

REGISTRAR OF COMPANIES

British Society of Gastroenterology

Annual Report and Financial Statements

31 December 2016

Charity Registration Number 1149074

Company Limited by Guarantee

Registration Number 08124892 (England & Wales)

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Reference and administrative details of the Society, its trustees and advisers

Trustees	Professor C Baden-Fuller Mr C Bromfield Mrs S A Dutton Dr J A Eaden Dr C Edwards (appointed June 2016) Dr I Forgacs (resigned June 2016) Mr N Hoile Dr S Hughes Professor P Kumar Mr R P Lanyon Dr D Loft Professor M Lombard Professor C S J Probert Dr S D Ryder (resigned June 2016) Professor C Rees (appointed July 2016)
Chief Executive	Mr R J Gardner
Executive Secretary	Mr J D Hayward
External Consultants	Mr J Brooker and Ms R Mughal (GK Strategy)
Registered/Principal office	3 St Andrews Place Regent's Park London NW1 4LB
Telephone	020 7935 3150
Facsimile	020 7487 3734
E-mail	enquiries@bsg.org.uk
website	www.bsg.org.uk
Charity registration number	1149074
Company registration number	08124892 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative details of the Society, its trustees and advisers

Solicitors
Druces LLP
Salisbury House
London Wall
London
EC2M 5PS

Bankers
National Westminster Bank Plc
PO Box 2021
10 Marylebone High Street
London
W1A 2AS

Investment managers
Investec
2 Gresham Street
London
EC2V 7QP

The Trustees are pleased to present their annual report with the financial statements of the British Society of Gastroenterology (the 'Society' or BSG) and its subsidiary companies BSG Limited and DDF Conference Limited (together the 'Group' or 'consolidated') for the year ended 31 December 2016.

This report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a director's report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 25 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

Governance, structure and management

The British Society of Gastroenterology is a charitable company limited by guarantee (Company Number 08124892 (England and Wales), Charity Number 1149074). The Memorandum and Articles of Association is BSG's governing document.

The charity controls two subsidiary entities, BSG Limited (Company Number 3021266 (England and Wales)) and DDF Conference Limited (Company Number 07542232 (England and Wales)).

◆ Trustees

Governance is overseen by a Board of Trustees who have responsibility for the identification and management of risks to the Society. The Board of Trustees consists of six independent Trustees, two elected members of Council and five Society officers. It is chaired by the BSG President. The Trustees who served in the year are listed on page 1.

No Trustees received any remuneration for services as a member of the Council. 12 Trustees were reimbursed expenses totalling £15,370 (2015 - 12 Trustees received expenses totalling £17,562) and in the prior year two Trustees received a total of £300 for speaking at meetings. All expenses were incurred on Society business. No Trustees had any beneficial interest in any contract with the Society whilst serving on the board.

New Trustees receive an induction pack. This includes the BSG's Memorandum and Articles, last audited annual report and financial statements, Charity Commission guidance on the Responsibilities of charity Trustees, and a copy of *the Good Trustee Guide*, published by the National Council of Voluntary Organisations, for their reference. Trustees are also required to attend training sessions on various topics relevant to trustees' duties and responsibilities.

Governance, structure and management (continued)

◆ **Risk management**

The Trustees of the Society have overall responsibility for risk management within the Society. An investment sub-committee (consisting of the BSG Treasurer as Chair, two of the Society's independent trustees, the President and the Chief Executive) reviews the financial activities of the Society including investment decisions in order to mitigate the risk of loss of income. This committee reports to the Trustees at each meeting. The Trustees also annually review the Society's formal risk register, implementing mitigation strategies where required.

Key risks identified by the Society are as follows:

- ◇ **Premises** - The Society currently enjoys a very favourable lease on its premises, but there is no guarantee that the lease will be renewed on similar terms when it expires in 2021. This presents a risk, given the high cost of suitable premises in Central London. In order to minimise this risk, the Society is progressively increasing its designated property fund, with a target that the fund should contain 80% of the freehold price of a suitable premises by 2021.
- ◇ **Failure of Annual Meeting** - The Annual Meeting is the main event in the BSG's calendar. As well as being a major source of revenue, it is key to maintaining and enhancing the reputation of the Society. The risk to the Society should the meeting be cancelled, go ahead without an optimal programme, fail to attract sufficient numbers or sufficient sponsorship, is therefore substantial. The Society minimises these risks principally by an assiduous planning process, led by both staff and elected officers at the most senior level and managed by our professional conference partners, MCI Ltd. The Society also keeps, as part of its free reserves, the sum of £1,000,000 to cover the expenses which would occur should a meeting fail to go ahead or fail to meet the desired expectations of the Society.

Governance, structure and management (continued)

◆ **Risk management** (continued)

- ◇ **UK IBD Registry** – The Society owns and runs the UK Inflammatory Bowel Disease (IBD) Registry, a project that aims to support patients with IBD and their clinical teams. The UK IBD Registry is recognised as a project that will support improvements in patient care, but it is both a financial and reputational risk to the Society should it not reach its stated goals. The Society has provided significant financial support to the project to date, and has set a process for the project to become self-funding by the end of 2017. Financial models and budgets were reviewed in late 2016 and continue to be monitored on an ongoing basis. Funding during 2017 has been capped at £75,000, but the project expects to break even over the period, with funding from the pharmaceutical industry and subscriptions from those NHS trusts which use the Registry's infrastructure and services. The UK IBD Registry reports regularly to BSG Trustees through its Investment Sub-Committee and through regular communication between the Registry's personnel and BSG officers and senior staff. The Society has an exit strategy, that is mindful to reputational impact, in place to wind up the Registry in an orderly fashion in the event that it becomes clear it will not achieve its objectives. Subscription funds from NHS organisations will be held in reserve in the event that a wind down has to be instigated. The Society retains a designated fund for the activities of the UK IBD Registry.

◆ **The Council**

The professional activities of the Society are directed by a Council consisting of 11 officers and eight elected members. Four key committees – their Chairs are members of Council – carry out the directions of Council and seek decisions from it in accordance with the regulations of the Society. The eight elected Council members are direct representatives of the membership. In addition Council has 11 ex-officio members who represent organisations with similar interests in GI, relating to surgery for example. This is in accordance with the regulations – to encourage collaboration with all those who share the aim of promoting gastroenterology.

New Council members are welcomed officially by the President at their first meeting. Four of the elected members of Council are elected by Council to membership of the Clinical Services and Standards Committee (CSSC) and two to the Education Committee on which they serve until the end of their term of office on Council.

Governance, structure and management (continued)

♦ **The Council (continued)**

The Council for January – December 2016 was as follows:

Members of Council

Professor M Lombard	(President 2016-2018)
Dr C Edwards	(President-elect 2016-2018)
Prof C Rees	(Vice-President Endoscopy 2015-2017)
DR M Hudson	(Vice President Hepatology 2016-2018)
Dr D Loft	(Treasurer 2013-2018)
Dr JA Eaden	(Senior Secretary 2015-2017)
Dr N Thompson	(Secretary 2015-2017)
Professor D Gleeson	(Chair, CSSC 2016-2018)
Dr J Williams	(Chair, Education Committee 2015-2018)
Dr M Brookes	(Chair, Research Committee 2015-2018)
Dr M Lockett	(Chair, Training Committee 2015-2018)
Professor D Sanders	(Elected member 2016-2019)
Dr S Hughes	(Elected member 2014-2017)
Dr A McKinlay	(Elected member 2014-2017)
Professor C Probert	(Elected member 2015-2018)
Professor Y Mahida	(Elected member 2016-2019)
Dr G Webster	(Elected member 2015-2018)
Dr R Logan	(Elected member 2016-2019)
Dr L China	(Chair, Trainee Section 2016-2017)

Ex-officio members

Professor E El-Omar	(Editor, GUT)
Dr A Emmanuel	(Editor, Frontline Gastroenterology)
Professor C Hawkey	(Chair, Core)
Mr M Chapman	(ACPGBI)
Mr R Hardwick	(AUGIS)
Dr S Gabe	(BAPEN)
Dr G Alexander	(BASL)
Dr N Croft	(BSPGHAN)
Dr R Stevens	(PCSG)
Dr A Hart	(PSGBI)
Dr A Ellis	(Chair, SAC)

The President serves two years, having previously served two years as President Elect. The Vice President (Endoscopy), also Chair of BSG Endoscopy serves for two years. The Vice President (Hepatology) also serves for two years. The Secretaries of the Society serve for two years as Secretary and two years as Senior Secretary. The Treasurer serves for five years. The Chairs of the Education, Research and Training Committees serve for three years. The Chair of the Clinical Services and Standards Committee serves for two years.

Governance, structure and management (continued)

♦ **The Council (continued)**

The chairs of the four key committees are members of Council for their term of office. The policies of Council are carried out by the following key committees:

- Education and Programme Committee – responsible for the scientific and educational content of meetings held by the Society and for nominations for appropriate fellowships and awards. Also badging of external meetings.
- Clinical Services and Standards Committee – responsible for compiling and disseminating good practice in gastroenterology services.
- Research Committee – responsible for assisting in formulating policy on gastrointestinal research and the Society's research agenda.
- Training Committee – responsible for ensuring that the curriculum for training in gastroenterology is delivered uniformly throughout the UK.

The Society is represented at regional level by regional leads within the Clinical Services and Standards Committee who promote the clinical activities of the Society within each health service region. In addition, there are sections for the academic and professional advancement of particular specialist interests. These sections are: Endoscopy, Gastroduodenal, Inflammatory Bowel Disease, Liver, Neurogastroenterology/Motility, Oesophageal, Adolescent & Young Persons, Pancreatic, Pathology, Radiology, Small Bowel/Nutrition, Colorectal, Trainees, Nurses Association, Gastrointestinal Physiology Associates and Primary Care. Section representatives sit on the Clinical Services and Standards, Education and Programme and Research Committees.

♦ **Organisation**

The Society is administered from an office in London, staffed by eight full-time and two part-time employees. We also have two self-employed contractors. The staff support the Trustees, the activities of the Council and the key committees.

♦ **Key management personnel**

In addition to the Trustees, there are four key management positions within the Society's workforce: Chief Executive, Executive Secretary, Head of Research & Learning, and Head of Sections & Clinical Services. Remuneration for key management personnel is set by benchmarking exercise, which is carried out by the Society's external HR Consultants, Buzzacott LLP, and annual performance review, which is carried out by employees' line managers, or in the case of the Chief Executive, by members of the Executive Committee.

Objectives, activities and relevant policies

◆ Activities and specific objectives

The objectives of the Society are the promotion of good health by providing a high standard of patient care, clinical services, research and education in gastrointestinal and liver disease in the United Kingdom and internationally. These objectives shall be pursued by meetings and discussion and such other means as shall from time to time be agreed.

1. Education and Training (Annual Scientific Meeting, postgraduate training, clinical update meetings).
2. Supporting GI research (platform for new research at Annual Scientific Meeting, supporting academic development, promoting GUT, paying a proportion of membership fees to Core to support research).
3. Enhancing service standards (clinical service development, guidelines and the sharing of best practice).
4. Supporting the GI community (membership, newsletter and public affairs).
5. Promoting awareness of Gastroenterology.

When considering the objectives and planning the work of the charity for the year, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Achievements and performance

◆ Membership

In December 2016 the numbers in different membership categories were as follows:

	2016	2015
Honorary	121	117
Full	1,410	1,378
International	139	127
Trainee	565	653
Senior	99	100
Associate	781	655
Taster	223	218

Achievements and performance (continued)

◆ **Membership (continued)**

The Trustees are pleased to note that the total number of members has increased over the period, though some variations in individual membership categories show a need to improve the membership benefits and value proposition on an ongoing basis. During 2016, the Society approved and implemented a new set of membership regulations, which give an improved franchise and involvement in the Society's affairs to some cohorts, including nurses and trainees. During 2017, the Society is planning to make further improvements to the membership offer, investing in a new, more responsive website and CRM system, as well as increased staff resources.

The BSG set up a new International Committee during 2016. The Committee will enhance the International activities of the Society, forming partnerships, promoting international membership and overseeing the programme of international awards to improve Gastroenterology services in the Developing World.

◆ **Review of activities in 2016 and plans for 2017**

In relation to the Society's principal activities, the following paragraphs outline the main achievements during the year and the plans to develop them during the next.

Education and training

The BSG Annual Meeting took place in June 2016 in Liverpool. With 2,199 delegates, it was the highest attended Annual Meeting in the Society's history. 97% of attendee feedback rated the meeting either "very good" or "good." The standard of presentations and the live endoscopy in particular received positive feedback.

The Society is working towards delivering the 2017 BSG Annual Meeting which will take place in Manchester in June. The programme is almost finalised, with a good balance of basic and clinical science symposia, state-of-the-art lectures, free paper sessions, video symposia and clinical updates. The Gastroenterology Masterclass, entitled 'Dealing with Dilemmas,' will address problematic diagnostic and management challenges in everyday practice. The Scientific Translational Masterclass is on cancer and immunology, with sessions dedicated to oesophageal, gastric and colorectal themes.

The BSG video recorded content at the Annual Meeting. Sessions from all four days were recorded and made available online to members via BSG TV.

The Society is also preparing Endolive UK, a major event for the Endoscopy community which last took place in 2015. The event will bring together the UK's leading specialists to deliver a mixture of live case demonstrations and state of the art talks, with satellite links to two of the UK's premier endoscopic centres, St Mark's Hospital in London and Glasgow Royal Infirmary.

Achievements and performance (continued)

♦ **Review of activities in 2016 and plans for 2017 (continued)**

Education and training (continued)

The Trainee Section has been active in producing valuable content and events for trainee gastroenterologists. Highlights of the year include the Management Weekend in Warwick in March and the Education Weekend in Cardiff in October. The Taster Course in Gastroenterology, now in its fourth year, continues to attract bright and ambitious young doctors who have not yet chosen their specialty; its success is demonstrated by a further growth the Taster category of BSG membership.

The Society continues to support education in the devolved nations and joined the Scottish Gastroenterology Society for a meeting in March 2016. The second British-Irish Gastroenterology (BIG) Meeting (following the first edition in 2013) will take place in April 2017 in Belfast, a collaboration between the British, Irish and Ulster Societies of Gastroenterology.

The guidance for BSG support of education and training meetings has been publicised on the website and in e-newsletters. Requests for endorsement for a variety of meetings across the country have increased, with 17 meetings endorsed during 2016.

The BSG also supports the educational efforts of United European Gastroenterology (UEG) and promotes their courses to BSG members, providing nominations or endorsements when requested.

During 2017, the BSG will begin to implement the Endoscopy Quality Improvement Programme (EQIP), a major national two-year project, with the aim of improving the quality of endoscopy throughout the UK, leading to better outcomes and an improved experience for patients.

Clinical Research Groups (CRGs)

The Society has four CRGs, for Food & Function, Liver, IBD and Endoscopy. Between them they held 14 meetings and four Research Workshops during 2017.

The IBD CRG held two research workshops during 2016. The first was on 16 September in London with approximately 60 participants (physicians and surgeons) and discussed the plans to respond to a National Institute for Health Research (NIHR) funding call into perianal Crohn's Disease; this is one of the IBD Priority-Setting Partnership's (PSP) top 10 research priorities. The article reporting on this PSP process and its outcomes was published in the Journal of Crohn's and Colitis. The second research workshop was for IBD Investigators and was held on 14 November in Birmingham with 80 attendees.

The endoscopy CRG planned two research workshops. These were held on 12 September (optical diagnosis and artificial intelligence, in London) and 21 November (research outputs from the National Endoscopy Database, in York). Both had approximately 20 participants.

Achievements and performance (continued)

◆ **Review of activities in 2016 and plans for 2017 (continued)**

Clinical Research Groups (CRGs) (continued)

The Society continues to be represented at meetings of the national specialty groups for both gastroenterology and liver to provide liaison between trials development and trials delivery and to cross-promote the work of the BSG and the NIHR in these areas.

A new BSG Research Strategy is in development, to be delivered in 2017. The task is being undertaken by a working group consisting of representatives from the clinical research groups and members of the BSG executive committee. Input will be taken from all key stakeholders with the overall aim being to increase the quantity of high quality clinical gastrointestinal and hepatology research performed in the UK.

Enhancing service standards

The Clinical Services and Standards Committee (CSSC) includes representatives from the BSG's sections which enables the Committee to consider services and standards across the range of GI sub-specialties. The CSSC is responsible for reviewing guidelines in accordance with the BSG's National Institute for Health and Care Excellence (NICE) accredited guideline development process.

The BSG Guidelines Advice Document was reviewed in 2016. Section H of the Guidelines Advice Document on reviewing and updating the guidelines has been reviewed and expanded.

Guidelines

BSG guidelines published in 2016 include:

- ◆ BSG view on straight to test pathway for lower GI symptoms
- ◆ The Role of mycobacterium avium subspecies paratuberculosis (MAP) in the cause and treatment of Crohn's disease: a guidance document from the BSG
- ◆ Endoscopy in patients on antiplatelet or anticoagulant therapy (BSG/ESGE)
- ◆ Guideline for obtaining valid consent for gastrointestinal endoscopy procedures
- ◆ BSG Guidance Document on use of Faecal Calprotectin
- ◆ BSG guidance on the Use of Biosimilar Infliximab CT-P13 in IBD

Final draft guidelines submitted for review in 2016 include:

- ◆ Revised BSG recommendation for management of Barrett's oesophagus with low-grade dysplasia
- ◆ Guidelines on the Management of Common Bile Duct Stones (CBDS)

Achievements and performance (continued)

◆ **Review of activities in 2016 and plans for 2017** (continued)

Guidelines (continued)

Final draft guidelines submitted for review in 2016 (continued)

- ◇ Upper GI Endoscopy QA standards working group – position statement
- ◇ Patient experience of GI endoscopy
- ◇ BSG/UK-PBC co-badged primary biliary cirrhosis
- ◇ Sessile Serrated Polyps – position statement
- ◇ UK Guidelines on Oesophageal Dilatation in Clinical Practice
- ◇ Diagnosis of primary sclerosing cholangitis

During 2016, the following were in development:

- ◇ Investigation of Chronic Diarrhoea
- ◇ BSG guidelines for Oesophageal Manometry and Reflux Monitoring
- ◇ Guidelines for Colorectal Cancer Screening and Surveillance in Moderate and High Risk Groups
- ◇ UK guidelines for the Management of Pre-malignant Epithelial Gastric Lesions
- ◇ The management of Lower GI Bleeding (BSGE/ACP)
- ◇ Endoscopic Management of Pancreatic Cysts
- ◇ Workforce guidelines
- ◇ Management of IBD in Adults
- ◇ Investigation of Abnormal LFT in Asymptomatic Patients
- ◇ Fecal Microbiota Transplantation
- ◇ Diagnosis and Management of Pancreatic Cystic Lesions
- ◇ Adult Liver Transplantation: A Clinical Guideline

BSG continues to offer expert responses to requests from NICE and other bodies on new technologies and guidelines.

Achievements and performance (continued)

♦ **Review of activities in 2016 and plans for 2017 (continued)**

IBD Registry

The IBD Registry is a major project owned and operated by the BSG, which provides the first ever UK-wide repository of anonymised IBD adult and paediatric patient data for prospective audit and research purposes.

The Registry has made considerable progress towards its goals during 2016. 78 sites are now live with over 17,000 patient records, expected to increase to 28,000 in early 2017. This progress has been made in the context of taking over the UK IBD audit from the Royal College of Physicians.

By the end of 2017, the Registry expects to be recording key outcomes in the vast majority of patients receiving biologic therapy for IBD. This will provide a unique resource with potential to improve IBD care, as well as data which will advance understanding of the health economics of IBD. It will give participating teams local data to manage their biologics patients and IBD service more effectively, while patients, clinicians and the NHS will all benefit from national audit of the safety and appropriate use of biologics and biosimilars.

The Registry is engaged in considerable work to develop its long-term funding model, which will be based on a combination of subscriptions from NHS Trusts, grants from industry, and collaborative projects with academic or industry partners that wish to use the Registry data collection system or to access Registry data.

Financial report for the year

♦ **Results for the year**

The consolidated statement of financial activities is shown on page 18 of the annual report and financial statements.

The results for the year show an overall increase in funds of £591,045 (2015 - £17,764). This includes unrealised gains on investments of £745,664 (2015 - losses of £50,612) (see note 12). The profit within BSG Ltd amounted to £154,202 (2015 - loss of £3,295). This includes the net profit from the Annual Meeting, income from the journals and the income from the trainees' meetings. The journals continue to do well; income from Gut and Frontline Gastroenterology totalled £1,018,108 (2014 - £853,145).

Financial report for the year (continued)

◆ **Investment policy and performance**

The Society's investment portfolio is managed by Investec. The Society's investment strategy is medium risk and aimed at protecting the funds from depreciation in the short to medium term. The policy takes account of ethical considerations such as restrictions on tobacco and alcohol-related investment. In addition the Trustees agreed that whilst supporting companies involved in drug development is desirable, all such investments should be held at "arms length" (i.e. in funds). Details of the Society's investments are set out in note 12 to the financial statements.

The Trustees consider the fund to have performed well during 2016.

The purchase of a new office property has been deferred for the moment but the Society is accumulating reserves towards this end in the long term. This fund has been increased to £4,000,000 in 2016.

◆ **Reserves and financial position**

The Trustees continue to actively address the issue of reserves in the context of future plans and requirements of the Society. The cash needs of the Society are well within the assets it holds and the income it generates.

The Trustees' policy in relation to free reserves is to maintain sufficient funds to support the key activities of the Society for one calendar year. This includes the annual meeting, requiring approximately £1,000,000, 12 months' staff costs approximating £480,000, and funds sufficient to discharge essential operating expenses estimated at £120,000, giving a total minimum required free reserve of approximately £1,600,000. The general funds, or free reserves, of the charity at the year end were £1,537,263 and this is broadly in line with the target set out above.

Total funds of the charity at the year end were £6,547,345. This included restricted funds of £206,808 and designated funds at the year end totalled £4,758,945.

Details of the designated funds are given in note 15 to the financial statements.

Statement of Trustees' responsibilities

The Trustees (who are also directors of the British Society of Gastroenterology for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

Statement of Trustees' responsibilities (continued)

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

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

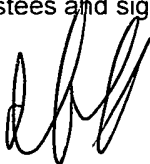
Each of the Trustees confirms that:

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

Approved by the trustees and signed on their behalf by:

Dr D Loft
Trustee



Approved by the Trustees on:

26-04-17

Independent auditor's report to the members and trustees of the British Society of Gastroenterology

We have audited the financial statements of the British Society of Gastroenterology for the year ended 31 December 2016 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, consolidated statement of cash flows, principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the charity'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 charity's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, the charity's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

The Trustees are also the directors of the charity for the purposes of company law. As explained more fully in the Statement of Trustees' Responsibilities set out in the Trustees' Report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report 31 December 2016

Opinion on financial statements

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the groups' and the charity's affairs as at 31 December 2016 and of group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

 19 May 2012

Shachi Blakemore, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Consolidated statement of financial activities Year to 31 December 2016

	Notes	Unrestricted			2016	2015
		General £	Designated £	Restricted £	Total funds £	Total funds £
Income						
Donations and legacies						
Membership subscription	1	401,902	—	—	401,902	422,252
Investment income	2	150,138	—	—	150,138	139,858
Other		27,860	—	—	27,860	54,383
Charitable activities	3					
Education and training		1,073,037	—	234,699	1,307,736	2,750,920
GI research		1,019,108	—	—	1,019,108	860,244
Service standards		—	—	394	394	2,069
Total income		2,672,045	—	235,093	2,907,138	4,229,726
Expenditure						
Cost of raising funds	4	77,666	—	—	77,666	72,253
Cost of charitable activities	5					
Education and training		1,377,314	253,376	246,147	1,876,837	3,042,771
GI research		575,101	147,655	—	722,756	687,695
Service standards		305,857	11,552	3,035	320,444	278,818
International		52,693	30,403	—	83,096	89,503
Total expenditure		2,388,631	442,986	249,182	3,080,799	4,171,040
Net (expenditure) income before transfers		283,414	(442,986)	(14,089)	(173,661)	58,686
Transfers between funds		(1,159,990)	1,159,990	—	—	—
Net (expenditure) income before gains (losses) on investments		(876,576)	717,004	(14,089)	(173,661)	58,686
Net gains (losses) on investments	12	764,706	—	—	764,706	(40,922)
Net (expenditure) income and net movement in funds for the year		(111,870)	717,004	(14,089)	591,045	17,764
Reconciliation of funds						
Fund balances brought forward at 1 January		1,693,912	4,041,491	220,897	5,956,300	5,938,536
Fund balances carried forward at 31 December		1,582,042	4,758,495	206,808	6,547,345	5,956,300

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

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

Balance sheets 31 December 2016

	Notes	Group		Charity	
		2016 £	2015 £	2016 £	2015 £
Fixed assets					
Tangible fixed assets	11	72,977	124,891	72,977	124,891
Investments	12	5,378,519	4,492,974	5,378,521	4,492,976
		<u>5,451,496</u>	<u>4,617,865</u>	<u>5,451,498</u>	<u>4,617,867</u>
Current assets					
Debtors	13	1,601,243	1,558,959	1,259,922	1,385,872
Cash at bank and in hand		435,219	928,693	241,459	326,799
		<u>2,036,462</u>	<u>2,487,652</u>	<u>1,501,381</u>	<u>1,712,671</u>
Liabilities:					
Creditors: amounts falling due within one year	14	(940,613)	(1,149,217)	(405,493)	(370,946)
Net current assets		<u>1,095,849</u>	<u>1,338,435</u>	<u>1,095,888</u>	<u>1,341,725</u>
Total net assets		<u>6,547,345</u>	<u>5,956,300</u>	<u>6,547,386</u>	<u>5,959,592</u>
The funds of the charity:					
Unrestricted funds:					
. General funds		1,582,042	1,693,912	1,577,551	1,702,106
. Designated funds	15	4,758,495	4,041,491	4,758,495	4,041,491
Restricted funds	16	206,808	220,897	211,340	215,995
		<u>6,547,345</u>	<u>5,956,300</u>	<u>6,547,386</u>	<u>5,959,592</u>

Approved by the trustees
and signed on their behalf by:

Dr D LOFT
Trustee



Approved on:

26-4-17

British Society of Gastroenterology
Registered Company Number: 08124892 (England and Wales)

Statement of cash flows 31 December 2016

	Notes	2016 £	2015 £
Cash flow from operating activities:			
Net cash (used in) provided by operating activities	A	(500,857)	86,085
Cash flow from investing activities:			
Dividends and interest from investments		150,138	139,858
Purchase of tangible fixed assets		(21,916)	(6,200)
Proceeds from the disposal of investments		529,373	337,149
Purchase of investments		(453,581)	(497,761)
Net cash provided by (used in) investing activities		204,014	(26,954)
Change in cash and cash equivalents in the year		(296,843)	59,131
Cash and cash equivalents at 1 January	B	936,304	877,173
Cash and cash equivalents at 31 December	B	639,461	936,304

Notes to the statement of cash flows for the year to 31 December

A Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net movement in funds (as per the statement of financial activities)	591,045	17,764
Adjustments for:		
Depreciation charge	73,830	32,812
(Gains) losses on investments	(764,706)	40,922
Dividends and interest from investments	(150,138)	(139,858)
Loss on disposal of tangible fixed assets	—	340
(Increase) decrease in debtors	(42,284)	447,777
Decrease in creditors	(208,604)	(313,672)
Net cash (used in) provided by operating activities	(500,857)	86,085

B Analysis of cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	435,219	928,693
Cash held by investment managers	204,242	7,611
Total cash and cash equivalents	639,461	936,304

Principal accounting policies 31 December 2016

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

Basis of preparation

These financial statements have been prepared for the year to 31 December 2016 and are presented in sterling and rounded to the nearest pound.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Critical accounting estimates and areas of judgement

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

The items in the financial statements where these judgements and estimates have been made include estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge.

Assessment of going concern

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

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the group and the charity to continue as a going concern. They are of the opinion that the group and the charity will have sufficient resources to meet its liabilities as they fall due. With regard to the next accounting period, the year ending 31 December 2017, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets.

Principal accounting policies 31 December 2016

Basis of consolidation

The consolidated financial statements of the group incorporate the financial statements of the Society and the trading subsidiaries it controls, BSG Limited and DDF Conference Limited. These have been consolidated on a line by line basis. A separate statement of financial activities and income and expenditure account are not represented for the charity itself following the exemption afforded by section 4 of the Companies Act 2006.

Income recognition

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

Subscription income

Subscription income is accounted for in the financial period for which it is due.

Publication income

The Society has a contract with BMJ Publications for the publication of the journals, which gives 50% of any surplus made to 31 December each year to the Society. The Society also receives advertising income from the publications, via BSG Limited. All publication income is accounted for on a receivable basis.

Scientific meetings

The income arising from scientific meetings is recognised on a receivable basis.

Donations

Donations are credited to the statement of financial activities in the year in which they are received.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; 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 group and the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

Expenditure recognition (continued)

- a) *Cost of raising funds includes investment managers fees and an allocation of staff time.*
- b) Expenditure on charitable activities comprise expenditure on the Society's primary charitable purposes as described in the Trustees' report. The costs for each activity include grants payable, other direct costs and support costs, which are apportioned on the level of activity in each area.
- c) Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant, and has satisfied all relevant conditions. Grants approved but not paid at the end of the financial year are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the financial statements.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

Governance costs comprises the costs directly attributable to the governance of the charity, including audit costs and the necessary legal procedures for compliance with statutory requirements.

Support costs and governance costs are allocated between activities with the allocation based on staff time use.

Pension costs

The charity operates a defined contribution scheme on behalf of its employees. The assets are held in separately administered funds. Costs are charged to the statement of financial activities in the period to which they relate.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost of each asset over its estimated useful life:

- ♦ Office furniture, fittings and equipment - 5 years
- ♦ Leasehold building - 25 years

Tangible fixed assets (continued)

Items used in the day to day running of the Society and with a cost in excess of £500 are capitalised, and are stated at cost less accumulated depreciation.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Fund structure

The Society has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

General funds

Funds which are expendable at the discretion of the Trustees in furtherance of the objects of the Society.

Designated funds

Funds which are set aside as part of the Society's unrestricted funds for particular purposes in the future.

Restricted funds

Funds raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Principal accounting policies 31 December 2016

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Taxation

The Society is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the financial statements 31 December 2016

1 Subscriptions

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Membership subscription	401,902	—	401,902	422,252
2016 Total funds	401,902	—	401,902	422,252
2015 Total funds	422,252	—	422,252	

2 Investment income

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Income from listed investments	134,141	—	134,141	119,293
Interest receivable	15,997	—	15,997	20,565
2016 Total funds	150,138	—	150,138	139,858
2015 Total funds	139,858	—	139,858	

3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Education and training				
Income from scientific meetings	1,073,037	64,608	1,137,645	2,296,070
Sponsorship income	—	170,091	170,091	454,850
	1,073,037	234,699	1,307,736	2,750,920
GI Research				
'GUT' and Frontline Gastroenterology journals	1,018,108	—	1,018,108	853,145
Other income	1,000	—	1,000	7,099
	1,019,108	—	1,019,108	860,244
Service standards				
Advertising income	—	394	394	2,069
	—	394	394	2,069
2016 Total funds	2,092,145	235,093	2,327,238	3,613,233
2015 Total funds	3,153,314	459,919	3,613,233	

4 Cost of raising funds

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Investment manager's fees	24,794	—	24,794	25,068
Staff costs (note 9)	52,872	—	52,872	47,185
2016 Total funds	77,666	—	77,666	72,253
2015 Total funds	72,253	—	72,253	

5 Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Education and training				
Direct costs				
. Scientific meetings	1,017,937	79,575	1,097,512	468,337
. DDF scientific meeting	—	—	—	1,845,597
. Section meetings	52,591	—	52,591	47,826
. IBD registry costs	212,035	145,741	357,776	362,979
. IBD registry staff costs	22,125	—	22,125	—
. Supporting Women in Gastro	13,848	—	13,848	16,553
. Trainee App	—	13,050	13,050	—
. Website costs	4,112	—	4,112	1,346
. Staff costs (note 9)	81,091	—	81,091	51,058
Grants payable	—	7,781	7,781	10,476
Support costs (note 6)	226,951	—	226,951	238,599
	<u>1,630,690</u>	<u>246,147</u>	<u>1,876,837</u>	<u>3,042,771</u>
GI research				
Direct costs				
. 'GUT' journal	267,294	—	267,294	276,812
. Frontline Gastroenterology journal	140,052	—	140,052	149,353
. Open gastro	—	—	—	60
. Section meetings	23,218	—	23,218	15,901
. Website costs	2,078	—	2,078	673
. Dragon's Den Prizes	—	—	—	4,000
. IBD Research priorities	300	—	300	4,648
. Clinical Research Groups	3,104	—	3,104	3,138
. Research Workshops	4,272	—	4,272	13,562
. Alcohol Liver Diseases PSP	—	—	—	6,315
. Staff costs (note 9)	45,618	—	45,618	45,961
Subvention to Core	80,380	—	80,380	84,450
Other grants to Core	65,000	—	65,000	—
Support costs (note 6)	91,440	—	91,440	82,822
	<u>722,756</u>	<u>—</u>	<u>722,756</u>	<u>687,695</u>

5 Expenditure on charitable activities (continued)

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Service standards				
Direct costs				
• Guidelines	8,708	—	8,708	12,305
• Newsletter	2,400	—	2,400	3,000
• E-Newsletter	809	—	809	783
• Meeting and other costs	50,586	3,035	53,621	27,443
• Public relation costs	70,040	—	70,040	61,112
• Website costs	4,257	—	4,257	1,361
• Staff costs (note 9)	66,309	—	66,309	69,286
Support costs (note 6)	114,300	—	114,300	103,528
	<u>317,409</u>	<u>3,035</u>	<u>320,444</u>	<u>278,818</u>
International				
Direct costs				
• Staff costs (note 9)	8,040	—	8,040	6,731
• Other costs	71	—	71	1,185
Sponsorship	29,266	—	29,266	40,176
Support costs (note 6)	45,719	—	45,719	41,411
	<u>83,096</u>	<u>—</u>	<u>83,096</u>	<u>89,503</u>
2016 Total funds	<u>2,753,951</u>	<u>249,182</u>	<u>3,003,133</u>	<u>4,098,787</u>
2015 Total funds	<u>3,758,715</u>	<u>340,072</u>	<u>4,098,787</u>	

6 Support costs

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Premises expenses	25,352	—	25,352	23,438
Administration and office expenses	78,724	—	78,724	71,192
Legal and professional fees	27,480	—	27,480	32,816
Bookkeeping	22,464	—	22,464	22,736
Subscriptions	10,526	—	10,526	11,067
Staff costs (note 9)	158,899	—	158,899	106,405
Recruitment	2,118	—	2,118	51,660
Bank charges and interest payable	15,821	—	15,821	37,251
Depreciation and loss on disposal of assets	73,830	—	73,830	33,152
Sundry expenses	1,624	—	1,624	1,965
Irrecoverable VAT	29,836	—	29,836	33,048
Governance costs (note 7)	31,736	—	31,736	41,630
2016 Total funds	<u>478,410</u>	<u>—</u>	<u>478,410</u>	<u>466,360</u>
2015 Total funds	<u>466,360</u>	<u>—</u>	<u>466,360</u>	

6 Support costs (continued)

	Education and training £	GI research £	Service standards £	International £	2016 Total £	2015 Total £
Premises expenses	11,409	5,070	6,338	2,535	25,352	23,438
Administration and office expenses	35,426	15,745	19,681	7,872	78,724	71,192
Legal and professional fees	14,487	4,725	5,906	2,362	27,480	32,816
Bookkeeping	10,246	4,443	5,554	2,221	22,464	22,736
Subscriptions	4,737	2,105	2,631	1,053	10,526	11,067
Staff costs	71,504	31,780	39,725	15,890	158,899	106,405
Recruitment	953	424	529	212	2,118	51,660
Bank charges and interest payable	13,988	667	833	333	15,821	37,251
Depreciation	33,223	14,767	18,457	7,383	73,830	33,153
Sundry expenses	823	290	366	145	1,624	1,964
Irrecoverable VAT	13,426	5,967	7,459	2,984	29,836	33,048
Governance costs (note 7)	16,729	5,457	6,821	2,729	31,736	41,630
2016	226,951	91,440	114,300	45,719	478,410	466,360
2015	238,599	82,822	103,528	41,411	466,360	

7 Governance

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Council meetings	16,685	—	16,685	18,826
Trustees' expenses	2,001	—	2,001	1,104
Audit and accountancy fees	13,050	—	13,050	21,700
2016 Total funds	31,736	—	31,736	41,630
2015 Total funds	41,630	—	41,630	

None of the trustees received remuneration from the charity in respect of their services as trustees (2015 - none).

8 Net income (expenditure) before gains (losses) on investments

This is stated after charging:

	2016 Total funds £	2015 Total funds £
Staff costs (note 9)	434,954	326,626
Depreciation	70,830	32,812
Loss on disposal of fixed assets	—	340
Auditors' remuneration (group basis)		
. Audit fees – current year	13,050	20,950
. Non-audit fees	5,375	39,435

9 Staff costs, remuneration of key management and Trustees' remuneration

	2016 Total funds £	2015 Total funds £
Wages and salaries	382,365	287,334
Social security cost	38,293	29,403
Pension cost	14,296	9,889
	434,954	326,626

	2016 Total funds £	2015 Total funds £
Cost of raising funds	52,872	47,185
Charitable activities		
Education and training	81,091	51,058
Education and training (IBD Registry)	22,125	—
GI research	45,618	45,961
Service standards	66,309	69,286
International	8,040	6,731
Support costs	158,899	106,405
	434,954	326,626

The average number of employees including the seconded member of staff was:

	2016 No	2015 No
Employees	10	8

The number of employees who earned £60,000 or more per annum (including taxable benefits but excluding employer pension contributions) during the period was as follows:

	2016 No	2015 No
£80,001 - £90,000	1	—

Pension contributions for this employee totalled £4,060 (2015 - £nil).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees, the CEO, Executive Secretary, Head of Research and Learning and Head of Sections & Clinical Services. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £220,162 (2015 - £183,399).

No Trustee received any remuneration from the Society in their ongoing role as a Trustee. Travelling and subsistence expenses were reimbursed to 12 Trustees amounting to a total of £15,730 (2015 - £17,562 to 12 Trustees) and no Trustees received fees for speaking amounting to a total of £nil (2015 - £300 to two Trustees). At the year end a balance of £1,428 (2015 - £nil) was owed to Trustees.

10 Net income from subsidiaries

The Society has one wholly-owned subsidiary, BSG Limited, which is incorporated in England and Wales (Company Registration Number 03021266). BSG Limited conducts scientific meetings on behalf of the Society. A summary of BSG Limited's results is shown below:

Statement of income	2016 £	2015 £
Turnover	1,282,702	437,740
Cost of sales	(1,122,438)	(430,491)
Gross profit	160,264	7,249
Administration	(6,676)	(10,992)
Interest receivable	614	448
Net profit (loss)	154,202	(3,295)
Gift Aid to BSG	(150,907)	—
Profit (loss) for the period	3,295	(3,295)

The Society also controls DDF Conference Limited. DDF Conference Limited was formed in association with The Association of Upper Gastrointestinal Surgeons (AUGIS), The British Association for Parenteral and Enteral Nutrition (BAPEN) and The British Association for the Study of the Liver (BASL) in order to organise a joint scientific meeting on a triennial basis. Each of the societies owns one share in the company. The Society acts as host organisation for DDF, provides back office functions and manages the company on a day to day basis.

DDF Conference did not hold a scientific meeting in 2016 and its results are as follows:

Statement of income	2016 £	2015 £
Turnover	—	1,990,377
Cost of sales	—	(1,697,078)
Gross profit	—	293,299
Administration	(226)	(42,300)
Interest receivable	183	786
Net (loss) profit	(43)	251,785
Amount covenanted to the participating charities	—	(208,530)
(Loss) profit for the year	(43)	43,255

11 Tangible fixed assets

Group and charity	Leasehold buildings £	Office equipment, fixtures and fittings £	Total £
Cost			
At 1 January 2016	165,000	137,588	302,588
Additions	—	21,916	21,916
At 31 December 2016	165,000	159,504	324,504
Depreciation			
At 1 January 2016	128,700	48,997	177,697
Charge for the year	6,600	67,230	73,830
At 31 December 2016	135,300	116,227	251,527
Net book values			
At 31 December 2016	29,700	43,277	72,977
At 31 December 2015	36,300	88,591	124,891

12 Investments

	Total funds £	Total funds £
Market value at 1 January	4,485,363	4,365,673
Disposals at opening market value (proceeds: £529,373; realised gains: £19,042)	(510,331)	(327,459)
Additions at cost	453,581	497,761
Unrealised gains (losses)	745,664	(50,612)
Market value at 31 December	5,174,277	4,485,363
Cash held by investment manager	204,242	7,611
Group	5,378,519	4,492,974
Investment in BSG Limited	1	1
Investment in DDF Conference Limited	1	1
Society	5,378,521	4,492,976

At 31 December, the Group and Society's listed investments comprised the following:

	2016 £	2015 £
UK fixed interest investments	758,158	675,504
Unit trusts	—	270,313
Overseas listed equities	1,744,060	1,122,965
UK equities	2,240,456	1,957,046
Alternative investments	222,090	236,335
Property	209,513	223,200
	5,174,277	4,485,363
Historical cost of investments (excluding cash held with investment managers)	4,276,940	4,224,877

There were no individual investments amounting to over 5% of the portfolio at 31 December 2016.

Notes to the financial statements 31 December 2016

13 Debtors

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	214,521	569,036	85,837	135,101
Other debtors	372	763	372	3,908
VAT	35,159	—	12,861	—
Amount due from subsidiaries	—	—	249,756	403,447
Prepayments and accrued income	1,351,191	989,160	911,096	843,416
	1,601,243	1,558,959	1,259,922	1,385,872

14 Creditors: amounts falling due within one year

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Trade creditors	174,392	94,224	88,974	74,592
Accruals and deferred income	743,616	948,376	294,124	276,724
Social security & other taxation	12,364	96,823	12,364	9,836
Other creditors	10,241	9,794	10,031	9,794
	940,613	1,149,217	405,493	370,946

Included within the above is deferred income as set out below:

	2016 £
Deferred income brought forward at 1 January	650,233
Additional income deferred during the year	462,463
Brought forward funds released in the year	(650,233)
Deferred income carried forward at 31 December	462,463

15 Designated funds

The income funds of the group include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

	At 1 January 2016 £	New designations/ (released) £	Utilised in year £	At 31 December 2016 £
Research	195,000	75,000	(145,380)	124,620
Training and Education	44,206	—	(13,848)	30,358
Clinical Services	135,390	30,000	(8,708)	156,682
E Learning	200,000	(200,000)	—	—
IBD Registry	252,095	75,000	(234,410)	92,685
International	75,000	39,990	(29,266)	85,724
Refurbishment of offices	79,800	—	(11,374)	68,426
Membership development	—	200,000	—	200,000
Property	3,060,000	940,000	—	4,000,000
	4,041,491	1,159,990	(442,986)	4,758,495

15 Designated funds (continued)

Research

The members of the society have voted in a ballot to renew their decision to subvent 20% of their annual subscription to Core. An amount has been designated for this subvention along with £50,000 to help enhance Core's fundraising and a further £15,000 for Research grants. This subvention will be spent in its entirety by Core in the course of 2017.

Training and Education

Funds have been set aside for a number of worthy projects which will be identified by the Council and supported during 2017.

Clinical Services

Funds have been set aside for a number of worthy projects identified by Council such as audit and guidelines including open access for guidelines. We expect to make expenditure on producing and updating guidelines during 2017.

IBD Registry

The IBD Registry fund is to support the ongoing project. During the year £234,410 of the designated fund was utilised and a further £75,000 has been designated. The remaining fund will be utilised during 2017.

Refurbishment of office

A sum of money has been designated to fund the necessary refurbishment of the current offices. Amounts previously spent on fixed assets are being depreciated over five years. The unspent fund will be utilised in 2017.

Membership development

A balance of £200,000 has been designated in the year for membership development. This fund will be utilised in 2017.

Property fund

A sum of money has been designated to secure alternative office accommodation for the Society. The Society needs to ensure that they have at least 80% of the purchase price of a new property, this money will be used towards that purchase.

16 Restricted funds

	At 1 January 2016 £	Income £	Expenditure and transfers £	At 31 December 2016 £
Endoscopy fund	1,966	—	—	1,966
Endoscopy – Paul Brown travelling fund	3,540	—	—	3,540
Pathologists Group fund	2,603	—	—	2,603
IBD Registry fund	140,010	126,200	(145,740)	120,470
Section funds				
• Oesophageal Section	4,380	7,841	(8,596)	3,625
• IBD Section	2,100	—	—	2,100
• Clinical Measurement	8,191	394	(3,035)	5,550
• NGM	8,047	—	—	8,047
• Education	2,474	9,950	(7,781)	4,643
• Trainees in Gastro	43,904	90,708	(84,030)	50,582
Other	3,682	—	—	3,682
	<u>220,897</u>	<u>235,093</u>	<u>(249,182)</u>	<u>206,808</u>

Restricted funds are as follows:

The Endoscopy fund represents monies transferred from the British Society for Digestive Endoscopy for endoscopy related expenditure.

The Paul Brown travelling fund represents a donation received from Keymed for small travel grants to UK doctors to visit Endoscopy Centres abroad to enable them to learn specific techniques.

The Pathologists Group fund is a donation to support the annual Basil Morson Lecture.

The IBD Registry fund represents income received from various sources to support the establishment of the IBD Registry.

The Section funds represent the income and expenditure in relation to the activities of these sections of the Society.

17 Analysis of net assets between funds

Group	Unrestricted funds		Restricted funds £	Total funds £
	General fund £	Designated funds £		
Fund balances at 31 December 2016 are represented by:				
Tangible fixed assets	44,779	28,198	—	72,977
Investments	1,078,519	4,300,000	—	5,378,519
Current assets	1,368,340	437,232	230,890	2,036,462
Current liabilities	(909,596)	(6,935)	(24,082)	(940,613)
Total net assets	1,582,042	4,758,495	206,808	6,547,345

17 Analysis of net assets between funds (continued)

Charity	Unrestricted funds		Restricted funds £	Total funds £
	General fund £	Designated funds £		
Fund balances at 31 December 2016 are represented by:				
Tangible fixed assets	44,779	28,198	—	72,977
Investments	1,078,521	4,300,000	—	5,378,521
Current assets	828,728	437,232	235,421	1,501,381
Current liabilities	(374,477)	(6,935)	(24,081)	(405,493)
Total net assets	1,577,551	4,758,495	211,340	6,547,386

The total unrealised gains as at 31 December constitutes movements on revaluation and are as follows:

	2016 £	2015 £
Unrealised gains included above:		
On investments	897,337	260,486
Total unrealised gains at 31 December	897,337	260,486
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January	260,486	280,904
Less: in respect to disposals in the year	(108,813)	30,194
	151,673	311,098
Net gains (losses) arising on revaluation arising in the year	745,664	(50,612)
Total unrealised gains at 31 December	897,337	260,486

18 Ultimate control and related party transactions

The charity has no ultimate controlling party.

No Trustees received remuneration from the group and charity in respect of their services as trustees.

19 Core – The Digestive Disorders Foundation

The Society works closely with Core (Charity Registration No 1137029 and Company Registration No 7274105 (England and Wales)) to support Core's mission to support research training for young doctors and scientists, the application of new knowledge to practice and the provision of patient information to the public; Core is the only charity dedicated to the whole of gastrointestinal diseases. The President and Treasurer of the BSG are members of Core's Board of Trustees and the Chairman of the Research Committee of the BSG is invited to Core Trustees' meetings. The President of Core is an ex-officio member of the BSG Council. Due to the closely related objectives of Core and the BSG, and to strengthen the impact of our work, a decision was made by the Trustees to more closely align the administration of the two bodies.

19 Core – The Digestive Disorders Foundation (continued)

Transactions between the two charities during the year were as follows:

The Society continued to subvent 20% of its membership income, amounting to £80,380 (2015 - £84,450), which was paid partly in cash £63,861 and partly in services £16,519. The Society gave two grants of £50,000 and £15,000 to Core during the year and is due to give a further two grants of £50,000 and £15,000 to Core during 2017.