

Company no. 1645201
Charity no. 285174
OSCR no. SC041209

The British Thoracic Society
Report and Financial Statements
30 June 2010

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consultants and auditors

The British Thoracic Society

Reference and administrative details

For the year ended 30 June 2010

Company number 1645201

Charity number 285174

OSCR number SC041209

**Registered office
and operational** 17 Doughty Street
LONDON
WC1N 2PL

**Executive
Committee** Members of the Executive Committee, who are also Trustees under charity law,
who served during the year and up to the date of this report were as follows:

Dr M B Allen
Dr D R Baldwin (Company Secretary, from December 2009)
Dr G P Burns
Mr S Catling (to December 2009)
Dr J Congleton (Hon. Treasurer)
Professor PA Corris (President, from December 2008)
Dr A C Davidson
Dr L Davies
Dr A G Davison
Professor A J Fisher (from December 2009)
Professor A B Millar (Company Secretary)
Professor MDL Morgan (Chair of Executive Committee)
Dr E Neville (President - elect, from December 2009)
Professor L P Ormerod (President, from December 2009)
Professor M I Polkey (to December 2009)
Dr J S White
Mr C D Wiltsher (from December 2009)

**Staff and
associates** Sheila Edwards (Chief Executive)
Angela Hurlstone
Louise Preston
Andi Morgan
Kerry Reid
Christopher Routh
Joan Thompson
Sally Welham
Emma Carr (to November 2009)

Jackie Ford
Sandra Nagre
Karin Smyth
Cathryn Stokes
Luke Wilson
Sian Williams

The British Thoracic Society

Reference and administrative details

For the year ended 30 June 2010

Bankers	Co-operative Bank 62-64 Southampton Row LONDON WC1B 4ND
Investment	Ingenious Asset Management 15 Golden Square LONDON W1F 9JG
Solicitors	Russell Cooke Solicitors 2 Putney Hill Putney LONDON SW15 6AB
Accountants	JS2 Limited One Crown Square Church Street East WOKING Surrey GU21 6HR
Auditors	Sayer Vincent Chartered accountants and statutory auditors 8 Angel Gate City Road LONDON EC1V 2SJ

The British Thoracic Society

Report of the Executive Committee

For the year ended 30 June 2010

The Executive Committee presents its report and the audited financial statements for the year ended 30 June 2010.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in March 2005).

2 Structure, governance & management

- 2.1 The British Thoracic Society ("the Society"/BTS) is a charitable company limited by guarantee, incorporated on 21 June 1982 and registered as a charity on 21 June 1982.
- 2.2 The organisation is also a charitable company limited by guarantee which has no share capital. As a registered charity, it is governed by its Memorandum and Articles of Association. These are reviewed regularly by Trustees and can be viewed at www.brit-thoracic.org.uk/download157.html. An application to the Office of the Scottish Charity Regulator (OSCR) for approval as a charity in Scotland was made successfully in early 2010, following the approval of one small required amendment to the Memorandum & Articles and agreement by members at the Annual General Meeting in December 2009.
- 2.3 The Executive Committee (the Trustees) comprises five honorary officer positions; the Chairs of the six Standing Committees; and two others, chosen by the Executive Committee for particular expertise in relevant areas according to the requirements of the Society's strategic plan. At present, one of these two positions is held by the BTS Co-Chair of IMPRESS- the joint project with PCRS-UK which is described in more detail in section 3.7, below. Since 2007 one of the Trustees has been a lay person, and, with effect from December 2009, this position has been held by the Chair of the BTS Public Liaison Committee (the PLC).
- 2.4 The PLC was established in 2009 as a result of the 2008 governance review and it demonstrates the importance placed by Trustees on involving citizens in its work at all levels. It has met twice following a recruitment process via the national press and the BTS website. Each Standing Committee and the IMPRESS project has a representative from the Public Liaison Committee and the PLC will meet 3- 4 times a year. The Society also encourages patient and carer representation on its Guideline Groups, and the PLC has started to look at how to ensure that this objective is met more effectively.
- 2.5 Honorary positions on the Executive Committee are the Chair, Honorary Secretary and Honorary Treasurer (who each serve a three year term, although this may be extended in exceptional circumstances) and the President and President-elect (who serve one year in each role). There are job descriptions for each Officer position and for the Chairs of all of the Standing Committees. Nomination of candidates for all Officer positions is open to the whole membership of the Society, and a ballot of all members is held annually if needed for the position of President-elect. If a ballot is needed for the three Honorary Officer posts following the nomination of more than one candidate, this is held among Trustees. The normal term in office for all Trustees is three years. A full briefing and induction programme is in place for all Trustees.

The British Thoracic Society

Report of the Executive Committee

For the year ended 30 June 2010

- 2.6 The 2008-2013 Strategic Plan mentions that one of the ways by which the Society expects to achieve its objectives is “by harnessing the expertise and commitment of its members”. The Society had 2,710 members at the end of June 2009. As in previous years, between 10-12 % of UK based members are engaged in and/or working on BTS projects or in BTS Committees and Advisory and Guideline Groups. They are supported by a robust and democratic framework of Committees and Specialist Advisory groups and a pro-active head office staff team, and Trustees are grateful to all those involved for their contributions.
- 2.7 The Standing Committees’ structure and remits were re-configured in 2008-2009. Underpinning the new structure are 16 Specialist Advisory Groups (SAGs). These enable the Society to communicate quickly and efficiently with expert opinion when required. Places on Committees and SAGs are accessible to all members (and are filled by ballot if over-subscribed) and a standard constitution for Committees and SAGs ensures that there is regular and planned turnover of members and consistent methods of operation. Each SAG holds an open meeting for all interested parties (whether BTS members or not) during the Society’s Winter Meeting, as does the Specialist Trainee Advisory Group and the BTS Nurse Advisory Group.
- 2.8 The Society’s Council has a significant role. It comprises 18 elected members plus the Executive Committee and several ex-officio appointments (including the Chairs of the BTS Specialist Trainees Advisory Group, the BTS Nurse Advisory Group and the British Paediatric Respiratory Society). Elections take place annually for 6 new Council members. The constitution requires that one member under the age of 35 should be elected each year. Council acts as a sounding board for Society policies and a guide for Trustees about general membership opinion. Its bi-annual meetings are timed to take place in the mornings before Trustees meet so that related operational decisions can be made quickly and effectively.
- 2.9 The Trustees are responsible for all strategic and some of the operational decisions taken by the Society. These include allocation of resources in pursuit of the objectives within the Strategic plan although the majority of the latter decisions are devolved to the Officers’ Group and most operational decisions are left to the Chief Executive. The “Items of Reserved Business” statement within the Standing Financial Instructions gives details about what decisions must always be discussed in full by all Trustees, and what can be deferred to the Officers’ Group and/or senior staff.
- 2.10 Standing Financial Instructions also exist in relation to decision-making about ordering of goods and services, for authorising expenditure and for authorised signatories on the Society’s accounts. These instructions are reviewed annually by the Chief Executive and Honorary Treasurer, at the time of the annual audit. There are three authorised signatories on the BTS accounts (Chief Executive, Hon. Treasurer and Chair of the Executive Committee). There is also clear separation of duties in respect of staff roles and responsibilities for financial activities.
- 2.11 The Executive Committee considers quarterly management accounts and reports at four out of six of its meetings during the year, with narrative provided by the Honorary Treasurer and Chief Executive. The narrative focuses on reasons for variation against budget. Operational decisions that might be needed in the meantime are discussed by the five Honorary Officers and Chief Executive who meet six times a year (before each Executive Committee) and by teleconference.

The British Thoracic Society

Report of the Executive Committee

For the year ended 30 June 2010

- 2.12 The annual planning cycle was revised in 2007 after the financial year end was moved to the end of June. The Society's Strategic Plan is now reviewed at an Awayday every September. Budget review and risk assessment reports are presented in June for the following year and final adjustments made at the strategic planning day in September, at which the audited accounts are available for discussion with the Society's advisers.
- 2.13 A new Risk Assessment procedure and BTS Risk Matrix was put into place after review by the Chief Executive and Deputy Chief Executive in the Spring of 2008, and it has been used to good effect by Trustees and senior staff for the last 2 years.
- 2.14 There are no related party transactions.
- 2.15 Trustees do not receive any reimbursement in respect of the time spent on Society activities, other than payment of travel and subsistence expenses. These are claimed in accordance with Society policies, which were reviewed in the Spring of 2010 by the Executive Committee.

3 Objectives and activities: Achievements and performance

3.1 Objectives

The Society's Memorandum and Articles state its charitable objectives:-

the relief of sickness and the preservation and protection of public health by promoting the best standards of care for patients with respiratory and associated disorders; advancing knowledge about their causes, prevention and treatment; and promoting the prevention of respiratory disorders.

3.2 The Society aims to meet these objectives by:-

- **Promoting standards of care of the highest quality**, (through the production and dissemination of guidelines for good clinical practice; provision of clinical audit tools; development of standards and markers of good practice; provision of education and training; and monitoring of workforce patterns. These activities are undertaken under the direction of the BTS Standards of Care, Professional and Organisational Standards, Education and Training and Specialty Workforce Committees)
- **Promoting and disseminating research and innovation**, (via the journal *Thorax*; the annual Winter Meeting; the work of the Science & Research Committee and participation in the UK Respiratory Research Collaborative and other national initiatives)
- **Promoting and advancing knowledge and awareness** (pro-actively and reactively; in partnership with others; with government, media and the general public; and through the work of the Society's Public Liaison Committee, Specialist Advisory Groups and other standing Committees. A Stakeholder Map has been developed in the last year, which enables Trustees and others to prioritise external communications activities and evaluate their effectiveness).

3.3 Trustees referred to the guidance contained in the Charity Commission's general statements on public benefit when reviewing the Society's objectives at their annual strategic planning day in September 2008. While a public benefit ethos has long been embedded in the planning and delivery of the Society's activities, the establishment of the Public Liaison Committee will assist Trustees in future years to ensure that planned activities meet this aim, and that there is public involvement in scrutiny of performance.

The British Thoracic Society

Report of the Executive Committee

For the year ended 30 June 2010

3.4 The Society's activities will remain of most relevance to health care professionals and others who are involved in the direct provision of care and services for people who have respiratory diseases. Access to publications such as Guidelines, audit tools, on-line teaching aids and other work is available to all via the Society's website, and is not restricted to BTS members only. Members of the public can find some clinical information for patients which is not available elsewhere, plus links to sites of other organisations such as lung charities. The Society works closely with lung charities, and BTS staff will often refer callers to the Helplines run by these organisations. Since its establishment, members of the PLC have undertaken a review of this information and have posed some challenging questions about the future development of such work. The members' section of the BTS website contains discussion forums, a searchable members' directory and an on-line membership management system, together with tools such as the Guideline Development Centre, which exists to help members of Guideline Groups to fulfil their roles more effectively.

3.5 STRATEGY

In September 2009 the Strategic Planning Day put "on hold" an extended discussion of the details of the Society's existing Strategic Plan. Trustees concentrated instead on reflecting more extensively about the 3 areas which they felt would become of paramount importance over the next 2-3 years. These are outlined below in sections 3.6 to 3.8.

3.6 **The maintenance and improvement of standards of respiratory care** - whatever the delivery mechanism, which now varies across the four nations within the United Kingdom. This situation provides national organisations such as BTS with many challenges. For example:-

- In **England**, intensive work was undertaken by many working in respiratory health care in the run-up to the publication by the Department of Health, just before the 2009 General Election, of the draft National Strategy for COPD and Asthma. This Strategy has not yet been approved, but many activities are now in place to promote the key messages contained within it. BTS has been heavily involved in lobbying for early adoption of the Strategy (for example, the Chairman and Chief Executive met the then Secretary for State for Health in March 2010); in promoting key messages contained within the draft Strategy; in supplying advice and information and membership of associated working groups and national Committees; and in advising about the development of broader respiratory strategy for England.
- In **Scotland**, there has been much anxiety over the last 12 months about a proposed cut in doctor training numbers, and the effect on provision of respiratory care in the future. The Chairman and Chief Executive and President of the Scottish Thoracic Society met the Deputy Leader of the Scottish Government and senior civil servants in February to discuss this. At their request, the Society has subsequently provided additional information and further arguments to try to mitigate the effects of this proposal, and will continue to monitor the situation closely.
- The Chair of the BTS Executive Committee and President of the Welsh Thoracic Society recently met the Chief Medical Officer of **Wales** to discuss respiratory care there. The Society has been able to provide advice and access to tools which could be used in future by respiratory teams in Wales to monitor the outcomes of recent changes to the Welsh national respiratory strategy.
- In **Northern Ireland**, a national respiratory strategy has been in place for some years, and it has been possible to learn from the experience of colleagues there (as it has also been helpful to learn from the development of managed clinical networks for respiratory care in Scotland).

The British Thoracic Society

Report of the Executive Committee

For the year ended 30 June 2010

3.7 **The exploration of what is meant by “specialism; and how the speciality in its broadest sense might develop** in the future (within medicine, nursing and other health care professions). So, for example:-

- **IMPRESS** is the joint Committee with the Primary Care Respiratory Society UK (PCRS-UK) which was established in July 2006. The IMPRESS project has enabled the Society to explore both the philosophical challenges and the practicalities in relation to Integrated and **IMP**roved **RES**piratory Care. We have published a series of documents and toolkits which aim to assist the respiratory specialist, (however defined) to be better prepared as services move out of traditional settings and closer to service users.
- Through regular meetings with the Royal College of Physicians of London in particular, and at meetings convened for professional bodies by Professor Sir Bruce Keogh, the Medical Director of the NHS, we have contributed to the ongoing national debate about the NHS' response to the need to “do more for less” in the current stringent financial climate. We have collected and submitted evidence and are actively promoting the need for clinicians to work closely with local managers and other partners to safeguard patient services and quality of care.
- Discussions have taken place in the latter part of the financial year with the NHS Confederation (which represents NHS managers) regarding a joint conference session which looks at the subject of specialism in some detail.
- The Society has also been working closely with its Nurse Advisory Group, the Association of Respiratory Nurse Specialists, the Royal College of Nursing and the UK Nursing & Midwifery Council to develop a Respiratory Nurse Specialist “pathway” and related competency framework.
- Trustees consider it is very important to highlight the nature and value of the specialty directly to the public and to commissioners of services, and to demonstrate the positive impact that specialist respiratory care has on standards.

3.8 **Working closely with the public to define what they might expect from a respiratory service** (including a clear definition of standards of care and definition and markers of good practice). Working with them also so that people with respiratory conditions requiring treatment can make the most of their respiratory consultations, working in partnership with the respiratory team. This work has now started, via the Public Liaison Committee, and the Society has started to produce standards and markers of good practice statements for each of its published Guidelines. The PLC has been involved in this work from the outset.

The British Thoracic Society

Report of the Executive Committee

For the year ended 30 June 2010

3.9 Although a Strategic Plan for 2009-2014 was not produced in September 2009 after the Awayday, **specific objectives in the Society's Strategic Plan for the medium term have been achieved.** These have focussed on improving services and producing "tools for the job", following the work plans set out in the Strategic Plans from 2007/8 and 2008/2009. There is a clear and firm commitment to making sure that all of these developments underpin best practice and improve standards whatever mechanisms are being used to deliver care, and in whatever setting.

- **Guidelines** continue at the heart of the Society's work to improve standards. The Society was extremely disappointed that, after being invited in mid-2009 by NHS Evidence to be one of the first non-statutory bodies to apply for accreditation as a Guideline provider, we failed to meet the criteria by the smallest of margins, and were not accredited at the end of 2009. NHS Evidence has subsequently modified its application form, assessment criteria and methods based on feedback from the Society and we will re-apply in early 2011. The BTS Guideline Production Manual has been rigorously reviewed by the Standards of Care Committee during the year. The Society is confident that Guidelines produced by BTS can stand comparison with those produced by other national organisations, and, significantly, has also spent time and resources during the year to develop the means by which key messages from Guidelines can be promoted and educational tools provided. The work, which started in April 2010 to produce five or six key standards and markers of good practice linked to each Guideline, will be of particular benefit to patients and commissioners.
- **Audit** activity is one of the main ways in which individuals and teams can measure the effectiveness and quality of services, in particular when they are linked to evidence-based standards provided in Guidelines. The Society has invested heavily in audit tools this year, and has a new web-based audit system which provides the means for national and local audits to take place throughout the year with professional support based at head office for the first time ever. The Professional and Organisational Standards Committee (POSC) which oversees this work now also has a clinical audit lead. Trustees were delighted when, in March 2010, the Department of Health's National Clinical Audit Advisory Group (NCAAG) recommended that the BTS Audit tools were suitable for inclusion in the Quality Audits that each NHS healthcare provider is now required to submit annually.
- Led by the Professional and Organisational Standards and Workforce Committees the Society has also improved its **data collection and survey tools.** These provide members with the means to achieve improvement in services locally and the Society to build up national datasets. The link with national proposals for revalidation and re-certification of doctors is a further explicit objective of developing these tools. The Chair of the POSC has been involved in national discussions within the Royal College of Physicians of London about revalidation and re-certification.
- **Workforce data** for all professions working in respiratory services has also been collected during the year- both directly and in association with other professional bodies (the Nurse Advisory Group and ACPRC – the respiratory physiotherapists), and a special report published was in the Spring/Summer 2010 issue of BTS News. Data collection about individual members (for example working patterns and retirement intentions) and consultant and training vacancies is now undertaken by staff at head office. Much work has been done to check and "clean" data during the year, so that quarterly reports can be produced and trends spotted earlier.

The British Thoracic Society

Report of the Executive Committee

For the year ended 30 June 2010

- There has been continued investment in an **effective education and training infrastructure** and in particular technological support for e-learning. The Society's chosen supplier has developed a system which is highly adaptable in terms of learning management support as well as quality and accessibility of video output. The Society is now at the point where, apart from production of video and animation content, BTS staff can produce all required output in collaboration with colleagues from Advisory Groups and Guideline committees. In March 2010, two out of the three modules which cover interventional procedures and which map onto BTS Guidelines were made available. The third is due for publication in the autumn, and three more are in active development. A business model is being discussed with Trustees in September 2010. This will see more active marketing to Trusts and individuals, as well as the establishment of a separate "education department" within the Society.
- BTS continues to provide first class **Winter and Summer Meetings** and an annual **short course programme**, and other core activities supporting membership and communications. The Trustees are monitoring the financial performance of the Summer Meeting in particular because the Meetings in 2008 and 2009 made a small operating loss. The 2010 Meeting made a small operating surplus, and numbers attending were higher than in the two previous years. Innovations such as the inclusion of two "mini-courses" in the programme will be introduced and evaluated by the Education & Training Committee in future years, as feedback indicates that those who attend the Summer Meeting appreciate the high quality content and opportunity to hear from expert speakers.

Trustees agreed the importance of 2 methods of working in particular during their Strategic Planning day in September 2009:-

3.10 **Partnership working and the development of strategic relationships**

Regular meetings with the leadership of other professional organisations, lung charities and Royal Colleges have continued. The Society has provided secretariat support since January 2006 for the Association of Respiratory Nurse Specialists (ARNS) and membership and other administrative support has been provided for the Association of Chartered Physiotherapists in Respiratory Care (ACPRC) since September 2007. Because of increased pressure on staffing resources at head office, a decision was made in late 2009 to discuss with ARNS the possibility of ceasing to provide these services to ARNS. This was acceptable to ARNS, and it is pleasing to report that BTS and ARNS have continued to work together on matters of strategic importance since then. Liaison arrangements also exist with the Association of Respiratory Technical Professions (ARTP), Primary Care Respiratory Society UK (formerly GPIAG); major lung charities and parliamentarians and senior Department of Health (DoH) officials and Ministers.

The leadership of the Society meets regularly with the leaders of the national thoracic societies in Scotland, Wales and Northern Ireland, to ensure that open channels of communication exist and activity plans are shared. The appointment, in May 2009, of the Society's first Head of Communications and Public Affairs was relatively short-lived and the Chairman and Chief Executive have shared some of the workload pending the outcome of the review of staffing which started in June 2010. The Chairman in particular has visited many regional thoracic societies and respiratory teams during the year to report on BTS activities, and to hear from members what they expect from the Society. A full members' survey is planned for early 2011.

- 3.11 **Clear leadership is vital** so that the Society can contribute to the debate about standards of respiratory care in the UK, harnessing the wide variety of expertise that exists across the specialty. This has become a much more explicit focus of the work of Trustees in the last year.

The British Thoracic Society

Report of the Executive Committee

For the year ended 30 June 2010

ACTIVITIES

The activities to which these financial statements refer can be grouped as follows:-

PROMOTING STANDARDS OF CARE OF THE HIGHEST QUALITY

- **Three BTS Guidelines** have been published during the period covered in this Annual Report (BTS Guideline for Home Oxygen Use in Children, *Thorax*, August 2009; BTS Guideline for the Management of Community Acquired Pneumonia in Adults, *Thorax* October 2009; BTS Guideline for the prevention and management of *Mycobacterium tuberculosis* infection and disease in patients with renal disease, *Thorax* June 2010). At the same time, work was continuing to finalise a number of further Guidelines for publication in 2010/11 including:- BTS Guideline for Non-CF Bronchiectasis (published July 2010); BTS Pleural Disease Guideline 2010 (August 2010); BTS Recommendations for Managing Passengers with Stable Respiratory Disease Planning Air Travel; BTS/SCTS Guideline on the Radical Management of Patients with Lung Cancer. Several others are at an earlier stage of development, with publication planned for 2012-13.
- **Effective dissemination and implementation of key messages in Guidelines** is vital if optimum standards of care are to be achieved. The launch of each Guideline is associated with the publication of a Quick Reference Guide, which summarises the recommendations contained in the full Guideline. In future, the publication of each Guideline will also be followed by the production of an e-learning module to assist with the dissemination and implementation of the Guideline's recommendations. A summary specifically aimed at those working in primary care has also been produced for both the Community Acquired Pneumonia in Adults Guideline in the form of a publication in the Primary Care Respiratory Journal. Each Guideline is also supported by an audit tool. An Audit Newsletter was produced in June – this will be sent bi-annually to all registered audit users. In the 2010/11 Annual Report, Trustees anticipate that standards and markers of good practice statements will have been published for all Guidelines and will be widely available.
- BTS has continued to offer **expert opinion** to NICE as a registered stakeholder for a number of consultations; to the General Medical Council and other relevant national consultations; advises the Royal Colleges of Physicians in the UK on a range of respiratory-related consultations; and has continued to work with the Scottish Intercollegiate Guideline Network (SIGN) on updating the Asthma Guideline.
- The Tuberculosis Specialist Advisory Group (SAG) has continued to work with the All Party Parliamentary Group for TB, TB Alert and the Royal College of Nursing during the year to push for **improvements in TB management and standards of care**. A report was launched at the 2009 Winter Meeting following the second survey of clinicians and PCTS about the extent of implementation of the Chief Medical Officers' TB Action Plan and recommendations in the NICE TB Guideline. This survey showed that some improvements had been made since the first survey in 2008, but that more advice and encouragement is needed. A Guide to Commissioning TB Services has been available on the website since late 2009 and PCTs have been made aware of its existence. The Department of Health made a grant to the Society in January 2008 towards the development of a TB Clinical Advice Service and the promotion of a Multi-Disciplinary Team approach. By the end of June 2010, 51 centres had signed up to participate in the project and a new, secure web forum had been delivered in preparation for the Society to assume responsibility for the management of the MDRTB (Multi-Drug Resistant TB) service following discussions with the Clinical Director of that service.

The British Thoracic Society

Report of the Executive Committee

For the year ended 30 June 2010

- During the year **IMPRESS** has continued to make a significant contribution to the Society's work to improve standards. The Committee, which comprises clinician representatives from BTS and PCRS-UK, has expanded during the year to include commissioner, citizen and social care representation. The IMPRESS website is designed to equip providers, commissioners and policy makers with an understanding of the evidence-base and policy developments in respect of provision of health service care; information about standards and workforce; and tools for understanding challenging issues such as interpreting data and coding correctly. A third edition of the very popular NHS Jargon Buster was issued in May 2009 and over 2,000 copies have been distributed since then, taking the total copies to around 8,000 paper copies since the project was set up in July 2006. Three other on-line publications were posted on the website during the year – a Guide to Medicines Management; a companion Guide to Sources of Information; and an Oxygen Commissioning Guide. IMPRESS exhibited for the third year running at the Managing Long Term Conditions Conference in April 2009. A second IMPRESS conference was planned for early May 2009, but it was postponed (without significant loss of income or venue costs) because of the impact of the UK general election and subsequent anticipated policy changes.
- The **2010 Summer Meeting** took place in June in Manchester. 475 delegates attended, (compared to 422 in 2009 in Bournemouth). Feedback indicated that the programme for the Meeting was very highly rated by delegates. However, difficulties in obtaining study leave and funding for some delegates were yet again a significant factor- when the Meetings have been held in Manchester in the past, numbers have been on average around 100 greater.
- Trustees approved a business plan in September 2008 to develop the **BTS Education Hub**, and the Society has been working to produce materials since then, as described elsewhere in this report. However, in September 2010, Trustees will be asked to approve a more ambitious structural proposal in order to drive forward developments and the Education & Training Committee will be advising on strategic direction in the autumn.
- The 2007/8 Annual Report mentioned the work that the Society was doing in collaboration with other Specialist Societies and the Federation of Royal Colleges to develop a Memorandum of Understanding (MoU) in relation to the Knowledge Based Assessment (KBA) examination within the Specialist Training curriculum. This is now called the **Specialty Certificate Examination (SCE)**. Two diets of the respiratory examination have now taken place - in April 2009 and May 2010. Trustees and senior staff are preparing to enter into negotiations with the Federation for the updated MoU which will come into force after the third year.

PROMOTING AND DISSEMINATING RESEARCH & INNOVATION

- The Society publishes the learned journal **Thorax** in partnership with the British Medical Journal (BMJ). The journal's Impact Factor remained steady this year, at 7.041. Credit should be given to the editors and editorial board and staff for this significant the Society's reputation. The journal is now third in world rankings in the field. The current editors stood down at the end of June and the Society owes a debt of gratitude to them and to all contributors.
- The **2009 Winter Meeting**, attracted 2009 delegates (compared to 2030 in 2008- the largest attendance to date). This event remains the premier respiratory conference in the UK in relation to dissemination of research findings and emerging science and translational research. Symposia are developed with the advice of SAGs and in collaboration with a number of professional respiratory organisations.

The British Thoracic Society

Report of the Executive Committee

For the year ended 30 June 2010

- Research opportunities in the UK have been enhanced in recent years by the development of a revised system for **promoting and supporting research in the NHS**. The Society again spent time during the year in discussions within the Science and Research Committee and with SAG chairs and others how best to position its research-related activities within this
- Work will begin in the coming year to find ways in which the Society can promote innovation in respiratory care.
- BTS continued to provide secretariat assistance to the multi- agency **UK Respiratory Research Collaborative** for the fourth year running. It became clear during the year that further development of this initiative would not be possible without increased project management and development capacity. It has not been possible to provide this support using the resources of any single one of the organisations involved. Approaches have been made to a consortium of industry partners via the Association of British Pharmaceutical Industries for help with this project, and the UKRRC ended the year with hope that a Project Manager would be available via an industry partner shortly.

PROMOTING AND ADVANCING KNOWLEDGE AND RAISING PROFILE

- The majority of activities described in this report that aim to promote lung health messages and raise the profile of the speciality and the needs of people with respiratory diseases are undertaken with other respiratory health professional bodies and lung charities. After using the services of an excellent communications agency for many years, Trustees decided in early 2009 to try a different model to support this work, and the related media and public
- A post was created of Head of Communications and Public Affairs in the spring of 2009. However, the experiment was not fully successful and the post-holder left in November 2009. A decision will be made about head office or agency support during the review of staffing which started in the summer of 2010 and which is due to report in the autumn.
- Trustees and senior staff are also involved in work at national government level – for example in Department of Health preparatory work in respect of the National Clinical Strategy for COPD and Asthma; Scottish Health Department work in relation to Tuberculosis; and advice to government about Pleural Plaques.
- The Society has a close working relationship with the Medical Royal Colleges. During the year Honorary Officers have continued to meet regularly with the President and other senior officers of the Royal College of Physicians of London. This has been an effective substitute for the Joint Respiratory Medicine Committee, and these face-to-face meetings will continue for at least another year. This contact enables the College to receive regular reports about what is happening within the speciality. In turn, these reports inform the College's own work and discussions with Ministers (in particular in relation to "Teams Without Walls").
- This Report has referred to the importance of members' contributions to its work. As well as involving people in the formulation of external advice and responses to consultation, this drives forward the Society's standards agenda. The monthly electronic newsletter, eBTS News, has proved very popular and provides an opportunity to circulate information quickly (pointing to new areas of information on the BTS website, for example, and reminding members about deadlines). It also produces valuable feedback and is an increasingly significant horizon scanning tool. BTS News is now sent out in paper format twice a year only and provides the opportunity for more wide-ranging and discursive articles, highlighting good practice.

The British Thoracic Society

Report of the Executive Committee

For the year ended 30 June 2010

- BTS also has a presence at the American Thoracic Society annual conference at the British Meeting Point, and at the annual conference of the European Respiratory Society. It uses the latter opportunity to meet its overseas members and promote its forthcoming activities and recent publications. It is also a member of the Federation of European Respiratory Societies, and the ERS UK National delegate sits on the BTS Council.

4 FUTURE PLANS

The Strategic Plan for 2010-2015 will be finalised by Trustees when they meet for their strategic planning session in September 2010. Targets for 2010 will also be reviewed in detail at that meeting and will relate to the undernoted themes:-

- **Standards**
- **Access**
- **Awareness**
- **Future proofing**

The 2008/9 Annual Report mentioned that external circumstances would prove challenging for the Society in years to come. The global economic downturn will continue to have an effect on income, although the approach to financial risk management has left the Society less vulnerable than some. Of more concern now is the likelihood of financial cutbacks in health and social care spending in the UK, and the need to consider how to maintain and improve standards and communicate these strategies to members and others.

5 FINANCIAL REVIEW

5.1 The Society has maintained a solid financial basis underpinning all of its activities during the year. It should be noted that the accounts for the previous year contain the income and expenditure for 2 Summer Meetings (both taking place, exceptionally, in 2008/9). It is pleasing to report a small operating surplus in the context of significant investment of the Society's resources in e-learning and audit infrastructure.

5.2 In October 2009, Trustees supported the recommendation of the Honorary Treasurer and Chief Executive to place the management of the Society's investments with a new company, Ingenious Asset Management. This recommendation followed a review of the arrangements for the management of the portfolio following the departure, in late 2008, of the investment manager who had been advising the Society for several years.

5.3 Investment Policy

The Society has an agreed investment policy with its new investment managers. The approach to management of the portfolio remains a defensive one, with income rolled up, and the instruction not to invest in the tobacco industry or tobacco related products remains strictly enforced. Quarterly reports are received from the Investment Managers and regular meetings are held between the investment managers and the Honorary Treasurer and Chief Executive to review progress and assess the approach to management of the funds. Investment performance against investment objectives improved during the year, with a net increase in value of £299,472 was added to the value of the portfolio.

The British Thoracic Society

Report of the Executive Committee

For the year ended 30 June 2010

The Society has spread the risk as far as practicable by purchasing its headquarters building (in 2001/2002) and by holding a (small) amount of its portfolio in charity hedge funds. In June 2006 the Trustees approved the proposal from the then Honorary Treasurer to instruct the Investment Manager to operate the portfolio in a way that will enable the Society to realise between £50,000 and £90,000 p.a. by realising equities into cash, and gilts, to provide a planned stable income against forecast additional expenditure. This policy has been confirmed again during the year with Ingenious Asset Management.

- 5.4 The financial statements show an operating surplus of £8,909 on unrestricted funds (compared to a loss of £75,974 in 2009).

Income

The Society does not actively raise funds from the general public. Some donations are usually received during the year, but a decision was taken many years ago not to raise funds in competition with patient lung-related charities. Its main income streams are from membership subscriptions; from publishing the journal; from its activities (in particular from the two annual conferences and short courses) and from investments. Membership has remained remarkably steady (2,710 at the end of June 2010, compared to 2,708 at end of June 2009), as did delegate fees for the Winter Meeting and short courses. Agreement was obtained at the AGM in 2008 for the Hon. Treasurer and Chief Executive to calculate delegate fees for Meetings according to costs of venues, and a decision was taken to increase the Summer Meeting fees slightly for 2009. This differential charge was maintained in 2010, and, because more delegates attended the Summer Meeting in Manchester in 2010, a surplus was achieved, before staff costs are taken into consideration, for the first time in three years.

Income from the publication of Thorax was higher than in the previous year because advertising and reprint sales were greater than expected.

Expenditure

Expenditure on the 2009 Winter and Summer Meetings and the short course programme continues to represent a significant proportion of the Society's annual expenditure. Although venue costs rose slightly above inflation, the 2009 Winter Meeting produced a surplus once all related head office costs had been taken into account and the short course programme broke even.

Notes to the accounts explain the sources and applications of restricted and designated funds as appropriate.

5.5 Reserves

The Society holds reserves for two purposes. The first is to generate income for its operational needs within the investment and revaluation reserve. This stands at £2,173,832 (compared to £1,874,360 in 2009 and £2,133,852 in 2008). The second is to ensure that the Society can meet its operational needs and working capital requirements (the general reserve). The general reserve is the free reserves of the charity (see note 13). It stands now at £526,600 (£533,256 in 2009). The book value of the building is held in the property fund. Recent policy has been that general reserves should be the equivalent to six months' running costs and contingencies (£500,000). Trustees will review this policy in the light of planned growth and development of activities in the coming year at the Awayday in September 2010.

The British Thoracic Society

Report of the Executive Committee

For the year ended 30 June 2010

Statement of responsibilities of the Executive Committee

The Executive Committee is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the group and charity and the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those financial statements the Executive Committee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Executive Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Executive Committee is also responsible for safeguarding the assets of the group and charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive Committee is responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Executive Committee members confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the Executive Committee members also confirms that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 30 June 2010 was 17 (2009 - 18). Each of the Executive Committee are members of the charity but this entitles them only to voting rights. Each of the Executive Committee have no beneficial interest in the charity.

Auditors

Sayer Vincent were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Executive Committee on 6 September 2010 and signed on its behalf by

Dr J Congleton
Honorary Treasurer

Independent auditors' report

To the trustees and members of

The British Thoracic Society

We have audited the financial statements of The British Thoracic Society for the year ended 30 June 2010 which comprise the statement of financial activities, balance sheet and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

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

Respective responsibilities of the executive committee and auditors

The responsibilities of the Executive Committee (who are also the directors of The British Thoracic Society for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of responsibilities of the Executive Committee.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 6 and 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether, in our opinion, the information given in the Executive Committee's Annual Report is consistent with those financial statements.

We also report to you if, in our opinion, the charitable company has not kept adequate and proper accounting records, if the charitable company's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Executive Committees' remuneration specified by law are not made.

We read the Executive Committees' annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Executive Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

Independent auditors' report

To the trustees and members of

The British Thoracic Society

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 30 June 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 and 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Executive Committee's annual report is consistent with the financial statements.

SAYER VINCENT

8 Angel Gate
City Road
LONDON
EC1V 2SJ

Pamela Craig, Senior Statutory Auditor
for and on behalf of Sayer Vincent, Statutory Auditors

16 September 2010

SAYER VINCENT is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The British Thoracic Society

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 June 2010

	Note	Restricted £	Unrestricted £	2010 Total £	2009 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income		-	11,375	11,375	4,844
Activities for generating funds					
Membership		-	412,628	412,628	394,019
Rental income		-	-	-	2,512
Investment income	2	2,039	50,219	52,258	92,895
<i>Incoming resources from charitable activities</i>					
Education and standards	3	102,500	273,925	376,425	602,450
Research	3	10,000	911,680	921,680	825,075
Profile	3	-	-	-	26,327
Other income		-	-	-	-
Total incoming resources		<u>114,539</u>	<u>1,659,827</u>	<u>1,774,366</u>	<u>1,948,122</u>
Resources expended					
<i>Costs of generating funds</i>					
Membership costs		-	56,911	56,911	64,203
Investment management fees		-	17,132	17,132	10,786
<i>Charitable activities</i>					
Education and standards		121,010	672,678	793,688	992,379
Research		1,200	687,693	688,893	664,930
Profile		2,905	128,233	131,138	194,841
<i>Governance costs</i>		-	88,271	88,271	90,925
Total resources expended	4	<u>125,115</u>	<u>1,650,918</u>	<u>1,776,033</u>	<u>2,018,064</u>
Net (outgoing)/incoming resources before other recognised gains and losses	5	(10,576)	8,909	(1,667)	(69,942)
Unrealised gain/(loss) on investment assets		-	252,154	252,154	(320,368)
Net movement in funds		(10,576)	261,063	250,487	(390,310)
Reconciliation of funds					
Total funds brought forward		169,006	3,640,921	3,809,927	4,200,237
Total funds carried forward	13,14	<u>158,430</u>	<u>3,901,984</u>	<u>4,060,414</u>	<u>3,809,927</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

Balance sheet

As at 30 June 2010

	Note	£	2010 £	2009 £
Fixed assets				
Tangible fixed assets	8		1,169,074	1,198,867
Investments	9		2,173,832	<u>1,874,360</u>
			3,342,906	3,073,227
Current assets				
Debtors	10	380,516		392,080
Short term deposits		500,000		-
Cash at bank and in hand		410,358		<u>975,103</u>
		1,290,874		1,367,183
Liabilities				
Creditors: amounts due within one year	11	573,366		<u>630,483</u>
Net current assets			717,508	<u>736,700</u>
Net assets			4,060,414	<u>3,809,927</u>
Funds				
Restricted funds			158,430	169,006
Unrestricted funds				
Designated funds			3,126,844	3,058,365
Revaluation fund			248,540	49,300
General funds			526,600	<u>533,256</u>
Total charity funds			4,060,414	<u>3,809,927</u>

Approved by the Executive Committee on 6 September 2010 and signed on its behalf by

Dr J Congleton
Honorary Treasurer

The British Thoracic Society

Notes to the financial statements

For the year ended 30 June 2010

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention with the exception of investments which have been included at market value, and in accordance with applicable accounting standards and the Companies Act 1985. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005).
- b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. Legacies are recognised when the Society is entitled to the income, there is certainty of receipt and the amount is capable of measurement.
- c) Investment income is recognised when a dividend is declared.
- d) Membership income is recognised evenly over the membership year which runs from 1 March to 28 February.
- e) Income from short courses and from the Summer and Winter Meetings is recognised when the events take place.
- f) Profit share from the publications of Thorax is recognised in the period when it is earned, based on accounts provided by the publishing partners, the British Medical Journal ("BMJ").
Thorax is a joint arrangement with the Society as specified by FRS9. This means that the Society accounts for its own assets, liabilities and cashflows, measured according to the terms of the joint arrangement, which is 50/50, after the BTS members' copies have been purchased. The only cashflow for the Society is the annual 50% share of the profit and the resulting debtor as at 30 June.
- g) Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.
Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the Society's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the Society can meet such conditions the incoming resource is deferred.
- h) Unrestricted funds are those which are split between general and designated, those which arise from activities from charitable activities and for generating funds, plus donations which are not earmarked for specific projects.
- i) Designated funds are sometimes used, whereby the Executive Committee can set aside an amount of money from unrestricted funds to use for a specific purpose (for example to support work overseas). This is not often done, and any decisions to do so, or to remove the designation, would be discussed first by the Executive Committee.
- j) Restricted funds are those which have been received for support of specific projects (such as research activities, and the COPD and Sleep Apnoea Consortia). These are received after preparation of business cases and detailed budgets and cannot be used for other purposes without the express permission of the original funders.
- k) Costs of generating funds relate to the costs incurred by the Society in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Where information about the aims, objectives and projects of the Society is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the Society is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

The British Thoracic Society

Notes to the financial statements

For the year ended 30 June 2010

1. Accounting policies (continued)

- l) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Cost of generating income	0%
Membership	9%
Education and standards	49%
Research	13%
Profile	21%
Governance costs	8%

Governance costs are the costs associated with the governance arrangements of the Society. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Society's activities.

- m) Research projects are specifically funded and are carried out under the auspices of the Society's Research Committee. Specific amounts receivable against expenditure incurred is treated as accrued income and unspent restricted income is separately disclosed as a restricted fund. The analysis of research projects is shown in note 14.
- n) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Freehold land	Not depreciated
Freehold buildings	50 years (2% pa)
Fixtures and fittings	10 years (10% pa)
Computer equipment	3 years (33% pa)

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Assets costing greater than £500 are capitalised.

- o) Investments are stated at market value less any provision for impairment in value. Market value is taken to be the mid market price ruling at the balance sheet date. It is the Society's policy to keep its investment values up to date on a daily basis, therefore when investments are sold there is no realised gain or loss.

No distinction is made on the face of the Statement of Financial Activities between valuation adjustments relating to sales and those relating to continuing holdings as they are together treated as changes in the investment portfolio. Realised gains based on historic cost are disclosed in note 9.

- p) Operating lease rentals are charged to the Statement of Financial Activities as incurred on a straight line basis.
- q) During the year the Society paid 7 employees between 7% and 13% of their gross salary into a stakeholder pension scheme. The employer's contributions were reviewed as part of a review of Remuneration arrangements during the year, and a new sliding scale of contributions introduced, related to the employees' contribution.

The British Thoracic Society

Notes to the financial statements

For the year ended 30 June 2010

2. Investment income

	Restricted £	Unrestricted £	2010 Total £	2009 Total £
Income from listed investments	511	50,219	50,730	45,310
Interest receivable	<u>1,528</u>	<u>-</u>	<u>1,528</u>	<u>47,585</u>
Total	<u><u>2,039</u></u>	<u><u>50,219</u></u>	<u><u>52,258</u></u>	<u><u>92,895</u></u>

3. Incoming resources from charitable activities

	Restricted £	Unrestricted £	2010 Total £	2009 Total £
Education and standards				
Short courses	-	121,824	121,824	120,342
Summer meeting	-	111,822	111,822	239,869
POS	-	750	750	-
Smoking cessation	37,000	1,822	38,822	14,076
IMPRESS	65,500	-	65,500	141,187
COPD	-	-	-	63,840
Education hub	-	5,735	5,735	-
SCE	-	4,000	4,000	-
Partnership working	<u>-</u>	<u>27,972</u>	<u>27,972</u>	<u>23,136</u>
	102,500	273,925	376,425	602,450
Research				
Thorax	-	405,209	405,209	378,705
Winter meeting	-	506,471	506,471	488,225
UKRRC	10,000	-	10,000	-
Morrison Davies Trust	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,855)</u>
	10,000	911,680	921,680	825,075
Profile				
ATS	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,327</u>
Total	<u><u>112,500</u></u>	<u><u>1,185,605</u></u>	<u><u>1,298,105</u></u>	<u><u>1,453,852</u></u>

The British Thoracic Society

Notes to the financial statements

For the year ended 30 June 2010

4. Total resources expended

	Membership	Investment management fees	Education & standards	Research	Profile	Governance	2010	2009
	£	£	£	£	£	£	£	£
Staff costs (Note 6)	34,395	-	204,615	51,872	73,191	31,852	395,925	388,591
Conferences	-	-	97,912	418,176	-	-	516,088	767,981
Committees & guidelines	-	-	122,798	2,222	1,252	-	126,272	156,167
Courses	-	-	80,877	-	-	-	80,877	63,899
Research / data collection	-	-	5,458	-	-	-	5,458	3,078
Publications	-	-	-	196,851	-	-	196,851	182,407
Awards	-	-	5,000	-	-	-	5,000	-
Public relations	-	-	-	-	22,631	-	22,631	32,581
Subscriptions	-	-	-	-	-	-	-	744
Project & consortia costs	-	-	199,040	-	6,168	-	205,208	141,333
Investment management	-	17,132	-	-	-	-	17,132	10,786
Other	9,407	-	-	-	-	-	9,407	5,397
Supports costs								
Property	3,662	-	21,785	5,523	7,792	3,391	42,153	98,949
IT costs	1,995	-	11,867	3,009	4,245	1,847	22,963	19,254
Office running costs	2,367	-	14,079	3,569	5,036	2,192	27,243	41,463
Depreciation	3,239	-	19,269	4,885	6,893	3,000	37,286	40,093
Audit	-	-	-	-	-	13,630	13,630	13,000
Accountancy	1,275	-	7,588	1,924	2,714	1,181	14,682	16,277
Legal fees	93	-	556	141	199	87	1,076	4,320
Council, AGM & Executive	-	-	-	-	-	30,648	30,648	25,363
Other	478	-	2,844	721	1,017	443	5,503	6,381
Total resources expended	56,911	17,132	793,688	688,893	131,138	88,271	1,776,033	2,018,064

The British Thoracic Society

Notes to the financial statements

For the year ended 30 June 2010

5. Net (outgoing)/incoming resources for the year

This is stated after charging:

	2010 £	2009 £
Depreciation	37,285	40,093
Operating lease rentals:		
▪ equipment	13,538	13,538
Auditors' remuneration:		
▪ audit	13,630	13,000
▪ other services	-	-
Executive Committee's remuneration	-	-
Executive Committee's reimbursed expenses	<u>16,407</u>	<u>13,910</u>

Executive Committee's reimbursed expenses represents the reimbursement of travel and subsistence costs to 13 (2008: 15) members relating to attendance at meetings of the Executive Committee.

6. Staff costs and numbers

Staff costs were as follows:

	2010 £	2009 £
Salaries and wages	316,903	313,227
Social security costs	33,417	34,433
Pension contributions	31,112	33,129
Other staff costs	<u>14,493</u>	<u>7,802</u>
	<u>395,925</u>	<u>388,591</u>
Total emoluments paid to staff were:	<u>348,015</u>	<u>346,356</u>

One employee earned more than £60,000 during the year (2008:1). The employer's pension contribution for the employee during the year was £ (2009: £8,793).

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2010 No.	2009 No.
Membership	0.7	0.7
Education and standards	4.1	3.7
Research	1.1	1.0
Profile	1.5	1.6
Governance	<u>0.7</u>	<u>0.6</u>
	<u>8.1</u>	<u>7.6</u>

The British Thoracic Society

Notes to the financial statements

For the year ended 30 June 2010

7. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8. Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computer Equipment £	Total £
Cost				
At the start of the year	1,247,066	150,607	65,994	1,463,667
Additions in year	-	-	7,492	7,492
Disposals in year	-	-	-	-
At the end of the year	<u>1,247,066</u>	<u>150,607</u>	<u>73,486</u>	<u>1,471,159</u>
Depreciation				
At the start of the year	143,244	60,129	61,427	264,800
Charge for the year	17,141	14,645	5,499	37,285
Disposals in year	-	-	-	-
At the end of the year	<u>160,385</u>	<u>74,774</u>	<u>66,926</u>	<u>302,085</u>
Net book value				
At the end of the year	<u>1,086,681</u>	<u>75,833</u>	<u>6,560</u>	<u>1,169,074</u>
At the start of the year	<u>1,103,822</u>	<u>90,478</u>	<u>4,567</u>	<u>1,198,867</u>

The British Thoracic Society

Notes to the financial statements

For the year ended 30 June 2010

9. Investments

	2010 £	2009 £
Market value at the start of the year	1,498,730	1,395,408
Additions at historic cost	1,229,831	629,223
Disposal proceeds	(858,277)	(205,533)
Net investment gain / (loss)	<u>252,154</u>	<u>(320,368)</u>
Market value of investments	2,122,438	1,498,730
Cash on deposit	<u>51,394</u>	<u>375,630</u>
Value of investments at the end of the year	<u><u>2,173,832</u></u>	<u><u>1,874,360</u></u>
Historic cost at the end of the year	<u>1,873,896</u>	<u>1,449,430</u>
Accumulated unrealised gains	<u>248,542</u>	<u>49,300</u>
Historic cost gains:		
Net investment gain/(loss)	252,154	(320,368)
Movement on unrealised gain	<u>(199,242)</u>	<u>165,024</u>
Realised losses based on historic cost	<u>52,912</u>	<u>(155,344)</u>
Investments comprise:		
	2010 £	2009 £
UK quoted investments	1,886,149	1,228,381
Overseas quoted investments	236,289	270,349
Cash	<u>51,394</u>	<u>375,630</u>
	<u><u>2,173,832</u></u>	<u><u>1,874,360</u></u>

The British Thoracic Society

Notes to the financial statements

For the year ended 30 June 2010

10. Debtors	2010	2009
	£	£
Trade debtors	16,710	51,564
Other debtors	234,808	201,791
Prepayments	128,998	138,725
	380,516	392,080

	2010	2009
	£	£
Prepayments includes deposits for future Winter Meetings as follows:		
Due in 1-2 years	18,452	13,435
Due in 3-5 years	55,356	55,356
Due after 5 years	-	18,452
	73,808	87,243

11. Creditors: amounts due within 1 year	2010	2009
	£	£
Trade creditors	45,657	53,555
Other creditors	-	41,855
Accruals and deferred income (note 12)	527,709	535,073
	573,366	630,483

12. Deferred income	2010	2009
	£	£
Deferred income at 1 July 2009	401,586	398,256
Released in period	(401,586)	(398,256)
Deferred in period	343,118	401,586
Deferred income at 30 June 2010	343,118	401,586

Income has been deferred in relation to membership subscriptions received for the period 1 July 2010 to 28 February 2011, and to income received for short courses in advance of the course taking place.

13. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	1,169,074	-	1,169,074
Investments	-	2,173,832	-	2,173,832
Net current assets	158,430	32,478	526,600	717,508
Net assets at the end of the year	158,430	3,375,384	526,600	4,060,414

The British Thoracic Society

Notes to the financial statements

For the year ended 30 June 2010

14. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers/ Inv gain £	At the end of the year £
Restricted funds:					
<i>Research projects:</i>					
UKRRC	-	10,130	-	-	10,130
	-	10,130	-	-	10,130
<i>Non research:</i>					
Living & Dying with COPD	83,585	351	(56,633)	-	27,303
Snell memorial lecture	6,327	82	-	-	6,409
Overseas tuberculosis	3,040	-	(3,040)	-	-
ATS	2,905	-	(2,905)	-	-
Hoyle legacy	5,464	56	(1,200)	-	4,320
TB Clinical Advice Network	45,616	301	(22,531)	-	23,386
Stop Smoking Champions	-	37,473	(695)	-	36,778
IMPRESS	22,069	66,146	(38,111)	-	50,104
Total restricted funds	169,006	114,539	(125,115)	-	158,430
Unrestricted funds:					
<i>Designated funds:</i>					
Overseas fund	9,438	-	(1,960)	-	7,478
Property fund	1,103,822	-	(17,141)	-	1,086,681
Property maintenance fund	25,000	-	(1,656)	1,656	25,000
Revaluation reserve	49,300	-	-	199,240	248,540
Investment fund	1,825,060	-	-	100,232	1,925,292
Fixed assets fund	95,045	-	-	(12,652)	82,393
<i>Total designated funds</i>	3,107,665	-	(20,757)	288,476	3,375,384
General funds	533,256	1,659,827	(1,630,161)	(36,322)	526,600
Total unrestricted funds	3,640,921	1,659,827	(1,650,918)	252,154	3,901,984
Total funds	3,809,927	1,774,366	(1,776,033)	252,154	4,060,414

Funds

Interest

Investment income earned has been attributed to individual funds in the ratio of the fund balance to total funds.

The British Thoracic Society

Notes to the financial statements

For the year ended 30 June 2010

14. Movements in funds (continued)

PURPOSES OF RESTRICTED FUNDS - RESEARCH

United Kingdom Respiratory Research Collaborative (UKRRC) -

The UKRRC comprises a number of organisations working together to improve the profile of, and resources available to, respiratory research in the UK. Secretariat services to the UKRRC are provided by BTS. The Collaborative plans to hold a day event in early 2011 for young researchers. This event will be held at the Royal Society of Medicine. Some external funding has been received to support this event- a grant of £10,000- and it is anticipated that the whole sum will be used in support of the expenses for the day.

PURPOSES OF RESTRICTED FUNDS - NON-RESEARCH

Living & Dying with COPD (previously called NSF COPD in the accounts)

A grant of £45,000 was received from the Department of Health in March 2008 as part of its objective of implementing a patient focussed National Clinical Strategy for COPD. The grant funded the production and dissemination of an education and training guide (DVD and teaching notes) about end of life care in COPD. The project was carried out under the auspices of IMPRESS, and it involved patients and health professionals working together on the training materials. The teaching aid was launched in February 2009 and over 4,000 copies have been distributed since then. In March 2009 a further grant of £63,840 was made by the Department of Health. This was used to pilot and evaluate use of the DVD in training settings with a range of health care professionals in a Primary Care Trust in the South West. IMPRESS is currently discussing a proposal to use the remaining funds to develop an e-Learning module using BTS Education Hub technology.

Snell Memorial Lecture

Funds are available under a Deed of Covenant to fund an annual lecture at the BTS Winter Meeting in memory of Dr W E Snell. No expenditure was claimed in the year, although funds will be used in 2010 in support of the travel costs of a speaker from the USA.

Overseas Tuberculosis Education

Formerly the Alexander Cape Memorial Fund, the Charity Commission agreed in 2002 that the remaining capital and interest could be used to support an educational opportunity in relation to TB. At the time the Society promoted a scheme for one UK resident each year to visit Pakistan, and one Pakistani resident to gain experience in the UK (maximum three months). Visits to Pakistan have been suspended again this year pending the lifting of the Foreign and Commonwealth Office Travel Advisory notice. The complexity and expense of supporting exchange visits of overseas doctors to the UK has rendered this element of the scheme untenable. Trustees therefore agreed in 2008 to use this fund in support of the new TB Fellowship scheme described in the section below entitled "Overseas Fund".

ATS (American Thoracic Society)

Funds from sponsors of the British Meeting Point at the American Thoracic Society Congress in May are held each year by the organisation taking the lead in running the event. The Society took the lead in organising the 2009 event. The remaining balance was transferred to Education for Health which organised the 2010 event.

The British Thoracic Society

Notes to the financial statements

For the year ended 30 June 2010

14. Movements in funds (continued)

John Clifford Hoyle Will Trust

A legacy was received in 2002 of £5,000 to use to provide funds “to be offered in competition for members under the age of 35 to present work at the Winter Meeting”, but stating that only the interest on the bequest could be used. The Charity Commission has introduced a new procedure which can relax this provision if the market value of the capital is under £10,000 and the annual income less than £1,000. The Charity Commission therefore agreed that the provision can be relaxed in this case, and the Fund was used to support the BTS Young Investigator awards at the 2009 Winter Meeting and for the next 4 Winter Meetings.

Tuberculosis Clinical Advice Network

A grant of £60,000 for three years was made to the Society by the Department of Health in England in Spring 2008. The objective is to support and promote the key messages in the Chief Medical Officer’s TB Action Plan and the recommendations in the TB Guideline published by the National Institute for Health & Clinical Excellence. Section 3.11 of this Report gives details of how the grant has been used in 2009/2010.

Stop Smoking Champions in Secondary Care

In March 2009, the Department of Health in England gave a grant of £37,000 to the Society so that it could develop a scheme building on the Department’s pilot programme to encourage clinicians in secondary care to champion smoking cessation activities within their Trusts. Work will continue under the auspices of the Society’s Tobacco Advisory Group. The Society will develop an infrastructure which will recruit Champions, building on the experience of recruiting Oxygen Champions in Trusts when the 2008 Emergency Oxygen Guideline was published. A web-based forum will be developed and support given to Champions to develop and share good practice.

IMPRESS (Improving & Integrating Respiratory Services in the NHS)

Funding has been obtained from four companies for a third year to support a programme of activities and the cost of employing a Project Manager. Section 3.11 of this Report gives further details of how the funds were used in 2009/2010.

PURPOSES OF UNRESTRICTED/DESIGNATED FUNDS

Overseas Fund

This fund was designated in 1999/2000 and some activities took place following a President’s Working Party in 2003, but funds were not taken up for the reasons described above in the section entitled Overseas Tuberculosis Education. Trustees therefore agreed that these designated funds, and the balance in the Overseas TB Education Restricted Fund, should be used for Fellowship grants (of £1,000) to support the visits of UK trainees, specialist nurses and consultants in the first 2-3 years of their appointment where there is a substantial TB component to their work. The Scheme was launched in the summer of 2009 and allows for funding to support short visits overseas, with a competitive application and assessment process. 6 Awards were made in 2009 (although not all payments have yet been made) and the 2010 application process will close in September 2010.

The British Thoracic Society

Notes to the financial statements

For the year ended 30 June 2010

14. Movements in funds (continued)

Property Fund

The freehold of 17 Doughty Street was purchased in 2001. The fund balance represents the book value of the property including refurbishment costs.

Property Maintenance Fund

The Society designates a fund of £25,000 per year in order to maintain the building and meet contingencies, and has a five year property maintenance schedule. A full refurbishment, including repair work to basement flooring caused by flooding in the previous year for which an insurance payment had been received was completed in June 2009.

Revaluation reserve

This fund has been created in accordance with best practice to set aside the unrealised gains on investments, as shown in note 9.

Investment Fund

More details about this Fund may be read in section 5.5 of this Report. In accordance with the reserves policy outlined in this section, this Fund represents the value of the investment portfolio.

Fixed Assets Fund

This fund represents the book value of the fixed assets excluding property and refurbishment costs.

15. Operating lease commitments

The charity had annual commitments for equipment at the year end under operating leases expiring as follows:

	2010	2009
	£	£
2 - 5 Years	<u>13,020</u>	<u>13,020</u>

16. Related party transactions

The Trustees are not aware of any related party transactions during the year which require disclosure under FRS8 and the Statement of Recommended Practice Accounting for Charities (2005) (2009 - none).