support costs		<u>10,262</u>	<u>12,466</u>
		63,444	74,941
Other expenditure - management and administration of the charity		5,739	6,405
Total expenditure	3	<u>69,183</u>	<u>81,346</u>
Net income/(expenditure) on ordinary activities for the year before taxation	4	53,573	(25,693)
Taxation on net incoming resources		-	-
Net income/(expenditure) for the year after taxation and net movement in funds		<u>53,573</u>	<u>(25,693)</u>
Balance brought forward at 30 April 1998		60,368	86,061
Balance carried forward at 30 April 1999		<u>113,941</u>	<u>60,368</u>

KERATEC

BALANCE SHEET AT 30 APRIL 1999

	Note	1999		1998	
		£	£	£	£
Fixed assets					
Tangible fixed assets for use by the charity	6		3,253		1,739
Current assets					
Stock		400		400	
Debtors	7	37,310		2,845	
Cash at bank and in hand		77,436		64,247	
		<u>115,146</u>		<u>67,492</u>	
Creditors: amounts falling due within one year					
	8	<u>(4,458)</u>		<u>(8,863)</u>	
Net current assets			110,688		58,629
Total assets less current liabilities			<u>113,941</u>		<u>60,368</u>
Funds					
Unrestricted income funds					
- general fund		110,688		58,629	
- equipment fund		<u>3,253</u>		<u>1,739</u>	
Total funds			<u>113,941</u>		<u>60,368</u>

In the opinion of the directors the company was entitled under section 249A(1) of the Companies Act 1985 to exemption from audit of its financial statements for the year ended 30 April 1999. No notice from members has been deposited under section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for: ensuring the company keeps accounting records which comply with section 221; and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 April 1999 and of its results for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 7th March 2000

C K Rostron.....

KERATEC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 1999

1. Accounting policies

Accounting convention

These financial statements have been prepared under the historical cost convention.

The results for the year are presented in the form of a statement of financial activities in order to comply with the requirements of the Statement of Recommended Practice "Accounting by Charities".

Donations and voluntary income

Donations and voluntary income are recorded as incoming resources upon receipt. Income tax recoverable on covenanted giving and Gift Aid donations is accounted for in the year of receipt of the associated income on an accruals basis.

Tissue charges

Tissue charges are recognised in the profit and loss account when the tissue is supplied on an accruals basis.

Basis of allocation of expenditure between direct charitable expenditure, support costs, fundraising and publicity costs, and administration and management costs

Expenditure incurred on activities falling directly within a cost category is attributed to that cost category.

Staff costs are apportioned to cost categories on the basis of estimated proportions of working hours of each staff member on activities falling within cost categories, having due regard to each staff member's job description.

Other expenditure incurred which involves more than one cost category is apportioned on the basis of management estimates of the extent to which that expenditure is involved in the activities of that cost category.

Fixed Assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life on the following bases:

Fixtures, fittings and computer equipment 10 - 33%, per annum, straight line, on cost, commencing in the month following the month of purchase.

Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

KERATEC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 1999

Fund accounting

Equipment fund

The equipment fund represents all unrestricted income invested in fixed assets.

General fund

The general fund represents the balance of unrestricted funds that may be used for revenue or capital expenditure without having recourse to externally imposed restrictions.

2. Tissue charges

Tissue charges are the total amount receivable by the company in the ordinary course of activities for services supplied. 66.8% (1998 70.6%) of tissue charges are attributable to geographical markets outside the United Kingdom.

3. Total expenditure

	Staff costs £	Other expenses £	Total 1999 £	Total 1998 £
Direct charitable	-	53,182	53,182	62,475
Support costs	10,184	78	10,262	12,466
Management and administration of the charity	3,394	2,345	5,739	6,405
	<u>13,578</u>	<u>55,605</u>	<u>69,183</u>	<u>81,346</u>

4. Net income/(expenditure)

	Total 1999 £	Total 1998 £
This is stated after charging:		
Staff costs (note 5)	13,578	16,502
Reporting accountants' fees for accountancy services	2,115	2,115
Depreciation	784	887
Loss on disposal of assets used for charitable purposes	<u>182</u>	<u>-</u>

KERATEC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 1999

5. Staff costs

	Total 1999 £	Total 1998 £
Wages and salaries	12,344	15,000
Social security costs	1,234	1,502
	<u>13,578</u>	<u>16,502</u>

No expenses were reimbursed to the directors in respect of their service.

The average number of employees during the year was 1 (1998:1).

The staff member's time is allocated to charitable activities and administration in accordance with management estimates of the hours performed in each area. 75% of the employee's time is allocated to support costs and 25% for administration and management of the charity.

KERATEC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 1999

6. Tangible fixed assets

	Plant machinery etc. £	Total £
Cost		
At 30 April 1998	19,148	19,148
Additions	2,480	2,480
Disposals	<u>(5,358)</u>	<u>(5,358)</u>
At 30 April 1999	<u>16,270</u>	<u>16,270</u>
Depreciation		
At 30 April 1998	17,409	17,409
Charge for the year	784	784
Eliminated on disposal	<u>(5,176)</u>	<u>(5,176)</u>
At 30 April 1999	<u>13,017</u>	<u>13,017</u>
Net book value		
At 30 April 1999	<u>3,253</u>	<u>3,253</u>
At 30 April 1998	<u>1,739</u>	<u>1,739</u>

All fixed assets are used for charitable purposes with incidental usage in the administration and management of the charity.

7. Debtors

	1999 £	1998 £
General activities	29,040	1,920
Other debtors	8,220	925
Prepayments	50	-
	<u>37,310</u>	<u>2,845</u>

KERATEC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 1999

8. Creditors: amounts falling due within one year

	1999	1998
	£	£
Other creditors	128	5,044
Accruals	4,330	3,819
	<u>4,458</u>	<u>8,863</u>

9. Transactions with directors and related parties

During the year the company employed Ms. J Danby in the role of Eye Bank Co-ordinator. Ms. Danby is the wife of C K Rostron, a director of the company. Details of staff costs are included in note 5.

The company incurred direct charitable expenditure amounting to £44,959 (1998 £53,389) in the provision of laboratory services by St. George's Hospital Medical School. C K Rostron is a part-time Consultant Ophthalmologist at St. George's Hospital, and has an honorary contract with St. George's Hospital Medical School as Senior Lecturer in Ophthalmology. Professor P N Dilly is Honorary Oculist of St. George's Hospital and Professor of Anatomy of St. George's Hospital Medical School.

10. Controlling party

The company is controlled by the directors who are the members as defined by the Articles of Association.