

# **The European Association for Cardio-Thoracic Surgery**

## **Annual Report and Consolidated Financial Statements**

31 March 2021

Company Limited by Guarantee  
Registration Number  
07401765 (England and Wales)

Charity Registration Number  
1140274

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<b>Company registration number</b>	07401765
<b>Charity registration number – England &amp; Wales</b>	1140274
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL

**Report of the Secretary General**

The last year has been one of extraordinary challenge. The impact of the Coronavirus pandemic has touched us all. Our members across the world will have seen the front-line implications as the care for COVID-19 patients has sadly dominated our hospital lives. Our thoughts are with the patients, their families and their care givers affected by this terrible virus.

The effects on EACTS have also been felt as, for the first time in our history, we held our Annual Meeting via digital means only, with no in-person meetings. With the Barcelona skyline as our virtual backdrop, the 'avatar' based digital platform proved very popular with the 1,650 members who attended. With uncertainty still at play for 2021, we know that we can hold a successful, educational and collegiate digital meeting if world circumstances dictate albeit our hope is to meet again, in Barcelona in October 2021.

Although all our work has been affected, we have taken the time to take stock and prepare for the new world that will gradually emerge. The year ahead will see EACTS operate under a new publishing and editorial agreement with the Oxford University Press ensuring even greater reach and import for our world leading journals. Our Academy programme has also been reinvigorated and new online methods of learning developed for roll out in 2021. We also have important collaborations with other international societies, be it in the development of guidelines, joint fellowship programmes or the hosting of joint educational meetings. COVID-19 has taught everyone how small the world is and importantly, how international health cooperation and the sharing of knowledge for patient benefit is so vital.

This Annual Report and Audited Accounts continues to tell the story of a forward looking and progressive Association, in very good health. Our determination is strong, whatever the challenges, to continue advance EACTS' core mission and support our members to deliver world class care to our patients.

Professor Rafa Sádaba

**Secretary General & Trustee**

## Introduction

The Trustees present their annual report together with the financial statements of the European Association for Cardio-Thoracic Surgery ("EACTS") for the year ended 31 March 2021. The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purpose of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 24 of the attached financial statements and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

## About EACTS

The charitable objects of EACTS are to advance education in the field of cardiac, thoracic and vascular interventions and to promote for the public benefit research into cardiovascular and thoracic physiology, pathology and therapy and to correlate and disseminate the useful results thereof.

It pursues these objects through four core sub-specialty Domains: Acquired Cardiac Disease, Congenital Heart Disease, Vascular Disease and Thoracic Disease.

## EACTS aims to achieve its charitable objects through its key areas of activity:

### The EACTS Annual Meeting

The largest cardiothoracic meeting in the world bringing together the cardiothoracic community to present and discuss the latest scientific developments across its four Domains.

### EACTS Education

The education programme including:

- ◆ The EACTS Academy, a comprehensive high-quality structured curriculum for all levels from trainee through to experienced surgeons and delivering courses covering specialist areas of development and interest; and
- ◆ The European Board examinations.

To further support trainees through their career development, EACTS operates the Francis Fontan Fund grants programme for trainee placements.

### Publishing

EACTS publishes two peer-reviewed journals for the dissemination of high-quality research:

- ◆ The European Journal of Cardio-Thoracic Surgery (EJCTS),
- ◆ Interactive Cardio Vascular and Thoracic Surgery (ICVTS).

As well as an online textbook of cardio-thoracic surgery video-based tutorials;

- ◆ The Multimedia Manual of Cardio-Thoracic Surgery (MMCTS).

EACTS also produces clinical practice guidelines to support best practice in the field.

**The Quality Improvement Programme (QUIP)**

To facilitate continuing improvement of clinical outcomes in adult cardiothoracic surgery through education and research initiatives, the QUIP operates two international benchmarking databases for adult cardiac surgery (the Adult Cardiac Database – ACD) and for patients with mechanical circulatory support systems (EUROMACS). Through data collection, data sharing and regular reports, the QUIP allows units to assess their performance regularly by identifying areas of excellence and areas in need for improvement.

EACTS also supports advocacy of global health initiatives in the field of cardiothoracic surgery through partnership with other relevant organisations.

Event and Education activities are coordinated through the Association's headquarters in Windsor, with journal editorial services currently delivered through the Editorial Office based in Freiburg, Germany, co-located with the current Editor in Chief.

The charity currently has four 100% owned subsidiaries registered in England and Wales:

- ◆ EACTS Trading Company Limited;
- ◆ EACTS Publishing Limited;
- ◆ The European Academy for Thoracic and Cardiac Surgery; and
- ◆ The European School for Cardio-Thoracic Surgery Limited (which is dormant).

The three active companies separate risk and financial management of different areas of activity around Events, Education and Publishing. Any surpluses arising in any of these subsidiaries are distributed to the charity via Gift Aid. EACTS Publishing Limited and the European Academy for Thoracic and Cardiac Surgery Limited are both in deficit. Both of these entities undertake largely charitable activities and the losses arising are supported by the parent charity. Further details of the subsidiary undertakings are included in note 16.

**Public benefit statement**

In setting the objectives of EACTS and planning activities, the Trustees have given careful consideration to the Charity Commission guidance on public benefit. EACTS' primary beneficiaries, including its members, are professionals practicing in the field of cardiothoracic surgery, and the patients that they provide surgical care to are the ultimate beneficiaries of the improvements in knowledge and skills resulting from EACTS activities.

**Impact and Achievements 2020/21**

The total number of EACTS members reached 3,978 by the year end in March 2021. In spite of some member lapses, 353 new individuals joined EACTS during the year being reported upon, resulting in an overall addition in member numbers from 2020 (3,667).

In the year to the end of March 2021 EACTS achieved the following towards its key objectives:

**Impact and Achievements 2020/2021** (continued)**1. Publications**

EACTS continued its work to ensure the broadest dissemination and high impact of high-quality research and clinical updates through its Journals. In the year, both the **European Journal of Cardio-Thoracic Surgery** (EJCTS) and the **Interactive CardioVascular and Thoracic Surgery Journal** (ICVTS) reached their highest ever Impact Factors (IF). The 2020 IF score for the EJCTS reached 4.191, a substantial increase from 3.486 in 2019. The 2020 score for the ICVTS increased to 1.905, up from 1.675 the previous year.

Popularity with authors, as measured by article submissions to EJCTS (2,782), was up by 36% in 2020 resulting in an acceptance rate of 19% (18% in 2019). The immediate rejection rates stand at 23% (25% in 2019). This process of turning down papers following an internal evaluation by the Associate Editors is still very well received as it allows authors to proceed more promptly with alternative routes to publication and alleviates the workload of reviewers. In 2020 it took an average of 30 days (29 in 2019) to render a first decision and 89 days from initial submission to acceptance (87 in 2019), in line with targets, which remains an area for improvement.

EACTS has continued to invest in ensuring the widest dissemination of the highest quality research and evidence by continuing to provide free access to ICVTS. There was also an increase in submissions in ICVTS (direct and indirect from EJCTS) in 2020 (1,114 compared to 905 in 2019). The acceptance rate in 2020 was 36% (31% in 2019).

EACTS has published a record of 83 new expert-reviewed and PubMed-listed surgical tutorials in its free online educational resource, **The Multimedia Manual of Cardio-Thoracic Surgery** (MMCTS), MMCTS.org. As of 31 March 2021 it now features over 417 step-by-step narrated video tutorials from some of the most respected names in cardiothoracic surgery. MMCTS videos have been viewed more than 1.4 million times and more than 3,100 learners have subscribed to our channel this year bringing our total to 8,941 subscribers. Our audience joins us from across the globe, with the highest viewership from the United States, India, Japan, the United Kingdom, and Germany.

**2. Annual Meeting 2020**

Due to the Covid-19 pandemic EACTS held its Annual Meeting in October 2020 online via the Hyperfair virtual platform where attendees chose avatars and walked through a virtual congress. A total of 4,837 registered delegates from 113 countries, and 32 exhibiting companies showcasing the latest products, techniques and technical equipment in cardiothoracic surgery, participated in the 34th EACTS Annual Meeting. The final programme included 483 papers, selected from the 1,128 submitted, presenting new research, as well as didactic education and surgical training across a total of 102 sessions.

Responding to positive stakeholder feedback, EACTS delivered the Annual Meeting in a consolidated yet comprehensive three-day format, that incorporates all main sessions in the attendance fee. Attendees benefit from increased access to, and dissemination of, the most popular sessions, such as the techno college live surgery training.

To ensure international collaboration towards global health goals, EACTS continued to host colleagues from other key international Societies working in the field.

**Impact and Achievements 2020/2021** (continued)**3. EACTS Education programme**

EACTS was unable to deliver Academy training courses in the last year because of the restrictions imposed by the global pandemic. Work began to reimagine course offerings and determine the best solutions for implementing online courses alongside in-person training in a post-COVID future.

EACTS also administers **The European Board of Cardio-Thoracic Surgeons** (EBCTS) which provides examinations to certify appropriate levels of theoretical knowledge for residents completing their training.

2020 was the first year that the Level 1 (MEBCTS) examination was split into two specialties – Thoracic Surgery and Adult Cardiac & Congenital Surgery. Due to COVID we also had to implement a new remote live proctored examination.

Some 57 new applications for the Level 1 (MEBCTS) were submitted. 56 of these applications were accepted and a total of 93 examinees (including re-sits) sat the Adult Cardiac & Congenital examination and 35 sat the Thoracic Surgery examination from their own homes or offices around the world. 26 candidates sat the examination in both specialties. Nine candidates passed the Thoracic examination and 37 candidates passed the Adult Cardiac & Congenital examination.

Due to COVID, the Level 2 (FEBCTS) examinations were delayed until June 2021 and took place remotely over Zoom. There were a total of 27 new applications across the three specialties. Including re-sits and after some postponements the final number taking the exams were – Adult Cardiac 14, Thoracic 4 and Congenital 9. The results were: Adult Cardiac 12 passed, Thoracic 3 passed and Congenital 8 passed.

**4 The Francis Fontan Fund educational grants programme**

The Francis Fontan Fund for Education supports surgical education, fosters professional development and strengthens the global cardiothoracic community through increased knowledge share. Our mission is to create a global community sharing and learning from the highest standards of cardiothoracic care. There are seven Fellowship Schemes in total;

- ◆ Atrial Fibrillation,
- ◆ Aortic Root and Valve Repair,
- ◆ OPCAB/MICS CABG,
- ◆ TEVAR,
- ◆ Postoperative Critical Care,
- ◆ MSTCVS Quality and Outcomes, and
- ◆ The TSF / FFF International Fellowship.

**Impact and Achievements 2020/2021** (continued)**4 The Francis Fontan Fund educational grants programme** (continued)

In 2019 – 2020: 16 Fellows in total were recruited for four of the schemes: Atrial Fibrillation, Aortic Root and Valve Repair, OPCAB/MICS CABG and TEVAR. Unfortunately, due to the pandemic the Fellows were unable to complete their Fellowship. The Fellows will be restarting their programmes in May 2022.

In 2020 – 2021, EACTS was unable to recruit any Fellows due to the restrictions imposed globally due to COVID-19.

In 2021 – 2022, all 2019-2020 Fellowship Schemes will restart, plus four additional programmes, which are due to start in early 2022.

**5. EACTS Quality Improvement Programmes**

Aiming to integrate quality monitoring and improvement into daily practice and to improve outcomes for patients, EACTS continues to develop its two database registries, the Adult Cardiac Database (ACD) and the European registry for patients with mechanical circulatory support (EUROMACS).

From 2020 to 2021 the number of cardiac surgical procedures in the ACD has increased from 160,000 to more than 200,000, while data over 60 different centres across Europe have been included. Another 35 hospitals are in the process of joining the ACD. This rise in procedural numbers has led to the development of a data validation protocol. Data validation is an essential step in creating a useful database with assured consistency and completeness. Convinced that better data quality and benchmarking can lead to better outcomes in cardiac surgery in Europe, the EACTS ACD team has taken the initiative to validate all incoming data, the result of which will be elaborated in a data validation report. Additionally, all participating centres will be advised on methods to validate their data and improve data quality.

The EUROMACS Registry offers the tools to collect clinical procedural updates as well as scientific data for patients receiving mechanical circulatory support (MCS). March 2020-March 2021 activities were concentrated on the consolidation of data from participating centres through the actualization of follow-up and bringing the total of registered implantations from 4,800 to 6,100. A report with respect to the status of EUROMACS was submitted to the EJCTS. Communications with the collective registries from France and Italy were successful and formal agreements are expected to be signed in 2021. Four studies with data from EUROMACS were published in peer reviewed journals.

**6. Governance and Management Review**

EACTS aspires to the highest possible standards in all outputs, including its governance and management processes. To this end the EACTS Council (Trustees) continued efforts to improve the management and governance processes of the Association and to educate and support both existing and new Council members in the fulfilment of their important Trustee duties.

### Future plans

In the coming year EACTS aims to continue its work to provide and disseminate the highest quality education and research, in particular it plans to:

- 1. EACTS Annual Meeting.** We will deliver another world-leading Annual Meeting: continuing our innovation in programming and expanding on key successful themes. In 2021, as we emerge from COVID restrictions our meeting will be held both on-line and in-person. EACTS will be using innovative communications technologies to enable members and industry to reconnect, discover and learn from one another, whilst adhering to latest best practice health and safety measures.
- 2. EACTS Membership** – A priority for the year ahead will be to review our relationship with members and our offer to them. We will be reviewing how we are communicating with them, and will strive to genuinely put the members at the heart of everything that the Association does. This will include a longer term review of our Academy and world-leading courses, and making sure that we are offering a compelling programme of exciting, meaningful and professional educational interactions.
- 3. The EACTS Academy programme** – Building on its past successes The EACTS Academy will be expanded to include remote learning opportunities.
- 4. The Francis Fontan Fund** – Led by a strong committee of senior EACTS members, The Francis Fontan Fund will expand fellowship placements and grant award opportunities.
- 5. EACTS Publications** – EACTS will soon appoint a new Publications Director, to be based in our Windsor, UK, Head Office to provide strategic leadership for all publications as well as oversee the publishing of EJCTS and ICVTS. In addition to increasing the number of high-quality narrated step-by-step video tutorials published in MMCTS, the platform will expand to include Case Reports. MMCTS will also launch a new Residents Tutorial Competition, and see winners presenting their work at the 35th EACTS Annual Meeting.
- 6. Building affiliations with international partners** – In the year ahead, we will be focusing renewed efforts on the quality of key affiliations with international partners across the cardiothoracic surgical community. EACTS prides itself on being an inclusive and collaborative partner and lead, especially in the important area of quality improvement programmes and clinical practice guidelines. We will be building on these foundations with the strategic goal of improving the data, educational and guideline offering for the ultimate benefit of patients. We will further build upon our longstanding commitment to enhance the process and methodology of guideline drafting, in consultation with our colleagues in other Associations, to ensure practice evidence based guidelines that are conflict free and trusted.

## **Structure, Governance and Management**

### ***Governing document***

The European Association for Cardio-Thoracic Surgery is a charitable company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association (charity number 1140274; company number 07401765). Following a Trustee Skills Audit undertaken in the Spring of 2020, the Articles of Association have been updated with a special resolution passed at the General Assembly held in October 2020, submitted to Companies House in November 2020.

The new Articles now allow for a number of individuals not professionally involved in cardiothoracic care (eg non-surgeons) to be appointed to the Board of Trustees (albeit not members of the Association) so that skills such as Financial and Investment Management, Marketing and Communications, Legal etc may be recruited to the Board. In early 2021, this allowed the recruitment to the Board of Trustees of a suitably qualified Honorary Treasurer. Mark Whiteling brings a unique and valuable set of skills to EACTS Council as a former commercial Chief Financial Officer with extensive UK public company experience at both a Board, executive and non-executive level.

### ***Trustees and induction***

The Council are Trustees of the Charity (as listed in the articles of association) for the purposes of the Charities Act 2011 and are company directors for the purposes of the Companies Act.

The business of the EACTS is conducted by the Council under the leadership of the Secretary General. In any matters concerning interpretation of the rules, the decision shall rest with the Trustees, who will also decide any matters concerning the Association which are not covered by the rules. The full rules for the appointment of Trustees, and their obligations, are contained within the Memorandum & Articles of Association. Members who become Councilors are entitled to become Trustees after being recommended by a nominating committee.

As part of their induction process, Trustees spend time with the Secretary General and attend a meeting at the Head Office in Windsor (or via video conference), with the chance to meet key staff members.

They are provided with job descriptions, minutes of previous meetings and provided with access to information about the history of the EACTS and reference to the Charity Commission information on effective governance.

As part of an external governance review during the year further improvements are recommended and form part of planning for development of the Trustees' functions going forward.

**Structure, Governance and Management** (continued)**Trustees and induction** (continued)

The Trustees serving during the year and their positions held at the financial year end were as follows:

Trustee	Appointed to new post		Role
<b>Elected by members:</b>			
J. Rafael Sádaba	06/03/2021		Secretary General
Domenico Pagano	10/10/2017	15/04/2021	Secretary General
Mark Hazekamp	09/10/2020		President
Matthias Siepe	09/10/2019		Editor-in-Chief
Patrick Myers	09/10/2019		Acquired Cardiac Disease Domain Chair
Konstantinos Tsagakis	09/10/2020		Vascular Disease Domain Chair
Alicja Zientara	09/10/2020		Resident Representative
Ruggero De Paulis	01/10/2018	01/10/2019	President
Ruggero De Paulis	01/10/2019		Past President
Peter B Licht	01/10/2019	09/10/2020	President
Peter B Licht	09/10/2020		Past President
Friedhelm Beyersdorf	27/03/2013	01/10/2019	Editor-in-chief
Friedhelm Beyersdorf	01/10/2019		Vice-President
Lorenzo Galletti	01/10/2018		Congenital Domain Chair
Eric Roessner	18/10/2018		Thoracic Domain Chair
Richard Prager	01/10/2018		International Councillor
Patrick Perier	01/10/2018		Councillor

**Committees**

The work of the Council is supported by a number of committees and task forces towards effective achievement of the range of activities and objectives.

Domain	Task Forces	Committees
Acquired Cardiac Disease	Academic/Professional Development	Clinical Guidelines
Vascular Disease Domain	Adult Cardiac Database Aortic	Education EUROMACS
Congenital Heart Disease	Dissection	Francis Fontan Fund
Thoracic Disease Domain	Aortic valve including AV Repair	Finance & Operations
	Arrhythmia	Committee
	Basic Science	International Co-operation
	Cerebral and Visceral Protection	Quality Improvement &
	Connective Tissue Disease Coronary	Databases
	Endovascular Aortic Repair Heart	Professional Conduct
	Failure	Residents
	Imaging	Nominating
	Mitral and Tricuspid Valve Surgery	Women in Cardiothoracic
	New Technology Quality	Surgery
	Improvement Collaborative Group	
	Transcatheter Techniques	
	Aviation Medicine	
	PMI Consensus	

**Structure, Governance and Management** (continued)***Key management personnel and staffing***

At the end of March 2021, EACTS employed a total of twelve employees in the Windsor office, two of whom work part time, to support the delivery of the organisation's objectives: the Chief Operating Officer & Executive Director, the Director of Events, two Finance staff and eight other staff.

During the year, four further staff were employed by the University of Freiburg and one by the University of Lausanne to undertake Editorial work on EACTS journals, and two through the University of Birmingham to deliver the Quality Improvement Programme. Although funded by EACTS, these are not EACTS employees.

The Association considers its key management personnel to comprise its Trustees: including Executive Committee (the Officers of the Association), the Secretary General, and the Chief Operating Officer and Executive Director.

***Remuneration policy***

The Trustees do not receive any remuneration for their services as Trustees. EACTS reviews employee pay annually. The organisation considers, but does not guarantee, an award to reflect inflation (considering national guidance for inflation and average earnings for the preceding year). The Secretary General reviews pay for the Executive Director on behalf of the Trustees, and the Executive Director/Chief Operating Officer oversees this process for the staff team. The organisation is reviewing its processes for performance appraisal and reward for the year ahead.

***Risk management***

The Trustees have considered the risks to which the Association is exposed, and in the financial year have continued to review and address governance / management to support risk evaluation.

Higher impact areas of risk identified at present include:

- ◆ The Annual Meeting;
- ◆ Reserves management;
- ◆ Staffing; and
- ◆ Ensuring effective operational delivery as the organisation grows.

The organisation relies heavily on its Annual Meeting for the delivery of its charitable objects and to cover operating costs. Significant risks relate to the failure of any one event. This risk is currently mitigated through a combination of: an operating subsidiary to separate out this charitable trading activity; operating a generous reserves policy to protect future operations; appropriate event insurance; and highly skilled staff and suppliers to ensure the highest possible standards of delivery and ongoing engagement of key sponsors.

**Structure, Governance and Management** (continued)

***Risk management*** (continued)

Proactive investment of reserves has also been limited around managing the direct risk from the Annual Meeting but diversification of cash/investments has now been prioritised to better protect against financial institutional risks. EACTS operates in different countries and in different currencies also making it vulnerable to foreign exchange fluctuation. EACTS maintains balances in different currencies appropriate to operating needs to avoid unnecessary speculation or exposure to currency risk.

The Association operates with a lean core staff team placing some reliance on key staff members. A full review of staffing structure and functions has been undertaken and follow up is ongoing to protect the organisation better for the future.

A governance review has been undertaken to identify key areas to improve in oversight, financial governance and management, and additional risk mitigation strategies included in the report relate to clearer policies and procedures and a full financial review.

## **Financial review**

### ***Financial position***

The statement of financial activities on page 18 summarises income and expenditure for the year for the charity and its subsidiaries. The balance sheet which shows the position of the charitable company at the year end and which the Trustees consider to be strong, is on page 19. The Trustees consider the level of current reserves of €21.9m is sufficient to meet future commitments. The organisation continues to hold levels of reserves due to high-risk income streams and in order to provide for sustainable future funding.

### ***Results for the year***

The Association has enjoyed another good financial year with income at €2.8m (previous year's income of €7.5m). Expenditure overall was lower than the previous year at €3.3m (2020 - €6.4m). This is largely as a result of the much-altered Annual Meeting which in 2020 was an on-line only event.

Income from the Annual Meeting was at €1.2m (2020 - €4.6m). There is a downward trend in income from this activity, however net income is still encouraging. The Annual Meeting remains the charity's highest income stream. Income from members was €0.6m in total, with a provision of €0.3m for doubtful debts of overdue fees unlikely to be paid.

Publishing income from Royalties was €0.67m; this is €0.14m higher than the previous year. Overall, the charity generated a deficit on its activities of €0.51m (2020 – surplus €1.1m).

### ***Reserves policy***

EACTS has four main income streams: the Annual Meeting; the Academy; Membership; and Journals, where the latter two streams are directly linked since the main member product is the Journal. This makes the organisation vulnerable to changes in member and stakeholder behaviour or the economic environment. The most significant source of funds is the Annual Meeting which has delivered net income year on year.

In these circumstances the Trustees have considered a cautious reserves policy to be appropriate and have elected to keep a minimum of two years' operating costs to protect the organisation for the future and allow it to continue operating in the event that an Annual Meeting were to fail and no payment from the trading subsidiary should arise. This equates to approximately €14m and at 31 March 2021 free reserves totalled €20.6m. Trustees note that reserves exceed the minimum required level and in the year ahead, Trustees will be reviewing organisational strategy and the use of those excess funds.

### ***Investment policy***

Traditionally additional reserves have been kept as available cash funds in line with reserves policy and the risk averse strategy around high-risk income relating to the Annual Meeting and complexity around different currency holdings and managing foreign exchange risk. As part of the recent review of governance the charity has diversified its reserves. At the end of March 2021, EACTS has invested approximately €6.5m with Insignis Cash Solutions and around €3.5m with CCLA. A further €3m has been transferred to Insignis in May 2021. In the future the charity considers moving away from CCLA and all the investment placements totalling approximately €12.8m will be with Insignis Cash Solutions.

## Financial review

### *Fundraising statement*

EACTS does not engage in public fundraising and does not use professional fundraisers or commercial participators. It nevertheless observes relevant fundraising regulations and codes. During the year there was no non-compliance with these regulations and codes and no complaints were received around fundraising practice.

### *Volunteers*

EACTS relies on and is extremely grateful for the support of groups of members who commit their time voluntarily and without remuneration to support the work of committees and task forces in pursuit of the organisation's objects. Volunteers support all areas of the Association's work; creating and reviewing educational content and courses, supporting the Journals Editorial process and delivering the highest quality Annual Meeting programme.

### *Related party transactions*

Related party transactions are disclosed under note 15.

### **Statement of Trustees' responsibilities**

The Trustees (who are also directors of the European Association for Cardio-Thoracic Surgery for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards 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 Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of Trustees' responsibilities** (continued)

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf by:

Trustee

Approved by the Trustees on:

**Independent auditor's report to the Trustees and members of The European Association for Cardio-Thoracic Surgery****Opinion**

We have audited the financial statements of The European Association for Cardio-Thoracic Surgery ('the parent charity') and its subsidiaries (together known as 'the group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2021 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept by the charitable parent company; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006) and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**Auditor's responsibilities for the audit of the financial statements** (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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

Katharine Patel (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

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

**Consolidated statement of financial activities (including income and expenditure account)**  
Year to 31 March 2021

**DRAFT**

	Notes	Unrestricted funds €	Restricted funds €	Total funds 2021 €	Unrestricted funds Restated €	Restricted funds €	Total funds 2020 Restated €
<b>Income from:</b>							
Charitable activities							
. Member subscriptions		606,462	—	606,462	1,398,400	—	1,398,400
. Corporate and partnership		(15,000)	—	(15,000)	41,000	—	41,000
. Other		8,368	—	8,368	—	—	—
Other trading activities							
. Annual Conference		1,214,604	—	1,214,604	4,618,411	—	4,618,411
. Publications and journals		675,116	—	675,116	533,252	—	533,252
. Educational activities		46,360	—	46,360	855,726	—	855,726
Investments	1	14,818	—	14,818	22,055	—	22,055
Exchange gain		251,426	—	251,426	—	—	—
<b>Total income</b>		<b>2,802,154</b>	<b>—</b>	<b>2,802,154</b>	<b>7,468,844</b>	<b>—</b>	<b>7,468,844</b>
<b>Expenditure on:</b>							
Raising funds							
. Annual Conference		1,222,731	—	1,222,731	2,038,863	—	2,038,863
. Publications and journals		1,183,606	—	1,183,606	1,040,838	—	1,040,838
. Educational activities		185,244	—	185,244	944,542	—	944,542
Charitable activities							
. Member subscriptions		718,492	—	718,492	2,210,994	—	2,210,994
. Corporate and partnership		—	—	—	158,752	—	158,752
<b>Total expenditure</b>	2	<b>3,310,073</b>	<b>—</b>	<b>3,310,073</b>	<b>6,393,989</b>	<b>—</b>	<b>6,393,989</b>
<b>Net (expenditure) income for the year and net movement in funds</b>	4	<b>(507,919)</b>	<b>—</b>	<b>(507,919)</b>	<b>1,074,855</b>	<b>—</b>	<b>1,074,855</b>
<b>Reconciliation of funds:</b>							
Total fund balances brought forward at 1 April	12	22,600,483	—	22,600,483	21,525,628	—	21,525,628
<b>Total fund balances carried forward at 31 March</b>		<b>22,092,564</b>	<b>—</b>	<b>22,092,564</b>	<b>22,600,483</b>	<b>—</b>	<b>22,600,483</b>

All of the group and charity's activities derived from continuing operations during the above two financial periods.

All recognised gains or losses are included in the above statement of financial activities.

The comparative results have been restated to correct for the reversal of a creditor balance. The correction has resulted in the cost of sales and trade creditors being reduced by €625,069. Further details are provided in note 17 to the accounts.

	Notes	Group 2021 €	Group 2020 Restated €	Charity 2021 €	Charity 2020 Restated €
<b>Fixed assets:</b>					
Intangible fixed assets	7	91,713	158,413	—	—
Tangible fixed assets	8	1,372,595	1,364,689	1,364,936	1,353,189
Investments	9	—	—	3	3
<b>Total fixed assets</b>		<b>1,464,308</b>	1,523,102	<b>1,364,939</b>	1,353,192
<b>Current assets:</b>					
Debtors	10	734,821	1,432,972	1,304,232	5,088,771
Cash at bank and in hand		21,275,722	20,946,952	19,695,557	15,777,246
<b>Total current assets</b>		<b>22,010,543</b>	22,379,924	<b>20,999,789</b>	20,866,017
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	11	(1,382,287)	(1,302,543)	(484,958)	(328,279)
<b>Net current assets</b>		<b>20,628,256</b>	21,077,381	<b>20,514,831</b>	20,537,738
<b>Total net assets</b>		<b>22,092,564</b>	22,600,483	<b>21,879,770</b>	21,890,930
<b>The funds of the charity:</b>					
Unrestricted funds	12	22,092,564	22,600,483	21,879,770	21,890,930
		<b>22,092,564</b>	22,600,483	<b>21,879,770</b>	21,890,930

Signed on behalf of the Trustees by:

The European Association for Cardio-Thoracic Surgery, Company Limited by Guarantee  
Company Registration Number 07401765 (England and Wales)

Approved by the Trustees on:

	Notes	2021 €	2020 €
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	<b>382,000</b>	390,490
<b>Cash flows from investing activities:</b>			
Investment income		14,818	22,055
Purchase of tangible fixed assets		(68,048)	(17,502)
<b>Net cash (used in) provided by investing activities</b>		<b>(53,230)</b>	4,553
<b>Change in cash and cash equivalents in the year</b>		<b>328,770</b>	395,043
<b>Cash and cash equivalents at 1 April</b>	B	<b>20,946,952</b>	20,551,909
<b>Cash and cash equivalents at 31 March</b>	B	<b>21,275,722</b>	20,946,952

## Notes to the statement of cash flows for the year to 31 March:

## A Reconciliation of net movement in funds to net cash provided by operating activities

	2021 €	2020 €
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(507,919)</b>	1,074,855
<b>Adjustments for:</b>		
Depreciation charge	60,142	49,173
Amortisation charge	66,700	66,700
Investment income	(14,818)	(22,055)
Decrease in debtors	698,151	49,433
Increase (decrease) in creditors	79,744	(827,616)
<b>Net cash provided by operating activities</b>	<b>382,000</b>	390,490

## B Analysis of cash and cash equivalents

	2021 €	2020 €
Cash at bank and in hand	21,275,723	20,946,952
<b>Total cash and cash equivalents</b>	<b>21,275,723</b>	20,946,952

## C Analysis of changes in net debt

	At 1 April 2020 €	Cash flows €	At 31 March 2021 €
Cash at bank and in hand	20,946,952	328,770	21,275,722
<b>Total</b>	<b>20,946,952</b>	<b>328,770</b>	<b>21,275,722</b>

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

#### **Basis of preparation**

These financial statements have been prepared for the year to 31 March 2021 and are presented in euros and are rounded to the nearest euro.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

#### **Basis of consolidation**

The statement of financial activities and the balance sheet consolidate the assets, liabilities, income and expenditure of the charity and its wholly owned subsidiaries: EACTS Trading Company Limited, EACTS Publishing Limited and European Academy for Thoracic and Cardiac Surgery Limited. The results of the subsidiary undertakings are consolidated on a line-by-line basis.

No separate statement of financial activities has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006.

#### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible and intangible fixed assets for the purposes of determining a depreciation and amortisation rate;
- ◆ determining the value of designated funds needed at the year end;
- ◆ estimating the value of the bad debt provision, and
- ◆ estimating future cashflows for the purpose of assessing going concern.

**Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements. They have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the group and the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above.

From March 2021, the activities of EACTS have continued to be partially impacted by the COVID-19 pandemic, however this does not affect the assessment of going concern as the level of reserves at present exceeds the foreseeable continued impact of the pandemic.

**Income recognition**

Income is recognised in the period in which the group and the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises subscriptions, meeting registration fees, income from other trading activities and interest receivable.

Subscription income is accounted for in the period it is receivable. The income arising from meetings is recognised on a receivable basis. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group and the charity; this is normally upon notification of the interest paid or payable by the bank.

Income in relation to distributions received under Gift Aid are recognised at the time of the distribution.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the group and the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds which includes all expenditure associated with raising funds for the group and the charity, and those incurred in trading activities that raise funds.

**Expenditure recognition** (continued)

- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the group and the charity through the provision of its charitable activities. Such costs include direct and support costs, including governance costs.

**Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the group and the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

**Intangible fixed assets**

Intangible assets costing €1,000 or more are capitalised when future economic benefits are probable and the cost of value or the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision of impairment.

Amortisation is provided for at rates calculated to write off the cost of the asset, less its residual value, over its expected useful life on the following basis:

Rights to the European Journal of Cardio-Thoracic Surgery	10% straight line
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**Tangible fixed assets**

All assets costing more than €1,000 and with an expected useful life exceeding one year are capitalised. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value and recoverable amounts are recognised as impairments through the statement of financial activities.

All tangible fixed assets are capitalised and depreciated at rates calculated in order to write off the cost less residual value over their estimated useful lives:

Long leasehold property	2% straight line
Fixtures and fittings	25% reducing balance
Office equipment	33% reducing balance
Computer equipment	33% reducing balance

### **Investments**

Investments in subsidiary undertakings are included at cost with provision being made for any permanent diminution in value.

### **Fund accounting**

Restricted funds comprise monies raised for, or their use is restricted to, a specific purpose, or contributions subject to donor imposed conditions.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objectives.

Designated funds represent monies which the Trustees have set aside for a specific purpose.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the group and the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Pension costs**

The group and the charity operates a defined contribution scheme on behalf of its employees. The assets are held in separately administered funds. Contributions are charged to the statement of financial activities in the year in which they fall due.

### **Financial instruments**

The charity only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – classified as a basic financial instrument and is measured at face value.

Financial liabilities – accruals and other creditors are financial instruments, and are measured at amortised cost.

**1 Investment income**

	Unrestricted funds €	Restricted funds €	2021 Total funds €	Unrestricted funds €	Restricted funds €	2020 Total funds €
Interest receivable	14,818	—	14,818	22,055	—	22,055

**2 Total expenditure**

Allocation of support costs to charitable activities:

	Direct costs €	Support costs €	2021 Total funds €	Direct costs €	Support costs €	2020 Total funds €
<b>Raising funds</b>						
. Annual conference	936,835	285,896	1,222,731	1,569,655	469,209	2,038,864
. Publications and journals	1,022,564	161,042	1,183,606	746,686	294,151	1,040,837
. Educational activities	176,934	8,310	185,244	817,511	127,031	944,542
<b>Charitable activities:</b>						
. Member subscriptions	(113,155)	831,647	718,492	875,418	1,335,576	2,210,994
. Corporate and partnership	—	—	—	158,752	—	158,752
	2,023,178	1,286,895	3,310,073	4,168,022	2,225,967	6,393,989

Support costs are apportioned on a basis consistent with the use of resources.

Support costs comprise the following:

	2021 Total €	2020 Total €
Staff costs (note 6)	404,890	417,819
Other staff related costs	24,106	154,142
Council expenses	—	75,362
Office costs	47,488	87,756
Depreciation	60,141	49,173
Amortisation	66,700	66,700
Premises	44,294	109,891
EBTCS costs	20,279	37,036
Marketing	14,899	49,440
Software development	58,188	191,402
Consultancy	361,125	251,236
Governance costs (note 3)	178,393	131,606
Bank charges	35,712	110,079
Sundry expenses	(9,540)	(23,284)
Foreign exchange loss	—	517,709
Bad debt expense	(19,780)	—
	1,286,895	2,225,967

**3 Governance costs**

	Unrestricted funds €	Restricted funds €	2021 Total funds €	Unrestricted funds €	Restricted funds €	2020 Total funds €
Legal and professional fees	76,949	—	76,949	58,664	—	58,664
Audit and accountancy fees	101,444	—	101,444	72,942	—	72,942
	<b>178,393</b>	<b>—</b>	<b>178,393</b>	131,606	—	131,606

**4 Net income/(expenditure)**

This is stated after charging:

	2021 Total €	2020 Total €
Staff costs (note 6)	404,890	417,819
Depreciation of tangible fixed assets:		
. Owned by the charitable group	60,142	49,173
Amortisation of intangible fixed assets	66,700	66,700
Auditors' remuneration:		
. Audit services – current year	19,680	23,701
. Audit services – prior year	3,895	—
. Non audit services	50,035	5,040

**5 Trustees' remuneration**

During the year, no Trustees received any remuneration or any benefits in kind (2020 – none). During the year, EACTS reimbursed the employing trust of the Secretary General for his time, amounting to €41,480 (2020: €78,841).

During the year, one Trustee received reimbursement of expenses of €1,904 (2020 – €61,423 to 13 Trustees). The nature of these expenses were that of travel.

**6 Staff costs and remuneration of key management personnel**

	2021 Total €	2020 Total €
Wages and salaries	904,646	918,496
Social security costs	56,509	50,559
Other pension costs	15,997	17,528
	<b>977,152</b>	<b>986,583</b>

Total staff costs have been allocated to direct staff costs and support costs based on an estimate of time spent in each area. These are allocated as follows:

	2021 Total €	2020 Total €
Direct staff costs	572,262	568,764
Support costs (note 2)	404,890	417,819
	<b>977,152</b>	<b>986,583</b>

**6 Staff costs and remuneration of key management personnel** (continued)

The average number of persons employed by the group during the year was as follows:

	<b>2021 Total No.</b>	2020 Total No.
Administration staff	4	1
Operational staff	5	8
Other staff members employed by external organisations	7	9
	<b>16</b>	<b>18</b>

Number of employees (excluding those employed by external organisations) whose total emoluments fall within the following ranges for the year:

	<b>2021 Total No.</b>	2020 Total No.
€70,001 - €80,000	1	—
€90,001 - €100,000	1	1
€110,001 - €120,000	—	1
€140,001 - €150,000	1	—

Pension contributions for these employees were €4,700 (2020: €2,520).

The key management personnel of the charity in charge of directing, and controlling, running and operating the charity on a day to day basis comprise the Trustees. The total employment costs (including employers' national insurance and pension contributions) of the key management personnel for the year was €302,369 (2020: €128,430).

**7 Intangible fixed assets**

<b>Group</b>	Journal title €	<b>Total €</b>
<b>Cost</b>		
At 1 April 2020 and 31 March 2021	667,000	<b>667,000</b>
<b>Amortisation</b>		
At 1 April 2020	508,587	<b>508,587</b>
Charge for the year	66,700	<b>66,700</b>
At 31 March 2021	575,287	<b>575,287</b>
<b>Carrying amount</b>		
At 31 March 2021	91,713	<b>91,713</b>
At 31 March 2020	158,413	<b>158,413</b>

**8 Tangible fixed assets**

<b>Group</b>	Long leasehold property €	Fixtures & fittings €	Office equipment €	Computer equipment €	<b>Total</b> €
<b>Cost</b>					
At 1 April 2020	1,593,816	102,564	18,611	172,375	<b>1,887,366</b>
Additions	—	—	—	68,048	<b>68,048</b>
At 31 March 2021	<u>1,593,816</u>	<u>102,564</u>	<u>18,611</u>	<u>240,423</u>	<b><u>1,955,414</u></b>
<b>Depreciation</b>					
At 1 April 2020	273,603	92,875	10,518	145,681	<b>522,677</b>
Charge for the year	22,881	2,448	2,844	31,969	<b>60,142</b>
At 31 March 2021	<u>296,484</u>	<u>95,323</u>	<u>13,362</u>	<u>177,650</u>	<b><u>582,819</u></b>
<b>Net book value</b>					
At 31 March 2021	<u>1,297,332</u>	<u>7,241</u>	<u>5,249</u>	<u>62,773</u>	<b><u>1,372,595</u></b>
At 31 March 2020	<u>1,320,213</u>	<u>9,689</u>	<u>8,093</u>	<u>26,694</u>	<b><u>1,364,689</u></b>

<b>Charity</b>	Long leasehold property €	Fixtures & fittings €	Office equipment €	Computer equipment €	<b>Total</b> €
<b>Cost</b>					
At 1 April 2020	1,593,816	101,928	13,220	116,583	<b>1,825,547</b>
Additions	—	—	—	68,048	<b>68,048</b>
At 31 March 2021	<u>1,593,816</u>	<u>101,928</u>	<u>13,220</u>	<u>184,631</u>	<b><u>1,893,595</u></b>
<b>Depreciation</b>					
At 1 April 2020	273,603	92,292	5,888	100,575	<b>472,358</b>
Charge for the year	22,881	2,435	2,553	28,432	<b>56,301</b>
At 31 March 2021	<u>296,484</u>	<u>94,727</u>	<u>8,441</u>	<u>129,007</u>	<b><u>528,659</u></b>
<b>Net book value</b>					
At 31 March 2021	<u>1,297,332</u>	<u>7,201</u>	<u>4,779</u>	<u>55,624</u>	<b><u>1,364,936</u></b>
At 31 March 2020	<u>1,320,213</u>	<u>9,636</u>	<u>7,332</u>	<u>16,008</u>	<b><u>1,353,189</u></b>

**9 Fixed asset investments**

	<b>2021</b> <b>Total</b> €	2020 Total €
<b>Charity: investment in group undertakings</b>		
<b>Market value</b>		
At 1 April 2020 and 31 March 2021	<b>3</b>	<b>3</b>

All the fixed asset investments are held within the UK. For further details, please see note 16.

**10 Debtors**

	<b>Group 2021 €</b>	Group 2020 €	<b>Charity 2021 €</b>	Charity 2020 €
Trade debtors	<b>698,034</b>	591,995	<b>530,425</b>	3,182,161
Amounts owed by group undertakings	—	—	<b>684,436</b>	1,828,375
Other debtors	<b>36,787</b>	779,157	<b>89,371</b>	78,235
Prepayments and accrued income	—	61,820	—	—
	<b>734,821</b>	1,432,972	<b>1,304,232</b>	5,088,771

**11 Creditors: Amounts falling due within one year**

	<b>Group 2021 €</b>	Group 2020 Restated €	<b>Charity 2021 €</b>	Charity 2020 Restated €
Trade creditors	<b>408,028</b>	414,271	<b>141,568</b>	220,725
Other taxation and social security	<b>192,900</b>	126,530	—	—
Other creditors	<b>171,076</b>	134,273	<b>622</b>	53,163
Accruals and deferred income	<b>610,283</b>	627,469	<b>342,768</b>	54,391
	<b>1,382,287</b>	1,302,543	<b>484,958</b>	328,279

Included with creditors is deferred income relating to members subscriptions received in advance and future meetings and publications as set out below:

	<b>2021 Total €</b>	2020 Total €
Deferred income at 1 April	<b>502,760</b>	907,765
Resources deferred in year	<b>584,597</b>	502,760
Amounts released in year	<b>(502,760)</b>	(907,765)
Deferred income at 31 March	<b>584,597</b>	502,760

**12 Statement of funds**

	Balance at 1 April 2020 €	Income €	Expenditure €	<b>Balance at 31 March 2021 €</b>
<b>Group: 2021</b>				
<b>Unrestricted funds</b>				
General funds	22,600,483	2,802,154	(3,310,073)	<b>22,092,564</b>
<b>Restricted funds</b>	—	—	—	—
Total funds	22,600,483	2,802,154	(3,310,073)	<b>22,092,564</b>

**12 Statement of funds** (continued)

The designated fund relates to the Francis Fortan Fund, a Trustee designated fund for the purposes of awarding educational grants. This was fully utilised within the year.

	Balance at 1 April 2020 €	Income €	Expenditure €	Balance at 31 March 2021 €
<b>Charity: 2021</b>				
<b>Unrestricted funds</b>				
. General funds	21,890,930	695,837	(706,997)	<b>21,879,770</b>
<b>Restricted funds</b>	—	—	—	—
Total funds	<b>21,890,930</b>	<b>695,837</b>	<b>(706,997)</b>	<b>21,879,770</b>

	Balance at 1 April 2019 €	Income €	Expenditure €	Transfers €	Balance at 31 March 2020 €
<b>Group: 2020</b>					
<b>Unrestricted funds</b>					
. General funds	21,423,634	7,427,844	(6,235,237)	(15,758)	<b>22,600,483</b>
. Designated funds	101,994	41,000	(158,752)	15,758	—
<b>Restricted funds</b>	—	—	—	—	—
Total funds	<b>21,525,628</b>	<b>7,468,844</b>	<b>(6,393,989)</b>	—	<b>22,600,483</b>

	Balance at 1 April 2019 €	Income €	Expenditure €	Transfers €	Balance at 31 March 2020 €
<b>Charity: 2020</b>					
<b>Unrestricted funds</b>					
. General funds	19,639,539	3,889,488	(1,622,289)	(15,808)	<b>21,890,930</b>
. Designated funds	101,944	41,000	(158,752)	15,808	—
<b>Restricted funds</b>	—	—	—	—	—
Total funds	<b>19,741,483</b>	<b>3,930,488</b>	<b>(1,781,041)</b>	—	<b>21,890,930</b>

**13 Analysis of net assets between funds**

	Unrestricted funds 2021 €	Restricted funds 2021 €	Total funds 2021 €	Unrestricted funds 2020 €	Restricted funds 2020 €	Total funds 2020 Restated €
<b>Group:</b>						
Intangible fixed assets	<b>91,713</b>	—	<b>91,713</b>	158,413	—	158,413
Tangible fixed assets	<b>1,372,595</b>	—	<b>1,372,595</b>	1,364,689	—	1,364,689
Current assets	<b>22,010,543</b>	—	<b>22,010,543</b>	22,379,924	—	22,379,924
Creditors due within one year	<b>(1,382,287)</b>	—	<b>(1,382,287)</b>	(1,302,543)	—	(1,302,543)
	<b>22,092,564</b>	—	<b>22,092,564</b>	22,600,483	—	22,600,483

**13 Analysis of net assets between funds** (continued)

	Unrestricted funds 2021 €	Restricted funds 2021 €	Total funds 2021 €	Unrestricted funds 2020 €	Restricted funds 2020 €	Total funds 2020 Restated €
<b>Charity:</b>						
Tangible fixed assets	1,364,936	—	1,364,936	1,353,189	—	1,353,189
Investments	3	—	3	3	—	3
Current assets	20,999,789	—	20,999,789	20,866,017	—	20,866,017
Creditors due within one year	(484,958)	—	(484,958)	(328,279)	—	(328,279)
	<b>21,879,770</b>	<b>—</b>	<b>21,879,770</b>	<b>21,890,930</b>	<b>—</b>	<b>21,890,930</b>

**14 Pension commitments**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to €15,997 (2020 – €17,528). Contributions totalling €nil (2020 – €nil) were payable to the fund at the balance sheet date and are included in creditors.

**15 Related party transactions**

Amounts owed to the charity by its subsidiary undertakings:

	2021 €	2020 €
EACTS Trading Company Limited	684,436	3,147,806
EACTS Publishing Limited	—	195,142
European Academy for Thoracic and Cardiac Surgery Limited	—	1,185,428
	<b>684,436</b>	<b>4,528,376</b>

During the year ended 31 March 2021, the group made payments to the University Hospital Birmingham totalling €41,480 (2020: €267,783) comprising payments of €41,480 (2020: €78,841) for the services of the Secretary General and €Nil (2020: €188,942) for the Quality Improvement Programme. The Hospital is related to the group as a result of D Pagano, the previous Secretary General and a Trustee of EACTS, being employed in a senior role at the Hospital.

During the year, the group paid the University of Freiburg a total of €79,049 (2020: €243,555) editorial services for the charity's publications. The University is related to the group as a result of F Beyersdorf, a Trustee of EACTS, being employed in a senior role at the University. There were no further related party transactions.

**16 Subsidiaries****EACTS Trading Company Limited**

Company registration number	03987972
Basis of control	Equity Shareholding
Equity shareholding %	100%
Total assets as at 31 March 2021	6,088,848
Total liabilities as at 31 March 2021	(265,205)
Total equity as at 31 March 2021	5,823,643
Turnover for the year ended 31 March 2021	1,225,367
Expenditure for the year ended 31 March 2021	(1,348,020)
Loss for the year ended 31 March 2021	(122,653)

**EACTS Publishing Limited**

Company registration number	06396790
Basis of control	Equity Shareholding
Equity shareholding %	100%
Total assets as at 31 March 2021	92,462
Total liabilities as at 31 March 2021	(3,526,402)
Total equity as at 31 March 2021	(3,433,940)
Turnover for the year ended 31 March 2021	676,074
Expenditure for the year ended 31 March 2021	(1,183,604)
Loss for the year ended 31 March 2021	(507,530)

**European Academy for Thoracic and Cardiac Surgery Limited**

Company registration number	05047175
Basis of control	Voting rights
Total assets as at 31 March 2021	214,198
Total liabilities as at 31 March 2021	(2,391,095)
Total equity as at 31 March 2021	(2,176,897)
Turnover for the year ended 31 March 2021	46,501
Expenditure for the year ended 31 March 2021	(185,244)
Loss for the year ended 31 March 2021	(138,743)

**European School for Cardio-Thoracic Surgery Limited**

Company registration number	04795997
Basis of control	Equity shareholding
Equity shareholding %	100%
Total assets as at 31 March 2021	1
Total equity as at 31 March 2021	1
Trading status	Dormant

**17 Prior year adjustment****Group:**

Changes to the balance sheet:

	At 31 March 2020		
	As previously reported €	Adjustment €	As restated €
Intangible fixed assets	158,413	—	158,413
Tangible fixed assets	1,364,689	—	1,364,689
Debtors	1,432,972	—	1,432,972
Cash at bank	20,946,952	—	20,946,952
Creditors	(1,927,612)	625,069	(1,302,543)
	<u>21,975,414</u>	<u>625,069</u>	<u>22,600,483</u>
<b>Capital and reserves:</b>			
Unrestricted funds	21,975,414	625,069	22,600,483
Restricted funds	—	—	—
	<u>21,975,414</u>	<u>625,069</u>	<u>22,600,483</u>

Changes to the statement of financial activities:

	At 31 March 2020		
	As previously reported €	Adjustment €	As restated €
Total income	7,468,844	—	7,468,844
Total expenditure	(7,019,058)	625,069	(6,393,989)
Net movement in funds	<u>449,786</u>	<u>625,069</u>	<u>1,074,855</u>

The prior year adjustment relates to a correction of an overstatement of creditors and cost of sales within the charity, EACTS Publishing Limited and European Academy for Thoracic and Cardiac Surgery Limited.

**17 Prior year adjustment** (continued)**Charity:**

Changes to the balance sheet:

	At 31 March 2020		
	As previously reported €	Adjustment €	As restated €
Tangible fixed assets	1,364,936	—	1,364,936
Investments	3	—	3
Debtors	1,304,232	—	1,304,232
Cash at bank	19,695,557	—	19,695,557
Creditors	(463,395)	21,563	(484,958)
	<u>21,858,207</u>	<u>21,563</u>	<u>21,879,770</u>
<b>Capital and reserves:</b>			
Unrestricted funds	21,858,207	21,563	21,879,770
Restricted funds	—	—	—
	<u>21,858,207</u>	<u>21,563</u>	<u>21,879,770</u>

Changes to the statement of financial activities:

	At 31 March 2020		
	As previously reported €	Adjustment €	As restated €
Total income	695,836	—	695,836
Total expenditure	(728,560)	21,563	(706,997)
Net movement in funds	<u>(32,724)</u>	<u>21,563</u>	<u>(11,161)</u>

The prior year adjustment relates to a correction of an overstatement of creditors and cost of sales.