

Charity Registration No. 210769

Company Registration No. 00117572 (England and Wales)

THE BRITISH ASTRONOMICAL ASSOCIATION

**REPORT AND UNAUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2018**

THE BRITISH ASTRONOMICAL ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|-----------------------------|---|
| Trustees | Mr C Potter (President) Dr J Shears (Vice-President) Mr A Lorrain Dr D Arditti Ms J McClean Dr R McKim Dr G King (Treasurer) Mr J Chuter |
| Secretary | Mr W Tarver |
| Charity number | 210769 |
| Company number | 00117572 |
| Registered office | Burlington House Piccadilly London W1J 0DU |
| Independent examiner | RSM UK Tax and Accounting Limited Chartered Accountants Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY |
| Bankers | Bank of Scotland PO Box 17235 Edinburgh EH11 1YH |

THE BRITISH ASTRONOMICAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2018

The Trustees of The British Astronomical Association present their annual report and financial statements for the year ended 30 June 2018 and confirm that the financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum, Articles of Association and Byelaws, the Companies Act 2006 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 UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The British Astronomical Association ("the Association") was formed in 1890 and is open to everyone interested in astronomy. The Association is registered as a limited company, limited by guarantee. The Association is also registered as a charity with the Charities Commission and its objectives are as follows:

- To promote the science of astronomy and all branches of astronomical research;
- To promote the association of observers of all abilities, for mutual help, and their organisation in the work of astronomical observation;
- The circulation of current astronomical information;
- The encouragement of a popular interest in astronomy.

The Trustees, when making decisions, have due regard to the Charities Commission public benefit guidance when exercising any powers or duties to which the guidance is relevant.

Officers, management and organisation

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

| | |
|------------------------------|-----------------------------|
| Mr C Potter (President) | (Appointed 25 October 2017) |
| Dr J Shears (Vice-President) | |
| Mrs H W McGee | (Resigned 25 October 2017) |
| Mr A Lorrain | |
| Dr N D Hewitt | (Resigned 25 October 2017) |
| Dr D Boyd | (Resigned 25 October 2017) |
| Dr P Abel | (Resigned 25 October 2017) |
| Dr D Arditti | |
| Ms J McClean | |
| Dr R McKim | (Appointed 25 October 2017) |
| Dr G King (Treasurer) | (Appointed 25 October 2017) |
| Mr J Chuter | (Appointed 25 October 2017) |

THE BRITISH ASTRONOMICAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

Officers, management and organisation (continued)

This has been the second full year of operations following a major revision of the Memorandum, Articles of Association and Bylaws which became effective following the Annual General Meeting on 28 October 2015. Under this revised governance, affairs of the Association are managed by two bodies: The Board of Trustees and the Council.

The Board of Trustees constitutes the Trustees of the Charity and the Directors of the Company (revised Articles of Association, para. 12). The Board has 'control over, and management of, all financial and administrative affairs and all property of the Association'.

The Board consists of nine Trustees (President, Vice-President, Treasurer, Business Secretary and five further members of the Association). All Trustees are elected annually by the members before the AGM, except the Vice-President who is ex officio the immediate past President and who serves as Vice-President for the duration of their successor's term. Trustees are normally long-standing members of the Association. The President is responsible for overall management of the operations of the Association. The Treasurer is responsible for all finance matters, reporting to the Trustees on the Association's financial position. The Business Secretary acts as the Company Secretary and has the management of all persons employed by the Association, and the management of the correspondence of the Association, the Board of Trustees and the Council.

New Trustees are provided with induction information and training by officers as required to meet their responsibilities. The Board meets in person at least twice per year to deal with the governance and management of the Association. In addition, the Board confers on a regular basis throughout the year, via teleconference and other electronic means.

The Council consists of the Board of Trustees, two additional Secretaries, the Section Directors and Postholders and five further members of the Association. The latter five, and the two additional Secretaries, are elected annually before the AGM. The two Secretaries deal with matters relating to scientific papers and meetings. The appointment of Section Directors and Postholders is confirmed annually by the Council.

The Council regulates and organises the scientific and public activities of the Association and the services to Members, subject to the financial and administrative control exerted by the Board of Trustees. Council meets on a regular basis at least six times per year. Section Directors are responsible for the management of their Section, reporting to the Council on all matters arising.

THE BRITISH ASTRONOMICAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

Achievements and performance

Membership recorded at 31 July 2017 was 2,652 across all categories. On 31 July 2018, the equivalent number was 2,597, a decrease of 55.

For the financial year 2017/18 the surplus of income over expenditure was £247,096 (2016/17: deficit of £33,858).

The surplus is largely due to two significant bequests that the Association benefited from; Mr John Paul Gibbons of Wolverhampton £33,208 and Mr Michael William Saunders of Mere £260,000 (£110,000 was received from the estate during the year, £150,000 was the estimated net proceeds from the sale of the property in June 2018 and a further tranche is expected from the Saunders estate in 2018/19). Excluding the bequests and other donations there was a deficit of income over expenditure of £47,505 which was less than our budget expectation (2017: £42,146). The operational deficit is largely due to a further decline in membership numbers and consequent decline in income from paid memberships, increases in staff costs, and the overall increase in costs of providing member benefits in recent years. The Board continues to review the costs of the Association in order to identify efficiencies, but will draw on its reserves as necessary in the short term in order to meet our charitable objectives of promoting amateur astronomy, assisting observers in developing and publishing their work and circulating current astronomical information.

We remain indebted to those members and others who support us with their donations or by remembering the Association with a legacy. Any member who would like guidance about including a legacy to the Association in their will should contact the Treasurer.

The past Treasurer (Alan Lorrain) stood down at the end of the 2016/17 session. The Association thanks Mr Lorrain for his work in post for 9 years. Dr Geoffrey King was elected to the post at the 2017 October AGM.

Since 1 August 2017, new members living overseas were able to join the Association via our new digital membership category. This has all the benefits of traditional membership, but with the Journal and Handbook being delivered digitally. Digital subscriptions have been offered to UK members from February 2018. Traditional subscriptions, with printed publications sent by mail, continue to be available to members both at home and overseas. There is no intention of stopping the printed Journal and Handbook – these will continue to be published and an analysis shows that maintaining printed versions should remain financially viable in the foreseeable future. We anticipate that our digital offering will help to reverse the trend of declining membership which we have experienced for many years.

Our longstanding Journal Editor, Mrs Hazel McGee will stand down from the post at the end of the 2017/18 session, i.e. in October 2018. This coincides with the end of her 25th year in the role. A recruitment process was put into place to identify a suitable replacement which culminated in the appointment of Mr Philip Jennings to commence transitioning from September 2018. Philip completed a degree in Astrophysics at York University in 2018.

The work of the observing Sections continues to be at the forefront of the Association's activities, which were again reported in six fully illustrated issues of our Journal. With the resignation of Mr Robert Marriott as director of the Instruments and Imaging Section, Council took the opportunity to review the remit of the section to adjust its focus and relaunch as the Equipment and Techniques Section with Dr David Arditti as Director. In 2016 the Board and Council took the decision to wind-up the collection of instruments owned by the Association. Some instruments currently on loan to members may be offered for sale at the current valuation price to the borrower on a first refusal basis. Other instruments were moved to a secure storage location, and will be offered for sale to members in the first instance. A small number of instruments of historical importance to the Association will be retained. There is a concern that the valuation from previous years may not be realised.

THE BRITISH ASTRONOMICAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

Achievements and performance (continued)

In addition to four meetings at Burlington House, the Christmas Meeting was held at Kings College London and members' meetings were also held at Chester and Newcastle upon Tyne, together with an Observers' Workshop on Lunar and Solar observing in London, and 'Back to Basics' workshops at Bristol and at Kings Lynn. The 2018 Summer Meeting was held in Warwick as a joint meeting with the BAA Variable Star Section and the American Association of Variable Star Observers (AAVSO) which attracted an international audience. The ever popular Winchester Weekend was held once again at Sparsholt College, Hampshire. For 2018/19 meetings will be held at Christchurch, Dorset, Rayleigh, Armagh, Northern Ireland, as well as in London, with 'Back to Basics' workshops in Bexleyheath and Ipswich and an Observers' Workshop in Greenock. The 2019 Summer meeting will be held at Rutherford Appleton Laboratories, Didcot, Oxon. The Institute of Physics generously supported our Christmas meeting and the Royal Astronomical Society our Summer meeting.

At Council we continue to review the location and timing of BAA meetings. In the past there was a feeling that the BAA was rather London-centric. However, whilst our headquarters are located in London, where we benefit from holding some of our meetings without charge in the Royal Astronomical Society lecture theatre, we do strive to organise meetings around the country as much as possible. This in part depends on there being a local astronomical society willing to host us and help with organisation. The majority of our meetings are also recorded and the talks made available online for viewing by our members.

The Association continues to promote amateur astronomy at European Astrofest, the International Astronomy Show in Warwickshire, and at the New Scientist Live event in London's Docklands. In March 2019 we are supporting the Practical Astronomy Show in Kettering. To improve our focus on supporting external events Council appointed Ms. Janice McClean as Events Coordinator.

Apart from routine office tasks, almost all of this substantial programme of activities is run and managed by volunteers, and as ever we are hugely grateful to all those who so freely offer their time and expertise to support our work.

We continue to keep fresh the Association's website (www.britastro.org), which is one of the main faces of the BAA to the outside world – and for many members who are unable to attend meetings regularly, it is one of the chief ways of interacting with the Association. Our objective is that the website should be a vehicle for fostering a greater sense of community amongst members. The contents of the website are actively managed by the Website Operations Team; this includes increasing the frequency of news articles published online as well as Observer's Challenges and Tutorials. Members are also encouraged to upload their observations to their own 'Members Page' and contribute to the lively forum.

Andrew Wilson continues with the office team as our Systems Administrator and Web Content Editor. Andy spear-headed the project to implement electronic voting for our annual Board and Council elections as an additional way for members to vote in the 2018 election. Dominic Ford continues as Website Manager.

Plans for future periods

During the next session we intend to continue to develop the Association's website, to make more material available to both members and the broader astronomical community.

We will continue efforts to attract new members, the Board of Trustees and Council will actively pursue additional ways to improve our offerings to current and new members. In order to make these offerings as efficient as possible we will also undertake a review of our office systems with the objective being to maximize their performance.

The Association's programme will continue as in previous years. Small changes may be made to incorporate new activities or to terminate redundant activities as the Board of Trustees or Council considers appropriate.

THE BRITISH ASTRONOMICAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

Financial review

Reserves policy

The reserves policy of the Charity is to retain a level of reserves which will provide an annual income sufficient to meet any operating deficit and which will also meet expenditure commitments for the next twelve months, including the distribution of awards and grants as decided by Council in accordance with any conditions applicable. The reserves held are sufficient to meet the expected expenditure for a period of at least 12 months and incorporating investment returns generated, would be sufficient to cover any deficit. Restricted and unrestricted reserves at 30 June 2018 amounted to £8,164 and £988,060, respectively.

Risk management

Issues involving significant risk are brought before the Board on a routine basis as and when such issues arise. Where a matter is complex an appropriate working group is formed from a small number of Board or Council members to evaluate issues and formulate recommendations. An assessment of the major risks to which the Association is exposed is updated from time to time. The Association's systems of internal controls are designed to provide reasonable but not absolute assurance against material misstatement or loss. Board members are satisfied that the systems in place mitigate exposure to major risks.

Investment policy

In accordance with the Memorandum and Articles of Association, the Board has the power to invest in such stocks, funds, shares, securities or other investments as it sees fit. The investment objective of the Association is to make investments which will maintain the real purchasing power of the portfolio over time and provide a level of income sufficient to meet operational needs while exposing the Association to a low level of risk.

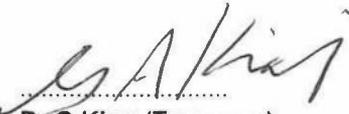
The Treasurer recommended to the Board of Trustees that additional funds be invested with the CCLA utilising the COIF Charities Investment Fund, which meets the Association's investment policy. The Board approved this recommendation and a new investment accumulation fund was set up. Funds from several smaller accounts have been transferred to this new account together with a substantial amount from our Bank of Scotland account, this new CCLA account now contains £293,505. It is our intent to continue the rationalisation of our bank accounts and stock holdings and to invest the funds so released in to these higher earning funds.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The report was approved by the Board of Trustees.


.....
Mr C Potter (President)

Dated: 4/Sept/18


.....
Dr G King (Treasurer)

Dated: 4th September 2018

THE BRITISH ASTRONOMICAL ASSOCIATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2018

The Trustees, who are also the directors of The British Astronomical Association for the purpose of company law, are responsible for preparing the Trustees' Report and the 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate 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.

THE BRITISH ASTRONOMICAL ASSOCIATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE BRITISH ASTRONOMICAL ASSOCIATION

I report to the Trustees on my examination of the accounts of the charity for the year ended 30 June 2018, which are set out on pages 8 to 20.

Responsibilities and basis of report

As the Trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair view' and my report is limited to those specific matters set out in the independent examiner's statement.

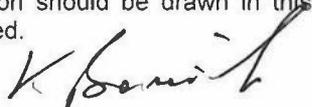
Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me reasonable cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Kevin Barwick FCA

On behalf of RSM UK Tax and Accounting Limited

Highfield Court

Tollgate

Chandlers Ford

Eastleigh

Hampshire

SO53 3TY

Dated:

28 September 2018

THE BRITISH ASTRONOMICAL ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2018

| | Notes | Unrestricted funds £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| <u>Income and endowments from:</u> | | | | | |
| Donations and legacies | | 294,601 | - | 294,601 | 8,288 |
| Income from charitable activities | 3 | 148,287 | (78) | 148,209 | 148,214 |
| Investments | 4 | 5,823 | 25 | 5,848 | 5,729 |
| Other income | | 228 | - | 228 | 388 |
| Total income | | 448,939 | (53) | 448,886 | 162,619 |
| <u>Expenditure on:</u> | | | | | |
| Charitable activities expenditure | 5 | (201,737) | (53) | (201,790) | (196,477) |
| | | 247,202 | (106) | 247,096 | (33,858) |
| Net gains on investments | 8 | 10,085 | - | 10,085 | 6,276 |
| Net income/(expenditure) | | 257,287 | (106) | 257,181 | (27,582) |
| <u>Other recognised gains and losses</u> | | | | | |
| Gain on revaluation of tangible fixed assets | | 3,360 | - | 3,360 | - |
| Net movement in funds | | 260,647 | (106) | 260,541 | (27,582) |
| Total funds brought forward | | 877,413 | 8,270 | 885,683 | 913,265 |
| Total funds carried forward | | 1,138,060 | 8,164 | 1,146,224 | 885,683 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE BRITISH ASTRONOMICAL ASSOCIATION

BALANCE SHEET

AS AT 30 JUNE 2018

| | Notes | 2018 | | 2017 | |
|---|-------|-----------------|------------------|-----------------|----------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 9 | | 44,112 | | 44,392 |
| Investments | 10 | | 462,667 | | 303,179 |
| | | | <u>506,779</u> | | <u>347,571</u> |
| Current assets | | | | | |
| Debtors | 11 | 152,559 | | 16,646 | |
| Cash at bank and in hand | | 525,489 | | 544,423 | |
| | | <u>678,048</u> | | <u>561,069</u> | |
| Creditors: amounts falling due within one year | 12 | <u>(38,603)</u> | | <u>(22,957)</u> | |
| Net current assets | | | 639,445 | | 538,112 |
| Total assets less current liabilities | | | <u>1,146,224</u> | | <u>885,683</u> |
| Income funds | | | | | |
| Restricted funds | | | 8,164 | | 8,270 |
| Unrestricted funds | | | 1,138,060 | | 877,413 |
| | | | <u>1,146,224</u> | | <u>885,683</u> |

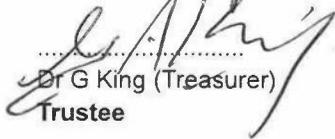
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2018. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on 4th September 2018


Mr C Potter (President)
Trustee


Dr G King (Treasurer)
Trustee

THE BRITISH ASTRONOMICAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Charity information

The British Astronomical Association is a private company limited by guarantee incorporated in England and Wales. The registered office and principal place of business is Burlington House, Piccadilly, London, W1J 0DU.

The charity's principal objectives are disclosed in the Trustees' Report.

Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum, Articles of Association and Byelaws, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016) and under the historic cost convention, modified to include certain assets at fair value. The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Charitable funds

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The aim and use of each fund is set out in the notes to the financial statements.

Incoming resources

Charitable Activities

Income from hire charges is included in incoming resources in the period to which the hire relates.

Investment Income

Interest is included when receivable by the charity.

Subscriptions Income

Income from subscriptions is recognised over the term of the subscription.

Advertising income

Income from advertisement is recognised as earned by the charity.

Sale of goods

Income from the sale of goods is recognised following the supply of goods to the buyer when the significant risks and rewards of ownership are transferred.

THE BRITISH ASTRONOMICAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies (Continued)

Donations and grants

Income from donations and grants is included in incoming resources when these are receivable. When donors specify that grants, including capital grants, are for particular restricted purposes, which do not amount to preconditions regarding entitlement, this income is included in incoming resources or restricted funds when receivable.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Certain expenditure is directly attributable to specific activities and has been included in those cost categories on an estimated basis, as the amounts involved are not material.

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------|-----------------------|
| Fixtures and fittings | 6 years straight line |
| Instruments | 5% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The revaluation of the instrument collection was finalised in May 2018 by Dr Richard J. McKim, BAA Archivist.

The charity has no de minimis capitalisation limit.

Fixed asset investments

Listed investments have been valued at market value as at the year end. Unrealised gains or losses are recognised in the Statement of Financial Activities for the year.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks.

THE BRITISH ASTRONOMICAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies (Continued)

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Retirement benefits

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the Statement of Financial Activities.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no critical judgements or estimates that affect these financial statements.

THE BRITISH ASTRONOMICAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

3 Income from charitable activities

| | Unrestricted Funds 2018 £ | Restricted Funds 2018 £ | Total Funds 2018 £ | Total Funds 2017 £ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Subscriptions | 93,613 | (78) | 93,535 | 94,482 |
| Receipts from meetings and courses | 25,982 | - | 25,982 | 27,718 |
| Advertising revenue | 813 | - | 813 | 787 |
| Receipts from sections | - | - | - | 92 |
| Receipts from commission for dark skies | 99 | - | 99 | 296 |
| Sales - the journal | 2,561 | - | 2,561 | 2,068 |
| Sales - the handbook | 1,611 | - | 1,611 | 1,557 |
| Other income | 5,799 | - | 5,799 | 6,604 |
| HMRC gift aid | 17,809 | - | 17,809 | 14,610 |
| | <u>148,287</u> | <u>(78)</u> | <u>148,209</u> | <u>148,214</u> |

The income from charitable activities was £150,209 (2017: £148,214) of which £150,287 was unrestricted (2017: £148,275) and (£78) was restricted (2017: (£61)).

4 Investments

| | Unrestricted Funds 2018 £ | Restricted Funds 2018 £ | Total Funds 2018 £ | Total Funds 2017 £ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Dividends received from listed investments | 916 | - | 916 | 993 |
| Interest receivable | 4,907 | 25 | 4,932 | 4,736 |
| | <u>5,823</u> | <u>25</u> | <u>5,848</u> | <u>5,729</u> |

The investment income was £5,848 (2017: £5,729) of which £5,823 was unrestricted (2017: £5,692) and £25 was restricted (2017: £37).

THE BRITISH ASTRONOMICAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

5 Charitable activities expenditure

| | Unrestricted Funds 2018 £ | Restricted Funds 2018 £ | Total Funds 2018 £ | Total Funds 2017 £ |
|--------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Publications and cost of sales items | 54,367 | - | 54,367 | 50,722 |
| Meetings and courses | 38,648 | - | 38,648 | 45,090 |
| Section costs | 737 | - | 737 | 1,668 |
| Document collection and archives | 3,905 | - | 3,905 | 2,523 |
| Grants and awards | 297 | 53 | 350 | 2,993 |
| Commission for dark skies | 1,500 | - | 1,500 | 1,500 |
| | <u>99,454</u> | <u>53</u> | <u>99,507</u> | <u>104,496</u> |
| Share of support costs (see note 6) | 102,283 | - | 102,283 | 91,981 |
| | <u>201,737</u> | <u>53</u> | <u>201,790</u> | <u>196,477</u> |

The expenditure on charitable activities was £99,507 (2017: £104,496) of which £99,454 was unrestricted (2017: £101,491) and £53 was restricted (2017: £3,005).

THE BRITISH ASTRONOMICAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

| 6 Support costs | Support costs | Governance costs | 2018 | 2017 |
|--|---------------|------------------|----------------|---------------|
| | £ | £ | £ | £ |
| Salaries and wages | 40,145 | - | 40,145 | 40,281 |
| Employers national insurance | 119 | - | 119 | - |
| Professional fees | - | 892 | 892 | 1,677 |
| IT and data base costs | 4,231 | - | 4,231 | 3,034 |
| Independent examination fees | - | 2,950 | 2,950 | 2,250 |
| Accountancy fees to independent examiner | - | 4,585 | 4,585 | 3,633 |
| Telephone | 6,776 | - | 6,776 | 8,212 |
| Members promotion | 1,843 | - | 1,843 | 962 |
| Trustees and Council members expenses | 4,080 | - | 4,080 | 4,452 |
| Election costs | 713 | - | 713 | 650 |
| Bank charges | 1,836 | - | 1,836 | 2,055 |
| Depreciation | 2,983 | - | 2,983 | 3,153 |
| Pension costs | 2,161 | - | 2,161 | 1,587 |
| Foreign currency losses | 595 | - | 595 | 238 |
| Premises costs (including insurance) | 24,476 | - | 24,476 | 19,797 |
| Instruments storage and removal costs | 1,034 | - | 1,034 | - |
| Profit on disposal of instruments | (229) | - | (229) | - |
| Sundry costs | 80 | - | 80 | - |
| Bequest costs | 3,013 | - | 3,013 | - |
| | <u>93,856</u> | <u>8,427</u> | <u>102,283</u> | <u>91,981</u> |
| Analysed between | | | | |
| Charitable activities | <u>93,856</u> | <u>8,427</u> | <u>102,283</u> | <u>91,981</u> |

THE BRITISH ASTRONOMICAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

7 Employees and Trustees

| Employment costs | Unrestricted Funds 2018 £ | Restricted Funds 2018 £ | Total Funds 2018 £ | Total Funds 2017 £ |
|-----------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Wages and salaries | 40,145 | - | 40,145 | 40,281 |
| Social security costs | 119 | - | 119 | - |
| Other pension costs | 2,161 | - | 2,161 | 1,587 |
| | <u>42,425</u> | <u>-</u> | <u>42,425</u> | <u>41,868</u> |

The average number of employees in the year was 2 (2017: 2).

No employee received emoluments exceeding £60,000 during the year in the current or prior year.

No Trustees (who are the key management personnel of the entity) received any remuneration or benefits from employment with the charity.

A total of £1,555 (2017: £4,452) was reimbursed to 8 (2017: 14) Trustees to cover travel expenses incurred on behalf of the charity.

8 Net gains on investments

| | 2018 £ | 2017 £ |
|-----------------------------|---------------|--------------|
| Revaluation of investments | 10,543 | 6,276 |
| Loss on sale of investments | (458) | - |
| | <u>10,085</u> | <u>6,276</u> |

THE BRITISH ASTRONOMICAL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

9 Tangible fixed assets - for charity's own use

| | Fixtures, fittings and instruments £ |
|------------------------------------|--|
| Cost or valuation | |
| At 1 July 2017 | 126,068 |
| Additions | 914 |
| Disposals | (2,480) |
| Revaluation | (17,220) |
| | <hr/> |
| At 30 June 2018 | 107,282 |
| | <hr/> |
| Depreciation and impairment | |
| At 1 July 2017 | 81,676 |
| Depreciation charged in the year | 2,983 |
| Eliminated in respect of disposals | (909) |
| Revaluation | (20,580) |
| | <hr/> |
| At 30 June 2018 | 63,170 |
| | <hr/> |
| Carrying amount | |
| At 30 June 2018 | 44,112 |
| | <hr/> |
| At 30 June 2017 | 44,392 |
| | <hr/> <hr/> |

The Instrument Collection is included within the above at a revalued cost of £39,400 (2017: £59,100). This valuation was finalised in May 2018 by Dr Richard J. McKim, BAA Archivist, Curator of Instruments and Director of the Mars section.

10 Fixed asset investments

| | Listed investments £ |
|--------------------------|----------------------------|
| Cost or valuation | |
| At 30 June 2018 | 303,179 |
| Additions | 312,380 |
| Valuation changes | 10,543 |
| Disposals | (163,435) |
| | <hr/> |
| At 30 June 2018 | 462,667 |
| | <hr/> |
| Carrying amount | |
| At 30 June 2018 | 462,667 |
| | <hr/> |
| At 30 June 2017 | 303,179 |
| | <hr/> <hr/> |

THE BRITISH ASTRONOMICAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

| | | |
|---|----------------|---------------|
| 11 Debtors | 2018 | 2017 |
| | £ | £ |
| Amounts falling due within one year: | | |
| Other debtors | 2,559 | 16,646 |
| Prepayments and accrued income | 150,000 | - |
| | <u>152,559</u> | <u>16,646</u> |
| 12 Creditors: amounts falling due within one year | 2018 | 2017 |
| | £ | £ |
| Trade creditors | 11,085 | 471 |
| Other taxation and social security | 638 | 615 |
| Accruals and deferred income | 26,880 | 21,871 |
| | <u>38,603</u> | <u>22,957</u> |
| <p>In the year there was deferred income of £18,304 (2017: £2,000). The deferred income arose from a grant received in the prior year which related to a meeting in July 2017 and was therefore deferred to future periods.</p> | | |
| 13 Financial instruments | 2018 | 2017 |
| | £ | £ |
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 150,000 | - |
| Equity instruments measured at cost less impairment | 462,667 | 303,179 |
| | <u></u> | <u></u> |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 19,661 | 20,342 |
| | <u></u> | <u></u> |

THE BRITISH ASTRONOMICAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

14 Funds

| | Balance at 1 July 2017 | Income | Expenditure | Transfers | Revaluations, gains and losses | Balance at 30 June 2018 |
|--------------------|---------------------------|----------------|------------------|-----------|--------------------------------------|----------------------------|
| | £ | £ | £ | £ | £ | £ |
| Restricted funds | 8,270 | (53) | (53) | - | - | 8,164 |
| Unrestricted funds | 877,413 | 448,939 | (201,737) | - | 13,445 | 1,138,060 |
| | <u>885,683</u> | <u>448,886</u> | <u>(201,790)</u> | <u>-</u> | <u>13,445</u> | <u>1,146,224</u> |

| | Balance at 1 July 2016 | Income | Expenditure | Transfers | Revaluations, gains and losses | Balance at 30 June 2017 |
|--------------------|---------------------------|----------------|------------------|-----------|--------------------------------------|----------------------------|
| | £ | £ | £ | £ | £ | £ |
| Restricted funds | 11,299 | (24) | (3,005) | - | - | 8,270 |
| Unrestricted funds | 901,966 | 162,643 | (193,472) | - | 6,276 | 877,413 |
| | <u>913,265</u> | <u>162,619</u> | <u>(196,477)</u> | <u>-</u> | <u>6,276</u> | <u>885,683</u> |

The Bequest Fund continues to be utilised to cover expenditure incurred that meets the terms of the restriction specified by the individual when they granted their bequest.

15 Analysis of net assets between funds

| | Bequest Funds | Unrestricted income funds | Total |
|---|------------------|---------------------------------|------------------|
| | £ | £ | £ |
| Fund balances at 30 June 2018 are represented by: | | | |
| Tangible assets | - | 44,112 | 44,112 |
| Investments | 8,164 | 454,503 | 462,667 |
| Current assets | - | 639,445 | 639,445 |
| | <u>8,164</u> | <u>1,138,060</u> | <u>1,146,224</u> |

| | Bequest Funds | Unrestricted income funds | Total |
|---|------------------|---------------------------------|----------------|
| | £ | £ | £ |
| Fund balances at 30 June 2017 are represented by: | | | |
| Tangible assets | - | 44,392 | 44,392 |
| Investments | 8,270 | 294,909 | 303,179 |
| Current assets | - | 538,112 | 538,112 |
| | <u>8,270</u> | <u>877,413</u> | <u>885,683</u> |

THE BRITISH ASTRONOMICAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

16 Related party transactions

There were no disclosable related party transactions during the year (2017- none).