

British Society of Gastroenterology

Annual Report and Financial Statements

31 December 2019

Charity Registration Number 1149074

Company Limited by Guarantee

Registration Number 08124892 (England & Wales)



Contents

Reports

Reference and administrative details of the Society, its Trustees and advisers	1
Trustees' report	3
Independent auditor's report	16

Financial statements

Consolidated statement of financial activities	19
Balance sheets	20
Statement of cash flows	21
Principal accounting policies	22
Notes to the financial statements	28

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

Trustees	Ms M Azdejkovic Mr T Budd Dr C Edwards Prof A Emmanuel Ms J Flitcroft Prof M Hull Mr C Kavanagh Mr R P Lanyon Mrs R Lloyd Dr A McKinlay Dr D S McPherson Prof P Newsome Prof D M Pritchard
Chief Executive	Mr M Hacker
Executive Secretary	Mrs S Linnington
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

Report from the BSG Chair of the Trustees

I am pleased to present the annual report on behalf of the Trustees alongside 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 2019.

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 22 to 27 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).

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 the subsidiary entity, BSG Limited (Company Number 3021266 (England and Wales)). The subsidiary entity DDF Conference Limited (Company Number 07542232 (England and Wales)) was wound up and struck off the Companies House register on 2 April 2019.

The **purpose** of the British Society of Gastroenterology is the promotion of good health through high standards of patient care, clinical service provision, research and education in gastrointestinal and liver disease in the United Kingdom and internationally.

Charitable Objects

The Society primarily pursues its charitable objects by giving support to its members in their professional capacities. Its purpose is achieved through a series of work streams related to its charitable objects of research, education and training, clinical standards and membership support.

Research:

The BSG promotes the discovery and dissemination of scientific knowledge by supporting its membership to participate in clinical and basic research; encouraging clinicians to undertake research; defining research priorities for investigation, working with other national stakeholders and by the publication of research in our scientific journals (GUT, Frontline Gastroenterology and BMJ Open Gastro).

Clinical Standards:

The Society develops and disseminates guidelines of best clinical practice in gastroenterology and hepatology and encourages methods of peer review and audit of clinical practice. It provides technical guidance on specialist areas of practice.

Education and Training:

The BSG is responsible for the implementation of programmes of training for the specialty workforce working alongside the Royal College of Physicians. Additionally it promotes high quality educational opportunities through its own annual meeting and the endorsement of symposia, meetings and other digital educational materials through the BSG website. It co-owns scientific journals working in partnership with the BMJ.

The BSG also owns in partnership with the Federation of Royal Colleges the rights to the Specialty Examination in Gastroenterology (**European Specialty Examination in Gastroenterology and Hepatology or ESEGH**).

Membership Benefit and Workforce:

Providing support to the professional community, the BSG connects members through an active professional network, the dissemination of relevant specialty information and supports lifelong professional learning

Structure of the Charity

Trustees

The business of the Charity is managed by the Board of Trustees subject to the provisions of the Companies Act and the Society's Articles. The Board of Trustees consists of six independent Trustees, two elected members of Council and five Society officers. One of those officers, the BSG President chairs the Board. The Trustees who served in the year are listed on page 1.

No Trustee received any remuneration for services as a member of the Council. Thirteen Trustees were reimbursed expenses totalling £13,082 (2018 - Twelve Trustees received expenses totalling £16,642). All expenses were incurred on Society business. No Trustee 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.

The BSG Executive

Members of the Executive

<i>Dr C Edwards</i>	<i>(President 2018-2020)</i>
<i>Dr A McKinlay</i>	<i>(President-elect 2018-2020)</i>
<i>Dr I Penman</i>	<i>(Vice-President Endoscopy 2019-2022)</i>
<i>Prof P Newsome</i>	<i>(Vice President Hepatology 2018-2021)</i>
<i>Prof A Emmanuel</i>	<i>(Treasurer 2019-2022)</i>
<i>Dr D S McPherson</i>	<i>(Senior Secretary 2019-2021)</i>
<i>Prof A Stanley</i>	<i>Secretary (2019-2021)</i>
<i>Dr T Tham</i>	<i>(Chair, CSSC 2018-2020)</i>
<i>Dr A Akbar</i>	<i>(Chair, Education Committee 2018-2021)</i>
<i>Prof R Arasaradnam</i>	<i>(Chair, Research Committee 2019-2022)</i>
<i>Dr B Oates</i>	<i>(Chair, Training Committee 2018-2020)</i>
<i>Mark Hacker</i>	<i>BSG CEO</i>

All members of this board are appointed by open competitive interview and hold delegated authority from the Trustees. This is the Society's operational board.

The BSG President serves two years, having previously served two years as President Elect. The Current President, Dr Cathryn Edwards, will step down in June 2020. The Vice President (Endoscopy) and the Vice President (Hepatology) serve for three years. The Secretaries of the Society serve for two years as Secretary and two years as Senior Secretary. The Treasurer and the Chairs of the Education, Research and Training Committees serve for three years. The President Elect and the Chair of the Clinical Services and Standards Committee serve for two years.

The Council

The professional activities of the Society are overseen by a Council with delegated authority from the Trustee Board. The Council has particular responsibility to advise the Trustee Board on all matters pertaining to professional practice and the reputation of the Society. All members of the Executive are voting members of Council.

Members of Council :

<i>Dr C Edwards</i>	<i>(President 2018-2020)</i>
<i>Dr A McKinlay</i>	<i>(President-elect 2018-2020)</i>
<i>Dr I Penman</i>	<i>(Vice-President Endoscopy 2019-2022)</i>
<i>Prof P Newsome</i>	<i>(Vice President Hepatology 2018-2021)</i>
<i>Prof A Emmanuel</i>	<i>(Treasurer 2019-2022)</i>
<i>Dr D S McPherson</i>	<i>(Senior Secretary 2019-2021)</i>
<i>Prof A Stanley</i>	<i>Secretary (2019-2021)</i>
<i>Dr T Tham</i>	<i>(Chair, CSSC 2018-2020)</i>
<i>Dr A Akbar</i>	<i>(Chair, Education Committee 2018-2021)</i>
<i>Prof R Arasaradnam</i>	<i>(Chair, Research Committee 2019-2022)</i>
<i>Dr B Oates</i>	<i>(Chair, Training Committee 2018-2020)</i>
<i>Dr A F Muller</i>	<i>(Elected member 2017-2020)</i>
<i>Dr B Hawthorne</i>	<i>(Elected member 2018-2021)</i>
<i>Prof M Hull</i>	<i>(Elected member 2017-2020)</i>
<i>Prof M Pritchard</i>	<i>(Elected member 2017-2020)</i>
<i>Dr H Gordon</i>	<i>(Elected member 2019-2022)</i>
<i>Dr H Fidler</i>	<i>(Elected member 2019-2022)</i>
<i>Dr M Lockett</i>	<i>(Elected member 2019-2022)</i>
<i>Dr M Matharoo</i>	<i>(Elected member 2019-2022)</i>
<i>Dr P Harvey</i>	<i>(Chair, Trainee Section 2019-2020)</i>
<i>Ms M Ramdeen</i>	<i>(Chair, BSG Nurses Association 2019-2021)</i>
<i>Dr C Rutter</i>	<i>(Workforce Lead 2018-2020)</i>

Observer members

<i>Prof E El-Omar</i>	<i>(Editor, GUT)</i>
<i>Prof M Beattie</i>	<i>(Editor, Frontline Gastroenterology)</i>
<i>Prof J Rhodes</i>	<i>(Chair, Guts UK)</i>
<i>Miss N Fernhead</i>	<i>(ACPGBI)</i>
<i>Prof G Toogood</i>	<i>(AUGIS)</i>
<i>Dr T Smith</i>	<i>(BAPEN)</i>
<i>Prof G Aithal</i>	<i>(BASL)</i>
<i>Dr S Protheroe</i>	<i>(BSPGHAN)</i>
<i>Dr K Barrett</i>	<i>(PCSG)</i>
<i>Dr A Hart</i>	<i>(PSGBI)</i>
<i>Dr I Gee</i>	<i>(Chair, SAC)</i>

The business of Council is informed by five higher committees and their sub-committees. The **Education (and Programme) Committee** is 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.

The **Clinical Services and Standards Committee (CSSC)** is responsible for compiling and disseminating good practice in gastroenterology services. The **Research Committee** is responsible for assisting in formulating policy on gastrointestinal research and the Society's research agenda. The **Training Committee** is responsible for ensuring that the curriculum for training in gastroenterology is delivered uniformly throughout the UK. The **International Committee** is responsible for delivery of the international strategy of the Society which implements the BSG's charitable objects in the international setting.

The Society is represented at regional level by regional leads within the CSSC. Separately 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 a new section SWiG (Supporting Women in Gastroenterology). Section Chairs sit on the CSSC and are represented on the Education Programme and Research Committees.

The Organisation

The Society is administered from an office in London, staffed by nine FTE employees. The Society also maintains a number of contracts for specialist professional services, including HR, accountancy and web development. The staff support the Executive (operational Board) formed of key portfolio leads and the Senior Officers of the BSG Trustees, the activities of the Council and the key committees.

Operational Staff

In 2019 a complete governance and organisational review has been led by the current President following the resignation of the CEO in June 2018. Finance, accounting systems and budgeting processes, IT systems and organisational structure have all been reviewed. In 2020 a review of the constitutional aspects of the Society will take place.

Within the BSG Office, key appointments were a new Chief Executive January 2019; a new Executive Secretary on a contractual basis, and a short term contracted Head of Marketing and Communications. Remuneration for key management personnel is set by benchmarking exercise, which is carried out by the Society's external HR Consultants, Hanson-Chase Consulting Limited. Annual performance reviews are carried out by employees' line managers, or in the case of the Chief Executive, by the President. Ultimate responsibility for staff (delegated authority from the Trustees) lies with the President.

During 2019 there was a major change in the staffing structure of the office under the auspices of the new CEO with support from the President. Further adjustments are likely in 2020.

Fundraising

The charity does not actively solicit donations and therefore is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. On occasion, when donations from individuals are received, the charity aims to protect personal data and never sells data or swaps data with other organisations. During 2019, the charity received no complaints about fundraising activities.

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, 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 Trustee Board. The Trustees also annually review the Society's formal risk register, implementing mitigation strategies where required. The Risk Register is maintained by the operational team under the leadership of the CEO. The CEO holds overall responsibility for the oversight and maintenance of the risk register.

Key risks: Premises - The Society currently enjoys a favourable lease on its office space, but there is no guarantee that the lease will be renewed on similar terms when it expires in December 2021, nor is it certain that the current office will still be suitable for the BSG's purposes by that date. This presents a risk, given the high cost of business 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 at least 80% of the freehold price of a suitable premises by 2021. Since August 2017, the Society has been conducting a staged options appraisal exercise in order to prepare in good time for the possibility of its leaving the current premises. The Society is continuously reassessing the balance required to facilitate a move in premises and are formulating a risk management approach to any new purchase of property. The Society has set aside resources in 2019 to continue this project with specialist guidance.

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 appointed officers at the most senior level and project managed by our professional conference organisers, Conference Partners International. 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.

Potential for a decline in membership - resulting in falling membership revenue. Membership fees for the Society haven't been increased for a number of years and are currently low when compared with similar membership societies. The Society has employed a new Director of Membership services and in 2020 we will be reviewing the package of benefits to ensure they both meet and anticipate the needs of our members.

Potential for a reduction in the annual publishing revenues. The Society relies on its publishing partnership with The BMJ for a large percentage of its income. However, the nature of the publishing landscape is changing and an initiative called 'Plan S' is likely to have a material impact on this revenue stream in the future. Plan S is an initiative for open-access science publishing launched in 2018 by a consortium of national research agencies and funders from twelve European countries. The plan requires scientists and researchers who benefit from state-funded research organisations and institutions to publish their work in open repositories or in journals that are available to all by 2021. During 2020 the Society will be conducting a strategic review and its publishing relationship with The BMJ to ensure that it is best placed to mitigate the potential impact.

Membership

In December 2019 the numbers in different membership categories were as follows:

	2019 No.	2018 No.
Honorary	96	117
Full	1,394	1,401
International	99	128
Trainee	641	634
Senior	95	98
Associate	730	765
Taster	272	319
	<u>3,327</u>	<u>3,347</u>

Impact Report: Activities in 2019 and plans for 2020

The impact of BSG activities in 2019 has been delivered in alignment with its charitable objects through three main workstreams: membership support (including educational, scientific, professional development and workforce activities), an international programme and internal organisational reform, the latter to support all other activities.

To support members the Society has provided high quality scientific and educational events to meet its membership's requirements for continued professional development, academic knowledge, professional development and the delivery of clinical best practice.

Annual Scientific Meeting in Glasgow June 2019

The meeting included four days of lectures, clinical and basic science symposia, poster presentations and industry sponsored sessions. Feedback from the meeting was overwhelmingly positive with 99% reporting that the meeting was "good" or "very good" and 89% believed "it was value for money". This was a highly successful meeting for membership

engagement and included a charity run led by the Trainee section and a Ceilidh open to all as a networking event.

Endoscopy Live Newcastle upon Tyne March 2019

Overall, a highly successful event with high quality cases, lectures, meet the expert sessions and a pathology-led MDT round-up meant that 95% of delegates rated the meeting as 'excellent' or 'good'. In-built educational objectives using interactive software on iPads were used as part of the interactive sessions and were very successful.

Trainee Management and Education Weekends February and October 2019 and Taster Course in Gastroenterology and Hepatology December 2019

The trainee and taster events which are an established and very successful format for the Society, remained highly popular with specialty trainees and pre-specialty doctors in training. They were led and delivered by the Trainee Section with support from the Executive and membership.

Other specialty seminar and research events were led by Sections and the Clinical Research Groups (CRGs) and the **Education Committee endorsed 22** other educational events led by individual BSG Members and external groups.

The new role of **Web Editor for Education** co-ordinated a programme of web based educational offerings and a standardised approach to endorsing web materials was created ensuring a good governance framework. **Publication** of the 2019 **Workforce Report** was led by the BSG Workforce Lead. The impending workforce crisis in medicine was highlighted again to Government through the RCP and the risks to our specialty because of **Shape of Training** and the shortening of time available to develop craft specialty skills, was further discussed.

The 2019 European Specialty Examination in Gastroenterology and Hepatology was sat on 10 April 2019. This is a single exam across all geographies internationally. A total of 490 candidates completed the exam in 2019. 141 of these were in UK training.

Clinical Practice Guidelines

Nine new guidelines were published and published in the journal GUT which further increased its impact factor. **Eleven** are in development with one due to publish early in 2020. **Thirteen reviews** were undertaken as part of collaborative work with NICE. These guidelines continue to be one of the highest areas of impact for the Society. A key guideline revision on Coeliac Disease is due for development in 2020.

Mentorship Programme (professional support)

This is in its second year of roll out: the programme paired a further 40 mentees and mentors in a successful matching programme. Qualitative feedback remains very positive. Thought now needs to be given to increasing the impact of mentoring and coaching for a larger number of the Society's membership. This may require a restructuring of the approach.

Research

The Research Strategy published in 2018 is ahead of target in terms of implementation for year 2. The Research Committee is in the process of developing a registry of all GI and hepatology studies which will serve as a reference resource for members. The revised strategy document is due in 2021. BSG Members have attained several grants from major funding bodies in 2019.

Delivering impact through medical publications:

Gut - Under Professor El-Omar's leadership, the journal achieved its highest ever impact factor in 2019 (17.943). It is ranked fourth in the SCI gastroenterology & hepatology category, and first in the Scopus Citescore gastroenterology category. In 2020, Gut will be celebrating its 60th anniversary. There are plans to mark this with featured papers reflecting on six decades of progress.

Frontline Gastroenterology - There has been a year-on-year increase in submissions, with the submissions for 2019 up 4.7% compared to the previous year. The journal is increasing in frequency from quarterly to bi-monthly publication in 2020 in line with Editor-in-Chief Professor Mark Beattie's vision for the expansion of the journal and inclusion of a wider variety of content. FG has affiliated with BAPEN, helping to strengthen its presence in clinical nutrition. There is a long-term focus on social media, with regular podcasts being produced.

BMJ Open Gastroenterology - Under the leadership of Editor-in-Chief Dr Joseph Lim (Yale), submissions have continued to increase for the open access journal, with 35% more papers in 2019 than 2018.

Delivery of impact through the international workstream

In 2019, the re-design of the BSG International Grant awards led to an unprecedented number of applications. After a competitive process, they have received funding to deliver a range of educational, service improvement, research or community-based projects. These will be conducted in a range of low, middle and higher income countries— Sub-Saharan Africa; North Africa and the Middle East; Asia-Pacific and Europe and North America. These projects are demonstrating the society and members' ability to make real change in very different cultural and geopolitical contexts.

The proposed mechanisms for extending the delivery of the BSG charitable objects internationally are a register of BSG members who have existing links and project experience with international clinicians, teams and institutions; a library of teaching and training resources for use in LMIC settings; assistance with planning international projects or grant applications; better communication of the range of BSG International projects and exploring potential for joint International educational programmes or conferences e.g. in partnership with BMJ publications and International Specialist Societies.

Underpinning delivery of benefit through internal organisation reform

In order to improve the delivery and support to all BSG Workstreams a complete review of finance, governance information technology and staffing structure of the BSG has been conducted in 2019 accounting for the majority of the restructuring spend in year. Financial and accounting systems have been established to provide the system flexibility befitting 21st century charity business practice and permitting budget planning over a three year cycle to ensure financial resilience and health.

The IT infrastructure has been completely overhauled and staff with professional communications and IT expertise employed. The realisation that membership benefit and therefore delivery of public can most efficiently be provided through well co-ordinated and digital processes and platforms will stand the charity in good stead for 2020 and beyond.

Staff skill sets have been reviewed and key roles, Executive Secretary and Membership and Communication Lead have been identified. The accountability for operations now lies with the CEO. A clear understanding of the governance around the work of the Charity has been enhanced by formal Trustee Training and a complete review of processes, procedures and policies within the group. The Trustee board has committed to the principles of the Charity Governance Code (December 2019) and a programme of documentation against this code is to be undertaken in 2020.

The BSG as a charity organisation recognises the value and importance of equality and diversity and has actively developed a culture of transparency and accessibility. A statement outlining this commitment is currently being finalised through Council.

Key workstreams in 2020 of membership benefit, international and W3 (workforce workload and well-being of members) will continue into 2020 supported by the new office and its reformed systems.

Post-balance sheet event - Review of Society's operations in response to COVID 19

On announcement of the lockdown, the Society immediately conducted an assessment of the likely impact of the current Coronavirus pandemic on its operations and finances. Early decisions were made to postpone/cancel events and where possible, move meetings to a virtual format. All discretionary expenditure has been reviewed and new contract terms negotiated with suppliers. With the significant reduction in the planned activities for the Society for 2020, five employees were placed onto the furlough scheme.

The direct impact on our income projections for 2020 is likely to come from three main areas. Firstly the loss of annual conference sponsorship revenue, secondly a reduction in membership numbers and thirdly a reduction in dividend income that is used to fund the core operations of the Society.

The anticipated mitigated impact on the 2020 budget is a reduction in net income between £125k and £175k which will be funded from our reserves.

Financial report for the year

Results for the year

The consolidated statement of financial activities is shown on page 19 of the annual report and financial statements.

Income for the year was £3,144,363 (2018 - £2,928,230). The increase in income primarily relates to £326,172 of Endolive income received in 2019, this event occurs every other year and therefore no income or costs relating to this event occurred in 2018..

The Society incurred expenditure of £3,234,336 (2018 - £3,003,865). The increase in expenditure arises from costs incurred in relation to Endolive of £346,404 (2018 - £nil). Included in the 2018 total expenditure figure is the transfer out of net assets relating to IBD Registry activities of £247,792.

The results for the year show an overall increase in funds of £658,600 (2018 – decrease of £432,824). This includes unrealised gains on investments of £690,652 (2018 – unrealised losses of £412,031) (see note 13) and realised gains on investments of £57,921 (2018 – realised gains of £54,842). Net expenditure before investment gains and losses for the year was £89,973 (2018 – net expenditure of £75,635).

The profit within BSG Ltd amounted to £129,160 (2018 – profit of £251,694). 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, Frontline Gastroenterology and Open Gastro totalled £925,132 (2018 - £908,888).

Due to the nature of the income streams there will inevitably be variance year-on-year with various events and learning opportunities taking place at different size and scale. The Society aims to ensure that any surpluses are reinvested to further aid Society's charitable objects.

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 13 to the financial statements.

The Trustees consider the fund to have performed adequately during 2019 but reserve the right to review and tender for alternative providers as part of an active approach to investment oversight. There is an ambition to look again at both the ethical and sustainability aspects of the portfolio. 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. The longer term needs of the Society will be more obvious as this cycle of organisational reform comes to completion. A total of £4,000,000 has been designated by the Society for this purpose.

A consequence of the Covid-19 pandemic has been that world stock markets have experienced significant volatility and falls since the balance sheet date. At the date of signing the financial statements there has been a fall in value of the investments of approximately £393k as a result of the stock market fluctuations.

Reserves and going concern assessment

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 objective 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 group at the year end were £2,542,693 (2018 – £1,778,895) and this is broadly in line with the target set out above. The level of free reserves is regularly reviewed by Trustees.

Total funds of the charity at the year end were £7,356,430 (2018 - £6,697,830). This included restricted funds of £39,088 (2018 - £66,487) and designated funds at the year end totalled £4,774,649 (2018 - £4,852,448). Details of the designated funds are given in note 16 to the financial statements.

There is a reasonable expectation that BSG has adequate resources to continue in operational existence for the foreseeable future. The Trustees believe that there are no material uncertainties that call into doubt the Group and the Charity's ability to continue operating as a going concern. In making this decision, the Trustees have also taken into consideration the risks and uncertainties arising from the Coronavirus pandemic and conclude that the Group and the Charity can sustain their operations for a period of at least twelve months from date of signing these financial statements. Consequently, the financial statements have therefore been prepared on the basis that the Group and the Charity remain a going concern.

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.

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 Cathryn Edwards MA D.Phil FRCP
Chair of the BSG Board of Trustees

Approved by the Trustees on: 15th June 2020

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

Opinion

We have audited the financial statements of British Society of Gastroenterology (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019, which comprise the group statement of financial activities, the group and charitable parent company balance sheets and statements of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 December 2019 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Independent auditor's report 31 December 2019

Responsibilities of Trustees

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

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

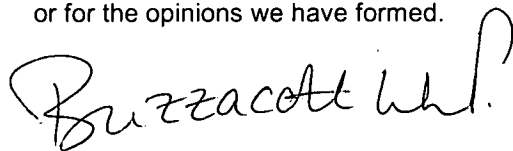
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shachi Blakemore (Senior Statutory Auditor)

29 June 2020

For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Consolidated statement of financial activities Year to 31 December 2019
(incorporating income and expenditure)

	Notes	Unrestricted £	Restricted £	2019 Total funds £	2018 Total funds £
Income					
Donations and legacies					
. Membership subscription	1	395,228	—	395,228	391,978
Investment income	2	188,674	—	188,674	160,704
Other		47,353	—	47,353	46,374
Charitable activities	3				
. Education and training		1,488,918	85,554	1,574,472	1,405,352
. GI research		926,524	—	926,524	910,117
. Service standards		12,112	—	12,112	13,705
Total income		3,058,809	85,554	3,144,363	2,928,230
Expenditure					
Cost of raising funds	4	143,696	—	143,696	89,739
Cost of charitable activities	5				
. Education and training		1,815,001	112,953	1,927,954	1,547,363
. GI research		758,950	—	758,950	679,786
. Service standards		349,755	—	349,755	346,537
. International		53,981	—	53,981	92,648
. Transfer of IBD Registry	21	—	—	—	247,792
Total expenditure		3,121,383	112,953	3,234,336	3,003,865
Net expenditure before gains (losses) on investments	8	(62,574)	(27,399)	(89,973)	(75,635)
Gains (losses) on investments	13				
Realised gains on investments		57,921	—	57,921	54,842
Unrealised gains (losses) on investments		690,652	—	690,652	(412,031)
		748,573	—	748,573	(357,189)
Net income (expenditure) and net movement in funds for the year		685,999	(27,399)	658,600	(432,824)
Reconciliation of funds					
Fund balances brought forward at 1 January		6,631,343	66,487	6,697,830	7,130,654
Fund balances carried forward at 31 December		7,317,342	39,088	7,356,430	6,697,830

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

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

A comparative statement of financial activities for the previous year is included in the notes to the financial statements.

Balance sheets 31 December 2019

	Notes	Group		Charity	
		2019 £	2018 £	2019 £	2018 £
Fixed assets					
Intangible assets	12	103,013	121,925	103,013	121,925
Tangible assets	12	26,878	30,101	26,878	30,101
Investments	13	6,162,621	5,432,146	6,162,622	5,432,147
		6,292,512	5,584,172	6,292,513	5,584,173
Current assets					
Debtors	14	1,336,715	1,824,132	1,303,395	1,198,990
Cash at bank and in hand		658,160	322,390	349,197	151,923
		1,994,875	2,146,522	1,652,592	1,350,913
Liabilities:					
Creditors: amounts falling due within one year	15	(930,957)	(1,032,864)	(588,675)	(237,256)
Net current assets		1,063,918	1,113,658	1,063,917	1,113,657
Total net assets		7,356,430	6,697,830	7,356,430	6,697,830
The funds of the charity:					
Unrestricted funds:					
General funds		2,542,693	1,778,895	2,542,693	1,778,895
Designated funds	16	4,774,649	4,852,448	4,774,649	4,852,448
Restricted funds	17	39,088	66,487	39,088	66,487
	18	7,356,430	6,697,830	7,356,430	6,697,830

Approved by the Trustees
and signed on their behalf by:



Dr Cathryn Edwards MA D.Phil FRCP
Chair of the BSG Board of Trustees

Approved on: 15th June 2020

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

Statement of cash flows 31 December 2019

	Notes	2019 £	2018 £
Cash flow from operating activities:			
Net cash provided by (used in) operating activities	A	197,687	(544,282)
Cash flow from investing activities:			
Dividends and interest from investments		188,674	160,704
Purchase of tangible fixed assets		(10,114)	(4,374)
Purchase of intangible fixed assets		(58,575)	(8,710)
Proceeds from the disposal of investments		754,075	591,281
Purchase of investments		(716,346)	(620,965)
Net cash provided by investing activities		157,714	117,936
Change in cash and cash equivalents in the year		355,401	(426,346)
Cash and cash equivalents at 1 January	B	445,679	872,025
Cash and cash equivalents at 31 December	B	801,080	445,679

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

	2019 £	2018 £
Net movement in funds (as per the statement of financial activities)	658,600	(432,824)
Adjustments for:		
Depreciation charge	13,337	25,682
Amortisation	30,717	30,481
(Gains) losses on investments	(748,573)	357,189
Dividends and interest from investments	(188,674)	(160,704)
Deficit on disposal of tangible fixed assets	46,770	—
Decrease (increase) in debtors	487,417	(263,627)
Decrease in creditors	(101,907)	(100,479)
Net cash provided by (used in) operating activities	197,687	(544,282)

B Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	658,160	322,390
Cash held by investment managers	142,920	123,289
Total cash and cash equivalents	801,080	445,679

Principal accounting policies 31 December 2019

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 2019, with comparative information for the year to 31 December 2018, 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.

The full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy. Estimates used in the accounts, particularly with respect to the value of listed investments (see note 13) are subject to a greater degree of uncertainty and volatility. As set out in these accounting policies under "going concern", the Trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

Principal accounting policies 31 December 2019

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. Despite the global uncertainty in relation to COVID-19, there are no concerns regarding the group and the charity's ability to continue as a going concern.

With regard to the next accounting period, the year ending 31 December 2019, 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.

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, until the dissolution date of 15 March 2018, 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.

Principal accounting policies 31 December 2019

Income recognition (continued)

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:

- 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.

Principal accounting policies 31 December 2019

Allocation of support and governance costs (continued)

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

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.

Intangible fixed assets

Amortisation is provided at the following annual rates in order to write off the cost of each asset over its estimated useful life, amortisation is charged from the date the asset comes into use:

- ♦ Database and website - 5 years

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

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.

Principal accounting policies 31 December 2019

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.

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.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – other debtors are basic financial instruments and are debt instruments measured at amortised cost. Listed investments are a basic financial instrument as detailed above. Prepayments are not financial instruments.

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

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

Principal accounting policies 31 December 2019

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 2019

1 Subscriptions

	Unrestricted funds	
	2019 £	2018 £
Membership subscription	395,228	391,978
Total funds	395,228	391,978

2 Investment income

	Unrestricted funds	
	2019 £	2018 £
Income from listed investments	185,493	149,521
Interest receivable	3,181	11,183
Total funds	188,674	160,704

3 Income from charitable activities

	Un- restricted funds £	Restricted funds £	Total funds 2019 £	Un- restricted funds £	Restricted funds £	Total funds 2018 £
Education and training						
Income from scientific meetings	1,475,487	81,554	1,557,041	1,200,782	77,625	1,278,407
Sponsorship income	13,389	4,000	17,389	23,875	96,715	120,590
Other income	42	—	42	6,355	—	6,355
	<u>1,488,918</u>	<u>85,554</u>	<u>1,574,472</u>	<u>1,231,012</u>	<u>174,340</u>	<u>1,405,352</u>
GI Research						
'GUT', Frontline Gastroenterology and Open Gastro journals	925,132	—	925,132	908,888	—	908,888
Other income	1,392	—	1,392	1,229	—	1,229
	<u>926,524</u>	<u>—</u>	<u>926,524</u>	<u>910,117</u>	<u>—</u>	<u>910,117</u>
Service standards						
Advertising income	9,079	—	9,079	—	3,175	3,175
Other income	3,031	—	3,031	—	10,530	10,530
	<u>12,110</u>	<u>—</u>	<u>12,110</u>	<u>—</u>	<u>13,705</u>	<u>13,705</u>
Total funds	<u>2,427,552</u>	<u>85,554</u>	<u>2,513,106</u>	<u>2,141,129</u>	<u>188,045</u>	<u>2,329,174</u>

4 Cost of raising funds

	Unrestricted Funds	
	2019 £	2018 £
Investment manager's fees	26,297	25,035
Staff costs (note 9)	117,399	64,704
Total funds	143,696	89,739

5 Expenditure on charitable activities

	Un- restricted funds £	Restricted funds £	Total funds 2019 £	Un- restricted funds £	Restricted funds £	Total funds 2018 £
Education and training						
Direct costs						
Scientific meetings	1,371,770	78,467	1,450,237	959,258	119,934	1,079,192
Section meetings	38,923	27,486	66,409	41,938	67	42,005
Committee meetings	18,078	—	18,078	—	—	—
IBD registry costs	—	—	—	36,572	(7,353)	29,219
IBD registry staff costs	—	—	—	—	1,793	1,793
Supporting Women in Gastro	—	—	—	1,523	2,917	4,440
Mentoring	16,363	7,000	23,363	19,867	—	19,867
Website costs	—	—	—	4,942	—	4,942
Staff costs (note 9)	63,274	—	63,274	47,195	9,243	56,438
Bursaries & prizes	1,537	—	1,537	10,216	11,178	21,394
Support costs (note 6)	305,056	—	305,056	288,073	—	288,073
	<u>1,815,001</u>	<u>112,953</u>	<u>1,927,954</u>	<u>1,409,584</u>	<u>137,779</u>	<u>1,547,363</u>
GI research						
Direct costs						
'GUT' journal	261,171	—	261,171	262,099	—	262,099
Frontline Gastroenterology journal	112,951	—	112,951	117,116	—	117,116
Open Gastroenterology journal	9,000	—	9,000	—	—	—
Section meetings	6,232	—	6,232	18,393	—	18,393
Website costs	—	—	—	2,664	—	2,664
Bursaries & prizes	13,280	—	13,280	7,132	—	7,132
Clinical Research Groups	7,647	—	7,647	1,745	—	1,745
Research Workshops	1,024	—	1,024	15,635	—	15,635
Staff costs (note 9)	58,002	—	58,002	48,506	—	48,506
Subvention to Guts UK	—	—	—	78,396	—	78,396
Other grants to Guts UK	10,000	—	10,000	5,000	—	5,000
Support costs (note 6)	279,643	—	279,643	123,100	—	123,100
	<u>758,950</u>	<u>—</u>	<u>758,950</u>	<u>679,786</u>	<u>—</u>	<u>679,786</u>
Service standards						
Direct costs						
Guidelines	22,029	—	22,029	44,159	—	44,159
EQIP	—	—	—	10,001	—	10,001
Newsletter	1,455	—	1,455	3,200	—	3,200
E-Newsletter	—	—	—	137	—	137
Meeting and other costs	19,299	—	19,299	36,850	10,768	47,618
Marketing & Comms	—	—	—	16,693	—	16,693
Membership Development	4,916	—	4,916	2,506	—	2,506
Public Relations	—	—	—	2,500	—	2,500
Website costs	—	—	—	5,878	—	5,878
Staff costs (note 9)	51,889	—	51,889	59,970	—	59,970
Support costs (note 6)	250,167	—	250,167	153,875	—	153,875
	<u>349,755</u>	<u>—</u>	<u>349,755</u>	<u>335,769</u>	<u>10,768</u>	<u>346,537</u>
Total carried forward	<u>2,923,706</u>	<u>112,953</u>	<u>3,036,659</u>	<u>2,425,139</u>	<u>148,547</u>	<u>2,573,686</u>

5 Expenditure on charitable activities (continued)

	Un- restricted funds £	Restricted funds £	Total funds 2019 £	Un- restricted funds £	Restricted funds £	Total funds 2018 £
Total brought forward	2,923,706	112,953	3,036,659	2,425,139	148,547	2,573,686
International						
Direct costs						
· Staff costs (note 9)	6,384	—	6,384	9,668	—	9,668
· Other costs	284	—	284	490	—	490
Sponsorship	16,536	—	16,536	20,940	—	20,940
Support costs (note 6)	30,777	—	30,777	61,550	—	61,550
	<u>53,981</u>	<u>—</u>	<u>53,981</u>	<u>92,648</u>	<u>—</u>	<u>92,648</u>
Transfer of IBD Registry						
· Transfer of the IBD Registry to IBD Registry Ltd	—	—	—	7,917	239,875	247,792
	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,917</u>	<u>239,875</u>	<u>247,792</u>
Total funds	<u>2,977,687</u>	<u>112,953</u>	<u>3,090,640</u>	<u>2,525,704</u>	<u>388,422</u>	<u>2,914,126</u>

6 Support costs

	Education and training £	GI research £	Service standards £	Inter- national £	2019 Total £
Premises expenses	14,891	13,651	12,212	1,502	42,256
Administration and office expenses	42,884	39,312	35,168	4,327	121,691
Website	8,714	7,988	7,146	879	24,727
Legal and professional fees	553	507	454	56	1,570
Human Resources	3,653	3,349	2,996	369	10,367
Consultancy	29,260	26,822	23,995	2,952	83,029
Accountancy and bookkeeping	11,036	10,117	9,051	1,113	31,317
Subscriptions	4,326	3,965	3,547	436	12,274
Staff costs	100,054	91,719	82,051	10,094	283,918
Recruitment	19,648	18,011	16,112	1,982	55,753
Marketing	5,247	4,809	4,303	529	14,888
Bad debt provision	162	149	133	16	460
Bank charges and interest payable	3,388	3,106	2,779	342	9,615
Depreciation and disposal of assets	32,007	29,340	26,248	3,229	90,824
Sundry expenses	925	848	759	93	2,625
Irrecoverable VAT	14,045	12,875	11,518	1,417	39,855
Governance costs (note 7)	14,263	13,075	11,695	1,441	40,474
2019 Total	<u>305,056</u>	<u>279,643</u>	<u>250,167</u>	<u>30,777</u>	<u>865,643</u>

6 Support costs (continued)

	Education and training £	GI research £	Service standards £	Inter- national £	2018 Total £
<i>Premises expenses</i>	15,736	6,994	8,742	3,497	34,969
<i>Administration and office expenses</i>	23,608	10,493	13,116	5,246	52,463
<i>Legal and professional fees</i>	6,254	1,913	2,391	956	11,514
<i>Human Resources</i>	11,253	5,001	6,252	2,501	25,007
<i>Consultancy</i>	35,303	15,690	19,613	7,845	78,451
<i>Accountancy and bookkeeping</i>	13,457	5,981	7,476	2,990	29,904
<i>Subscriptions</i>	4,441	1,974	2,466	987	9,868
<i>Staff costs</i>	104,889	46,616	58,272	23,309	233,086
<i>Recruitment</i>	1,167	519	648	259	2,593
<i>Marketing</i>	4,273	832	1,040	416	6,561
<i>Write back of provision</i>	(1,193)	—	—	—	(1,193)
<i>Bank charges and interest payable</i>	1,552	610	763	305	3,230
<i>Depreciation</i>	25,273	11,233	14,041	5,616	56,163
<i>Sundry expenses</i>	510	22	27	11	570
<i>Irrecoverable VAT</i>	19,988	8,883	11,104	4,442	44,417
<i>Governance costs (note 7)</i>	21,562	6,339	7,924	3,170	38,995
2018 Total	288,073	123,101	153,876	61,550	626,598

7 Governance

	Unrestricted funds	
	2019 £	2018 £
Council meetings	19,129	19,105
Trustees' expenses	5,065	3,390
Audit and accountancy fees	16,280	16,500
Total funds	40,474	38,995

None of the Trustees received remuneration from the charity in respect of their services as Trustees (2018 - none).

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

This is stated after charging:

	2019 Total funds £	2018 Total funds £
Staff costs (note 9)	580,865	530,065
Depreciation	44,054	56,163
Loss on disposal of tangible fixed assets	46,770	—
Auditors' remuneration (group basis)		
Audit fees – current year	15,850	16,080
Non-audit fees	3,500	15,630

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

	2019 Total funds £	2018 Total funds £
Wages and salaries	349,815	384,336
Social security cost	38,964	39,196
Pension cost	15,401	18,985
	404,180	442,517
Agency costs	43,093	10,528
Consultancy costs	133,593	55,900
Restructuring costs	—	21,120
	580,866	530,065

Staff costs analysed by activities:

	2019 Total funds £	2018 Total funds £
Cost of raising funds	117,399	64,704
Charitable activities		
Education and training	63,274	58,231
GI research	58,002	48,506
Service standards	51,889	59,970
International	6,384	9,668
Support costs	283,918	288,986
	580,866	530,065

The average number of employees, excluding agency and self-employed consultant staff, during the year was:

	2019 No.	2018 No.
Employees	9	9

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:

	2019 No	2018 No
£70,001 - £80,000	1	—
£90,001 - £100,000	—	1

Pension contributions for this employee totalled £3,631 (2018 – £4,928).

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

(continued)

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, the COO, the Head of Research and Learning and the Marketing Director. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £236,192 (2018 – £207,897). No Trustee received any remuneration from the Society in their ongoing role as a Trustee. Travelling and subsistence expenses were reimbursed to eight Trustees amounting to a total of £7,727 (2018 – £16,642 to 12 Trustees). At the year end a balance of £496 (2018 – £1,185) 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	2019 £	2018 £
Turnover	1,619,065	1,339,134
Cost of sales	(1,481,197)	(1,078,297)
Gross profit	137,868	260,837
Administration	(9,182)	(9,429)
Interest receivable	474	286
Net profit	129,160	251,694
Gift Aid to BSG	(129,160)	(251,694)
Profit for the period	—	—

The Society also controlled 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 owned one share in the company. The Society acted as host organisation for DDF, providing back office functions and managed the company on a day to day basis. An application was made to have the company struck off and the company was removed from the register and the company was dissolved on 2 April 2019.

DDF Conference did not hold a scientific meeting in 2019 or 2018 and its results are as follows:

Statement of income	2019 £	2018 £
Turnover	—	1,296
Cost of sales	—	—
Gross profit	—	1,296
Administration	—	1,193
Net profit for period	—	2,489
Retained loss brought forward	—	(2,489)
Result for the period	—	—

11 Comparative Statement of Financial Activities for the year ended 31 December 2018

	Notes	Unrestricted £	Restricted £	2018 Total funds £
Income				
Donations and legacies				
. Membership subscription	1	391,978	—	391,978
Investment income	2	160,704	—	160,704
Other		46,374	—	46,374
Charitable activities	3			
. Education and training		1,205,032	174,340	1,405,352
. GI research		910,117	—	910,117
. Service standards		—	13,705	13,705
Total income		2,740,185	188,045	2,928,230
Expenditure				
Cost of raising funds	4	89,739	—	89,739
Cost of charitable activities	5			
. Education and training		1,409,584	137,779	1,547,363
. GI research		679,786	—	679,786
. Service standards		335,769	10,768	346,537
. International		92,648	—	92,648
. Transfer of IBD Registry	21	7,917	239,875	247,792
Total expenditure		2,615,443	388,422	3,003,865
Net income (expenditure) before gains (losses) on investments	8	124,742	(200,377)	(75,635)
Gains and losses on investments	13			
Realised gains on investments		54,842	—	54,842
Unrealised losses on investments		(412,031)	—	(412,031)
		(357,189)	—	(357,189)
Net expenditure and net movement in funds for the year		(232,447)	(200,377)	(432,824)
Reconciliation of funds				
Fund balances brought forward at 1 January		6,863,790	266,864	7,130,654
Fund balances carried forward at 31 December		6,631,343	66,487	6,697,830

12 Fixed assets

Intangible fixed assets

Group and charity	Database & website £
Cost	
At 1 January 2019	152,406
Additions	58,575
Disposals	(77,950)
At 31 December 2019	133,031
Amortisation	
At 1 January 2019	30,481
Charge for the year	30,717
Eliminated on disposal	(31,180)
At 31 December 2019	30,018
Net book values	
At 31 December 2019	103,013
At 31 December 2018	121,925

Tangible fixed assets

Group and charity	Leasehold buildings £	Office equipment, fixtures and fittings £	Total £
Cost			
At 1 January 2019	165,000	91,196	256,196
Additions	—	10,114	10,114
At 31 December 2019	165,000	101,310	266,310
Depreciation			
At 1 January 2019	148,500	77,595	226,095
Charge for the year	6,600	6,737	13,337
At 31 December 2019	155,100	84,332	239,432
Net book values			
At 31 December 2019	9,900	16,978	26,878
At 31 December 2018	16,500	13,601	30,101

13 Investments

	Total funds 2019 £	Total funds 2018 £
Market value at 1 January	5,308,857	5,636,362
Disposals at opening market value (proceeds: £754,075; realised gains: £57,921)	(696,154)	(536,439)
Additions at cost	716,346	620,965
Unrealised gains (losses)	690,652	(412,031)
Market value at 31 December	6,019,701	5,308,857
Cash held by investment manager	142,920	123,289
Group	6,162,621	5,432,146
Investment in BSG Limited	1	1
Society	6,162,622	5,432,147

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

	2019 £	2018 £
UK fixed interest investments	660,642	759,108
Overseas fixed interest investments	184,035	71,195
Overseas listed equities	2,509,882	2,055,510
UK equities	2,065,003	1,852,641
Alternative investments	262,898	226,178
Property	337,241	344,225
	6,019,701	5,308,857
Historical cost of investments (excluding cash held with investment managers)	4,628,423	4,502,805

There were no individual investments amounting to over 5% of the portfolio at 31 December 2019.

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

	2019 £	2018 £
Unrealised gains included above:		
On investments	1,382,704	806,052
Total unrealised gains at 31 December	1,382,704	806,052
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January	806,052	1,263,326
In respect to disposals in the year	(105,426)	(45,243)
	700,626	1,218,083
Net gains (losses) arising on revaluation arising in the year	690,652	(412,031)
Total unrealised gains at 31 December	1,391,278	806,052

At the date of signing the financial statements there has been a fall in value of the investments of approximately £393k as a result of current stock market fluctuations. The charity has strategies in place to manage its short-term cash needs and take the long term view in our investment policy and so does not believe that there is any risk to the organisation from current stock market fluctuations.

14 Debtors

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	266,827	547,687	4,976	16,368
Other debtors	—	23,672	—	20,239
VAT	—	—	17,215	6,519
Amount due from subsidiary	—	—	346,154	251,694
Prepayments and accrued income	1,069,888	1,252,773	935,050	904,170
	1,336,715	1,824,132	1,303,395	1,198,990

15 Creditors: amounts falling due within one year

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	120,107	346,872	96,597	118,386
Accruals and deferred income	754,288	649,496	483,701	95,548
Social security & other taxation	—	9,995	—	9,995
Other creditors	9,804	13,327	8,377	13,327
VAT	46,758	13,174	—	—
	930,957	1,032,864	588,675	237,256

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

	2019 £	2018 £
Deferred income brought forward at 1 January	531,044	525,079
Additional income deferred during the year	274,681	531,044
Brought forward funds released in the year	(531,044)	(525,079)
Deferred income carried forward at 31 December	274,681	531,044

16 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 2019 £	New designations/ (released) £	Utilised in year £	At 31 December 2019 £
Research	10,000	30,330	(10,330)	30,000
Training and Education	61,419	—	(16,757)	44,662
Clinical Services	197,652	32,750	(8,927)	221,475
International	41,950	47,550	(15,000)	74,500
Refurbishment of offices	100,000	11,139	(11,139)	100,000
Membership development	189,401	—	(38,557)	150,844
Property	4,000,000	—	—	4,000,000
Restructuring	100,000	—	(76,724)	23,276
Tangible and intangible assets	152,026	21,920	(44,054)	129,892
	4,852,448	143,689	(221,488)	4,774,649

16 Designated funds (continued)

	At 1 January 2018 £	New designations/ (released) £	Utilised in year £	At 31 December 2018 £
Research	83,600	9,796	(83,396)	10,000
Training and Education	45,837	36,972	(21,390)	61,419
Clinical Services	211,812	40,000	(54,160)	197,652
IBD Registry	28,337	16,152	(44,489)	—
International	66,950	(4,060)	(20,940)	41,950
Refurbishment of offices	116,824	(16,824)	—	100,000
Membership development	208,600	—	(19,199)	189,401
Property	4,000,000	—	—	4,000,000
Restructuring	—	100,000	—	100,000
Tangible and intangible assets	195,105	13,084	(56,163)	152,026
	<u>4,957,065</u>	<u>195,120</u>	<u>(299,737)</u>	<u>4,852,448</u>

Research

An amount has been designated for research grants.

Training and Education

Funds have been set aside for a number of earmarked projects identified by the Council and including a mentoring project.

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.

IBD Registry

The IBD Registry fund was to support the registry project, the IBD Registry was transferred to a separate company during the prior year (note 21) and consequently no further designation has been made.

Refurbishment of office

A sum of money has been designated to fund the potential refurbishment of the new offices.

Membership development

This has been designated for membership development.

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.

Restructuring

A sum of money has been designated for restructuring costs anticipated in the forthcoming financial year.

Tangible and intangible assets

This fund represents the net book value of the tangible and intangible assets of the Society.

17 Restricted funds

	At 1 January 2019 £	Income £	Expenditure and transfers £	At 31 December 2019 £
Endoscopy fund	1,966	—	(1,966)	—
Endoscopy – Paul Brown travelling fund	3,540	—	—	3,540
Pathologists Group fund	2,603	—	—	2,603
Section funds				
. Oesophageal Section	3,992	—	(1,142)	2,850
. IBD Section	1,300	—	—	1,300
. Clinical Measurement	5,227	—	—	5,227
. NGM	7,760	(1,500)	(1,373)	4,887
. Trainees in Gastro	29,417	81,554	(95,972)	14,999
. SWiG	—	5,500	(5,500)	—
. Mentoring	7,000	—	(7,000)	—
Other	3,682	—	—	3,682
	66,487	85,554	(112,953)	39,088

	At 1 January 2018 £	Income £	Expenditure and transfers £	At 31 December 2018 £
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	194,315	40,000	(234,315)	—
Section funds				
. Oesophageal Section	2,694	8,620	(7,322)	3,992
. IBD Section	1,300	—	—	1,300
. Clinical Measurement	2,290	13,705	(10,768)	5,227
. NGM	13,700	30,000	(35,940)	7,760
. Education	12,243	8,178	(20,421)	—
. Trainees in Gastro	28,531	77,625	(76,739)	29,417
. SWiG	—	2,917	(2,917)	—
. Mentoring	—	7,000	—	7,000
Other	3,682	—	—	3,682
	266,864	188,045	(388,422)	66,487

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 represented income received from various sources to support the establishment of the IBD Registry. The balance on the fund was transferred to a separate company during the previous year.

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

18 Analysis of net assets between funds

Group and charity	Unrestricted funds		Restricted funds	Total funds
	General fund	Designated funds		
	£	£	£	£
Fund balances at 31 December 2019 are represented by:				
Intangible fixed assets	—	103,013	—	103,013
Tangible fixed assets	—	26,878	—	26,878
Investments	2,062,621	4,100,000	—	6,162,621
Current assets	1,350,379	599,758	44,738	1,994,875
Current liabilities	(870,307)	(55,000)	(5,650)	(930,957)
Total net assets	2,542,693	4,774,649	39,088	7,356,430

Group and charity	Unrestricted funds		Restricted funds	Total funds
	General fund	Designated funds		
	£	£	£	£
Fund balances at 31 December 2018 are represented by:				
Intangible fixed assets	—	121,925	—	121,925
Tangible fixed assets	—	30,101	—	30,101
Investments	1,332,146	4,100,000	—	5,432,146
Current assets	1,380,690	658,524	107,308	2,146,522
Current liabilities	(933,941)	(58,102)	(40,821)	(1,032,864)
Total net assets	1,778,895	4,852,448	66,487	6,697,830

19 Ultimate control and related party transactions

The charity has no ultimate controlling party.

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

20 Guts UK Charity

The Society works closely with Guts UK Charity (previously known as Core – The Digestive Disorders Foundation) (Charity Registration No 1137029 and Company Registration No 07274105 (England and Wales)) to support Guts UK'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; Guts UK is the only charity dedicated to the whole of gastrointestinal diseases. The Chairman of the Research Committee of the BSG is a Trustee of Guts UK. The President of Guts UK is an ex-officio member of the BSG Council.

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

In the year ended 31 December 2018, the Society subvented 20% of its membership income, amounting to £78,396, which was paid partly in cash £56,856 and partly in services £21,540. The Society gave one grant of £10,000 to Guts UK during the year (2018 – one grants of £5,000), this amount remained payable at the year end date.

21 Transfer of IBD Registry

Activities relating to the IBD registry database developed by the charitable company were transferred to a separate, independent company IBD Registry Limited (company number 11197749) which was incorporated on 9 February 2018. BSG is one of three members of IBD Registry Limited but is not represented on the board of directors.

In the year ended 31 December 2018 net assets held by BSG relating to IBD Registry were transferred to IBD Registry Limited on 8 November 2018.

	2018 £
<i>Designated funds transferred to IBD Registry Limited</i>	7,917
<i>Restricted funds transferred to IBD Registry Limited</i>	234,315
	<u>247,792</u>
Net assets transferred comprised:	
	2018 £
<i>Cash at bank and in hand</i>	<u>247,792</u>

22 Post Balance Sheet Events

As a result of the reaction of markets to the COVID-19 outbreak, at the date of signing the financial statements there has been a significant fall in value of the investments of the charity. The charity's portfolio was down around 6.4%. The charity has strategies in place to manage its short-term cash needs and take the long term view in its investment policy and so does not believe that there is any risk to the sustainability of the organisation arising from current stock market fluctuations.

In response to the COVID-19 outbreak, the charity is proactively reviewing activities to ensure continued support to beneficiaries. The Annual Conference, originally scheduled to take place in Liverpool in June of 2020 has been postponed until February of 2021

The Trustees have reviewed the risks that COVID-19 poses to the group and the charity and concluded that the group and the charity are in a strong financial and operational position and can continue to support beneficiaries now and for the foreseeable future.