



The Ileostomy and Internal Pouch Support Group

(Registered Charity No. 234472)

ANNUAL REPORT

and

ACCOUNTS

2004

Because we know, we care



The Ileostomy and Internal Pouch Support Group

(Established 1956)

Registered Charity No. 234472

PRINCIPAL ADDRESS

Peverill House, 1-5 Mill Road, Ballyclare, Co Antrim BT39 9DR

TRUSTEES

President:

Professor Norman Williams MS, FRCS

Executive committee chairman:	Mr Robert Bailey ACIB, MCIM (retired April 2004) Mr David Eades BA, C.Dip.AF (from April 2004)
Executive committee vice-chairman:	Mrs Carolyn Stammers BSc (Hons), SRN
Finance sub-committee chairman:	Mr Tony Stammers BA (Hons), FCA (until May 2004) Mr David Gutteridge, BA, FCMA, JP (co-opted September 2004)
International relations co-ordinator:	Mrs Brenda Flanagan
Liaison with stoma care nursing:	Mrs Carolyn Stammers BSc (Hons), SRN
Publicity co-ordinator:	Miss Sarah Bleach (retired April 2004)
Visiting co-ordinator:	Miss Tracy Walker BA
Pouch group co-ordinator:	Mr Dan Jones (co-opted May 2004)
Young <i>ia</i> co-ordinator:	Miss Sarah Maill
Other trustees:	Mrs Pat Ahern (retired April 2004) Miss Sally Ashdown (from April 2004) Mrs Tracy Crosser Mr Derek Oliphant Mrs Sandra Plunton (from April 2004) Mrs June Tulloch (retired April 2004)



NATIONAL OFFICERS

Administrative consultant: Mrs Anne Demick
Treasury services: Mr Nick Moon

TRUSTEES OF IA OF GB TRUST

Chairman: Dr Elizabeth Rang MB, BS, MFPHM
Mrs Pat Eades
Mr David Eades BA, C.Dip.AF
Mr Thomas Keily
Mrs Helen Theophanous

HONORARY CONSULTANT ADVISERS

Medical adviser: Dr Chris Probert, MRCP
Gynaecological adviser: Mr David Pring BSc, MRCOG
Research advisers: Prof. Sir Miles Irving DSc (Hon). MD, MChir, FRCS
Prof. Norman S Williams, MS, FRCS
Mr Gordon L Carlson, BSc, MD, FRCS
Prof. M G Dunlop
Prof. J R T Monson, MD, FRCS, FRCSI, FACS,
FRCPS Glas (Hon)
Mr D G Morton, MD, FRCS (Colorectal)
Surgical advisers: Prof. Neil Mortensen MD, FRCS
Mr Mike Thompson MD, FRCS
Dermatological adviser: Dr Calum Lyon, MA, MRCP
Pharmacist liaison adviser: Mr A T Eyles MR, Pharm.S.
Solicitors: Aubrey David, London
Legal adviser: Mr A A Marks
Principal bankers: The Royal Bank of Scotland plc, Chichester
Auditors: Jones Avens, Chichester
Stockbrokers: Speirs & Jeffrey Limited, Glasgow



EXECUTIVE COMMITTEE REPORT

The executive committee has pleasure in presenting its report for 2004.

LEGAL STATUS

ia is an unincorporated association.

NAME

The association was formerly called 'The Ileostomy Association of Great Britain and Ireland'. Advances in surgical procedures have resulted in some people being given an internal pouch as an alternative to a Brooke ileostomy. The trustees became aware that people who had been given a pouch were not approaching this association for help and advice as they considered that it would be unable to assist them. In order to overcome this misunderstanding the National Council decided, at a special meeting on 4th December 1993, that the name of this charity should be changed to '*ia*'. At its annual meeting on 25th March 1994, the National Council decided that a 'strapline' *The Ileostomy and Internal Pouch Support Group* be adopted.

OBJECTIVES

ia's objects are:

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

ORGANISATIONAL STRUCTURE

This charity was founded when groups which had been started in Leeds, Birmingham and London met together to form a national association. As time passed, further local groups came into being and there are now fifty-seven (which includes one postal branch), spread throughout the United Kingdom and Ireland. These groups always enjoyed autonomy to run their own affairs as they wished but those in England and Wales had all used the charity registration of the National Council. In 1993, the Charity Commissioners advised that if the local groups wished to retain their autonomy, it would be necessary for them to register as separate charities.

At its special meeting on 4th December 1993, National Council approved the Trustees' recommendation that those local groups which are within England and Wales should register as separate charities. Of the forty-seven local groups that are in England and Wales, the majority have now registered. The groups with an annual income of less than £1,000 have opted for unregistered charity status. The local groups are now known as member organisations. The groups in Scotland and Northern Ireland have obtained Inland Revenue acceptance of their charitable status. There is no charity law in the Republic of Ireland.



GOVERNING BODY

The governing body of *ia* is its National Council, which consists of the honorary president, the national officers and one representative from each member organisation. The National Council elects the president and the other trustees. The latter comprise the executive committee, which is responsible for the overall and day-to-day administration of the association. Policy matters are referred to the annual meeting of the National Council for consideration and decision.

ACHIEVEMENT OF OBJECTIVES

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

During the year 2003/4 the number of enquiries by all methods (telephone, letter, fax, e-mail and website) were carefully monitored and resulted in a total of 4,233, of which 2,173 (2003 = 800) were dealt with at source. Specifically, the enquiries recorded on the same basis as previous years amounted to 2,060 (2003 = 1,671). These enquires were received from members of the public, nurses and others with a professional interest in the work of *ia*. 840 were membership enquiries and these resulted in 530 (63.1%) joining as full or associate members. This figure continues to be encouraging. Each received an information pack, which contains leaflets on many aspects of life with an ileostomy or an internal pouch. The leaflets have been specially written by *ia*'s honorary consultant advisers and by members with particular experiences and expertise upon which they can draw. We received 263 requests from the medical profession and 140 from member organisations for literature and publications. An increasing number of enquiries of a general nature are received by e-mail and telephone and these are dealt with at source, as outlined above.

Several books and a CD ROM on ileostomy are available from national office, including *ia*'s own special publication, the Omnibus Edition of the *ia* Journal. The booklet "How Will it Affect me and my Life?" which was a joint venture with the other ostomy patient support groups, five of the ostomy manufacturing companies and the stoma care nursing groups, is available to all new ostomates on leaving hospital or on joining *ia*. The content of this booklet is currently being reviewed with a view to having it reprinted. To meet the needs of members with ileo anal pouches, our own "Going Home – Living with a Pouch" booklet and "Is that a new pouch you've got (or do you always walk like that?)", which was written by one of our members, continue to be very popular publications to both patients and nurses. Also available from national office are two publications from the USA, for which *ia* has exclusive distribution rights in the UK, and fifteen other leaflets produced by *ia*.

Many people received information, advice and assistance from members of *ia*'s fifty-seven member organisations throughout the United Kingdom and Ireland. Members visited patients, by request, either when they were in hospital or at their homes. Our team of volunteer visitors throughout the member organisations continue to provide a valuable service to new and potential members. These visitors continue to receive ongoing training and while it was not possible to organise a training course during this accounting period, one is planned for October 2004.

To promote and co-ordinate research into bowel disease and other conditions leading to the removal of the colon, surgical procedures pertaining thereto, and related matters;

In partnership with the Royal College of Surgeons, the Donald Currie Research Fellowship was awarded to Miss Laura Hancock, who will undertake a one-year research project entitled "Crohn's Disease of the Colon – Does a Genetic Classification Predict Disease Behaviour and Histological



Appearances?" The goal is to gain a better understanding of the genetic and environmental causes of Crohn's Disease with the ultimate aim of enabling a more specific therapeutic approach to each genotypically defined subclass of Inflammatory Bowel Disease.

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

Four issues of the *ia* Journal were produced, each with a print run of 12,000. The Journal continues to be part of the 'shop-window' of our association. For many, probably the majority of our members, the Journal is their primary means of contact with the stoma world. It is important therefore that standards are kept at a high level by the inclusion of regular and relevant information for readers. Member organisations publish newsletters and hold regular meetings for their members. The ostomy equipment manufacturers and suppliers are invited to the meetings to display samples of their products.

SERVICES FOR MEMBERS

Services for members and potential members were continued, as was the work of the association under the appropriate national officers as listed on pages 2 and 3. The website continues to be a valuable means of communication, and during the year further downloadable PDF documents were added, together with specimen Journal articles and welfare advice pages. During the past twelve months, activity on the site has continued to increase and statistics are regularly monitored via the hosting company. Further enhancements have taken place, such as a redesign to provide clearer navigation, new sections added to the forum, a photo gallery, Google 'AdWords' advertising, and the facility to make donations and join the association on-line. The website discussion forum has now been increased to twelve sections covering different topics relating to life with an ileostomy. At the end of 2004 there were well over 300 forum registered users, with many more guest users and some 3,500 messages posted. Many postings indicate that great support is being generated between forum users.

Advice on welfare matters continues to play an important role in our services to members. During the year five financial grants were agreed and thirty-three other enquiries were received on subjects such as benefits, grants, employment and insurance.

Two new initiatives were launched by Young *ia* – the website and the bursary fund. The website provides a valuable information and communication resource for young members and the bursary fund offers financial assistance to young members to attend conferences such as the Young *ia* weekend, the National Council meeting or an international conference.

LIAISON WITH OTHER GROUPS

Liaison, co-operation and mutual involvement with the two other principal ostomy associations in the UK, the British Colostomy Association (BCA) and the Urostomy Association (UA), and also the National Association for Colitis and Crohn's Disease (NACC) continued.

During the year liaison has also taken place with the Royal College of Nursing, The Royal College of Surgeons, The Digestive Disorders Foundation, The Kingston Trust, the Association of Coloproctology of Great Britain & Ireland and the British Healthcare Trades Association (BHTA), Professionals, Industry and Patients (PIPs) Forum.



ia also exhibited at three large meetings, The RCN Gastroenterology and Stoma Care Nursing Forum Conference, the World Council of Enterostomal Therapists (WCET) UK Annual Meeting and the Association of Coloproctology of Great Britain & Ireland Annual General Meeting. We were particularly privileged to be asked to present at paper at this latter Conference on the history and early origins of *ia*.

RISK AND RISK MANAGEMENT

The trustees continue to consider all new business in the light of the charity commissioners' guidelines on risk and have established a risk register. All decisions made by the trustees will consider the risk aspect of any tabled proposals and such risk assessments will be minuted and the trustees folders will be updated accordingly.

FINANCIAL RESULTS

The full accounts of *ia* are shown in this annual report. They show only the principal charity and do not include monies or transactions of the member organisations, which are autonomous charities, registered in their own right where required by law.

During the year, the available resources shown in the accounts have risen by £1,608,000 giving total assets of £2,574,252. Before investment gains and losses the surplus was £1,544,715. This result was dominated by the news received in the last week of the financial year of a legacy from Mr. Cyril Heaton, for which an income accrual of £1,500,000 has been included in the accounts. This will have a significant impact on the future of the charity and at the time of writing, consultations are continuing as to how best to use the new funds. Ignoring this accrual, income was lower than the previous year while expenditure increased. Investment gains and losses created a surplus of £63,285 compared to £31,561 in the previous year.

ACCOUNTING POLICIES

In accordance with law, the trustees have reviewed the accounting policies applicable to reserves (full details of which are given at note 1.5 of the accounts on page 14) and are content that they continue to be appropriate to the charity's needs.

INCOMING RESOURCES

Income for the year was £1,797,876 (2003 - £368,191), an increase of £1,429,685 (388%). There was one reason for this increase, which was the accrual in anticipation of the legacy from Mr. Cyril Heaton mentioned above. Removing this from the figures leaves a decrease in income of £70,315 (19%) which was entirely due to a reduction in legacy income. In other areas, income was broadly similar to previous years.

RESOURCES EXPENDED

Expenditure for the year was £253,161 (2003 - £228,848), an increase of £24,313 (11%). There was one reason for this increase in expenditure:

A commitment was made to the Royal College of Surgeons to apply the full amount in the Donald Currie Research Fellowship Fund and a research fellow was appointed. A total of £38,485 was therefore accrued accounting for all the increased expenditure in the year.

Ignoring this accrual, expenditure in other areas was lower than the previous year for two reasons:



ia plans to run two visitor training courses each year. Courses planned for this year had to be cancelled, resulting in a drop of £9,837 in spending compared to the previous year.

The Young *ia* weekend, an annual event, was planned for October 2004, thus leaving no event in the year under review and a reduction of £3,922 in costs.

Elsewhere expenditure was broadly similar to previous years.

GAINS/LOSSES ON INVESTMENTS

In accordance with the Charities SORP 2000, investments are shown in the accounts at market value.

There was new investment of £41,285 in November 2003 from funds received from the legacy of Miss Winnie Brookman. Other transactions which took place all involved re-investment of existing funds.

BALANCE SHEET

Fixed assets rose by £103,949 due to the new investment mentioned above and the improvement in valuations of existing investments.

Current assets rose by £1,504,051 due to the accrual of £1,500,000 for the legacy from Cyril Heaton.

ia closed the year with total assets of £2,574,252, of which £126,921 (5%) was in the Restricted Funds. Unrestricted funds are now valued at £2,447,331.

FUTURE DEVELOPMENTS


In the short term, the main focus will be on assessing the possibilities opened up for *ia* by the legacy from Cyril Heaton. Whilst it will be some time before the funds are all fully transferred to *ia* and the full amount of the legacy ascertained, the opportunities for *ia* are significant. At the very least, the future financial stability of the association is assured.

Following allocation of the Donald Currie Research Fellowship Fund, the main Research Fund now stands at £88,880 and prospective projects for using these funds are being sought.

CONCLUSION

The year under review was a significant one from a financial standpoint and we look forward to developing and improving *ia* activities as a result.

The Trustees are satisfied that all known commitments can be met for the foreseeable future.



David S Eades
Chairman of the Trustees
12th February 2005



INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF *ia*

We have audited the accounts of *ia* for the year ended 30th September 2004 set out on pages 11 to 23. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 13 to 15.

This report is made solely to the trustees, as a body, in accordance with Section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the trustees of the charity those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As described on page 23, you are responsible as trustees for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act. Our responsibility is to audit the accounts in accordance with the relevant legal and regulatory requirements and United Kingdom Accounting Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you, if, in our opinion, the Trustees' Report is not consistent with the accounts, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with the United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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 accounts 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 accounts.



Opinion

In our opinion the accounts give a true and fair view of the state of the charity's affairs at 30th. September 2004 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Jones Avens

A handwritten signature in dark ink, appearing to read 'Jones Avens', written over the printed name.

Chartered Accountants

Registered Auditor

Piper House, 4 Dukes Court,

Bognor Road, Chichester

W. Sussex PO19 8FX

Dated 24. February, 2005.



Statement of Financial Activities for the year ended 30th September 2004

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 30/9/04 £	Total Funds 30/9/03 £
Incoming Resources					
Donations and legacies	2 & 3	1,545,160	31,410	1,576,570	155,237
Activities in furtherance of the charity's objects	4	142,302	8	142,310	140,391
Activities for generating funds	5	27,019	5,829	32,848	30,755
Investment income	6	40,206	5,942	46,148	41,808
Total incoming resources		1,754,687	43,189	1,797,876	368,191
Resources expended					
Cost of generating funds	5	8,811		8,811	9,138
Grants payable			42,421	42,421	2,979
Cost of activities in furtherance of the charity's objects	7	106,540		106,540	117,872
Support costs	8	21,783		21,783	24,917
Management & administration	9	73,606		73,606	73,942
Total resources expended		210,740	42,421	253,161	228,848
Net incoming/(outgoing) resources for the year before transfers		1,543,947	768	1,544,715	139,343
Transfers between funds					
Net incoming/(outgoing) resources for the year		1,543,947	768	1,544,715	139,343
Gains/(losses) on investments					
Realised		2,472		2,472	(448)
Unrealised	12	61,399	(586)	60,813	32,009
Net movement in funds		1,607,818	182	1,608,000	170,904
Balances brought forward at 1 st October 2003		839,513	126,739	966,252	795,348
Balances carried forward at 30th September 2004		2,447,331	126,921	2,574,252	966,252

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

Balance Sheet as at 30th September 2004

	Notes	£	Total 30/9/04 £	£	Total 30/9/03 £
Fixed Assets					
Medical Equipment	11		1		1
Investments	12		812,895		708,946
			812,896		708,947
Current Assets					
Stock of books		221		261	
Debtors	13	1,537,191		31,043	
Cash as bank and in hand		282,385		245,162	
		1,819,797		276,466	
Liabilities: amounts falling due within one year	14	58,441		19,161	
Net current assets			1,761,356		257,305
Total assets less current liabilities			2,574,252		966,252
Liabilities: amounts falling due after more than one year					
Net assets			2,574,252		966,252
Funds					
Unrestricted	15 & 16		2,447,331		839,513
Restricted	15 & 16		126,921		126,739
			2,574,252		966,252

Approved by the executive committee on 12th February 2005 and signed on its behalf by



Mr David Eades BA, C.Dip.AF
Executive Committee Chairman



Mr David Gutteridge, BA, FCMA, JP
Finance Sub-Committee Chairman

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



Notes to the Accounts for the Year ended 30th September 2004

1 ACCOUNTING POLICIES

1.1) Basis of accounting

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards and statements of recommended practice, in particular the Accounting by Charities Statement of Recommended Practice 2000 and the Charities Act 1993.

1.2) Income

Journal advertising and income tax deducted from the payment of dividends and interest, which has not yet been reclaimed from the Inland Revenue, are both taken on an accruals basis. Contributions by member organisations to the general expenses of the charity are included if they were received by the end of October 2004. All other income has been taken into account on a cash received basis.

1.3) Expenditure

Expenditure is charged on an accruals basis.

“Costs of generating funds” includes all direct costs incurred in running fundraising events.

“Costs of activities in furtherance of the charity’s objects” includes all costs incurred in meeting our charitable objects and providing support and information to our beneficiaries. Half of the costs of the National Council meeting are charged under this heading since this meeting not only fulfils the requirements for an annual general meeting but also includes activities designed to help representatives of *ia*’s member organisations to run their charities effectively. Included are updates on research undertaken and other matters important to the running of the charity. In addition 50% of the costs of our national office are included. The national office of *ia* not only provides administrative support to the executive committee, but also acts as the first point of contact for patients needing our advice and support, as well as supporting *ia*’s member organisations. For this reason the costs are divided between this category and “management and administration”.

“Support costs” includes all costs incurred by those who act for *ia* in a voluntary capacity on the executive committee as well as those appointed to sub-committees. This includes costs of meetings, insurance, education, publications and membership of the International Ostomy Association.

“Management and administration” includes all costs incurred in the financial management of *ia*. In addition 50% of the cost of the National Council meeting and the running of national office are shown here. Any other costs of an administrative nature are also charged to this heading.

1.4) Fixed assets

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

Medical equipment: 20%



1.5) Reserves policy

In accordance with the requirements of the Charities SORP, the executive committee adopt the following policies in relation to the reserves held by *ia*:-

1.5.1) Unrestricted funds

ia's unrestricted funds consist of the general fund, the capital investment fund, and the Elizabeth Clay memorial fund.

General fund

The general fund provides resources for the normal day to day activities of the charity and in order to ensure the continuing viability of the association, the executive committee believes that the fund should hold reserves sufficient to cover a minimum of six months payments based on the expenses incurred in the last full financial year.

Capital investment fund

The capital investment fund contains donation and legacy receipts which have been invested in order to provide income to supplement the membership subscription. This enables the association to meet its charitable objectives at the cheapest possible cost to members and other beneficiaries. Further additions to the capital element of this fund will come only from unrestricted legacies exceeding £20,000 in value. All capital may be spent on the authority of the executive committee.

Elizabeth Clay memorial fund

The executive committee elected to allocate the legacy left to *ia* by Miss Elizabeth Clay to a designated fund and to use the income created by the legacy for special projects and grants to member organisations. Any balance of income received which is not paid out in grants will be allocated to the fund most in need at the end of each financial year on the decision of the executive committee. This year, the income of £6,950 was retained in the fund.

1.5.2) Restricted funds

The restricted funds consist of the research fund, the welfare fund, the Bryan Brooke (*ia*) overseas travel fund, the Donald Currie research fellowship fund, the Young *ia* bursary fund and the Miscellaneous Restricted Donations Fund.

Research fund

There is no policy to retain reserves in this fund beyond the ability to meet existing research commitments. By its nature, the fund balances are cyclical: a period of fundraising being followed by the commitment to projects over a one to three year period.

Welfare fund

The fund was established to provide capital, the income from which is available to individuals in financial hardship and whose problems result from circumstances covered by the aims and objects of *ia*. The aim is to maintain the balance of the fund at a steady level by spending the income generated within the same financial year.

Bryan Brooke (*ia*) overseas travel fund

The capital in this fund resulted from a retirement collection when Professor Bryan Brooke retired as president of *ia*. Professor Brooke elected to establish the fund from the monies collected, the income from which is used to assist members of the association to travel to international events and activities and develop an interest in ostomy support organisations worldwide. The policy is to



maintain the capital and spend the income, not necessarily within each individual financial year but over a three to five year cycle.

Donald Currie research fellowship fund

Following the sudden death of *ia*'s executive committee chairman, Donald Currie, in June 2001, the executive committee decided to mark his contribution to *ia* by establishing a research fellowship fund in his name to be used for research into the causes of Crohn's Disease. During the year a research fellow was appointed by the Royal College of Surgeons and the full balance of the fund will be applied to the costs of this fellowship. The full balance of the fund has therefore been accrued as expenditure in these accounts.

Young *ia* bursary fund

The Young *ia* bursary fund was established in 2003 following the donation of a sum of money to be used as grants in assisting young people who would not otherwise be able to afford to attend Young *ia* events. The grants are to be approved by the Young *ia* sub-committee.

Miscellaneous Restricted Donations Fund

During the 2003/4 financial year a number of donations were received which were restricted by the donors to specific activities which had not taken place by the end of the year. These activities were all to be paid for from the General Fund. The executive committee therefore elected to transfer these amounts into a new restricted fund until such time as the donations were used for the specified purpose.

1.5.3) General reserves statement

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

At this time all fund balances either conform to or slightly exceed the levels specified. The executive committee is satisfied that this provides a sound basis for *ia*'s future activities.

1.6) Investments and investment income

All investments are stated at market value and the movement shown comprises both realised and unrealised gains and losses.

Realised gains or losses arising on the disposal of investments (together with provisions for diminution in value), are credited or debited to the statement of financial activities and subsequently transferred to unrestricted and restricted funds.

Investment income is credited to the statement of financial activities when receivable.

2 DONATIONS & LEGACIES

In accordance with Clause AB(b) of *ia*'s constitution, all funds contributed by member organisations are donations made under the authority of the Trustees of those member organisations and are included with the donations from external organisations and individuals. Amounts received from member organisations and others in the year to 30th September 2004 were as follows:

	Member organisations £	Other £	Legacies £	Total £
General fund	37,767	3,759	2,600	44,126
Capital investment fund	-	-	1,501,034	1,501,034
Total unrestricted funds	37,767	3,759	1,503,634	1,545,160
Research fund	14,977	6,296	-	21,273
Welfare fund	1,000	-	-	1,000
Donald Currie research fellowship fund	750	500	-	1,250
Young <i>ia</i> bursary fund	500	664	-	1,164
Miscellaneous restricted donations fund	-	6,723	-	6,723
Total restricted funds	17,227	14,183	-	31,410
Total	54,994	17,942	1,503,634	1,576,570
2003	59,138	25,027	71,072	155,237

3 LEGACIES

Legacies are accrued as soon as the value of the legacy becomes ascertainable with reasonable certainty, in accordance with Charity Commission guidelines.

4 ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

	Unrestricted funds £	Restricted funds £	Total 30/9/04 £	Total 30/9/03 £
Journal Advertising	99,223	-	99,223	93,448
National council meeting	41,774	-	41,774	40,466
Young <i>ia</i> meetings	-	-	-	3,897
Travel insurance commission	-	-	-	8
Sale of publications & videos	471	8	479	562
Corporate affiliation	180	-	180	180
Postal branch	654	-	654	630
Refund of contribution to WOD events	-	-	-	1,200
Total activities in furtherance of the charity's objects	142,302	8	142,310	140,391

5 ACTIVITIES FOR GENERATING FUNDS

	Receipts £	Expenditure £	Net Income £	2003 £
National draw	18,266	(4,411)	13,855	9,918
2004 national sweepstake	13,282	(4,225)	9,057	8,815
Grants received	-	-	-	1,300
National council tombola & raffle	1,300	-	1,300	1,024
Young <i>ia</i> concert	-	-	-	560
Administration costs	-	(175)	(175)	-
Total	32,848	(8,811)	24,037	21,617

6 INVESTMENT & INTEREST INCOME

The policy of *ia* is to credit investment and interest income to the fund which owns the investment or the cash on which income has been earned, with the exception of the capital investment fund. This fund was constituted and donations have been made thereto over the years so that the income could be used in the general fund and in particular, to subsidise the rates of subscription.

Investment and interest income of £46,148 came from the following sources:

	30/9/04 £	30/9/03 £
UK listed investments	32,225	30,090
COIF income shares	4,812	4,812
Bank interest	9,111	6,906
Total	46,148	41,808

7 COSTS IN FURTHERANCE OF THE CHARITY'S OBJECTS

	Unrestricted funds £	Restricted funds £	Total 30/9/04 £	Total 30/9/03 £
Journal costs	54,020	-	54,020	50,569
Advertising & promotion	4,181	-	4,181	3,772
Design & print of publications	5,709	-	5,709	4,713
Visitor training	77	-	77	9,914
National council meeting (50%)	18,280	-	18,280	20,047
Young <i>ia</i> conference	-	-	-	3,922
National charitable expenditure	24,273	-	24,273	24,935
Total	106,540	-	106,540	117,872

8 SUPPORT COSTS

	Unrestricted funds £	Restricted funds £	Total 30/9/04 £	Total 30/9/03 £
Pouch group expenses	-	-	-	136
Committee members' expenses	15,924	-	15,924	20,314
IOA membership	875	-	875	938
Professional publications	584	-	584	694
Insurance premiums	3,603	-	3,603	1,959
Telephone conferences	182	-	182	279
Courses & meeting fees	615	-	615	597
Total	21,783	-	21,783	24,917

Following receipt of the necessary approvals, *ia* has taken out Trustee Indemnity insurance to indemnify the trustees and other officers against the consequences of any neglect or default on their part. The cost of this insurance is £1,050 and is included in the total for insurance premiums shown above.

9 MANAGEMENT AND ADMINISTRATION

	Unrestricted funds £	Restricted funds £	Total 30/9/04 £	Total 30/9/03 £
Treasury services	24,360	-	24,360	23,724
National office (50%)	23,621	-	23,621	23,429
National expenses	4,386	-	4,386	4,347
National council meeting (50%)	19,164	-	19,164	20,087
Audit fee	2,075	-	2,075	2,355
Total	73,606	-	73,606	73,942

10 PAYMENTS TO TRUSTEES

Trustees were reimbursed expenses incurred in performing their duties as executive committee members. The details are shown below with previous year figures in brackets where applicable.

17 trustees were paid £9,016 (£13,463) for travelling, postage, telephone, stationery and other costs incurred in fulfilling their voluntary activities.

In addition, 2 trustees received grants of £400 each towards the costs of attending a meeting of the International Ostomy Association in Portugal.



11 FIXED ASSET MEDICAL EQUIPMENT

The medical equipment shown in the balance sheet is a thermal cyclor which is currently in the possession of Dr. Christopher Probert at the Bristol Royal Infirmary and which will be returned to *ia* at the conclusion of Dr. Probert's project.

	£
Cost	3,666
Depreciation b/fwd	3,665
Charge for year	0
Depreciation c/fwd	3,665
Net book value as at 30/9/04	1

12 FIXED ASSET INVESTMENTS

Movements on investments for the year ended 30th. September 2004 were as shown below.

Market value basis	2004	2003
	£	£
Quoted investments		
Brought forward	708,946	591,482
Additions	86,233	167,664
Disposals	(43,097)	(82,209)
Unrealised gains/losses	60,813	32,009
At market value 30/9/04	812,895	708,946
At cost 30/9/04	762,492	716,501

All the investments are quoted on the UK Stock Exchange. *ia* does not hold any investments outside the UK. There are three investments which exceed 5% of the total market value as at 30/9/04 as detailed below. There are no restrictions on the realisation of these or any other investments held by the charity.

Holding:	COIF Income Shares	Market Value:	£126,801
Holding:	Treasury 6.25% Stock 2010	Market Value:	£61,610
Holding:	Treasury 5.75% Stock 2009	Market Value:	£40,736

13 DEBTORS

	2004 £	2003 £
Legacy due	1,500,000	-
Income tax recoverable	-	362
Prepayments	4,529	835
Other debtors	32,662	29,846
Total	1,537,191	31,043

14 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Income received in advance	7,388	5,139
Other accruals	41,199	3,134
Other creditors	9,854	10,888
Total	58,441	19,161

15 ANALYSIS BY FUND

	Balance 1/10/03 £	Incoming resources £	Outgoing resources £	Balance 30/9/04 £
Unrestricted Funds				
General	238,340	259,013	210,740	286,613
Capital investment	459,166	1,544,650	-	2,003,816
Elizabeth Clay memorial	142,007	14,895	-	156,902
Total unrestricted funds	839,513	1,818,558	210,740	2,447,331
Restricted funds				
Research	60,174	28,706	-	88,880
Welfare	17,958	1,545	1,250	18,253
Bryan N Brooke (<i>ia</i>) overseas travel	13,913	464	2,000	12,377
Donald Currie research fellowship	34,516	3,969	38,485	0
Young <i>ia</i> bursary	178	1,196	686	688
Miscellaneous restricted donations	-	6,723	-	6,723
Total restricted funds	126,739	42,603	42,421	126,921
Total funds	966,252	1,861,161	253,161	2,574,252

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets £	Net Current Assets £	Total £
Unrestricted Funds			
General	142,743	143,870	286,613
Capital investment	501,475	1,502,341	2,003,816
Elizabeth Clay memorial	149,683	7,219	156,902
Total unrestricted funds	793,901	1,653,430	2,447,331
Restricted funds			
Research	1	88,879	88,880
Welfare	13,608	4,645	18,253
Bryan N Brooke (<i>ia</i>) overseas travel	5,386	6,991	12,377
Donald Currie research fellowship	-	-	-
Young <i>ia</i> bursary	-	688	688
Miscellaneous restricted donations	-	6,723	6,723
Total restricted funds	18,995	107,926	126,921
Total funds	812,896	1,761,356	2,574,252

Unrealised gains on investment assets included above:

	2004 £	2003 £
Unrestricted funds	49,916	(8,629)
Restricted funds	487	1,074
Total	50,403	(7,555)

See also note 12.

17 MEMBER ORGANISATIONS' ACCOUNTS

Member organisations prepare their own accounts in accordance with the Charities Act 1993.



18 STATEMENT OF COMMITTEE MEMBERS' RESPONSIBILITIES

Legislation requires the committee to prepare financial statements for each financial year which give a true and fair view of the state of the association at the end of the financial year and of the income and expenditure of the association for the year ended on that date. In preparing these financial statements, suitable accounting policies have been used, framed, to the best of the committee's knowledge and belief, by reference to reasonable and prudent judgements and estimates and applied consistently. Applicable accounting standards have been followed. The committee is also required to indicate where the financial statements are prepared other than on the basis that the association is a going concern.

The committee is responsible for ensuring that arrangements are made for keeping proper books of account with respect to the association's transactions and its assets and liabilities and for maintaining a satisfactory system of control over the association's books of account and transactions. The committee is also responsible for ensuring that arrangements are made to safeguard the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.