

KERATEC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2000

The directors submit their report together with the financial statements for the year ended 30 April 2000. 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 May 2000 D N Burke resigned as a director and J Sandford-Smith was appointed.

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

KERATEC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2000

Charitable activities continued

During the year a total of 171 corneas were retrieved or received by the Eye Bank (1999: 228). In the same period 155 corneas and 3 scleras were issued for transplantation (1999: 203 and 6 respectively). Once again a high tissue utilisation rate of 91% was maintained, although overall numbers of input and output fell. With the addition of the full-time Scientific Director, the Eye Bank work previously carried out by the Co-Ordinator, Ms Danby, was transferred to him, with the remaining administrative roles of the Charity being currently carried out by voluntary workers. Whether the revised employment structure will be a sustainable solution to the Charity's needs remains to be seen, particularly in the light of the increased cost of running the Eye Bank, and its reduced turnover.

Review of financial activities

The level of activity in provision of tissue for transplantation decreased during the year with income from tissue charges falling to £81,944 (1999: £114,100). This accounted for approximately 90% of total incoming resources for the year (1999: 93%). Approximately 95% of expenditure was incurred in direct charitable activities and support costs, primarily the contracting of the services of the Scientific Director and 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 expenditure for the year was £6,284 which compared with net income in the previous financial year of £53,573.

None of the charity's income was subject to restriction imposed by external donors. At 30 April 2000 the balance of general funds, excluding funds invested in fixed assets, amounted to £105,147 (1999: £110,688). The directors consider that this level of unrestricted income funds assures the continuing work of the charity for the foreseeable future.

During the year the charity donated corneas with a value of £2,400.

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 25th May 2001

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 2000 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

KERATEC

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 APRIL 2000

Account of income and expenditure for the year	Note	Total funds 2000 £	Total funds 1999 £
Incoming resources			
Donations		5,792	4,578
Trading activities in furtherance of objects - tissue charges	2	81,944	114,100
UK bank interest receivable		3,655	4,078
Total incoming resources		<u>91,391</u>	<u>122,756</u>
Resources expended			
Direct charitable expenditure		92,631	53,182
Support costs		94	10,262
		<u>92,725</u>	<u>63,444</u>
Other expenditure - management and administration of the charity		4,950	5,739
Total expenditure	3	<u>97,675</u>	<u>69,183</u>
Net (expenditure)/income on ordinary activities for the year before and after taxation	4	<u>(6,284)</u>	<u>53,573</u>
Net movement in funds		(6,284)	53,573
Balance brought forward from previous year		113,941	60,368
Total funds carried forward		<u>107,657</u>	<u>113,941</u>

KERATEC

BALANCE SHEET AT 30 APRIL 2000

	Note	2000		1999	
		£	£	£	£
Fixed assets					
Tangible fixed assets for use by the charity	6		2,510		3,253
Current assets					
Stock		550		400	
Debtors	7	5,350		37,310	
Cash at bank and in hand		115,526		77,436	
		<u>121,426</u>		<u>115,146</u>	
Creditors: amounts falling due within one year					
	8	<u>(16,279)</u>		<u>(4,458)</u>	
Net current assets			105,147		110,688
Total assets less current liabilities			<u>107,657</u>		<u>113,941</u>
Funds					
Unrestricted income funds					
- general fund		105,147		110,688	
- equipment fund		<u>2,510</u>		<u>3,253</u>	
Total funds			<u>107,657</u>		<u>113,941</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 2000. 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 2000 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 25th May 2001

C K Rostron.....

KERATEC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2000

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 15 - 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 2000

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. 27.5% (1999: 66.8%) of tissue charges are attributable to geographical markets outside the United Kingdom.

3. Total expenditure

	Donations	Staff costs	Other expenses	Total 2000	Total 1999
	£	£	£	£	£
Direct charitable	2,400	-	90,231	92,631	53,182
Support costs	-	-	94	94	10,262
Management and administration of the charity	-	-	4,950	4,950	5,739
	<u>2,400</u>	<u>-</u>	<u>95,275</u>	<u>97,675</u>	<u>69,183</u>

4. Net (expenditure)/income

	Total 2000	Total 1999
	£	£
This is stated after charging:		
Staff costs (note 5)	-	13,578
Directors' remuneration	-	-
Reporting accountants' fees for accountancy services	2,350	2,115
Depreciation	943	784
Loss on disposal of assets used for charitable purposes	<u>-</u>	<u>182</u>

KERATEC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2000

5. Staff costs

	Total 2000 £	Total 1999 £
Wages and salaries	-	12,344
Social security costs	-	1,234
	<u>-</u>	<u>13,578</u>

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

The average number of employees during the year was nil (1999:1).

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 2000

6. Tangible fixed assets

	Plant machinery etc. £	Total £
Cost		
At 30 April 1999	16,270	16,270
Additions	200	200
Disposals	-	-
At 30 April 2000	<u>16,470</u>	<u>16,470</u>
Depreciation		
At 30 April 1999	13,017	13,017
Charge for the year	943	943
Eliminated on disposal	-	-
At 30 April 2000	<u>13,960</u>	<u>13,960</u>
Net book value		
At 30 April 2000	<u>2,510</u>	<u>2,510</u>
At 30 April 1999	<u>3,253</u>	<u>3,253</u>

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

7. Debtors

	2000 £	1999 £
General activities	5,300	29,040
Other debtors	-	8,220
Prepayments	50	50
	<u>5,350</u>	<u>37,310</u>

KERATEC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2000

8. Creditors: amounts falling due within one year

	2000	1999
	£	£
Other creditors	13,829	128
Accruals	2,450	4,330
	<u>16,279</u>	<u>4,458</u>

9. Transactions with directors and related parties

The company incurred direct charitable expenditure amounting to £76,166 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. The balance owed to St. George's Hospital Medical School as at 30 April 2000 amounted to £13,575.

10. Controlling party

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