

British Society of Gastroenterology

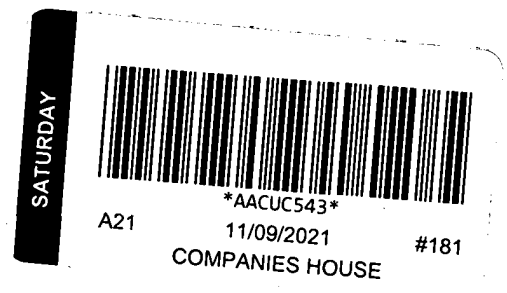
Annual Report and Financial Statements

31 December 2020

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	Ms M Azdejkovic Mr T Budd Ms J Flitcroft Dr H Gordon Mr C Kavanagh Mr R P Lanyon Mrs R Lloyd Dr M Lockett Dr A McKinlay Dr D S McPherson Dr I Penman Dr A Veitch
Chief Executive	Mr M Hacker
Governance & Operations Director	Mrs S Linnington
Registered/Principal office	3 St Andrews Place Regent's Park London NW1 4LB
Telephone	020 7935 3150
E-mail website	enquiries@bsg.org.uk 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 CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

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 company BSG Limited (together the 'Group' or 'consolidated') for the year ended 31 December 2020.

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 33 to 38 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 **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

Equality and Inclusion:

"The British Society of Gastroenterology (BSG) believes that equity of opportunity is of fundamental importance for everyone involved in our organisation. We welcome and actively seek to recruit individuals to our activities regardless of race, religion, ethnic origin, disability, age, gender, sexual orientation or working pattern. The BSG aims to encourage diversity of membership in all committees, senior roles and staff."

The BSG not only seeks to promote equal opportunities for all its members but also actively tries to encourage members who might not immediately see themselves as potential contributors to the Society's work, to take on roles.

- An Equality and Inclusion statement is included with all job descriptions
- Personalised advice and encouragement is available to anyone considering a position within the Society
- Our website features role models and individual member stories, drawn from the full diversity of our membership
- We regard diversity as one of our greatest assets

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 detailed below

Structure of the Charity (continued)

Trustees (continued)

Dr Alastair McKinlay

BSG President and Chair of the Board of Trustees

Alastair McKinlay is a Consultant Gastroenterologist with an interest in nutrition, at Aberdeen Royal Infirmary. He is also physician to the Eden Unit at Royal Cornhill Hospital Aberdeen, the specialist inpatient eating disorders unit for the North of Scotland Managed Clinical Network for Eating Disorders. He is a member of the Council of the Royal College of Physicians of London. Alastair is an Honorary Associate of the British Dietetic Association.

Dr Andrew Veitch

BSG President-Elect

Andy Veitch is a Consultant Gastroenterologist at The Royal Wolverhampton NHS Trust with interests in advanced endoscopy, endoscopy training, endoscopy research and guidelines. In Wolverhampton, he set up the first centre in the national bowel cancer screening programme in England and has had a national leading role in the programme. He is currently leading on quality improvement in endoscopy services for the European Society of Gastrointestinal Endoscopy, and he has a global role as a member (former Chair) of the endoscopy committee of the World Gastroenterology Organisation.

Ms Marina Azdejkovic

Independent Lay Trustee

Marina has worked for a number of international organisations in finance roles. She is currently working in London for the Standard Chartered Bank as a Director, Operations and Governance for a Sustainability function. She is also responsible for looking after governance and finance of the Standard Chartered Foundation which she helped set up in 2019.

Mr Thomas Budd

Independent Lay Trustee

After qualifying as a solicitor, Tom studied for a postgraduate law degree at the University of Cambridge before joining Slaughter and May and two subsequent law firms. He was until recently a partner in the London office of an international law firm, Gibson, Dunn & Crutcher, where he served as co-chair of the firm's Global Finance practice group. Tom is also an honorary legal adviser to the Order of St John and a trustee of Foothold (The Institution of Engineering and Technology Benevolent Fund).

Structure of the Charity (continued)

Trustees (continued)

Ms Joanne Flitcroft

Independent Lay Trustee

Joanne is a qualified solicitor and having trained in London, has spent almost 20 years as an in-house lawyer before setting up her own company Opallios in 2016. Joanne provides consultancy advice to companies in the life sciences sector and in particular advice on issues concerned with pharmacovigilance, compliance and risk management.

Dr Harriet Gordon

BSG Council Member

Harriet has been a consultant gastroenterologist in Winchester since 2000 and lead for their alcohol and nutrition teams. She was a NE Thames trainee and her research was at the Royal Free Hospital in alcohol misuse and has since been involved in projects and audit relating to alcoholic liver disease with Wessex AHSN. She has been BSG Workforce Representative and Director of the RCP Medical Workforce Unit, and continued to address the workforce issue with Chairing the RCP Flexibility and Wellbeing group and the AoMRC Flexible Careers Committee.

Mr Chris Kavanagh

Independent Lay Trustee

Chris is the EMEA co-head of the Charity & Education Investment Group at Goldman Sachs. Working with a diverse range of charities and universities across the globe, Chris advises board members and executive teams on investment strategy and sustainable portfolio implementation. With a particular focus on sustainable finance, Chris is heavily involved in the development of the ESG and Impact Investing platform at Goldman Sachs and on the sustainable investment strategies of his clients. Prior to Goldman Sachs, Chris worked at Barclays and Macquarie Group in both Sydney and London. Chris has a BSc in Accounting from the University of Technology Sydney, is a Chartered Member of the Institute of Securities and Investments and holds an MBA with Distinction from the University of London.

Mr Richard Lanyon

Independent Lay Trustee

Richard spent his entire career in investment management, initially at the stockbrokers Laurence Prust followed by Framlington where he was the Director in charge of Pension Management. In 1992 he joined Rathbones where he was Head of Investment Management for 10 years.

He has now retired and able to devote more time to charitable activities.

Structure of the Charity (continued)

Trustees (continued)

Mrs Rosemary Lloyd

Independent Lay Trustee

Rosemary has extensive experience in Human Resources in the Retail, Consultancy and Financial sectors, with experience in a full range of HR activities including recruitment, training, reward, benefits and employee relations. In her most recent role as HR Director, she led a team of 20.

Dr Melanie Lockett

BSG Council Member

Melanie trained in NW Thames and was appointed as a Consultant in 2005. She is a bowel cancer screening colonoscopist and has additional sub-specialty interests in inflammatory bowel disease and nutrition. Leadership roles have included: Specialty Tutor, Training Programme Director, Deputy Chair & Chair of the British Society of Gastroenterology (BSG) training committee and BSG Workforce Lead. Melanie was awarded the BSG President's medal in 2018.

Dr Stuart McPherson

BSG Senior Secretary

Stuart is a Consultant Hepatologist and Honorary Clinical Senior Lecturer at the Liver Transplant unit, in Newcastle, UK. Stuart's major clinical interests include viral hepatitis, fatty liver disease, cirrhosis and liver transplantation. He is research active with interests in risk stratification and the natural history of fatty liver disease and improving clinical care pathways for patients with liver disease and viral hepatitis.

Dr Ian Penman

BSG Vice-President Endoscopy

Ian is a Consultant Gastroenterologist at the Royal Infirmary of Edinburgh. Ian is an honorary Senior Lecturer in Medicine at the University of Edinburgh. Ian's major clinical interests include endoscopic ultrasound (EUS), therapeutic endoscopy, Barrett's oesophagus and the endoscopic diagnosis and management of GI cancers, including advanced endoscopic imaging techniques.

No Trustee received any remuneration for services as a member of the Council. Three Trustees were reimbursed expenses totalling £5,939 (2019 - Thirteen Trustees received expenses totalling £13,082). All expenses were incurred on Society business. No Trustee had any beneficial interest in any contract with the Society whilst serving on the Board.

Trustees' report 31 December 2020

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 Trustees met once face to face, and four times remotely in 2020.

Structure of the Charity (continued)

The BSG Executive

Members of the Executive

<i>Dr A McKinlay</i>	<i>(President 2020-2022)</i>
<i>Dr A Veitch</i>	<i>(President-elect 2020-2022)</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) Resigned Dec 2020</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 A Douds</i>	<i>(Chair, CSSC 2020-2022)</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 2018-2021)</i>
<i>Dr N Hawkes</i>	<i>(Chair, International Committee 2019-2022)</i>
<i>Mr M Hacker</i>	<i>(BSG CEO)</i>
<i>Mrs S Linnington</i>	<i>(Governance & Operations Director)</i>

All members of this board are appointed by open competitive interview, chaired by a lay member of the Board of Trustees 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 Alastair McKinlay took over from Dr Cathryn Edwards in June 2020 and will serve to June 2022, when he will be succeeded by the current President-Elect Dr Andrew Veitch. The Vice President (Endoscopy) and the Vice President (Hepatology) currently 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, Training and International Committees currently serve for three years. The President Elect and the Chair of the Clinical Services and Standards Committee serve for two years.

Structure of the Charity (continued)

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 A McKinlay</i>	<i>(President 2020-2022)</i>
<i>Dr A Veitch</i>	<i>(President-elect 2020-2022)</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) Resigned Dec 2020</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 A Douds</i>	<i>(Chair, CSSC 2020-2022)</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 N Hawkes</i>	<i>(Chair, International Committee 2019-2022)</i>
<i>Dr B Oates</i>	<i>(Chair, Training Committee 2018-2021)</i>
<i>Dr R Ransford</i>	<i>(Deputy Chair, Guidelines Lead, CSSC, 2020-2020)</i>
<i>Dr B Brett</i>	<i>(Secretary, QI Lead, CSSC, 2020-2022)</i>
<i>Prof M Brookes</i>	<i>(Elected member 2020-2023)</i>
<i>Dr B Hawthorne</i>	<i>(Elected member 2018-2021)</i>
<i>Dr H Fidler</i>	<i>(Elected member 2019-2022)</i>
<i>Dr H Gordon</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 Smith</i>	<i>(Elected member 2020-2023)</i>
<i>Dr L Scovell</i>	<i>(Elected member 2020-2023)</i>
<i>Dr E Ratcliffe</i>	<i>(Chair, Trainee Section 2019-2020)</i>
<i>Ms S Marshall</i>	<i>(Interim Chair, BSG Nurses Association 2019-2021)</i>
<i>Dr C Rutter</i>	<i>(Workforce Lead 2018-2021)</i>

Structure of the Charity (continued)

The Council (continued)

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>Mr S Brown</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 and 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 (and Programme) Committee and Research Committee.

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

The Society embarked on a complete governance and organisational review in 2019. The reorganisation of the finance, accounting systems, budgeting processes, and IT systems were completed early in 2020. This enabled the preparation of more detailed management accounts, and an organisational dashboard, updated in real time, to inform the senior management team, which has allowed tighter financial control, enhanced oversight and greater organisational agility.

Fortuitously, Microsoft Teams™ distance working, had been fully implemented before the COVID-19 crisis took hold, which enabled the Society to respond quickly to the changed circumstances. All committee and governance work was switched online and the productivity of the higher committees and executive actually increased during the pandemic

During 2020 the governance review has concentrated on the higher committees and all now have a Chair serving for 2 years and a Deputy Chair appointed competitively, serving for 2 years and then becoming the Chair, giving a total cycle of 4 years. The CSSC is an exception, where the role of CSSC Secretary and QI lead is appointed for 2 years, before graduating to the Deputy Chair and Chair over a 6 year cycle. All promotions are subject to a performance review discussed by the Executive.

Within the BSG Office, key appointments in 2020 have been a new Governance and Operations Director, a Head of Committee Services, and a series of appointments to strengthen the Communication and Marketing, Committee Services, and the Membership Teams. In addition, consultants are contracted to fulfil specific needs or workstreams.

Remuneration for key management personnel is set by benchmarking exercises, which are carried out by external HR Consultants. Annual performance reviews are carried out by employees' line managers, or in the case of the Chief Executive, by the President. Ultimate responsibility for all staff (delegated authority from the Trustees) lies with the President.

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 2020, the charity received no complaints about fundraising activities.

Risk management

The Trustees of the Society have overall responsibility for risk management within the Society.

Key Risks and Mitigation

A review of the Society's formal risk register is a standing item at every meeting of Board of Trustees, which implements mitigations as and when 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.

Financial

A Finance and Investment Committee (FIC), consisting of the BSG Treasurer, two of the Society's independent Trustees, the President, President-Elect, and the Chief Executive reviews the financial activities of the Society, including investment decisions, to mitigate the risk of loss of income and reports directly to the Trustee Board.

Premises

The Society currently enjoys a favourable lease on its office space, which expires in December 2021. Since August 2017, the Society has conducted a series of options appraisals in case it had to leave its current premises. The present assessment is that the current premises will continue to meet the Society's requirements, after a suitable refurbishment, particularly since the adoption during the COVID crisis of a "blended" pattern of home and office working.

In 2020 the President and CEO opened negotiations with the Royal College of Physicians who own the property, to renew the lease and these are confidently expected to conclude early in 2021. There is a risk, currently judged to be very low, that negotiations might not conclude with a mutually satisfactory outcome, in which case alternative premises might need to be found. The Society has a designated property fund that would allow a range of lease options to be explored and could meet most of the cost of the freehold price of a suitable premises, if required.

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 sponsorship, is therefore substantial but had never occurred prior to 2020.

The Society has prepared for such an eventuality by assiduous planning, led by its senior executive officers, and careful project management through its professional conference organisers, Conference Partners International. In addition, the BSG has, as part of its free reserves, £1,000,000 designated to cover expenses in the event of a meeting failing to take place, or having to be curtailed.

In February 2020 it became clear that the outbreak of COVID-19, originating in Wuhan China, was more serious than had been anticipated and was likely to become a global pandemic. The executive took immediate action and on 11th March 2020, having considered all available options, and after discussion with Trustee Board, it was decided to delay the annual meeting.

Risk management (continued)

Key Risks and Mitigation (continued)

Failure of Annual Meeting (continued)

The BSG Office negotiated rescheduling the meeting to February 2021 and rebooked the 2021, 2022, 2023, and 2024 meetings to new dates. By acting early in the pandemic, the most serious financial consequences for the Society were substantially mitigated. By June 2020 it was clear, however, that the pandemic was much worse and would last longer, than had been previously expected. The Executive, therefore, with the full support of the Trustee Board, moved the annual meeting from February to May 2021, and initiated a new virtual meeting, "BSG Campus" to take place in January 2021.

Whilst significant financial losses were mitigated, the BSG was not able to recover all its expenses, and lost a significant income stream. The consequences of the COVID-19 pandemic appear in the financial statements for 2020 and will continue to have an impact for several years to come.

Maintaining the reputation of the organisation

All financial obligations arising from the cancellation of the Conference in 2020 have been met, and the Board considers that the Annual Conference remains viable and will continue to be attractive to delegates in the future. The important charitable objectives, of providing education and training for our members and a national forum for the discussion of scientific research, have and will be met, through a series of highly successful webinars, and our virtual conference and campus planned for 2021. The online advice and guidance on COVID-19 produced by the Society during 2020, was not only welcomed by our members, but was well received nationally and internationally.

The Board of Trustees is confident therefore, that despite the potential impact of the COVID-19 pandemic on the work of the BSG, the Society remains financially and reputationally strong, and continues to meet all its charitable objectives.

Potential for a decline in membership - resulting in falling membership revenue

Membership fees were increased in 2020. No significant change in membership has been seen at Consultant or Trainee level, where over 85% of the potential gastroenterology community are already members. The Nurses section continued to see growth through 2020.

There has always been a fall in the member numbers in January when some members, particularly those not paying by Direct Debit, fail to renew, although many members subsequently renew during the course of the year. The whole fee structure has been reviewed and the subscription system has been updated to make it easier for the members to pay and we anticipate that this will significantly improve member retention in coming years which should mitigate any potential fall in revenue.

The Society also believes that it has the potential to increase its overseas membership by offering high quality education and membership benefits at a reasonable price.

Despite the fee increase the BSG continues to be one of the least expensive membership organisations when compared to other comparable societies.

Risk management (continued)

Key Risks and Mitigation (continued)

Potential for a reduction in the annual publishing revenues

The Society relies on its publishing partnership with the BMJ for a significant 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.

The Society has continued to work closely with BMJ publications. After discussion, it was agreed to make GUT and Frontline Gastroenterology hybrid journals, designating them as being "in transition" allowing them to continue to publish all types of material.

The future of Plan S is still not clear and the situation is complicated by other long term trends in publishing, such as a move away from paper to electronic copies. Some reduction in income seems probable over the coming five years but the Society is aware and taking measures to minimise the impact.

Risk Mitigation, Guidelines, and Professional Advice

The Society never gives advice to individual members of the public. All its advice is generic.

The Society publishes Guidelines and Professional advice. There is a risk that a company or individuals might disagree with the findings and attempt to contest them.

Guidelines are developed by working groups of professionals usually including lay members of the public, using strict evidence-based criteria based on literature searches and the grading of evidence. The BSG is accredited by NICE, and its advice is generally subject to external review and published in peer reviewed journals. The risk is judged to be small, but the Society is seeking professional advice as to how it can indemnify itself in the future.

Membership

In December 2020 the numbers in different membership categories were as follows:

	2020 No.	2019 No.
Honorary	96	96
Full	1,385	1,394
International	88	99
Trainee	743	641
Senior	96	95
Associate	709	730
Taster	372	272
	<u>3,489</u>	<u>3,327</u>

Membership (continued)

Impact Report: Activities in 2020 and plans for 2021

The impact of BSG activities in 2020 have been delivered in alignment with its charitable objects through workstreams: **membership support** (including educational, scientific, professional development and workforce activities), an **international programme**, its **medical publications**, 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.

Delivering impact through membership support

Covid-19

The Covid 19 epidemic had a huge impact on the Society's work. Fortunately, a wide ranging series of organisational reforms completed in 2019 allowed the BSG to adapt rapidly to the new situation.

These had included:

- Adoption of Microsoft Teams™ for remote working
- A move to cloud-based computing and servers
- Adoption of Office 365 allowing integrated distance working
- With the requirement for lockdown and homeworking, staff were supported to work from home
- Some employees were furloughed under the UK Government scheme, reducing the need for redundancies
- All BSG governance committees moved online, including the Board of Trustees and Council.
- The Executive moved to weekly meetings and in September 2020 to monthly meetings, as opposed to the three-monthly meetings typical before the pandemic.

Advice was published rapidly on the website, signposted by e-mail updates with analytics subsequently confirming an extraordinary uptake by members.

Annual Conference

The decision to postpone the conference from June 2020 to February 2021, was taken in March 2020. In June 2020 the executive concluded correctly that the risk of COVID would remain very high throughout the year. The conference was therefore deferred to May 2021. Unfortunately, the SEC in Glasgow could not be released for May 2021, so the BSG Executive reluctantly decided to cancel the face to face meeting and instead hold an online event in November 2021. The annual conference is the most important way that members receive education and meet their continuing professional development requirements each year, so the loss of this event in 2020 was significant.

Membership (continued)

Annual Conference (continued)

To compensate the Society introduced:

- Regular monthly webinars
- A new virtual event, "BSG Campus" in January 2021. Despite taking place during the peak of the second wave of COVID, feedback from members has been overwhelmingly positive
- The 2021 annual conference will be a virtual event, building on our experience with BSG campus and is planned for the 8 to 12 November 2021

The next face-to-face Annual Conference will be in Birmingham in 2022

COVID advice

The BSG responded rapidly to the pandemic by issuing key advice on pausing and resuming services, based on the best evidence available at the time, and considering the main problems in the early stages of the pandemic which included a shortage of Personal Protective Equipment (PPE) and diagnostic tests.

Advice issued:

- Advice on general principles of working with COVID patients
- Shielding for IBD, liver and immunocompromised patients.
- Pausing and resuming endoscopy services
- PPE and aerosol generating procedures, including specific advice on PEG placement, colonoscopy and ERCP.
- Guidance for health care workers requiring to shield.
- New guidance on coeliac disease
- New ways of outpatient working, including virtual and asynchronous consultations
- Advice on vaccination for the public, including patients with inflammatory bowel and liver disease, and advice for vulnerable healthcare workers

The society worked closely with the RCP Medical Specialties Board, NHS England and Public Health England.

Education and Training

Trainees Weekends and Taster meetings

The events are organised by the Trainees section and are designed for trainees in gastroenterology and pre-specialty doctors in training. The Trainees management weekend went ahead face to face in early March 2020 and all other events were held online (Trainee Education weekend and Taster weekend) and were well attended. Feedback from the meetings was very good.

The Society has also been establishing links with undergraduate medical students interested in gastroenterology.

Membership (continued)

Education and Training (continued)

Education Committee, Mentoring and Wellbeing Programme

The Education Committee continued to endorse many external events, the majority of which were online.

The Society's educational output through its webpages has continued to expand and two assistant web editors were appointed to assist the web editor. The amount and variety of material has increased significantly and ranges from detailed technical guidance to smaller articles designed to be watched quickly.

The mentoring programme remained quiet during the peak of the epidemic, partly because so many staff were deployed to other duties. It is anticipated that the need for mentoring, coaching and counselling will be significant as the COVID crisis diminishes, and the Society will appoint a lead for mentoring and wellbeing and reorganise its membership offering during 2021.

Training Committee

COVID has had a devastating effect on gastroenterology training. The training committee has continued to plan for the shortened training program required under "Shape of Training". It has participated actively in discussions on how training can be restored, working with Health Education England, the Joint Accreditation Group for endoscopy and other stakeholders. Training will continue to be a major focus during 2021.

The National Introduction Day, organised by the Training Committee was held virtually in December 2020 and was well attended with very positive feedback.

Clinical Services and Standards Committee

Issued early guidance on restoring outpatient services and new consultation techniques. A series of surveys documented the impact of COVID on services and their recovery, whilst highlighting good practice and success stories. High-quality guidelines have continued to be produced and will be published during 2021.

The CSSC also assists in the Independent Service Reviews as and when required as coordinated by the RCP.

Research

COVID has had a huge impact on clinical research, with many studies being halted. Recruiting for research studies has increasingly moved online and the Research Committee has disseminated good practice points and continues to work with key stakeholders including the NIHR and the Royal College of Physicians. The key targets for 2021 are the resumption of large clinical research studies and an update to the BSG research strategy.

Delivering support through the International Programme

The International work of the Society is led by its International Committee.

Just before the pandemic, the previous President Cathryn Edwards led a successful visit to Bangladesh where she met the Prime Minister and promoted the memorandum of

understanding between the BSG and the Bangladesh Gastroenterology Society. This is seen as a potential model for future international collaboration projects.

Delivering support through the International Programme (continued)

The committee supported overseas colleagues during the COVID pandemic. The Society's International Committee has been reorganised around zonal development leads, and an agreement has been reached to work more closely with the Royal College of Physicians during 2021.

The 2020 European Specialty Examination in Gastroenterology and Hepatology

The ESEGH was run successfully on the revised date of 16th September 2020. This is a single exam across all geographies internationally. 149 UK trainees sat the exam and 81 European candidates. The UK trainee success rate was slightly lower than their European counterparts although UK graduates still outperformed all other trainee groups. The lower rate for UK trainees as a whole may reflect the significant effect of COVID on doctors in training.

Delivering impact through medical publications:

Gut - Under the continued inspirational leadership of Professor Emad El-Omar, the journal achieved its highest ever impact factor in 2020 (19.819) surpassing its nearest comparable rival Gastroenterology for the first time. It is now ranked first in the SJR gastroenterology & hepatology category and continues to be first in the Scopus Citescore gastroenterology category. This was an outstanding achievement attained appropriately in GUT's 60th year. A webinar was held to celebrate GUT's 60 years of achievement.

Frontline Gastroenterology - The journal increased 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 and BSPGHAN, helping to strengthen its presence in clinical nutrition and paediatrics. There is a long-term focus on social media, with regular podcasts being produced. Throughout the year FG has published on COVID and its clinical impact.

BMJ Open Gastroenterology - Under the leadership of Editor-in-Chief Dr Joseph Lim (Yale), BMJOG has seen a continued growth in submissions. The BSG is hugely indebted to Prof Lim's dedication and vision for the Journal during his time as editor, which concluded in 2020, and which has seen the journal consolidate its position in terms of open access publications. It will now continue under the editorship of Prof Mark Beattie allowing increased integration across the BSG's suite of publications.

Delivering benefits through Organisational change

The Society had completed a far-reaching reorganisation of its internal controls and regulation by the first quarter of 2020. This has strengthened its financial controls, streamlined its IT services including the membership database and subscription collection, standardised many of its operational procedures into digital templates and prepared it for more online working. It was, therefore, in a fortuitous position to respond rapidly and effectively to the COVID pandemic. Despite the lockdown and complete ban on travel throughout most of 2020, the society fulfilled all of its governance obligations remotely through Microsoft Teams™, and the sections and committees were able to continue their work largely uninterrupted by the crisis. Attendance at some on-line meetings was higher than had been achieved before, with a record number of members attending the Annual General Meeting, which was combined with an educational webinar.

Delivering benefits through Organisational change (continued)

Throughout 2020 work has continued to bring the Society into line with the principles enshrined in the Charity Commission Code of Conduct. Progress against the code of conduct is discussed and documented regularly at the Board of Trustees.

- All trustees have received training in their role
- The President also received training in "Finance for non-finance directors"
- A trustee appraisal questionnaire will be introduced in 2021
- Equality and inclusion statements have been included in the job descriptions and adverts for all the Society's posts
- The President holds weekly 1 to1 sessions with the CEO and Governance and Operations Director
- On line dashboards summarise the Society's Financial state and key governance issues in real time.
- All higher committees have revised terms of reference and strategic statements aimed at ensuring that they meet the Society's charitable objectives
- The importance of the International Committee has been recognised, and the chair is now part of the executive group
- Elected councillors are asked their advice on key issues, at every Council meeting. They have their own e-mail box for comments from members
- Elections have been held for sections and Clinical Research Groups to ensure that the membership of the committees is renewed, and that all BSG members have the opportunity to participate in the work of the Society.
- In 2021 all sections will be subject to light touch regulation and appraisal on a yearly basis by the President-Elect, and will be encouraged to update their terms of reference so that they continue to meet the Society's charitable objectives.
- In 2021 it is planned to explore not only workforce issues for the membership but also their workload through enhanced workforce surveys and a membership app.

Financial report for the year

Results for the year

The consolidated statement of financial activities is shown on page 30 of the annual report and financial statements.

Income for the year was £1,688,270 (2019 - £3,144,363). The decrease in income relates to the impact of COVID-19 on the education and training programme of the Society with key events, including the annual conference cancelled in response to the global pandemic. The journals continue to do well; income from Gut, Frontline Gastroenterology and Open Gastro totalled £889,052 (2019 - £925,132).

The Society incurred expenditure of £1,543,261 (2019 - £3,234,336) with the direct costs of these events being eliminated where possible and the Society also looking to make cost savings in other areas to ensure that financial stability can be maintained during this period.

The results for the year show an overall increase in funds of £130,309 (2019 – increase of £658,600). This includes unrealised gains on investments of £375,871 (2018 – unrealised losses of £690,652) (see note 12) and realised losses on investments of £390,571 (2019 – realised gains of £57,921). Net income before investment gains and losses for the year was £145,009 (2019 – net expenditure of £89,973).

The loss within BSG Ltd amounted to £98,918 (2019 – profit of £129,160). This has arisen due to unavoidable sunk costs relating to future events which could not be rescheduled. Due to the track record of the subsidiary in generating surpluses from activities, and having reviewed future budgets and forecasts, the trustees of the charity have determined that it remains appropriate for the charity to support the subsidiary in the short term given the long term benefits to the charity.

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

In May 2020, after a retender process, the Finance & Investment Committee awarded the management of the Society's investment portfolio to CCLA. 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.

Financial report for the year (continued)

Investment policy and performance (continued)

The Trustees consider the fund to have performed adequately during 2020 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.

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 £2,073,154 (2019 – £2,542,693) 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 £7,486,739 (2019 - £7,356,430). This included restricted funds of £71,629 (2019 - £39,088) and designated funds at the year end totalled £5,341,956 (2019 - £4,774,649). Details of the designated funds are given in note 15 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 COVID-19 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.

Trustees' report 31 December 2020

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:

A handwritten signature in black ink, appearing to read 'Alastair McKinlay', followed by a period.

Alastair McKinlay

Chair of the BSG Board of Trustees

Approved by the Trustees on: 14th July 2021

Independent auditor's report 31 December 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 2020, 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 2020 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report 31 December 2020

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 2020

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with key management and from our knowledge and experience of the charity sector; and
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements of the group and the charity. These included but were not limited to the Charities Act 2011, Companies Act 2006, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019).

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

Independent auditor's report 31 December 2020

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

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimate for the provision for bad debts were indicative of potential bias; and
- ◆ investigated the rationale behind significant or unusual transactions

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management as to actual and potential litigation and claims;
- ◆ agreeing financial statements disclosures to underlying supporting documentation

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Independent auditor's report 31 December 2020

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.

A handwritten signature in black ink, appearing to read 'Shachi Blakemore', with a stylized flourish at the end.

Shachi Blakemore (Senior Statutory Auditor)

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

Date: 16 July 2021

**Consolidated statement of financial activities Year to 31 December 2020
(incorporating income and expenditure)**

	Notes	Unrestricted £	Restricted £	2020 Total funds £	Unrestricted £	Restricted £	2019 Total funds £
Income							
Donations and legacies							
· Membership subscription	1	458,486	—	458,486	395,228	—	395,228
· CJRS grant		24,858	—	24,858	—	—	—
Investment income	2	166,400	—	166,400	188,674	—	188,674
Other		72,884	—	72,884	47,353	—	47,353
Charitable activities	3						
· Education and training		34,470	41,165	75,635	1,488,918	85,554	1,574,472
· GI research		889,052	—	889,052	926,524	—	926,524
· Service standards		—	955	955	12,112	—	12,112
Total income		1,646,150	42,120	1,688,270	3,058,809	85,554	3,144,363
Expenditure							
Cost of raising funds	4	98,551	—	98,551	143,696	—	143,696
Cost of charitable activities	5						
· Education and training		521,630	9,283	530,913	1,815,001	112,953	1,927,954
· GI research		654,189	—	654,189	758,950	—	758,950
· Service standards		245,687	296	245,983	349,755	—	349,755
· International		13,625	—	13,625	53,981	—	53,981
Total expenditure		1,533,682	9,579	1,543,261	3,121,383	112,953	3,234,336
Net income (expenditure) before gains (losses) on investments	8	112,468	32,541	145,009	(62,574)	(27,399)	(89,973)
Gains (losses) on investments	12						
Realised (losses) gains on investments		(390,571)	—	(390,571)	57,921	—	57,921
Unrealised gains on investments		375,871	—	375,871	690,652	—	690,652
		(14,700)	—	(14,700)	748,573	—	748,573
Net income and net movement in funds for the year		97,768	32,541	130,309	685,999	(27,399)	658,600
Reconciliation of funds							
Fund balances brought forward at 1 January		7,317,342	39,088	7,356,430	6,631,343	66,487	6,697,830
Fund balances carried forward at 31 December		7,415,110	71,629	7,486,739	7,317,342	39,088	7,356,430

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 2020

	Notes	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
Fixed assets					
Intangible assets	11	54,364	103,013	54,364	103,013
Tangible assets	11	15,760	26,878	15,760	26,878
Investments	12	6,132,984	6,162,621	6,132,985	6,162,622
		<u>6,203,108</u>	<u>6,292,512</u>	<u>6,203,109</u>	<u>6,292,513</u>
Current assets					
Debtors	13	877,597	1,336,715	712,983	1,303,395
Cash at bank and in hand		1,304,475	658,160	922,817	349,197
		<u>2,182,072</u>	<u>1,994,875</u>	<u>1,635,800</u>	<u>1,652,592</u>
Liabilities:					
Creditors: amounts falling due within one year	14	(898,441)	(930,957)	(253,251)	(588,675)
Net current assets		<u>1,283,631</u>	<u>1,063,918</u>	<u>1,382,549</u>	<u>1,063,917</u>
Total net assets		<u>7,486,739</u>	<u>7,356,430</u>	<u>7,585,658</u>	<u>7,356,430</u>
The funds of the charity:					
Unrestricted funds:					
General funds		2,073,154	2,542,693	2,172,073	2,542,693
Designated funds	15	5,341,956	4,774,649	5,341,956	4,774,649
Restricted funds	16	71,629	39,088	71,629	39,088
	17	<u>7,486,739</u>	<u>7,356,430</u>	<u>7,585,658</u>	<u>7,356,430</u>

Approved by the Trustees
and signed on their behalf by:



Alastair McKinlay

Chair of the BSG Board of Trustees

Approved on: 14 July 2021

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

Statement of cash flows 31 December 2020

	Notes	2020 £	2019 £
Cash flow from operating activities:			
Net cash provided by operating activities	A	477,485	197,687
Cash flow from investing activities:			
Dividends and interest from investments		166,400	188,674
Purchase of tangible fixed assets		(3,862)	(10,114)
Purchase of intangible fixed assets		(8,645)	(58,575)
Proceeds from the disposal of investments		5,785,189	754,075
Purchase of investments		(5,913,172)	(716,346)
Net cash provided by investing activities		25,910	157,714
Change in cash and cash equivalents in the year		503,395	355,401
Cash and cash equivalents at 1 January	B	801,080	445,679
Cash and cash equivalents at 31 December	B	1,304,475	801,080

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

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	130,309	658,600
Adjustments for:		
Depreciation charge	14,643	13,337
Amortisation	28,191	30,717
Losses (gains) on investments	14,700	(748,573)
Dividends and interest from investments	(166,400)	(188,674)
Deficit on disposal of tangible fixed assets	29,440	46,770
Decrease in debtors	459,118	487,417
Decrease in creditors	(32,516)	(101,907)
Net cash provided by operating activities	477,485	197,687

B Analysis of changes in net debt

	1 January 2020 £	Movement in year £	31 December 2020 £
Cash at bank and in hand	658,160	646,315	1,304,475
Cash held by investment managers	142,920	(142,920)	—
Total cash and cash equivalents	801,080	503,395	1,304,475

Principal accounting policies 31 December 2020

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 2020, with comparative information for the year to 31 December 2019, 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 and intangible fixed assets for the purposes of determining the annual depreciation and amortisation charges; and
- ◆ estimating future cash flows for the purpose of determining the going concern status of the group.

The full impact following the 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 12) 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 2020

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 2021, 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 subsidiary it controls, BSG 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 on a quarterly basis 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 2020

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 2020

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 2020

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 2020

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 2020

1 Subscriptions

	Unrestricted funds	
	2020 £	2019 £
Membership subscription	458,486	395,228
Total funds	458,486	395,228

2 Investment income

	Unrestricted funds	
	2020 £	2019 £
Income from listed investments	164,872	185,493
Interest receivable	1,528	3,181
Total funds	166,400	188,674

3 Income from charitable activities

	Un- restricted funds £	Restricted funds £	Total funds 2020 £	Un- restricted funds £	Restricted funds £	Total funds 2019 £
Education and training						
Income from scientific meetings	32,197	35,918	68,115	1,475,487	81,554	1,557,041
Sponsorship income	2,273	5,247	7,520	13,389	4,000	17,389
Other income	—	—	—	42	—	42
	<u>34,470</u>	<u>41,165</u>	<u>75,635</u>	<u>1,488,918</u>	<u>85,554</u>	<u>1,574,472</u>
GI Research						
'GUT', Frontline Gastroenterology and Open Gastro journals	889,052	—	889,052	925,132	—	925,132
Other income	—	—	—	1,392	—	1,392
	<u>889,052</u>	<u>—</u>	<u>889,052</u>	<u>926,524</u>	<u>—</u>	<u>926,524</u>
Service standards						
Advertising income	—	—	—	9,079	—	9,079
Other income	—	955	955	3,031	—	3,031
	<u>—</u>	<u>955</u>	<u>955</u>	<u>12,110</u>	<u>—</u>	<u>12,110</u>
Total funds	923,522	42,120	965,642	2,427,552	85,554	2,513,106

4 Cost of raising funds

	Unrestricted Funds	
	2020 £	2019 £
Investment manager's fees	10,159	26,297
Staff costs (note 9)	88,392	117,399
Total funds	98,551	143,696

5 Expenditure on charitable activities

	Un-restricted funds £	Restricted funds £	Total funds 2020 £	Un-restricted funds £	Restricted funds £	Total funds 2019 £
Education and training						
Direct costs						
. Scientific meetings	199,213	7,383	206,596	1,371,770	78,467	1,450,237
. Section meetings	5,003	1,900	6,903	38,923	27,486	66,409
. Committee meetings	2,460	—	2,460	18,078	—	18,078
. Mentoring	2,013	—	2,013	16,363	7,000	23,363
. Staff costs (note 9)	61,332	—	61,332	63,274	—	63,274
. Bursaries & prizes	—	—	—	1,537	—	1,537
Support costs (note 6)	251,609	—	251,609	305,056	—	305,056
	521,630	9,283	530,913	1,815,001	112,953	1,927,954
GI research						
Direct costs						
. 'GUT' journal	239,294	—	239,294	261,171	—	261,171
. Frontline Gastroenterology journal	103,786	—	103,786	112,951	—	112,951
. Open Gastroenterology journal	—	—	—	9,000	—	9,000
. Section meetings	3,545	—	3,545	6,232	—	6,232
. Bursaries & prizes	28,000	—	28,000	13,280	—	13,280
. Clinical Research Groups	754	—	754	7,647	—	7,647
. Research Workshops	3,510	—	3,510	1,024	—	1,024
. Staff costs (note 9)	52,976	—	52,976	58,002	—	58,002
. Grant to BASL	5,000	—	5,000	—	—	—
. Grant to Guts UK	—	—	—	10,000	—	10,000
Support costs (note 6)	217,324	—	217,324	279,643	—	279,643
	654,189	—	654,189	758,950	—	758,950
Service standards						
Direct costs						
. Guidelines	6,188	—	6,188	22,029	—	22,029
. Newsletter	—	—	—	1,455	—	1,455
. Meeting and other costs	8,031	296	8,327	19,299	—	19,299
. Membership Development	129	—	129	4,916	—	4,916
. Staff costs (note 9)	45,340	—	45,340	51,889	—	51,889
Support costs (note 6)	185,999	—	185,999	250,167	—	250,167
	245,687	296	245,983	349,755	—	349,755
International						
Direct costs						
. Staff costs (note 9)	1,796	—	1,796	6,384	—	6,384
. Other costs	4,462	—	4,462	284	—	284
Sponsorship	—	—	—	16,536	—	16,536
Support costs (note 6)	7,367	—	7,367	30,777	—	30,777
	13,625	—	13,625	53,981	—	53,981
Total funds	1,435,131	9,579	1,444,710	2,977,687	112,953	3,090,640

Notes to the financial statements 31 December 2020

6 Support costs

	Education and training £	GI research £	Service standards £	Inter- national £	2020 Total £
Premises expenses	20,273	17,510	14,986	594	53,363
Administration and office expenses	19,439	16,790	14,370	569	51,168
Website	14,481	12,509	10,706	424	38,120
Legal and professional fees	1,279	1,104	945	37	3,365
Human Resources	2,558	2,210	1,891	75	6,734
Consultancy	29,291	25,300	21,654	858	77,103
Accountancy and bookkeeping	10,905	9,419	8,061	319	28,704
Staff costs	94,725	81,818	70,024	2,773	249,340
Recruitment	14,448	12,479	10,681	423	38,031
Marketing	1,565	1,352	1,157	46	4,120
Bad debt provision	—	—	—	—	—
Bank charges and foreign currency (gain)	(815)	(704)	(603)	(24)	(2,146)
Depreciation and disposal of assets	27,457	23,716	20,297	804	72,274
Sundry expenses	1,408	1,216	1,041	41	3,706
Irrecoverable VAT	8,940	7,721	6,608	262	23,531
Governance costs (note 7)	5,655	4,884	4,181	166	14,886
2020 Total	251,609	217,324	185,999	7,367	662,299

	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	47,210	43,277	38,713	4,763	133,965
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
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	305,056	279,643	250,167	30,777	865,643

7 Governance

	Unrestricted funds	
	2020 £	2019 £
Council meetings	—	19,129
Trustees' expenses	1,936	5,065
Audit and accountancy fees	12,950	16,280
Total funds	14,886	40,474

None of the Trustees received remuneration from the charity in respect of their services as Trustees (2019 - none).

Notes to the financial statements 31 December 2020

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

This is stated after charging:

	2020 Total funds £	2019 Total funds £
Staff costs (note 9)	576,278	580,865
Depreciation	42,834	44,054
Loss on disposal of tangible fixed assets	29,440	46,770
Auditors' remuneration (group basis)		
. Audit fees – current year	13,900	15,850
. Non-audit fees	3,760	3,500

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

	2020 Total funds £	2019 Total funds £
Wages and salaries	379,947	349,815
Social security cost	27,352	38,964
Pension cost	44,186	15,401
	451,485	404,180
Agency costs	—	43,093
Consultancy costs	124,793	133,593
	576,278	580,866

Staff costs analysed by activities:

	2020 Total funds £	2019 Total funds £
Cost of raising funds	88,392	117,399
Charitable activities		
. Education and training	61,332	63,274
. GI research	52,976	58,002
. Service standards	45,340	51,889
. International	1,796	6,384
Support costs	326,443	283,918
	576,278	580,866

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

	2020 No.	2019 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:

	2020 No	2019 No
£70,001 - £80,000	—	1
£80,001 - £90,000	1	—

Pension contributions for this employee totalled £9,407 (2019 – £3,631).

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 Governance and Operations Director and the Marketing Director (until April 2020). The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £197,739 (2019 – £236,192). No Trustee received any remuneration from the Society in their ongoing role as a Trustee. Travelling and subsistence expenses were reimbursed to three Trustees amounting to a total of £5,939 (2019 – £7,727 to 8 Trustees). At the year end a balance of £nil (2019 – £496) 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	2020 £	2019 £
Turnover	131,894	1,619,065
Cost of sales	(217,897)	(1,481,197)
Gross profit	(86,003)	137,868
Administration	(13,401)	(9,182)
Interest receivable	486	474
Net (loss) profit	(98,918)	129,160
Gift Aid to BSG	—	(129,160)
Loss for the period	(98,918)	—

11 Fixed assets

Intangible fixed assets

Group and charity	Database & website £
Cost	
At 1 January 2020	133,031
Additions	8,645
Disposals	(72,756)
At 31 December 2020	68,920
Amortisation	
At 1 January 2020	30,018
Charge for the year	28,191
Eliminated on disposal	(43,653)
At 31 December 2020	14,556
Net book values	
At 31 December 2020	54,364
At 31 December 2019	103,013

Tangible fixed assets

Group and charity	Leasehold buildings £	Office equipment, fixtures and fittings £	Total £
Cost			
At 1 January 2020	165,000	101,310	266,310
Additions	—	3,862	3,862
Disposals	—	(51,705)	(51,705)
At 31 December 2020	165,000	53,467	218,467
Depreciation			
At 1 January 2020	155,100	84,332	239,432
Charge for the year	6,600	8,043	14,643
Eliminated on disposal	—	(51,368)	(51,368)
At 31 December 2020	161,700	41,007	202,707
Net book values			
At 31 December 2020	3,300	12,460	15,760
At 31 December 2019	9,900	16,978	26,878

Notes to the financial statements 31 December 2020

12 Investments

	Total funds 2020 £	Total funds 2019 £
Market value at 1 January	6,019,701	5,308,857
Additions at cost	5,913,172	716,346
Disposals at opening market value (proceeds: £5,785,189; realised loss: £390,571)	(6,175,760)	(696,154)
Unrealised gains	375,871	690,652
Market value at 31 December	6,132,984	6,019,701
Cash held by investment manager	—	142,920
Group	6,132,984	6,162,621
Investment in BSG Limited	1	1
Society	6,132,985	6,162,622

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

	2020 £	2019 £
Unit funds (COIF Charity Fund)	6,132,984	—
UK fixed interest investments	—	660,642
Overseas fixed interest investments	—	184,035
Overseas listed equities	—	2,509,882
UK equities	—	2,065,003
Alternative investments	—	262,898
Property	—	337,241
	6,132,984	6,019,701
Historical cost of investments (excluding cash held with investment managers)	5,757,113	4,628,423

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

	2020 £	2019 £
Unrealised gains included above:		
On investments	375,871	1,391,278
Total unrealised gains at 31 December	375,871	1,391,278
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January	1,391,278	806,052
In respect to disposals in the year	(1,391,278)	(105,426)
	—	700,626
Net gains arising on revaluation arising in the year	375,871	690,652
Total unrealised gains at 31 December	375,871	1,391,278

Notes to the financial statements 31 December 2020

13 Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	332,452	266,827	210,472	4,976
Other debtors	1,292	—	1,292	—
VAT	135,764	—	11,291	17,215
Amount due from subsidiary	—	—	230,523	346,154
Prepayments and accrued income	408,089	1,069,888	259,405	935,050
	877,597	1,336,715	712,983	1,303,395

14 Creditors: amounts falling due within one year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	121,905	120,107	121,905	96,597
Accruals and deferred income	310,887	754,288	114,880	483,701
Social security & other taxation	16,466	—	16,466	—
Other creditors	449,183	9,804	—	8,377
VAT	—	46,758	—	—
	898,441	930,957	253,251	588,675

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

	2020 £	2019 £
Deferred income brought forward at 1 January	274,681	531,044
Additional income deferred during the year	183,004	274,681
Brought forward funds released in the year	(274,681)	(531,044)
Deferred income carried forward at 31 December	183,004	274,681

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 2020 £	New designations £	Utilised in year £	At 31 December 2020 £
Research	30,000	45,500	(25,000)	50,500
Training and Education	44,663	70,000	(1,395)	113,268
Clinical Services	221,475	45,000	(4,891)	261,584
International	74,500	14,000	—	88,500
Refurbishment of offices	100,000	50,000	(825)	149,175
Research PSP	—	118,000	—	118,000
Workforce App	—	40,000	—	40,000
Membership development	150,844	—	(75,910)	74,934
Property	4,000,000	—	—	4,000,000
Restructuring	23,276	—	(23,276)	—
Investment gains	—	375,871	—	375,871
Tangible and intangible assets	129,891	12,507	(72,274)	70,124
	4,774,649	770,878	(203,571)	5,341,956

15 Designated funds (continued)

	At 1 January 2019 £	New designations £	Utilised in year £	At 31 December 2019 £
<i>Research</i>	10,000	30,330	(10,330)	30,000
<i>Training and Education</i>	61,419	—	(16,757)	44,662
<i>Clinical Services</i>	197,652	32,750	(8,927)	221,475
<i>International</i>	41,950	47,550	(15,000)	74,500
<i>Refurbishment of offices</i>	100,000	11,139	(11,139)	100,000
<i>Membership development</i>	189,401	—	(38,557)	150,844
<i>Property</i>	4,000,000	—	—	4,000,000
<i>Restructuring</i>	100,000	—	(76,724)	23,276
<i>Tangible and intangible assets</i>	152,026	21,920	(44,054)	129,892
	<u>4,852,448</u>	<u>143,689</u>	<u>(221,488)</u>	<u>4,774,649</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.

Refurbishment of office

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

Research PSP

Funds have been set aside as part of the Research strategy over the next 3 years, the BSG will be co-funding the development of various PSP (Priority Setting Partnerships). All requests for funding are submitted to the Research Committee for approval.

Workforce App

A sum of money has been designated for the development of a Workforce app to support the membership.

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.

Investment gains

The Society has designated the unrealised gains from investment holdings.

15 Designated funds (continued)

Tangible and intangible assets

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

16 Restricted funds

	At 1 January 2020 £	Income £	Expenditure and transfers £	At 31 December 2020 £
Endoscopy – Paul Brown travelling fund	3,540	—	—	3,540
Pathologists Group fund	2,603	—	—	2,603
Section funds				
Oesophageal Section	2,850	—	—	2,850
IBD Section	1,300	—	—	1,300
Clinical Measurement	5,227	5,245	(296)	10,176
NGM	4,887	—	(1,260)	3,627
Trainees in Gastro	14,999	35,918	(8,023)	42,894
SWiG	—	957	—	957
Other	3,682	—	—	3,682
	39,088	42,120	(9,579)	71,629

	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

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 **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 2020 are represented by:				
Intangible fixed assets	—	54,364	—	54,364
Tangible fixed assets	—	15,760	—	15,760
Investments	1,581,571	4,551,413	—	6,132,984
Current assets	1,377,424	733,019	71,629	2,182,072
Current liabilities	(885,841)	(12,600)	—	(898,441)
Total net assets	2,073,154	5,341,956	71,629	7,486,739

Group	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

18 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 Trustee.

19 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:

The Society gave one grant of £25,000 to Guts UK during the year (2019 – one grant of £10,000 which remained payable at 31 December 2019).