

07/10/2021 DRAFT

**EACTS Trading Company
Limited**

**Annual Report and Financial
Statements**

Year ended 31 March 2021

Company Registration Number
03987972 (England and Wales)

Reports

Reference and administrative details of the company, its directors and advisers	1
Directors' report	2
Independent auditor's report	4

Financial statements

Statement of income and retained earnings	8
Statement of financial position	9
Principal accounting policies	10
Notes to the financial statements	13

Directors	F Beyersdorf (appointed 6 March 2021) P Myers (appointed 6 March 2021)
Registered office	EACTS House Madeira Walk Windsor Berkshire SL4 1EU
Registered number	03987972 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

The directors present their report with the financial statements of EACTS Trading Company Limited (Company Registration No. 03987972) for the year ended 31 March 2021.

Principal activity and review of the business

EACTS Trading Company Limited is a wholly owned trading subsidiary of the European Association for Cardio-Thoracic Surgery (EACTS). It was incorporated in May 2000 in order to manage the annual conference of EACTS, including registrations, sponsorship, exhibitions and other trading. The 34th EACTS annual conference was held virtually in October 2020. The next annual conference will be held in Barcelona post year end, in October 2021.

Future developments

In 2021/22, EACTS Trading Company Limited's primary activity will be the management of the 35th EACTS annual conference, held in October 2021.

Directors

The directors in office during the year, who held no beneficial interest in the issued ordinary share capital, were as follows:

Director	Appointed / Resigned
V Falk	Resigned 10 October 2020
D Pagano	Resigned 30 June 2021
F Beyersdorf	Appointed 6 March 2021
P Myers	Appointed 6 March 2021

No directors received any remuneration for services as a director (2020 - none).

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;

- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to material departures disclosed and explained in the financial statements; and

Statement of directors' responsibilities (continued)

- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors confirms that:

- ◆ so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- ◆ the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company'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 above report has been prepared in accordance with the special provisions relating to small companies within FRS 102 and Part 15 of the Companies Act 2006.

Signed on behalf of the Board of Directors:

Director:

Approved by the Board on:

Independent auditor's report to the members of EACTS Trading Company Limited

Opinion

We have audited the financial statements of EACTS Trading Company Limited (the 'company') for the year ended 31 March 2021, which comprise the statement of income and retained earnings, the statement of financial position 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 company's affairs as at 31 March 2021 and of its loss 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors' 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 group and charitable parent 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Director's 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 material inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be material 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.

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exemption

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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, or returns adequate for our audit; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the directors 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 Director's Report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on pages 2 and 3, the directors 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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, individual 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:

- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the company and the sector in which it operates. We determined that the most significant are those that relate to the financial reporting framework, being United Kingdom Generally Accepted Accounting Practice (FRS102) and the Companies Act 2006. We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of directors' meetings.
- ◆ We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - ◇ Evaluation of management's incentives and opportunities for fraudulent manipulation of the financial statements including the risk of override of the controls;
 - ◇ Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;

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

- ◇ Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- ◇ Sample based testing of expenditure in the accounting system to supporting documentation and sample based testing of income from source documentation to the accounting system;
- ◇ Challenging assumptions and judgements made by management in assessing the going concern basis of accounting and in its significant accounting estimates; and
- ◇ Identifying and testing journal entries, in particular any journal entries posted with unusual characteristics.

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 directors 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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 company's members 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 company and the 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, Statutory Auditor
130 Wood Street
London
EC2V 6DL

	Notes	2021 €	2020 €
Turnover	1	1,222,821	4,618,411
Cost of sales		(956,535)	(1,612,949)
Gross profit		266,286	3,005,462
Administrative expenses	2	(391,485)	(519,451)
Operating (loss) profit		(125,199)	2,486,011
Bank interest receivable		2,546	6,869
(Loss) profit on ordinary activities before taxation		(122,653)	2,492,880
Taxation	8	—	—
(Loss) profit on ordinary activities after taxation		(122,653)	2,492,880
Distribution to the European Association for Cardio-Thoracic Surgery	10	—	(2,700,000)
		(122,653)	(207,120)
Retained earnings brought forward at 1 April 2020		5,946,294	6,153,414
Retained earnings carried forward at 31 March 2021		5,823,641	5,946,294

There are no recognised gains and losses for the current period other than those included in the statement of income and retained earnings.

All of the company's activities derived from continuing operations during the above financial periods.

	Notes	2021 €	2020 €
Fixed assets			
Tangible assets	5	<u>5,838</u>	<u>8,750</u>
Current assets			
Debtors	6	<u>4,502,845</u>	4,122,571
Cash at bank and in hand		<u>1,580,165</u>	<u>5,441,879</u>
		6,083,010	9,564,450
Liabilities			
Creditors: amounts falling due within one year	7	<u>(265,205)</u>	<u>(3,626,904)</u>
Net current assets		5,817,805	5,937,546
Net assets		<u>5,823,643</u>	<u>5,946,296</u>
Capital and reserves			
Called up share capital	9	<u>2</u>	<u>2</u>
Profit and loss account		<u>5,823,641</u>	<u>5,946,294</u>
		5,823,643	5,946,296

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS102 Section 1A – small entities.

Signed on behalf of the Board of Directors of EACTS Trading Company Limited by:

Director:

Approved on:

Company number 03987972 (England and Wales)

EACTS Trading Company Limited is a private company limited by shares and incorporated in England and Wales (Company Registration Number 03987972). The registered office is EACTS House, Madeira Walk, Windsor, Berkshire, SL4 1EU. It is a wholly owned subsidiary of the European Association for Cardio-Thoracic Surgery (EACTS) a charitable company (Charity Registration Number 114027 and Company Registration Number 07401765 (England and Wales)).

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 accounting

These financial statements have been prepared in compliance with Section 1A of FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

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 are prepared in euros and are rounded to the nearest euro.

Critical accounting estimates and areas of judgement

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

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

- ◆ Estimating the useful lives of tangible fixed assets for the purposes of determining a depreciation rate; and
- ◆ The basis for determining recharges of staff time to the parent charity.

Assessment of going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The directors have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors are of the opinion that the company will have sufficient resources to meet its liabilities as they fall due.

Turnover

Turnover derives from principal activities of the company and represents income from annual conference registration fees, invoiced exhibition fees and sponsorship net of value added tax. Revenue is recognised when these services are provided, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the company. Where income is received in advance of this provision of services, it is held on the statement of financial position as deferred income and released in the period in which services are provided.

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

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the company 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 excludes recoverable VAT. Expenditure comprises the direct costs associated with the delivery of the company's services as well as general administrative support costs.

Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement.

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 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 amount are recognised as impairments through the statement of income and retained earnings.

All tangible assets are depreciated at rates calculated in order to write off the cost less residual value of the asset over their useful lives:

Fixture and fittings	- 25% reducing balance
Office equipment	- 25% reducing balance
Computer equipment	- 33% reducing balance

Trade and other debtors

Trade and other debtors are initially recognised at the transaction price and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on demand deposits with banks.

Trade and other creditors

Trade and other creditors are initially recognised at the transaction price and are thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Pension costs

The company operates a defined contribution pension scheme on behalf of its employees. The assets are held in separately administered funds. Contributions are charged to the statement of income and retained earnings in the period in which they fall due.

1 Turnover

	2021 €	2020 €
Industry income	1,039,027	2,499,738
Registrations	166,804	2,016,738
Catering	8,773	101,935
Other income	8,217	—
	1,222,821	4,618,411

2 Administrative expenses

	2021 €	2020 €
Staff costs	257,957	264,597
Rent and service charges	91,951	95,770
Depreciation	2,912	4,301
Office costs	353	49,175
Audit and accountancy fees	10,931	2,500
Insurance	—	10,272
Professional fees	3,919	1,271
Bank charges	524	14,474
Foreign exchange losses	33,339	77,091
Sundry expenses	(10,401)	—
	391,485	519,451

3 Operating profit

	2021 €	2020 €
This is stated after charging:		
Staff costs (note 4)	257,957	264,597
Depreciation (note 5)	2,912	4,301
Auditor's remuneration – audit fees	7,321	2,500

4 Employees

The average number of employees, including directors, during the year was 9 (2020 – 11).

5 Tangible fixed assets

	Fixtures & fittings €	Office equipment €	Computer equipment €	Total €
Cost				
At 1 April 2020 and 31 March 2021	636	4,157	37,054	41,847
Depreciation				
At 1 April 2020	583	3,412	29,102	33,097
Charge for the year	13	275	2,624	2,912
At 31 March 2021	596	3,687	31,726	36,009
Net book value				
At 31 March 2021	40	470	5,328	5,838
At 1 April 2020	53	745	7,952	8,750

6 Debtors

	2021 €	2020 €
Trade debtors	228,587	83,731
Amount due from group undertakings	4,237,471	3,878,604
Other debtors	36,787	133,703
Prepayments and accrued income	—	26,533
	4,502,845	4,122,571

7 Creditors: amounts falling due within one year

	2021 €	2020 €
Trade creditors	39,414	178,468
Accruals and other deferred income	3,009	35,783
Amount due to group undertakings	—	3,147,806
Other creditors	—	17,148
Social security and other taxation	222,782	247,699
	265,205	3,626,904

8 Taxation

The company has no tax charge for the year as it was loss making. There was no tax charge for the prior year as the company's taxable profits were distributed to the European Association for Cardio-Thoracic Surgery under Gift Aid. No provision for deferred taxation is made as no timing differences between accounting profits and profits assessable to tax have arisen.

9 Called up share capital

	Allotted, called up and fully paid	
	2021	2020
	€	€
Ordinary shares of £1 each	2	2

10 Ultimate control and related party transactions

The company is controlled by and is a wholly owned subsidiary of the European Association for Cardio-Thoracic Surgery, a registered charity, Charity Registration Number (1140274) and a company limited by guarantee incorporated in England and Wales (Company Registration Number 07401765), with its registered office at EACTS House, Madeira Walk, Windsor, Berkshire, SL4 1EU.

The financial statements do not include disclosure of transactions between the European Association for Cardio-Thoracic Surgery and EACTS Trading Company Limited. As a 100% controlled subsidiary undertaking, EACTS Trading Company Limited is exempt from the requirement to disclose such transactions under section 33.1A of FRS 102.

There were no further related party transactions during the financial period (2020: none).