

THE BRITISH GERIATRICS SOCIETY
(A Company Limited by Guarantee)
REPORT OF THE UK MANAGEMENT COMMITTEE
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004

Company No: 1189776
(England and Wales)

Charity Number 268762

THE BRITISH GERIATRICS SOCIETY**(A Company Limited by Guarantee)****CONTENTS**

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THE BRITISH GERIATRICS SOCIETY

(A Company Limited by Guarantee)

UK MANAGEMENT COMMITTEE AND OFFICERS**UK MANAGEMENT COMMITTEE**

President	Prof R Stout
President Elect	Dr J Playfer
Honorary Secretary	Dr K G Kelleher
Deputy Honorary Secretary	Dr D Beaumont (appointed 17 October 2003)
Meetings Secretary	Dr J A Pascual, Dr J E O'Connell
Deputy Meetings Secretary	Dr M Vassallo (appointed 17 October 2003)
Honorary Treasurer	Dr I Sturgess
Honorary Deputy Treasurer	Prof M Gosney

Dr J A Barrett
 Dr D Black (appointed 22 May 2003)
 Dr S R Briggs (appointed 17 October 2003)
 Dr O Corrado (appointed 12 February 2004)
 Dr D Forsyth (appointed 17 June 2003)
 Dr J McElroy
 Prof J Potter (appointed 6 May 2004)
 Dr D A Stewart (appointed 7 May 2004)
 Dr G F Turner
 Dr W E Wilkins

COMPANY SECRETARY

A G R Mair

AUDITORS

Sargent & Co
 Chartered Accountants
 and Registered Auditors
 11 Suffield Close
 Selsdon Surrey CR2 8SZ

BANKERS

Royal Bank of Scotland
 Threadneedle Street
 London EC2R 8LA

REGISTERED OFFICE

31 St John's Square
 London EC1M 4DN

COMPANY NUMBER

1189776 (England & Wales)

CHARITY NUMBER

268762

THE BRITISH GERIATRICS SOCIETY**(A Company Limited by Guarantee)****REPORT OF THE UK MANAGEMENT COMMITTEE AND DIRECTORS FOR THE YEAR
ENDED 31 MARCH 2004**

The UK Management Committee and Directors presents its annual report and the audited financial statements of the group for the year ended 31 March 2004. Legal and administrative information set out on page 2 forms part of this report.

CONSTITUTION

The British Geriatrics Society ("Society") is constituted as a company limited by guarantee and is therefore governed by its Memorandum and Articles of Association.

CHARITABLE OBJECTS

The Society remains committed to the improvement of medical standards for the older person. Such commitment is fulfilled by the holding of scientific meetings, the publication of approved papers and the active promotion of research, education and training in all aspects of geriatric medicine.

ORGANISATION AND INTERNAL CONTROL

The governing body of the Society at 1 April 2004 was the Council of Management, whose members were nominated and elected by the membership and numbered up to 41 trustees. On 10 April 2003, revised Articles of Association were formally approved at an Extraordinary Meeting of the membership and the Council of Management was replaced by the United Kingdom Management Committee. At the same time, a Council for each national Group, England, Northern Ireland, Scotland and Wales, was established to provide a forum for debating national issues and to interface with the devolved legislative structure and NHS organisation; each national Council reports to the UK Management Committee. Members of the UK Management Committee include the Officers, the honorary meetings secretaries, the chairmen of designated Standing Committees, the chairman of the Trainees' group, the chairmen of each of the National Councils for Northern Ireland, Scotland and Wales and 3 members of the National Council for England.

The Members of the UK Management Committee now constitute the Directors and Trustees of the Society.

The current UK Management Committee and Officers are shown on page 2 of these financial statements. In addition, the following served as directors during the year ended 31 March 2004:-

Directors who resigned on 10 April 2003:-

Dr T J Aspray	Dr B Martin
Dr H Bhakri	Dr G S Matharu
Dr E Burns	Dr J S Platt
Dr J M E Burns	Dr W Primrose
Dr A Darowiski	Dr I M Rea
Dr J K Dhesei	Dr K O Stewart
Dr A T Elder	Prof R Tallis
Dr D R Forsyth	Dr A D White
Dr T Hendra	Prof K W Woodhouse
Dr S Lightowlers	

Other directors who resigned:-

Dr C Vellodi (resigned 23 May 2003)
 Dr C J Church (resigned 17 October 2003)
 Dr S C Allen (resigned 12 February 2004)
 Prof S H D Jackson (resigned 6 May 2004)
 Dr D L Farquhar (resigned 7 May 2004)

THE BRITISH GERIATRICS SOCIETY**(A Company Limited by Guarantee)****REPORT OF THE UK MANAGEMENT COMMITTEE AND DIRECTORS FOR THE YEAR
ENDED 31 MARCH 2004****REVIEW OF ACTIVITIES**

These Financial Statements comprise the consolidated accounts of both the Society and of its subsidiary BGS (Trading) Limited.

The Statement of Financial Activities for the year is set out on page 10 of the financial statements. A summary of the financial results and work of the Society is set out below.

The statement of financial activity shows a surplus for the year of £174,300 and net assets of £1,322,827 after taking account of both realised and unrealised gains on the investments which the Society holds.

The net income in the subsidiary, BGS (Trading) Limited, from conferences, exhibitions and commercial sponsorship has enabled the trading subsidiary to make a gross covenant of £135,952 in the year (2003 - £206,670). The total income and expenses of the subsidiary are shown in the consolidated statement of financial activities rather than the covenant arising from the net result.

INCOME GENERATION

The Society's total incoming resources decreased by 4.6% from £1,129,460 to £1,077,559. The main reason for the decrease is the continuing consolidation of pharmaceutical companies and consequent reduction in commercial sponsorship. The Society's scientific meetings (coupled with the sponsorship from industry associated with them) and its medical journal account for 72% of the total incoming resources this year compared with 73% for the previous year. Subscription income accounts for 24% compared with 21% previously.

Other minor income streams include investment income, donations and legacies, room hire and advertising in the newsletter and on the website.

General donation income is automatically allocated to restricted funds where it is used to fund research and training grants.

INVESTMENT POLICY AND RETURNS

The Memorandum of Association gives the UK Management Committee the power to invest any surplus funds not immediately required by the Society in such investments, securities or property as it thinks fit. The UK Management Committee's policy has been to balance the requirement for capital growth of the endowment investments, with maximising income for the Society. The resultant average rate of return on investments has varied from 2.9% to 6.6%.

Since purchasing its own premises in 2000, the Society's financial priority has been the repayment of the mortgage. This was finally repaid in March 2004, considerably earlier than had been originally budgeted. As a result, the UK Management Committee will have increased investment opportunities in the future.

THE BRITISH GERIATRICS SOCIETY**(A Company Limited by Guarantee)****REPORT OF THE UK MANAGEMENT COMMITTEE AND DIRECTORS FOR THE YEAR
ENDED 31 MARCH 2004****RESOURCES EXPENDED**

The financial year has seen the Society develop and consolidate its core activities. More information on the areas of involvement and achievement of the Society are set out in the Annual Report that is sent to all members. Further copies are available from the Society's registered office.

Total resources expended decreased by 12.5% to £896,400 as a direct result of cost-cutting measures introduced to offset the increased difficulty in obtaining sponsorship income.

The scientific meetings and medical journal, Age & Ageing, continue to be a significant part of the Society's activities. They provide a forum for continuing medical education and for promoting and publicising the results of research. As a result of tight cost-control, together they account for only 57% of total resources used compared with 62% for the previous year.

Expenditure on grants, awards and prizes increased by 17% to £27,510. £60,000 was transferred from unrestricted funds into the donations and grants fund bringing its balance as at 31 March 2004 to £131,804. Included within this is a £73,300 Research Fellowship Fund. The Dhole Research Fellowship (a joint fellowship with Research into Ageing/Help the Aged) is currently being advertised and should commence in Autumn 2004.

An important part of the Society's charitable work is its information and education programme costing £34,811. This includes a bi-monthly newsletter, publications and guidelines, attendance at certain medical careers fairs, etc. Costs of attending internal and external meetings to improve medical training, to issue guidelines on good practice, to support continuing medical education, to promote and publicise research and to advise government and other institutions totalled £41,372. The accounts, however, do not include the cost of the attendees' time which is given freely.

Management and administration costs have decreased by 5% and represent only 13% of total resources used.

FUTURE ACTIVITIES

The Society intends to continue with its engagement with relevant health authorities in ensuring that the health of the older person remains at the top of the agenda. In addition, new collaborative initiatives are being formed with a number of allied professional bodies which will result in a new stream of position papers and guidelines. The SIGs and Sections will receive the utmost support in their continuing pioneering work, ensuring that the expertise of the membership is both utilised and recognised.

Further, the Society is mindful that it operates in a very fluid environment and that constant attention must be paid to developments within the whole of the health care sector, with the overriding objective that the voice of the geriatrician remains in demand, is listened to and taken notice of.

THE BRITISH GERIATRICS SOCIETY

(A Company Limited by Guarantee)

**REPORT OF THE UK MANAGEMENT COMMITTEE AND DIRECTORS FOR THE YEAR
ENDED 31 MARCH 2004****RESERVES**

The trustees have continued to review the reserves of the Society. The review involved an assessment of the income and expenditure streams, the Society's plans for the future and the uncertainties it faces and the level of reserves.

Now that the mortgage on the freehold property has been fully repaid, the trustees have decided to designate a fund equal to the value of fixed assets; thereby reflecting the fact that £733,966 (90%) of unrestricted funds is not freely available.

The reserves policy of the Society is to continue to build up unrestricted reserves, by means of annual operating surpluses and judicious management of investment assets, to a level representing one year's expenditure in order to ensure that it has an adequate buffer to protect against future uncertainties. The reserves position and policy will continue to be reviewed on a regular basis.

TANGIBLE FIXED ASSETS FOR USE BY THE SOCIETY

Details of movements in fixed assets are set out in notes 10 and 11 to the financial statements.

STATEMENT OF UK MANAGEMENT COMMITTEE'S RESPONSIBILITIES

The UK Management Committee is required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of its results for that period. In preparing those financial statements, the UK Management Committee has, and will continue, to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and Statement of Recommended Practice, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Society will continue in business.

The UK Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Companies Act 1985 and Charities Act 1993. The trustees are satisfied that they have and they will continue to meet their responsibilities for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and can provide assurance that:

- the Society is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Society or for publication is reliable;
- the Society complies with its Memorandum and Articles of Association;
- the Society has actively pursued all of its objectives and policies throughout the year.

THE BRITISH GERIATRICS SOCIETY

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**REPORT OF THE UK MANAGEMENT COMMITTEE AND DIRECTORS FOR THE YEAR
ENDED 31 MARCH 2004****RELATED TRADING UNDERTAKINGS**

Details of the performance of the Society's related trading subsidiary are given in note 19 to the financial statements.

RISK MANAGEMENT

The trustees have carried out a risk review which involved identifying the types of risks the Society faces, prioritising them in terms of impact and likelihood and identifying mitigating courses of action. The risks are regularly reviewed and updated. The trustees are satisfied that adequate systems are in place to mitigate exposure to major risks.

VOLUNTEERS

The Society is reliant on a considerable number of its members to achieve its objectives and is grateful and indebted to the volunteers who serve in many capacities (for example on committees and working parties and as regional advisors) who provide many hours of work for the charitable objectives of the Society without remuneration.

AUDITORS

The auditors Sargent & Co will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

APPROVAL

This report was approved by the Board of Directors and UK Management Committee on 8 July 2004 and signed on its behalf.

Prof R Stout
Director and President of UK Management Committee

THE BRITISH GERIATRICS SOCIETY**AUDITORS' REPORT TO THE MEMBERS OF THE BRITISH GERIATRICS SOCIETY**

We have audited the financial statements of the British Geriatrics Society for the year ended 31 March 2004 on pages 10 to 24. These financial statements have been prepared in accordance under the historical cost convention modified by the revaluation of fixed asset investments and the accounting policies set out on pages 14 to 16.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken 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.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described on page 6 the charity's trustees who are also the directors of the British Geriatrics Society and members of the UK Management Committee for the purposes of company law are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

We read the Report of the Directors and Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

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

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

THE BRITISH GERIATRICS SOCIETY

AUDITORS' REPORT TO THE MEMBERS OF THE BRITISH GERIATRICS SOCIETY

OPINION

In our opinion, the financial statements give a true and fair view of the state of the group and charitable company's affairs as at 31 March 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Sargent & Co
Chartered Accountants
and Registered Auditors
11 Suffield Close
Selsdon
South Croydon
Surrey CR2 8SZ

8 July 2004

THE BRITISH GERIATRICS SOCIETY

(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**FOR THE YEAR ENDED 31 MARCH 2004****SUMMARY INCOME AND EXPENDITURE ACCOUNT**

	<u>Notes</u>	<u>Restricted Funds £</u>	<u>Unrestricted Funds £</u>	<u>Total 2004 £</u>	<u>Total 2003 £</u>
INCOMING RESOURCES					
Subscriptions		1,740	255,329	257,069	242,648
Donations, Covenants and Legacies	2	10,708	0	10,708	18,711
Investment Income	3	16,262	11,322	27,584	26,748
Activities for generating funds:					
Conferences, Exhibitions and Commercial Sponsorship		64,862	574,141	639,003	665,974
Age and Ageing		0	132,895	132,895	163,012
Other Income		<u>4,343</u>	<u>5,957</u>	<u>10,300</u>	<u>12,367</u>
TOTAL INCOMING RESOURCES		<u>97,915</u>	<u>979,644</u>	<u>1,077,559</u>	<u>1,129,460</u>
RESOURCES EXPENDED					
Cost of generating funds from trading operations:-					
Exhibitions and Journals	4	50,627	463,750	514,377	638,745
Fundraising and Publicity	5	<u>0</u>	<u>594</u>	<u>594</u>	<u>4,869</u>
		<u>50,627</u>	<u>464,344</u>	<u>514,971</u>	<u>643,614</u>
CHARITABLE EXPENDITURE					
Grants, Awards and Prizes		26,261	1,249	27,510	23,548
Costs of activities in the furtherance of the charity's objectives	6	14,777	223,927	238,704	236,904
Management and Administration of the charity	7	<u>0</u>	<u>115,215</u>	<u>115,215</u>	<u>120,794</u>
		<u>41,038</u>	<u>340,391</u>	<u>381,429</u>	<u>381,246</u>
TOTAL RESOURCES EXPENDED		<u>91,665</u>	<u>804,735</u>	<u>896,400</u>	<u>1,024,860</u>
NET INCOMING RESOURCES BEFORE TRANSFERS					
	8	6,250	174,909	181,159	104,600
Transfer between Funds		<u>60,000</u>	<u>(60,000)</u>	<u>0</u>	<u>0</u>
NET MOVEMENTS IN FUNDS		<u>66,250</u>	<u>114,909</u>	<u>181,159</u>	<u>104,600</u>

None of the Society's activities was acquired or discontinued during the year.

The notes on pages 14 to 24 form part of these financial statements.

THE BRITISH GERIATRICS SOCIETY

(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**FOR THE YEAR ENDED 31 MARCH 2004 (Contd)****STATEMENT OF OTHER RECOGNISED GAINS**

	<u>Permanent</u> <u>Endowment</u> £	<u>Restricted</u> <u>Income</u> £	<u>Unrestricted</u> <u>Income</u> £	<u>Total</u> <u>2004</u> £	<u>Total</u> <u>2003</u> £
Net movements in funds for the year	0	66,250	114,909	181,159	104,600
Realised Investment Gains	0	0	0	0	0
Unrealised Investment (Loss)/Gain for year	<u>(6,859)</u>	<u>0</u>	<u>0</u>	<u>(6,859)</u>	<u>6,957</u>
NET MOVEMENT IN FUNDS FOR THE YEAR	(6,859)	66,250	114,909	174,300	111,557
Total Funds Brought Forward	<u>191,599</u>	<u>258,901</u>	<u>698,027</u>	<u>1,148,527</u>	<u>1,036,970</u>
TOTAL FUNDS CARRIED FORWARD	<u>184,740</u>	<u>325,151</u>	<u>812,936</u>	<u>1,322,827</u>	<u>1,148,527</u>

THE BRITISH GERIATRICS SOCIETY

(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2004

	<u>Notes</u>	<u>2004</u>		<u>2003</u>	
		£	£	£	£
<u>FIXED ASSETS</u>					
Tangible Assets	10		733,966		734,827
Investments - Dhole Bequest	11(b)		<u>307,616</u>		<u>298,213</u>
			1,041,582		1,033,040
<u>CURRENT ASSETS</u>					
Debtors	12	159,846		125,445	
Cash at bank and in hand		<u>617,081</u>		<u>543,976</u>	
		776,927		669,421	
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	13	<u>(495,682)</u>		<u>(472,348)</u>	
<u>NET CURRENT ASSETS</u>			<u>281,245</u>		<u>197,073</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			1,322,827		1,230,113
<u>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</u>	14		<u>0</u>		<u>(81,586)</u>
<u>NET ASSETS</u>			<u>£1,322,827</u>		<u>£1,148,527</u>
<u>ACCUMULATED FUNDS</u>					
Unrestricted Funds:					
Other Charitable Funds			78,867		697,924
Charitable Trading Fund			103		103
Designated Funds	17		<u>733,966</u>		<u>0</u>
Total Unrestricted Funds	18		812,936		698,027
Permanent Endowment	15		184,740		191,599
Restricted Income Funds	16		<u>325,151</u>		<u>258,901</u>
<u>MEMBERS FUNDS</u>	22		<u>£1,322,827</u>		<u>£1,148,527</u>

The financial statements, which have been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the Board of Directors and UK Management Committee on 8 July 2004 and signed on its behalf.

Prof M Gosney
Director and Honorary Deputy Treasurer

The notes on pages 14 to 24 form part of these financial statements.

THE BRITISH GERIATRICS SOCIETY

(A Company Limited by Guarantee)

BALANCE SHEET AS AT 31 MARCH 2004

	<u>Notes</u>	<u>2004</u>		<u>2003</u>	
		£	£	£	£
<u>FIXED ASSETS</u>					
Tangible Assets	10		733,966		734,827
Investment in subsidiary company	11(a)		100		100
Investments - Dhole Bequest	11(b)		<u>307,616</u>		<u>298,213</u>
			1,041,682		1,033,140
<u>CURRENT ASSETS</u>					
Debtors	12	201,935		228,913	
Cash at bank and in hand		<u>290,621</u>		<u>184,597</u>	
		492,556		413,510	
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>					
	13	<u>(211,514)</u>		<u>(216,640)</u>	
<u>NET CURRENT ASSETS</u>					
			<u>281,042</u>		<u>196,870</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>					
			1,322,724		1,230,010
<u>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</u>					
	14		<u>0</u>		<u>(81,586)</u>
<u>NET ASSETS</u>					
			<u>£1,322,724</u>		<u>£1,148,424</u>
<u>ACCUMULATED FUNDS</u>					
Unrestricted Funds:					
Other Charitable Funds			78,867		697,924
Designated Funds	17		<u>733,966</u>		<u>0</u>
Total Unrestricted Funds			812,833		697,924
Permanent Endowment	15		184,740		191,599
Restricted Income Funds	16		<u>325,151</u>		<u>258,901</u>
<u>MEMBERS FUNDS</u>					
			<u>£1,322,724</u>		<u>£1,148,424</u>

The financial statements, which have been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the Board of Directors and UK Management Committee on 8 July 2004 and signed on its behalf.

Prof M Gosney
Director and Honorary Deputy Treasurer

The notes on pages 14 to 24 form part of these financial statements.

THE BRITISH GERIATRICS SOCIETY**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004**1. **ACCOUNTING POLICIES**a) **Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention except for investments which have been included at revalued amounts. The financial statements include the results of the Society's operations as indicated in the Report of the UK Management Committee, all of which are continuing.

The accounts have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", applicable accounting standards and the Companies Act 1985. The charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act formats to reflect the special nature of the Society's activities.

The Society has taken advantage of the exemption in FRS1 not to prepare a cash flow statement on the grounds that it is a small group.

b) **Funds**

Unrestricted Funds relate to the income which is available to meet the general objectives of the Society. General Funds are unrestricted funds which are available for use at the discretion of the council in the furtherance of the general objectives of the Society and which have not been designated for other purposes.

Designated Funds comprise unrestricted funds that have been set aside by the UKMC for particular purposes. The aim and use of the designated funds are set out in the notes to the financial statements.

Restricted Funds relate to income which is made available to the Society for specific purposes and which must be used solely for those purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment Funds are monies which have been given to the Society in trust with the restriction that they are held as capital with the income generated from them to be used for specific grants and awards. The income is held as a separate restricted fund.

Investment income and gains are allocated to the appropriate fund.

c) **Incoming Resources**

The incoming resources of the group is made up of subscriptions, donations, commercial sponsorships, income from conferences and income from sale of publications invoiced during the year (stated net of Value Added Tax).

Donations are accounted for as received by the Society. The excess/deficit of donations over grants given is included in the Donation and Grant Fund.

Legacies are recorded when they can be quantified and have been confirmed by a third party.

Existing member subscriptions are due on 1 January each year and income is accounted for on an accruals basis over the calendar year to which it relates.

Commercial sponsorship is treated as earned evenly over the calendar year to which it relates.

THE BRITISH GERIATRICS SOCIETY**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004 (Contd)**c) Incoming Resources (Contd)

The income from conferences is shown gross with the associated costs included in the expenditure.

No permanent endowments have been received in the period but these are dealt with through the Statement of Financial Activities when received.

Investment income plus associated tax recoverable is credited to income on a receipts basis using dates of payment for the listed investment income. Income arising from bank deposits and fixed interest shares is credited to income on an accruals basis.

d) Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost of Fixed Assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and Fittings	Over 10 years on a straight line basis
Office Equipment	Over 5 years on a straight line basis
Computer Equipment	Over 3 years on a straight line basis

No depreciation will be charged on the freehold property as it is intended that maintenance will be carried out to maintain this at a level which is at least commensurate with its original cost.

e) Investments

Investments are stated at market value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities.

f) Value Added Tax

Value Added Tax was not recoverable by the Society for the year ended 31 March 2004 and as such is included in the relevant costs in the Statement of Financial Activities. However, the Society has registered for Value Added Tax with effect from 1 April 2004.

The trading subsidiary is registered for Value Added Tax and any costs relating to the subsidiary are stated net of Value Added Tax.

g) Consolidation

The Financial Statements incorporate the accounts of the Society and of its subsidiary company, B G S (Trading) Limited. The results of the subsidiary are consolidated on a line by line basis.

As provided for by Section 228(7) of the Companies Act 1985 and paragraph 304 of SORP, a separate Income and Expenditure Account has not been presented for the Society alone.

h) Pension Scheme

The Society operates a scheme to contribute a defined amount to individual employees pension schemes and the pension charge represents the amounts payable by the Society to the various schemes in respect of the year.

THE BRITISH GERIATRICS SOCIETY

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004 (Contd)i) Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are included in the Statement of Financial Activities on a straight line basis.

j) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. All overheads have been allocated on the basis of the time spent by the staff using that overhead.

Grants payable to individuals are included in the Statement of Financial Activities when approved and payable.

Fund-raising and publicity expenditure comprises costs incurred in inducing people and organisations to contribute financially to the Society's work during their lifetime or in their will. This includes the cost of advertising for donations and the preparation of an annual report on the Society and also a proportion of the premises, staff and office costs relating to time spent on fundraising and publicity

Management and administration expenditure includes all expenditure not directly related to the charitable activities or fund-raising ventures. This includes a proportion of the premises, staff and office costs relating to time spent on administration of the Society and compliance with constitutional and statutory requirements.

k) Taxation

The Society, but not its trading subsidiary, by virtue of its charitable status, is exempt from Corporation Tax on any surplus of income over expenditure.

	<u>2004</u>	<u>2003</u>
	£	£
2. <u>VOLUNTARY INCOME</u>		
Donations and Covenants from individuals and charitable trusts set up in the estates of individuals	1,938	12,360
Donations from Charitable Trusts	2,520	2,520
Donations from Commercial Organisations	<u>6,250</u>	<u>3,831</u>
	<u>10,708</u>	<u>18,711</u>
3. <u>INVESTMENT INCOME</u>		
Income from listed investments	12,367	12,367
Interest receivable on cash deposits	<u>15,217</u>	<u>14,381</u>
	<u>27,584</u>	<u>26,748</u>

THE BRITISH GERIATRICS SOCIETY**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004 (Contd)**

4.	<u>EXHIBITIONS AND JOURNALS</u>	<u>2004</u> £	<u>2003</u> £
	Conferences and Exhibition Costs	452,034	581,037
	Age and Ageing Journal	60,257	55,667
	Other miscellaneous costs	46	351
	Audit and Accountancy	<u>2,040</u>	<u>1,690</u>
		<u>514,377</u>	<u>638,745</u>
5.	<u>FUNDRAISING AND PUBLICITY</u>		
	Annual Report costs	<u>594</u>	<u>4,869</u>
6.	<u>COSTS OF ACTIVITIES IN THE FURTHERANCE OF THE CHARITY'S OBJECTIVES</u>		
	Scientific Medical Policy and Training Ctte Expenses	26,595	31,578
	Regional and Special Interest Groups Meeting Expenses (including Staff Costs)	14,777	3,026
	Information and Education	34,811	38,602
	Premises and Office costs	37,054	45,904
	Staff Costs	122,156	113,849
	Other Miscellaneous Costs	<u>3,311</u>	<u>3,945</u>
		<u>238,704</u>	<u>236,904</u>

THE BRITISH GERIATRICS SOCIETY**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004 (Contd)**

7.	<u>ADMINISTRATIVE EXPENDITURE</u>	<u>2004</u> £	<u>2003</u> £
	Premises and Office costs	19,088	23,646
	Staff Costs	73,851	68,238
	Audit and Accountancy	4,863	5,261
	Management Committee Expenses	8,763	10,087
	Other administrative costs	<u>8,650</u>	<u>13,562</u>
		<u>115,215</u>	<u>120,794</u>
8.	<u>NET INCOMING RESOURCES</u>		
	The net incoming resources is stated after charging:		
	Depreciation of Tangible Fixed Assets owned by the company	12,862	9,064
	Operating Lease rentals - hire of equipment	5,690	8,326
	Audit Fees	<u>6,153</u>	<u>6,140</u>
9.	<u>STAFF COSTS</u>		
	No remuneration was paid to the directors and members of the UK Management Committee in the year. The staff costs were:-		
		<u>2004</u> £	<u>2003</u> £
	Wages and Salaries - General	149,048	148,166
	- Honoraria, Age & Ageing E Anglia and Cardiology	49,507	38,323
	Pension Costs	12,888	14,480
	Social Security Costs	<u>21,042</u>	<u>17,532</u>
		<u>232,485</u>	<u>218,501</u>

The average number of staff employed by the Society (excluding those working on Age & Ageing and honoraria) during the year included in General Wages and Salaries was five (2003 - five). Three members of staff were involved in work related to direct charitable work as well as a certain amount of administrative work, one was solely involved in charitable work and one was solely involved in administration (2003 – three charitable and administration, one solely charitable, one solely administration).

No employee's total emoluments exceeded £50,000 during the year (2003 - none).

THE BRITISH GERIATRICS SOCIETY

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004 (Contd)9. STAFF COSTS (Contd)

The persons to whom honoraria and Age and Ageing salaries were paid were all involved in work related to direct charitable work.

The Members of the UK Management Committee neither received nor waived any emoluments during this or the previous year.

During the year £9,680 (2003 - £21,285) was reimbursed to past and present trustees for travel, subsistence and overnight accommodation, solely necessary for attendance at meetings, in accordance with the Memorandum and Articles of Association. Expenses were reimbursed to 20 trustees during the year (2003 - 36).

Indemnity Insurance at a cost of £981 (2003 - £924) was taken up during the year to protect the Society from loss arising from neglect or default of the members of the UK Management Committee and to indemnify members of the UK Management Committee against the consequences of any neglect or default on their part.

10. TANGIBLE FIXED ASSETS

<u>Group and Society</u>	<u>Total</u>	<u>Freehold</u>	<u>Computer</u>	<u>Fixtures, Fittings</u>
	<u>£</u>	<u>Land & Buildings</u>	<u>Equipment</u>	<u>and Equipment</u>
<u>Cost</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1 April 2003	775,401	700,000	18,559	56,842
Additions	12,001	0	0	12,001
Disposals	<u>(8,967)</u>	<u>0</u>	<u>0</u>	<u>(8,967)</u>
At 31 March 2004	<u>778,435</u>	<u>700,000</u>	<u>18,559</u>	<u>59,876</u>
<u>Depreciation</u>				
At 1 April 2003	40,574	0	6,244	34,330
Provided in year	12,862	0	5,159	7,703
Written back on disposals	<u>(8,967)</u>	<u>0</u>	<u>0</u>	<u>(8,967)</u>
At 31 March 2004	<u>44,469</u>	<u>0</u>	<u>11,403</u>	<u>33,066</u>
<u>Net Book Value</u>				
At 31 March 2004	<u>£733,966</u>	<u>£700,000</u>	<u>£7,156</u>	<u>£26,810</u>
At 31 March 2003	<u>£734,827</u>	<u>£700,000</u>	<u>£12,315</u>	<u>£22,512</u>

All the above assets are used by the employees of the Society to fulfil both the charitable objectives and in the management and administration of the Society.

The UK Management Committee is of the opinion that the freehold land and buildings has a current value in excess of the book cost. A formal valuation has not been obtained because, in the opinion of the UK Management Committee, the cost of professionally valuing the freehold land and buildings would outweigh the benefit to the users of the accounts and a valid comparison with other properties cannot be made.

THE BRITISH GERIATRICS SOCIETY**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004 (Contd)**11. **FIXED ASSET INVESTMENTS**

	<u>2004</u>	<u>Society</u>	<u>2003</u>
	£		£
(a) <u>Subsidiary Company</u>			
Shares at Cost as at 1 April 2003 and 31 March 2004	<u>100</u>		<u>100</u>

The Society owns 100% of the ordinary share capital of BGS (Trading) Limited which is registered in England and Wales.

The accounts of BGS (Trading) Limited have been consolidated with the Society for the purposes of the financial statements (see Note 19).

	<u>2004</u>	<u>2003</u>
	£	£
(b) <u>MK Dhole Bequest</u>		
Listed Investments - UK	184,740	191,599
Cash Deposits	<u>122,876</u>	<u>106,614</u>
Market Value at 31 March	<u>307,616</u>	<u>298,213</u>
The historic cost of listed investments	<u>200,017</u>	<u>200,017</u>

12. **DEBTORS**

	<u>2004</u>		<u>2003</u>	
	<u>Group</u>	<u>Society</u>	<u>Group</u>	<u>Society</u>
	£	£	£	£
Due within one year:				
Trade debtors	98,102	34,000	23,596	0
Amount due from subsidiary	0	144,690	0	217,959
Prepayments and Accrued Income	50,298	11,799	99,547	8,652
Other debtors	<u>11,446</u>	<u>11,446</u>	<u>2,302</u>	<u>2,302</u>
	<u>159,846</u>	<u>201,935</u>	<u>125,445</u>	<u>228,913</u>

THE BRITISH GERIATRICS SOCIETY

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004 (Contd)

13.	<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>2004</u>		<u>2003</u>	
		<u>Group</u> £	<u>Society</u> £	<u>Group</u> £	<u>Society</u> £
	Bank Loan	0	0	22,033	22,033
	Trade Creditors	0	0	10,105	105
	Accruals and Deferred Income	209,308	201,268	182,882	182,882
	Other Creditors	252,164	10,246	214,551	11,620
	Taxation and Social Security	<u>34,210</u>	<u>0</u>	<u>42,777</u>	<u>0</u>
		<u>495,682</u>	<u>211,514</u>	<u>472,348</u>	<u>216,640</u>

The bank loan was fully repaid in the year ended 31 March 2004. It had been secured by a charge over the freehold property. Bank loans outstanding at the year ended 31 March 2003 were £103,619 payable in annual instalments, plus interest at the rate of 2.25% over base rate per annum as follows:-

	<u>2004</u> £	<u>2003</u> £
Within one year	0	22,033
Between one and two years	0	23,443
Between two and five years	<u>0</u>	<u>58,143</u>

14.	<u>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</u>	<u>2004</u> £	<u>2003</u> £
	Bank Loan Account	<u>0</u>	<u>81,586</u>

15. PERMANENT ENDOWMENT

The Permanent Endowment Fund relates to the M K Dhole Bequest which was provided to enable any investment income arising on the bequest to be applied for the provision of a biannual award for the most deserving published work of medical research appertaining to the needs of aged people and any remainder income to be used for the provision, endowment and financing of scholarships, fellowships and lectureships of all kinds connected with research in the field of geriatric medicine – currently the Dhole Research Fellowship in conjunction with Research into Ageing/Help the Aged. The excess income is included as a restricted fund.

THE BRITISH GERIATRICS SOCIETY**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004 (Contd)**16. **RESTRICTED FUNDS**

The restricted funds of the Society include the following:-

- a) The MK Dhole Income Fund which arises as a result of the Permanent Endowment in Note 15 above.
- b) The Special Interest Group Funds which are restricted in so far as they are only to be used for charitable purposes in the particular special interest field.
- c) The Donations and Grant Fund which ensures that all voluntary gifts and donations received can be utilised to make grants, awards and prizes in the furtherance of the Society's objectives.

	<u>Balance at</u> 31 March 2003	<u>Incoming</u> <u>Resources</u>	<u>Expenditure</u>	<u>Balance at</u> 31 March 2004
M K Dhole Income	107,863	16,261	0	124,124
Drugs and Prescribing Section	4,387	5,760	(2,278)	7,869
Parkinsons Disease Group	3,268	2,814	(1,446)	4,636
Regional East Anglian Branch	1,089	0	(320)	769
Medical Ethics Group	1,345	0	0	1,345
Gastroenterology Group	1,900	320	(280)	1,940
Respiratory Group	374	0	0	374
Cardiology Group	16,348	4,325	(5,410)	15,263
Care Home Group	11,877	0	(844)	11,033
Diabetes Group	1,339	0	0	1,339
Bones and Falls Group	10,256	48,497	(46,672)	12,081
Bladders and Bowels Group	1,374	8,000	(4,875)	4,499
Mersey Region	1,649	3,251	(2,631)	2,269
North East Thames Region	1,438	0	(100)	1,338
South East Thames Region	0	4,343	(548)	3,795
BSRA/BSG/BGS Joint Ventures	673	0	0	673
Donations and Grant Fund	<u>93,721</u>	<u>64,344</u>	<u>(26,261)</u>	<u>131,804</u>
	<u>258,901</u>	<u>157,915</u>	<u>(91,665)</u>	<u>325,151</u>

The incoming resources for the donations and grant fund includes a figure of £60,000 which was transferred from the Society's unrestricted fund in support of the funding of grants.

THE BRITISH GERIATRICS SOCIETY**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004 (Contd)**17. **DESIGNATED FUNDS**

The Fixed asset fund has been set up to assist in identifying those funds that are not free funds. It represents the net book value of tangible assets and includes Marjory Warren House, the Society's registered office.

	<u>Balance at</u> <u>31 March 2003</u>	<u>Transfer</u>	<u>Expenditure</u>	<u>Balance at</u> <u>31 March</u> <u>2004</u>
Fixed asset fund	<u>0</u>	<u>733,966</u>	<u>0</u>	<u>733,966</u>

18. **ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS**

	<u>Permanent</u> <u>Endowment</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Charitable</u> <u>Trading</u>	<u>Total</u> <u>Funds</u>
Tangible Fixed Assets	0	0	733,966	0	733,966
Investments	184,740	122,876	0	0	307,616
Net Current Assets	<u>0</u>	<u>202,275</u>	<u>78,867</u>	<u>103</u>	<u>281,245</u>
Total Net Assets	<u>184,740</u>	<u>325,151</u>	<u>812,833</u>	<u>103</u>	<u>1,322,827</u>

19. **INVESTMENT IN SUBSIDIARY COMPANY**

The British Geriatrics Society owns the whole of the issued share capital of B G S (Trading) Limited, a company incorporated in England and Wales. This subsidiary generates income from conferences and exhibitions and the sale of publications. B G S (Trading) Limited covenants its taxable profit to the British Geriatric Society. A summary of the trading results is shown below:-

	<u>2004</u> £	<u>2003</u> £
Turnover	631,988	835,597
Cost of Sales and administrative expenses	(502,131)	(634,745)
Interest receivable	<u>6,095</u>	<u>5,818</u>
Net profit	135,952	206,670
Amount gifted to Society	<u>(135,952)</u>	<u>(206,670)</u>
Retained in subsidiary	<u>-</u>	<u>-</u>

The assets and liabilities of the subsidiary were:

Current Assets	<u>203</u>	<u>203</u>
Aggregate share capital and reserves	<u>203</u>	<u>203</u>

THE BRITISH GERIATRICS SOCIETY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004 (Contd)20. PENSION COMMITMENTS

The Society operates a scheme to contribute a defined amount to individual pension schemes. The assets of these schemes are held separately from those of the Society in independently administered funds. At the balance sheet date there were no unpaid contributions (2003 - £nil).

21. OTHER COMMITMENTS

As at 31 March 2004 the Society had the following annual commitments under non-cancellable operating leases for plant and machinery as follows:

Expiry Date:	<u>2004</u> £	<u>2003</u> £
Within one year	183	183
Between one and five years	<u>5,044</u>	<u>5,029</u>

22. RECONCILIATION OF MOVEMENT IN MEMBERS FUNDS

	<u>2004</u> £	<u>2003</u> £
Net Incoming Resources	181,159	104,600
Unrealised Investment (Losses)/Gains	<u>(6,859)</u>	<u>6,957</u>
Net Incoming Resources	174,300	111,557
Opening Members Funds	<u>1,148,527</u>	<u>1,036,970</u>
Closing Members Funds	<u>1,322,827</u>	<u>1,148,527</u>

