

THE BRITISH JOURNAL OF SURGERY SOCIETY LIMITED

Charity No. 271326
Company No. 1248899

ACCOUNTS
FOR THE YEAR ENDED
31ST DECEMBER 2003



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The British Journal of Surgery Society Limited

Relevant Addresses

Editorial Address

British Journal of Surgery
John Wiley and Sons Ltd
The Atrium
Southern Gate
Chichester PO19 8SQ

Registered Office

c/o Druces & Attlee
Salisbury House
London Wall
London EC2M 5PS

Honorary Secretary

Professor O.J. Garden, MD, FRCS
Clinical & Surgical Sciences (Surgery)
Royal Infirmary
51 Little France Crescent
Edinburgh EH16 4SA

Solicitors

Druces & Attlee
Salisbury House
London Wall
London EC2M 5PS

Auditors

Kingston Smith
Devonshire House
60 Goswell Road
London EC1M 7AD

Investment Advisers

Bank of Scotland Investment Services
Rosebery House
9 Haymarket Terrace
Edinburgh EH12 5XX

Bankers

Bank of Scotland
1 Liberton Drive
Edinburgh EH16 6NL

Connected Charity

Association of Surgeons of Great Britain and Ireland
at the Royal College of Surgeons
35/43 Lincoln's Inn Fields
London WC2A 3PN

The British Journal of Surgery Society Limited

Report of the Council

The British Journal of Surgery Society Ltd (Company Registration No. 1248899. Registered Charity No. 271326) is constituted as a limited company without share capital. The Memorandum and Articles of Association (originally drafted in the 1950s) are in the process of being updated prior to seeking Charity Commissioner approval for the changes.

The trustees serving through the year 2003 and up to the date of signing this report are detailed below (with the date of resignation for those not currently serving).

Mr. R.C.G. Russell (Chairman)
Mr. T. Bates (Vice Chairman)
Professor N. Mortensen (Treasurer)
Mr. R. Sainsbury (Hon. Secretary to May 2003) (resigned 7 May 2003)
Professor M. Buchler
Dr. V. Fazio
Mr. I. Finlay
Professor H. Obertop
Professor D. Alderson
Professor M. Rothmund
Professor C. van de Velde
Professor O.J. Garden (appointed Hon. Secretary May 2003)
Professor P. Grace (appointed 7 May 2003)
Mr. S. Nicholson
Professor L. Pahlman
Professor J. Overbeke
Mr. M. Lee
Professor N. Bundred
Professor U. Haglund

In addition Council meetings were attended by the Editors (who are not Trustees)

Mr. J.A. Murie (Editor in Chief)
Professor R. O'Connell
Mr. J. Earnshaw
Professor P. Guillou (resigned May 2003)
Professor M. Rothmund
Professor J. Svanik

Trustees are appointed by Council of the British Journal of Surgery Society Ltd for a period of five years. Some constituent bodies enjoy "Privileged Body status" and nominate one of their members to join Council. These include the Association of Surgeons of Great Britain and Ireland, the Society of Academic and Research Surgeons (previously the Surgical Research Society), the Senate of the Royal Colleges of Surgery and the Association of Surgeons of the Netherlands. Officers are elected from within the trustees (Council) for a period of five, with a possible extension of three, years.

Other regulatory information and relevant addresses is set out on page 1.

The British Journal of Surgery Society Limited

Report of the Council (Continued)

Objectives

The objectives of The Society are to advance and improve education in surgery and to diffuse knowledge on new and improved methods of teaching and practising surgery in all its branches.

The objectives continue to be achieved by the publication of the British Journal of Surgery which is now acknowledged to be Europe's leading Surgical Journal. The planned incorporation of the European Journal of Surgery was ratified, and welcomed, at the AGM of the British Journal of Surgery Ltd and the summer meeting of the Swedish Surgical Society. The name of the journal will be 'British Journal of Surgery incorporating European Journal of Surgery' or 'BJS incorporating EJS'.

This has extended our subscription base and further cemented the place of the journal within European surgery.

Organisation

Council of the British Journal of Surgery Society Ltd appoint the editors and invite individuals who have contributed to the journal by providing referee's reports to join the Editorial Board. On a day-to-day basis the chairman, vice-chairman, treasurer, Secretary and the Editor-in-Chief will address any outstanding issues and take them forward to Council for discussion at and ratification.

Council determines on a yearly basis what the investment strategy will be with this decision being translated into action by the Treasurer in conjunction with the investment adviser.

The British Journal of Surgery Society Ltd supports the advancement of surgical teaching, Surgical Research and the surgical community in general by providing research bursaries, invited lecturers and meeting support across Europe. Further details are given below.

No Trustee receives payment for their activities other than travel costs.

Review of activities

The British Journal of Surgery continues to be published for the British Journal of Surgery Society Ltd. by John Wiley and Sons Ltd. The journal has further strengthened its position as the leading European journal of surgery over the last year with an increasing subscription base and an impact factor and citation index which maintains its close second position to the Annals of Surgery.

Mr. R.C.G. Russell continues as Chairman of the Society but retires from office in April 2004. Professor N. Mortensen was elected by Council to serve as Chairman of the Society. His appointment will be ratified at the Annual General Meeting.

Mr. T. Bates has continued as Vice Chairman and will be joined in this position by Professor M. Rothmund when his appointment has been confirmed at the Annual General Meeting.

Mr. J.A. Murie continues as Editor-in-Chief and is assisted by Mr. J. Eamshaw, Professor R. O'Connell, Professor D. Alderson, Professor M. Rothmund, Professor H. Obertop and Professor J. Svanik. Professor P. Guillou demitted office as Editor in May

Following his nomination as Chairman, Professor N. Mortensen will demit office as Treasurer at the Annual General Meeting in April 2004. Mr. I. Finlay has been proposed to succeed him as Treasurer and his appointment will be ratified at the Annual General Meeting.

Professor O.J. Garden succeeded Mr. R. Sainsbury as Honorary Secretary in May 2003 and along with the Chairman, the Treasurer, the Vice Chairmen and the Editor-in-Chief has formed the Executive Committee.

The Articles and Memorandum of the Society have previously been revised to reflect the changes that the Society has undergone in recent years. These were formally adopted at the Annual General Meeting in May 2003, having been previously ratified and approved by the Charities Commission.

The British Journal of Surgery Society Limited

Report of the Council (Continued)

Review of activities (Continued)

The financial position of the Society has continued to improve as a result of its increasing circulation and as a result of increasing revenue from advertising. The reserves have been strengthened to ensure that sufficient funds are available to support the strategic development of the journal. There has been continuing development of the website with John Wiley as publishers and the enhancement of this facility has been funded as a joint initiative between the Society and the publishers. The website (www.bjs.co.uk) continues to offer pre-viewing of accepted manuscripts (EarlyView). Download of the complete table of contents and abstracts can be undertaken through the website to hand-held computers.

The Society continues to support European surgery through the award of grants for foreign lecturers, sponsored lectures for affiliated surgical associations and through the endowment of research fellowships. These latter awards continue to prove popular with high quality applications from Europe. The fellowships are competitive and the applications continue to be judged by a panel of trustees.

Three fellowships were awarded during 2003 to Mr. N.M. Masson (Royal Infirmary of Edinburgh), Mr. J. Golledge (James Cook University, Queensland) and Dr. Y. Xing (Enson Medical Center, University of Texas). In addition four entries were highly commended; Mr. J. Davies, (Leeds General Infirmary); Mr. J. Tan (St. Thomas Hospital, London); Mr. T. Lam (University of Hull) and Mr. D. Jayne (St. James University Hospital, Leeds). Forty-nine applications were received in 2003. Although it was only possible to make three awards, all unsuccessful applicants have been offered fast track publication in the British Journal of Surgery of manuscripts based on their research projects.

Policies

Reserves. At the year end the Society had unrestricted reserves of £787,815 of which £551,049 is represented by investments which are an important source of income. The remaining reserves represent approximately one year's royalty income and, whilst there is no intention to accumulate funds indefinitely, the trustees consider it appropriate to hold this amount to support future expansion of the Journal and to enable the Society to continue to further its objects through its other activities.

Investments. The selection of stocks is the responsibility of our investment adviser, the Bank of Scotland. The treasurer, in discussion with the executives, indicates the level of reserve needed and the balance of stocks for growth and income is adjusted accordingly. After an extended period of decline in world investment markets the trustees are pleased to note that the portfolio is now showing some recovery.

Grant making. This is given in the report on activities over the last year above.

Statement on risk

The Risk Committee has reviewed the material risks faced by the Society. As the Society employs no individuals (in the conventional sense, officer's secretaries receive an honorarium for their services) and owns no property the risks are therefore small but could include misuse or misappropriation of Funds. The Committee is satisfied that appropriate steps have been put in place to mitigate these risks.

The British Journal of Surgery Society Limited

Report of the Council (Continued)

Statement of Trustee's Responsibilities

Company law requires the directors of a company (namely the Council Members as trustees) to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the result of the company for that period. In preparing those accounts, the directors are required to:

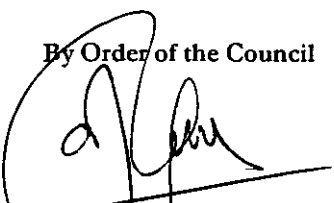
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the presentation and detection of fraud and other irregularities.

These accounts comply with current statutory requirements, the requirements of the Memorandum and Articles of Association and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities".

This report was considered and approved by Council at its meeting on 28th April 2004.

By Order of the Council



Professor C.J. Garden
Honorary Secretary

Date: 28th April 2004

Independent Auditors Report To the Members of The British Journal of Surgery Society Limited

We have audited the financial statements of The British Journal of Surgery Society Limited for the year ended 31st December 2003 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The trustees' (who are also the directors of The British Journal of Surgery Society Limited for the purposes of company law) responsibilities for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Trustees' Report. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

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

Basis of Audit Opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31st December 2003 and of the incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

V. K. L. K.

Devonshire House
60 Goswell Road
London EC1M 7AD

Kingston Smith
Chartered Accountants
and Registered Auditors

Date: 13th May 2004

The British Journal of Surgery Society Limited
Statement of Financial Activities
For the year ended 31st December 2003

	Note	Unrestricted Funds 2003 £	2002 £
Incoming Resources			
Activities in furtherance of charitable objectives:			
Journal income		227,096	229,513
Print sales		693	708
Investment income	2	<u>17,346</u>	<u>17,404</u>
Total Incoming Resources		<u>245,135</u>	<u>247,625</u>
Resources Expended			
Cost of generating income	4	2,330	2,217
Charitable expenditure:			
Grants and donations	3	87,512	59,629
Activities in furtherance of objectives	4	17,147	19,829
Support costs of the above	4	21,501	20,377
Management and administration of the charity	4	<u>39,074</u>	<u>35,230</u>
Total Resources Expended		<u>167,564</u>	<u>137,282</u>
Net incoming resources for the year		77,571	110,343
Other recognised gains and losses:			
Gains/(Losses) on investments:			
Realised		(451)	(1,248)
Unrealised		<u>51,504</u>	<u>(107,656)</u>
Net Movement in Funds		128,624	1,439
Fund balances brought forward at 1st January		<u>659,191</u>	<u>657,752</u>
Fund Balances Carried Forward at 31st December		<u><u>787,815</u></u>	<u><u>659,191</u></u>

All gains and losses arising in the year have been included in the Statement of Financial Activities and arise from continuing operations.

The notes on pages 10 to 13 form part of these accounts.

The British Journal of Surgery Society Limited
Income and Expenditure Account
For the year ended 31st December 2003

	2003 £	2002 £
Gross income of continuing operations	245,135	247,625
Total expenditure of continuing operations	<u>(167,564)</u>	<u>(137,282)</u>
Net income for the year before investment disposals	77,571	110,343
Loss on disposal of fixed asset investments	<u>(451)</u>	<u>(1,248)</u>
Net Income for the Year	<u><u>77,120</u></u>	<u><u>109,095</u></u>

Statement of Total Recognised Gains and Losses

	2003 £	2002 £
Net Income for the Year	77,120	109,095
Unrealised investment gains / (losses)	<u>51,504</u>	<u>(107,656)</u>
Total gains for the year	<u><u>128,624</u></u>	<u><u>1,439</u></u>

- A detailed analysis of income by source is provided in the Statement of Financial Activities.
- Detailed analysis of expenditure are provided in the Statement of Financial Activities and notes 3 and 4.
- The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 7 which, together with the notes on pages 10 to 13 provides full notes on information on the movements during the year of all the charity's funds.

The notes on pages 10 to 13 form part of these accounts.

The British Journal of Surgery Society Limited
Balance Sheet at 31st December 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed Assets					
Tangible assets	6		2,394		-
Investments	7		<u>551,049</u>		<u>487,545</u>
			553,443		487,545
Current Assets					
Debtors	9	1,645		131,672	
Cash at bank		<u>261,843</u>		<u>60,846</u>	
		263,488		192,518	
Creditors: Amounts falling due within one year	10	<u>(29,116)</u>		<u>(20,872)</u>	
Net Current Assets			<u>234,372</u>		<u>171,646</u>
Total Assets less Current Liabilities			<u><u>787,815</u></u>		<u><u>659,191</u></u>
Funds					
Unrestricted - Revaluation reserve	12		72,067		5,241
- Other	12		<u>715,748</u>		<u>653,950</u>
			<u><u>787,815</u></u>		<u><u>659,191</u></u>

Approved by the Council on

R.C.G. Russell

Mr. R.C.G. Russell

Chairman

Professor N.J. McC. Mortensen

Honorary Treasurer

The notes on pages 10 to 13 form part of these accounts.

The British Journal of Surgery Society Limited

Notes to the Accounts

For the year ended 31st December 2003

1 Accounting Policies

Accounting Convention

The accounts are prepared under the historical cost convention, modified to include the revaluation of fixed asset investments, and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities", the Companies Act 1985 and applicable accounting standards.

Incoming Resources

Income is recognised in the period in which the charitable company is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfill conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Resources Expended

Resources expended are accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Management and administration costs are those incurred in connection with the administration of the charity.

Tangible Fixed Assets

All assets acquired for continuing use are capitalised.

Tangible fixed assets are written off over the period of their expected useful lives on a straight line basis as follows:

Office fixtures, fittings and equipment	15% per annum
Computer	33 1/3% per annum

Investments

Income from investments is credited in the accounts on the date of receipt and credit is taken in the accounts for income tax recoverable but not received.

In accordance with the Statement of Recommended Practice, listed investments (which are dealt with on a recognised stock exchange) are included in the accounts at their mid market value whilst the valuation of unlisted investments is based on prices quoted by the managers of the investments.

2 Investment Income

		2003	2002
		£	£
Income from investments	- listed	14,029	15,930
	- unlisted	2,075	1,214
Bank deposit interest		<u>1,242</u>	<u>260</u>
		<u>17,346</u>	<u>17,404</u>

The British Journal of Surgery Society Limited
Notes to the Accounts
For the year ended 31st December 2003 (Continued)

3 Grants and Donations	2003	2002
	£	£
The Association of Surgeons		
Overseas fellowships	5,000	
Travelling fellowships	5,500	
Other donations	<u>21,042</u>	
	31,542	(2,069)
Research Bursaries		
Edinburgh Royal Infirmary	10,000	
James Cook University, Queensland	10,000	
University of Texas	10,000	
University Hospital Maastricht (effect of exchange movements on 2002 bursary)	<u>1,101</u>	
	31,101	30,000
BJs lectures	10,286	12,000
BJs prizes	2,500	2,890
Subscription support	<u>12,083</u>	<u>16,808</u>
	<u>87,512</u>	<u>59,629</u>

Lecture and prize fees are paid to individuals. Subscription support represents subsidised subscriptions to the Journal for certain groups of individuals.

4 Resources Expended	2003	2002
	£	£
Costs of generating income:		
Investment managers fees	<u>2,330</u>	<u>2,217</u>
Activities in furtherance of objectives:		
Editorial costs	<u>17,147</u>	<u>19,829</u>
Secretarial services (note 5)	19,774	19,688
Office and sundry expenses	529	689
Depreciation	<u>1,198</u>	<u>-</u>
	<u>21,501</u>	<u>20,377</u>
Management and administration:		
Meeting and travel expenses	26,183	21,629
Legal and professional fees	7,781	9,451
Trustee leaving gift	1,000	-
Audit fees	3,100	2,900
Other fees paid to auditors	<u>1,010</u>	<u>1,250</u>
	<u>39,074</u>	<u>35,230</u>

The British Journal of Surgery Society Limited

Notes to the Accounts

For the year ended 31st December 2003 (Continued)

5 Staff Costs	2003	2002
	£	£
Wages & Salaries	19,299	19,251
Social Security costs	475	437
	<u>19,774</u>	<u>19,688</u>
The average number of employees during the year	<u>4</u>	<u>4</u>

No employee earned more than £50,000 per annum (2002 - nil)

6 Tangible Fixed Assets	Computer	Office Fixtures, Fittings and Equipment	Total
	£	£	£
Cost			
At 1st January 2003	33,616	8,554	42,170
Additions	3,592	-	3,592
As at 31st December 2003	<u>37,208</u>	<u>8,554</u>	<u>45,762</u>
Depreciation			
At 1st January 2003	33,616	8,554	42,170
Charge for the year	1,198	-	1,198
As at 31st December 2003	<u>34,814</u>	<u>8,554</u>	<u>43,368</u>
Net Book Value			
At 31st December 2003	<u>2,394</u>	<u>-</u>	<u>2,394</u>
At 31st December 2002	<u>-</u>	<u>-</u>	<u>-</u>

7 Investments	Listed	Unlisted	Total 2003	Total 2002
	£	£	£	£
Market value 1st January 2003	315,181	172,364	487,545	566,324
Additions at cost	27,477	-	27,477	41,071
Disposals at opening market value (proceeds £15,026; loss £451)	(15,477)	-	(15,477)	(12,194)
Net unrealised gains on revaluation at 31st December 2002	<u>26,675</u>	<u>24,829</u>	<u>51,504</u>	<u>(107,656)</u>
Market value at 31st December 2003	<u>353,856</u>	<u>197,193</u>	<u>551,049</u>	<u>487,545</u>
Historical cost at 31st December 2003	<u>363,982</u>	<u>115,000</u>	<u>478,982</u>	<u>482,304</u>

The unlisted investments which are held in the Charity's Official Investment Fund represent more than 5% of the value of the portfolio. They comprise:

	Market Value	Cost
	£	£
Accumulation shares	142,144	80,000
Income shares	<u>55,049</u>	<u>35,000</u>

The British Journal of Surgery Society Limited
Notes to the Accounts
For the year ended 31st December 2003 (Continued)

8 Reconciliation of Movements in Unrealised Gains and Losses on Investment Assets

	£
Unrealised gains at 31st December 2002	5,241
Add in respect of disposals in year	15,322
Add net gains on revaluations in year	<u>51,504</u>
Unrealised gains at 31st December 2003	<u><u>72,067</u></u>

9 Debtors

	2003	2002
	£	£
Journal income	426	125,519
Income tax recoverable	599	1,900
Other debtors	<u>620</u>	<u>4,253</u>
	<u><u>1,645</u></u>	<u><u>131,672</u></u>

10 Creditors: Amounts falling due within one year

	2003	2002
	£	£
Taxes and social security	204	2,521
Accruals	<u>28,912</u>	<u>18,351</u>
	<u><u>29,116</u></u>	<u><u>20,872</u></u>

11 Trustees and Related Parties

No trustees received any remuneration for their services. Expenses amounting to £12,909 (2002 - £6,871) were reimbursed for travel to meetings and conferences and for office expenses to six trustees (2002 - three).

A payment of £1,000 was made to Mr R. Sainsbury on his retirement from the Board in appreciation of his work as Secretary.

One of the employees is the spouse of one of the charity's trustees.

12 Unrestricted Funds

	At 1.1.2003	Incoming Resources & Net Investment Gains	Resources Expended	Transfers	At 31.12.2003
	£	£	£	£	£
Revaluation reserve	5,241	51,053	-	15,773	72,067
Other funds	<u>653,950</u>	<u>245,135</u>	<u>(167,564)</u>	<u>(15,773)</u>	<u>715,748</u>
	<u><u>659,191</u></u>	<u><u>296,188</u></u>	<u><u>(167,564)</u></u>	<u><u>-</u></u>	<u><u>787,815</u></u>

The transfer represents the overall loss on disposal of investments including gains and losses previously taken to the revaluation reserve.

The British Journal of Surgery Society Limited
Notes to the Accounts
For the year ended 31st December 2003 (Continued)

13 Commitments

There were no outstanding commitments at 31st December 2003 (2002 - £nil).

14 Share Capital

The British Journal of Surgery Society Limited is a company limited by guarantee and as such does not have a share capital. In the event of a winding up the liability of each member is limited to £25.