

INSTITUTE OF BIOMEDICAL SCIENCE

Company Number 377268

Charity Number 261926

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2019**

**INSTITUTE OF BIOMEDICAL SCIENCE
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FOR THE YEAR ENDED 31 DECEMBER 2019**

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Council Members' Report

The Council members, who are also the trustees, submit their report on the charitable company and its group together with the audited financial statements for the year ended 31 December 2019.

Reference and Administrative Details

LEGAL STATUS

The Institute is a registered charity, number 261926. It is also registered at Companies House, as a company limited by guarantee and having no share capital, number 377268. The liability of its members, in the event of the company winding up, is limited to £1.

COUNCIL MEMBERS

The members of Council, who were the company's directors and trustees of the charity during the year or on the date of approval of this report, were:

Joanna Andrew	Colin Mudd
Helen Archer	Jane Needham
Victoria Bradley (appointed 13 August 2019)	Joyce Overfield
Nigel Coles	Debra Padgett
Sean Conlan	Sandra Phinbow (resigned 29 March 2019)
David Eccleston	Robert Simpson (resigned 30 June 2019)
Alison Geddis	Daniel Smith
Jane Harrison-Williams (resigned 23 July 2019)	Matthew Smith
Joanne Horne (appointed 8 June 2019)	Andrew Usher
Keith Hyde (appointed 8 June 2019)	Linda Walsh (appointed 8 June 2019)
Shauna McAuley (appointed 8 June 2019)	David Wells
James G McNair	Allan Wilson

Each Council member is also a member of the Institute.

CHIEF EXECUTIVE AND COMPANY SECRETARY

Jill Rodney

REGISTERED OFFICE

12 Coldbath Square, London EC1R 5HL

RELEVANT ORGANISATIONS

Auditors:

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers:

National Westminster Bank plc
Regent Street Branch
250 Regent Street
London
W1B 3BN

Investment Advisors:

EPOCH Wealth Management LLP
Queen Square House
Queen Square Place
Bath
BA1 2LL

Solicitors:

Fladgate LLP
25 North Row
London
W1R 1DJ
IBB Solicitors
Capital Court
30 Windsor Street
Uxbridge
UB8 1AB

Structure, Governance and Management

GOVERNANCE AND INTERNAL CONTROL

The Institute is a company limited by guarantee and a registered charity. Its governing document is the Memorandum and Articles of Association, originally incorporated on 17 November 1942, updated 8 June 2019.

Council Members' Report (continued)

Structure, Governance and Management (continued)

COUNCIL MEMBERS

Council shall be composed of not fewer than twelve and not more than thirty members of the Institute, comprising:

- (i) the President, the Past President, the President Elect and the Treasurer, *ex officio*;
- (ii) not more than twelve persons elected by members of the Institute registered within the regions ("regional members"); and
- (iii) not more than twenty persons elected by the members of the Institute ("national members").

RECRUITMENT AND TRAINING

The election of members of Council in the place of those retiring at any annual general meeting is made by a ballot, where necessary, of those entitled to vote. New members go through an induction process to familiarise them about their responsibilities and duties and periodic training sessions are arranged as required.

ORGANISATIONAL MANAGEMENT

Council meets at least quarterly to set overall strategy and policy and review performance.

Each Council member will also be heavily involved in the various standing committees. These committees are set up by Council and are given specific aims. They report back to Council at regular intervals and include:

- The Membership and Marketing Committee which is responsible for the creation and implementation of the Institute's membership and marketing strategies. It is also the reporting committee for the local region and branch network.
- The Education and Professional Standards Committee which is responsible for matters relating to professional standards, education, training and professional development of members working in the profession.
- The Finance and Risk Committee which is responsible for monitoring the financial performance of the Institute, the performance of the Institute's investments and the effectiveness of the Institute's risk management processes and making recommendations to Council.
- The Audit Committee which seeks assurance from the external auditor that the accounts give a true and fair view of the financial performance and position and that the accounts comply with relevant accounting standards. The Audit Committee will also consider any issues raised by the auditors and the management's response.
- The Remuneration Committee which is responsible for determining the Institute's remuneration strategy and reviewing the terms and conditions of employment for the Chief Executive.

The Institute has a Chief Executive who is accountable directly to Council. The Institute's staff carry out the detailed day-to-day work on behalf of Council and assist committees as necessary.

RISK MANAGEMENT

Council has considered the major risks to which the Institute is exposed. The categories of risks identified were strategic risks, membership risks, governance risks, financial risks and operational risks. Council agreed that systems and procedures had been implemented to mitigate the risks which were identified. The principal risks identified by the charity are as follows:

Risk	Mitigating actions
Lack of stakeholder support for the development of advanced biomedical science roles	<ul style="list-style-type: none"> • Working with RCPATH and the 4 home nations to try to resolve this. • Stakeholder engagement plan developed.
Loss of membership through a failure to develop and maintain an attractive offering for all grades of membership	<ul style="list-style-type: none"> • Institute participation in workforce planning groups. • Membership and Marketing Committee has a focus on membership issues and reports direct to Council. • Membership offering reviewed and tested regularly. • Membership engagement activities undertaken.
Significant legislative or policy changes results in unexpected workloads and/ or potential costs for the Institute.	<ul style="list-style-type: none"> • Institute responds to relevant consultations and identifies key issues. • Council consider and decide strategic and workload priorities.

Council Members' Report (continued)

RISK MANAGEMENT (CONTINUED)

The virus causing COVID-19 has already had a significant impact on the global economy and it is possible that the Institute may be affected by some or all of the following:

- Supply chain disruptions.
- Unavailability of personnel.
- Reductions in education income and disruption to the 2020 member renewals process.
- Disruptions caused by the stoppage of non-essential business travel.

Following the government's announcement on 16 March 2020, the Chief Executive and the Officers took the decision to close the office and work remotely which occurred on 17 March 2020. At this stage, they cannot estimate when the office will re-open.

The Institute has prepared cash flow forecasts which take into account the potential impact of the risks identified above, along with any potential cost savings. The forecasts indicate that during the year the Institute will have sufficient cash reserves to meet its obligations without the need to draw on its investment portfolio.

The fall in global equity markets has negatively impacted the value of the Institute's investment portfolio but it is too early to predict whether this short term effect will persist throughout the current financial year to 31 December 2020. The Council members continue to adopt the going concern basis in preparing the accounts.

Public Benefit Statement

Council has complied with the duty in section 17(5) of the Charities Act 2011 and has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Institute's aims and objectives and in planning future activities. Council is satisfied that the Institute continues to meet the required public benefit test through its objectives and activities.

The Institute aims to promote and develop the role of biomedical science within healthcare to deliver the best possible service for patient care and safety. It does this by:

- Acting as an advocate for the biomedical science community with key stakeholders and policy makers to help ensure the high standards of the profession and patient safety are maintained.
- Developing and maintaining educational qualifications to enhance the skills, knowledge and career development of biomedical scientists within the profession.
- Providing opportunities for biomedical scientists to keep up to date with scientific developments through Institute publications and training events.
- Raising awareness of the importance of biomedical science in the provision of healthcare and the career opportunities in the profession.
- Supporting original research into scientific developments.

Investment Powers, Policy and Performance

The investment powers are governed by the Institute's Memorandum, which permits funds not immediately required for the purposes to be invested as the Council sees fit.

The Council's policy is to achieve an agreed growth target in excess of inflation over the long term. The portfolio as a whole is managed to reduce the risk of negative returns in excess of 20%. Income generated is re-invested to assist with the long term growth objective.

The Council establishes the investment strategy and takes advice from its investment advisors who manage the portfolio on a day to day basis. Performance is monitored by the Finance and Risk Committee and the period end position is reported in note 7 (a).

Council Members' Report (continued)

Objectives, Activities, Achievements and Performance

The Institute is a registered charity and aims to promote and develop the role of biomedical science within healthcare to deliver the best possible service for patient care and safety.

It achieves this through a number of activities which include professional publications, running courses and seminars, organising scientific conferences (IBMS Congress), providing a platform to achieve higher level qualifications, access to web content, hosting regional and branch events and running discussion groups.

The major achievements in the year are summarised below:

Promoting the profession

- Over 150 laboratories from across the UK celebrated Biomedical Science Day through science related events and activities. Social media posts reached an audience of over 6 million people. The Institute, with support from the Albert Norman Memorial Trust, funded 31 applications for support to take part.
- Created the "Superlab" comic to increase awareness and understanding of biomedical science amongst younger people.
- Developed a series of short animated films to show what happens to patient's samples and the role of biomedical science in diagnosis and treatment.

Supporting our members

- Following high-level consultations with key stakeholders, the NHS Bowel Cancer Screening Programme now recognises scientists with the Advanced Specialist Diploma in Histopathology Reporting as qualified to report screening programme biopsies.
- Responded to 13 consultations including those from the Health and Care Professions Council, NHS Improvement, National Institute for Health and Care Excellence, United Kingdom Standards for Microbiology Investigation and Health Education England (HEE) across a range of issues affecting biomedical science and its workforce.
- HEE recognised the importance of the Institute's qualifications and have agreed to provide funding for pathology networks to support training for extended and advanced roles in histopathology via the Institute's qualifications.
- Funded seven research grants totalling £26,897 to support members' individual research projects
- The Institute supported more than 500 members who took part in public engagement events to promote the role that biomedical science plays at the heart of healthcare.
- The Institute arranged specialist media and presentation training to help more than 30 members develop the skills required to promote the profession.
- The Institute's Jen Johnson bursary and Mary Macdonald award helped 35 members with financial support to attend the IBMS Congress event.

Progressing knowledge and skills in the profession

- The Institute ran the biennial IBMS Congress event which delivered over 350 scientific lectures and workshops over four days. There were three new lecture streams on point of care testing, veterinary pathology and laboratory accreditation. Over 3,500 delegates attended the event.
- The HCPC re-approved the Institute's routes to registration (programmes) for biomedical scientists and clinical scientists.
- The Advanced Specialist Diploma in Histopathology reporting now has 65 candidates in the training pipeline.
- Over 170 candidates, the highest ever, undertook the Institute's Certificate of Expert Practice qualifications.
- The Institute launched a new Certificate of Expert Practice in point of care testing. The first candidates will undertake the new qualification in 2020.
- The Institute started a review of the Higher Specialist Diploma with input from the examiners and Specialist Advisory Panels.
- Launched the new version of the Registration Training Portfolio along with accompanying guidance.
- During the year there were 22 institutional accreditations undertaken covering 44 undergraduate and 13 post graduate programmes. Two of the institutions were new accreditations. A full list of IBMS accredited programmes is available of the Institute's website.
- Delivered a programme of training events for verifiers and examiners around the UK to ensure that they have the skills to help the next generation of biomedical scientists to progress. Ran a special session at Congress to recruit new verifiers and examiners.

Council Members' Report (continued)

Objectives, Activities, Achievements and Performance (continued)

- Organisational robustness*
- Established a Finance and Risk Committee to further strengthen oversight of the Institute's finances and investments.
 - Significantly improved the working environment for staff and the building infrastructure with a major refurbishment of No 12 Coldbath Square.
 - Upgraded the IT infrastructure to ensure it remains robust and fit for purpose.
 - The Institute worked with the trustees of the IBMS Defined Benefit Pension Scheme to secure the benefits in the Scheme with an insurance company and start the process of winding up the Scheme.

The Council has identified a number of key performance indicators to help monitor the organisation's performance. These include:

- Membership numbers – overall membership numbers increased marginally by about 1%. The expected continued reduction in the number of Fellows has been offset by growth in numbers in the Member, Licentiate and E-student grades.
- Educational activity - the number of registrations for the Institute's qualifications and interest in our distance learning qualifications was in line with the previous year. The expected reduction in the number of Certificates of Achievement issued continued after the high initial uptake when the qualification was launched in 2013.
- Financial performance- the surplus on income and expenditure was higher than expected in 2019 due to the successful Congress event. The investment portfolio increased in value as the investment markets made gains during the year against a backdrop of increased volatility.
- Staff turnover and sickness levels - these remained in line with expectations for an organisation of this size.

Financial Review

The combined results of the Institute and its subsidiary are shown on pages 11 to 14 of the financial statements. The Institute is a non-profit making organisation and accordingly no dividends are proposed.

The Group Statement of Financial Activities on page 11 shows net income of £1,371,070 which included a gain on investments of £996,929. Funds are invested across a number of pooled funds to achieve a targeted total return and the results are reported in note 7a. The investment portfolio generated a return of 11.28% after fees for the year. This was consistent with the growth in the FTSE100. The financial markets experienced an increased level of volatility compared to the previous year.

Both income and expenditure are higher than the previous year as there was a Congress in 2019. Overall membership numbers were largely stable during the year. The continued and expected reduction in the number of Fellows has been offset by growth in the number in the Member, Licentiate and E-student grades. Education income increased by around 7% but there was a significant reduction in region and branch activity.

The Institute has agreed a Strategy to 2020. In 2019 the Institute spent £273,000 (2018: £94,000) on implementing the strategy. This included ongoing work to raise the profile and promote understanding of the profession. The offices at No 12 Coldbath Square were upgraded to improve the working environment for staff and bring the building up to current health and safety standards. Work also commenced on the development of an e-learning offering for members.

The wind up of the Institute's defined benefit pension scheme was triggered as at the 31 December 2019. The benefits in the Scheme have now been fully secured via an insurance policy with Aviva. The Institute has agreed to meet the administrative costs of winding up the Scheme during 2020 and the estimated cost has been provided for in the 2019 accounts. The position of the Scheme as reported under FRS102 is set out in Note 13.

Overall, including the results of IBMS (Professional Services) Ltd, there was an increase in funds of £1,812,293 for the year. This has been transferred to reserves.

IBMS (Professional Services) Ltd made a profit before tax of £894,969. The profit exceeded directors' expectations. The surplus from the Congress event during the year was higher than planned. During the year the company sold No 12 Coldbath Square to the charity which generated a profit on disposal. Some of the proceeds from the sale were used to settle the outstanding loan from the charity which fell due for repayment in October 2018. The company intends to make a gift aid payment to the charity of £518,927. The amount equates to the taxable profit for the year and eliminates the corporation tax charge.

Council Members' Report (continued)

Grant-Making Policy

The Education and Professional Standards Committee has delegated responsibility to agree the annual programme of research grants. It makes a detailed assessment of each application. Grants this year totalled £26,897 (2018: £21,900). All grants during the current and preceding year were made to individuals in order to further their biomedical research. The Committee administered the Mary Macdonald award which was awarded to individuals based on pre-determined criteria to give them the opportunity to attend Congress in 2019. Grants this year totalled £778 (2018: £nil).

The Membership and Marketing Committee administer the Jen Johnson bursary which is awarded to individuals based on pre-determined criteria to give them the opportunity to attend Congress, a biennial event. Grants this year totalled £13,302 (2018: £nil).

Remuneration Policy

The Institute's policy is to provide competitive rewards to attract and retain high performing individuals whose contribution will enhance member value while ensuring rewards remain appropriate and proportionate when compared to market practice. The Institute aims to position salaries at the median of comparator groups. Benchmarking is undertaken periodically and appropriate judgement is applied in evaluating market data. This policy has been agreed by the Remuneration Committee.

The Remuneration Committee is responsible for setting the salary of the Chief Executive. The salaries of the other key management personnel are set by the Chief Executive following consultation with the Officers.

Defined Benefit Pension Scheme

The FRS102 assessment of the defined benefit pension scheme is set out in Note 13. There was no surplus or deficit to be recognised on the balance sheet.

Reserves Policy

The Institute's reserves policy focuses on the level of "free reserves". Free reserves exclude the net book value of the Institute's tangible fixed assets (primarily the properties used and occupied at Coldbath Square), any designated reserves and any surplus or deficit reported on the pension scheme. There are no restricted funds in this year or the prior year, but these would also be excluded, should there be any, in determining "free reserves".

The reserves policy is reviewed regularly by Council on the basis of the financial impact of the current risks facing the Institute.

The Institute seeks to maintain free reserves to manage the risks to which it is exposed in the course of its business, including but not limited to safeguarding against fluctuations in its membership revenue.

Council considers that in order to meet these needs, and to operate effectively and be able to operate with minimum disruption, the Institute needs reserves of approximately £5 million.

The Institute's free reserves were £11.542 million at 31 December 2019 (2018: £10.721 million).

Council has agreed that if reserves fall by more than 10% below the target range, it will consider what action is required to increase the level of reserves held.

Future Plans

The Institute aims to generate sufficient income from its current activities to operate at a modest surplus without needing to rely on investment income and surpluses from Congress.

Future plans include providing better support, information and services for members through a variety of methods, including improved publications and greater online resources. For more information and a detailed review of future plans, see the Institute's strategy for 2018 to 2020 and the Institute's Members' Report which are both available on the website.

Council Members' Report (continued)

Council Members' Accounting and Reporting Responsibilities

The Council members (who are also directors of the Institute of Biomedical Science for the purposes of company law) are responsible for preparing the Council's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council members 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 group as at the balance sheet date, and of the charitable company and group's incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Council members are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charitable company's Memorandum and Articles of Association. 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 Council Members are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The following statements have been affirmed by each of the Council Members of the charitable company:

- so far as each Council member is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- each Council member has taken all the steps that they ought to have taken as a Council member in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

Haysmacintyre LLP were re-appointed as auditors during the year and offer themselves for re-appointment at the forthcoming Annual General Meeting.

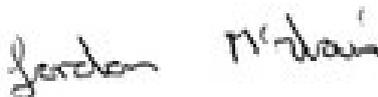
Small Company Exemptions

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and groups.

Approved by Council on 24 April 2020 and signed on their behalf by:



A Wilson
President



J G McNair
Treasurer



J Rodney
Chief Executive and Company
Secretary

Independent Auditors' Report to the Members of the Institute of Biomedical Science

Opinion

We have audited the financial statements of the Institute of Biomedical Science for the period ended 31 December 2019 which comprise of the Consolidated Statement of Financial Activities, Consolidated Balance Sheet and the Charity Balance Sheet, the Consolidated Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. 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 parent charitable company's affairs as at 31 December 2019 and of the group's and parent charitable company's net movement in funds, including the 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 Financial Reporting Council'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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 6 and 7, the trustees (who are also the directors of the charitable 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 parent charitable 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Independent Auditors' Report to the Members of the Institute of Biomedical Science (continued)

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report. 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 Council Members' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included in the Council Members' Report have 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' 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 parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable 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 Auditors' Report to the Members of the Institute of Biomedical Science (continued)

Use of Audit 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.



*Jeremy Beard (Senior statutory auditor)
for and on behalf of Haysmacintyre LLP, Statutory
Auditor*

*10 Queen Street Place
London
EC4R 1AG*

Date: 28 April 2020

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**Consolidated Statement of Financial Activities for the Year Ended 31 December 2019
(Incorporating the Income and Expenditure Account)**

	Notes	Unrestricted Funds 2019 £	Unrestricted Funds 2018 £
Income from:			
<u>Charitable activities</u>			
Subscriptions		2,358,331	2,336,576
Qualifications		302,205	280,650
Registrations		255,845	229,225
Publications		37,233	33,049
Regions and branches and discussion groups	2	45,515	220,260
Other income		26,538	6,421
<u>Congress and other trading activities</u>	7b	1,458,903	34,518
<u>Investments</u>			
Investment income		51,729	44,788
Bank interest		16,806	10,867
Total Income		<u>4,553,105</u>	<u>3,196,354</u>
Expenditure on:			
<u>Raising Funds</u>			
Congress and other trading activities		1,046,809	162,009
Investment management fees		65,106	64,208
<u>Charitable activities</u>			
Education, qualifications and registration	3	1,427,404	1,280,830
Publications	3	83,131	95,708
Regions and branches and discussion groups	2,3	158,786	315,378
Member events, representation and benefits	3	1,350,052	1,233,775
Grants and prizes		47,676	29,996
Total Expenditure		<u>4,178,964</u>	<u>3,181,904</u>
Net gains / (losses) on investments		996,929	(558,387)
Net income / (expenditure)		<u>1,371,070</u>	<u>(543,937)</u>
Other recognised gains / (losses)			
Actuarial gains / (losses) on defined benefit pension scheme	13	47,000	(2,089,000)
Gain on revaluation of fixed asset		394,223	-
NET MOVEMENT IN FUNDS FOR THE YEAR		<u>1,812,293</u>	<u>(2,632,937)</u>
Total funds brought forward		<u>11,711,018</u>	<u>14,343,955</u>
Total funds carried forward	11,12	<u>13,523,311</u>	<u>11,711,018</u>

All activities are continuing and there are no other recognised gains and losses other than those recognised above.

All activities (income and expenditure) in both years are unrestricted and therefore the comparable Statement of Financial Activities is shown above in full.

A separate Statement of Financial Activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and SORP (FRS102) 2015.

The notes on pages 15 to 30 form part of these financial statements.

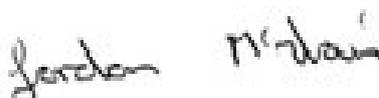
Consolidated Balance Sheet as at 31 December 2019

	Notes	2019 £	2018 £
Fixed Assets			
Tangible assets	6	1,914,927	962,082
Investments	7a	9,703,724	8,720,173
		<u>11,618,651</u>	<u>9,682,255</u>
Current Assets			
Stock		2,055	2,489
Debtors	8	337,601	389,608
Cash at bank and in hand		2,397,202	2,575,044
		<u>2,736,858</u>	<u>2,967,141</u>
Creditors: amounts falling due within one year	10	(832,198)	(886,378)
		<u>1,904,660</u>	<u>2,080,763</u>
Net Current Assets			
		<u>1,904,660</u>	<u>2,080,763</u>
Total assets less current liabilities			
		13,523,311	11,763,018
Defined Benefit Pension Scheme (Liability) / Asset	13	-	(52,000)
		<u>13,523,311</u>	<u>11,711,018</u>
Net Assets			
		<u>13,523,311</u>	<u>11,711,018</u>
Unrestricted Funds			
Accumulated fund		12,628,469	11,801,592
Designated Fund		66,589	79,891
Revaluation Reserve		828,253	(118,465)
Pension Reserve		-	(52,000)
	11,12	<u>13,523,311</u>	<u>11,711,018</u>

Approved and authorised for issue by Council on 24 April 2020 and signed on their behalf by:



A Wilson
President



J G McNair
Treasurer

The notes on pages 15 to 30 form part of these financial statements.

Charity Balance Sheet as at 31 December 2019

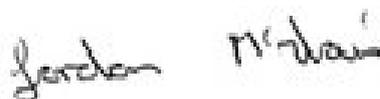
	Notes	2019 £	2018 £
Fixed Assets			
Tangible assets	6	1,914,927	544,092
Investments	7a	9,704,724	8,721,173
		<u>11,619,651</u>	<u>9,265,265</u>
Current Assets			
Stock		2,055	2,489
Debtors	8	337,312	847,298
Cash at bank and in hand		1,630,106	2,343,210
		<u>1,969,473</u>	<u>3,192,997</u>
Creditors: amounts falling due within one year	10	(905,920)	(640,383)
		<u>1,063,553</u>	<u>2,552,614</u>
Net Current Assets			
		<u>1,063,553</u>	<u>2,552,614</u>
Total assets less current liabilities		<u>12,683,204</u>	<u>11,817,879</u>
Defined Benefit Pension Scheme (Liability) / Asset	13	-	(52,000)
		<u>-</u>	<u>(52,000)</u>
Net Assets		<u>12,683,204</u>	<u>11,765,879</u>
Unrestricted Funds			
Accumulated fund		11,788,362	11,856,453
Designated Fund		66,589	79,891
Revaluation Reserve		828,253	(118,465)
Pension Reserve		-	(52,000)
	12	<u>12,683,204</u>	<u>11,765,879</u>

The net movement in funds for the year for the charitable company, excluding the subsidiary, was a surplus of £917,325 (2018: deficit £2,578,063).

Approved by Council and authorised for issue on 24 April 2020 and signed on their behalf by:



A Wilson
President



J G McNair
Treasurer

The notes on pages 15 to 30 form part of these financial statements.

Consolidated Statement of Cash Flows for the Year Ended 31 December 2019

	Notes	2019 £	2018 £
Reconciliation of net income / (expenditure) to cash flow from operating activities			
Net income / (expenditure) for the year (as per Statement of Financial Activities)		1,371,070	(543,937)
<i>Adjustments for:</i>			
Pension scheme operating charge		(5,000)	36,000
Depreciation of property, plant and equipment	6	90,944	71,319
(Gains) / losses on investments		(996,929)	558,387
Loss on disposal of fixed assets		1,461	-
Dividends and interest		(68,535)	(55,655)
Decrease / (increase) in stock		434	382
Decrease / (increase) in debtors	8	52,007	(45,697)
(Decrease) / increase in creditors	10	(54,180)	252,523
Net cash provided by operating activities		391,272	273,322
Cash flows from investing activities			
Investment income and bank interest		68,535	55,655
Purchase of property, plant and equipment external to group	6	(651,027)	(50,808)
Purchase of investments		(2,889,836)	(5,053,145)
Disposal of investments		2,910,284	5,071,267
(Increase) / decrease in cash in investment portfolio		(7,070)	1,297
Net cash (used in) / provided by investing activities		(569,114)	24,266
Change in cash and cash equivalents in the reporting period		(177,842)	297,588
Cash and cash equivalents at start of year		2,575,044	2,277,456
Cash and cash equivalents at end of year		2,397,202	2,575,044
Components of cash and cash equivalents			
Cash at bank and in hand		1,397,202	1,075,044
Short term deposits		1,000,000	1,500,000
		2,397,202	2,575,044
Analysis of change in net debt			
		2019 £	2018 £
Cash and cash equivalents at start of year		2,575,044	2,277,456
Cash flows		(177,842)	297,588
Cash and cash equivalents at end of year		2,397,202	2,575,044

The notes on pages 15 to 30 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 - Accounting Policies

Statutory Information

The Institute of Biomedical Science is a private company, limited by guarantee, domiciled in England and Wales, registration number 377268. It is also a charity registered with the Charity Commission for England and Wales, number 261926. The registered office is 12, Coldbath Square, London EC1R 5HL.

The Institute is a charitable company limited by the guarantee of its members to a maximum of £1 per member on winding up.

Statement of compliance

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments at fair value. The format of the financial statements has been presented to comply with the Companies Act 2006, FRS102 The Financial Reporting Standard applicable in the UK and Ireland and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2015).

The financial statements are presented in sterling and reflect the results which are all from continuing activities.

The Institute is a Public Benefit Entity as defined by FRS102.

Going concern

In assessing the Institute's ability to continue as a going concern, the Council members have considered the organisation's liquidity position and reviewed cash flow forecasts for the foreseeable future. In addition to its cash reserves, it has an investment portfolio to draw upon and a leasehold property, with no external debt or security.

The Institute has prepared cash flow forecasts which take into account the potential impact of the risks identified from the COVID-19 outbreak, along with any potential cost savings. The forecasts indicate that during the year the Institute will have sufficient cash reserves to meet its obligations without the need to draw on its investment portfolio.

The fall in global equity markets has negatively impacted the value of the Institute's investment portfolio but it is too early to predict whether this short term effect will persist throughout the current financial year to 31 December 2020. The Council members continue to adopt the going concern basis in preparing the accounts.

Significant judgements and sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. The Council consider the following items to be areas subject to estimation and judgement:

Depreciation: - the useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that the actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. Although tangible fixed assets are significant, variances between actual and estimated useful economic lives will not have a material impact on the operating results.

Pensions: - The principal assumptions used to calculate the liabilities in the defined benefit pension scheme are those as set out in note 13.

In the view of the Council members, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**1 - Accounting Policies (continued)****Basis of consolidation**

These financial statements consolidate the results of the Institute and its wholly owned subsidiary, Institute of Biomedical Science (Professional Services) Limited, on a line by line basis. A separate Statement of Financial Activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and SORP (FRS102) 2015. The Institute's income for the year amounted to £3,156,413 (2018: £3,237,805). The Institute's net income for the year before other gains/losses amounted to £870,322 (2018: net expenditure £489,063).

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

Fund accounting

The Institute only has unrestricted funds made up of membership subscriptions, income from educational activities and other income received or generated for its charitable purposes.

Income

All income is recognised once the Institute is entitled to the income, it is probable that the income will be received and can be quantified with reasonable accuracy.

Subscriptions comprise approved membership applications for the various categories of membership, as adjusted for amounts prepaid where the subscription year differs from the Institute's accounting year.

Qualifications comprise the charge made for courses and qualifications provided by the Institute. Any income relating to courses or exam sittings occurring after the balance sheet date is included in the balance sheet as deferred income.

Registrations comprise the fees for accrediting an individual member's portfolio of experience and the fees for the accrediting of biomedical science courses run by educational institutions. The income is recognised at the point of registration.

Regions and branches comprise the income generated locally (mainly from local training events) by the regions and branches to run discussion groups and meetings.

Trading activities comprise the income generated by IBMS (Professional Services) Ltd. It consists of income from running events (mainly Congress, a biennial event), providing secretarial support to other organisations and hire of meeting room facilities. Income received for events which are taking place after the balance sheet date is included in the balance sheet as deferred income.

Interest and investment income is recognised on a receivable basis.

Expenditure

Expenditure is included on an accruals basis where there is a legal or constructive obligation to make a payment to a third party and the amount can be measured reliably. Expenditure is either directly attributed to a cost category, or apportioned on a basis consistent with the use of the resources.

Expenditure on charitable activities includes the cost of delivering education and other services to members for the benefit of the profession along with the associated support costs.

Expenditure on trading activities comprises the costs incurred by IBMS (Professional Services Ltd) and allocated support costs.

Support costs comprise the costs which cannot be directly attributed to a particular activity in the Statement of Financial Activity and include governance costs. Support costs are apportioned between the various activities according to the estimated usage of staff resource.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**1 - Accounting Policies (continued)****Grants**

Grants payable are charged in the year when the offer is conveyed to the recipient except where the offer is conditional and such grants are recognised as expenditure when the conditions have been met.

Investments

Investments are shown at their fair value at the balance sheet date. Any increase or decrease in value is reflected in the Statement of Financial Activities.

Tangible fixed assets and depreciation

Assets with a useful economic life of more than one year and a value of over £500 are capitalised.

Tangible fixed assets have been depreciated so as to write assets off over their estimated useful lives at the following rates:

Freehold property:	2% per annum on a straight line basis
Furniture, fixtures and fittings:	10% per annum on a straight line basis
Computers:	20% to 33.33% per annum on a straight line basis
Assets under construction:	Nil depreciation until assets are ready for use

During the year the depreciation policy for fixtures and fittings was changed to 10% on cost, effective from 1 January 2019. The new policy was considered to be more appropriate than the reducing balance method used previously.

Pension schemes

The Institute operates two types of pension scheme, a defined contribution (DC) pension scheme and a defined benefit (DB) pension scheme. See note 13.

The cost of the DC schemes is charged to the Statement of Financial Activities is equal to the Institute's contribution payable to the schemes during the year.

The Institute also contributes to the IBMS Pension Fund. The scheme is a defined benefit scheme in accordance with section 28 of FRS102. Service costs, curtailments, settlement gains and losses, net financial returns and re-measurement gains and losses are included in the Statement of Financial Activities in the year to which they relate.

Changes in the assets and liabilities of the scheme in the year are disclosed and allocated as follows:

- Changes relating to current or past service costs and gains and losses on settlements and curtailments and pension finance costs arising from changes in the net of the interest costs and expected return on assets, are allocated to the relevant activity heading based on staff costs of employees within the scheme.
- Pension finance charges arising from similar changes are recognised as expenditure.
- Re-measurement gains and losses are recognised as other recognised gains and losses.

The assets, liabilities and movements in the surplus or deficit of the scheme are calculated by qualified independent actuaries as an update to the latest full actuarial valuation.

Details of the scheme assets and liabilities and major assumptions are shown in note 13.

The cost of the DB scheme charged to the Statement of Financial Activities aims to spread the cost of pensions over scheme members' working lives with the Institute.

In the year ended 31 December 2019, there was no deficit or surplus in the DB scheme as calculated by the Scheme actuary.

Short term benefits

Short term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

1 - Accounting Policies (continued)

Employee termination benefits

Termination benefits are accounted for on an accruals basis and in accordance with FRS 102.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future entitlement and accrued at the balance sheet date.

Taxation

Tax is provided at 19% on surpluses retained in the trading subsidiary.

Gift Aid

The Institute of Biomedical Science (Professional Services) Ltd donates the taxable profit arising from its trading activity to the parent entity. The donation is recognised when paid or there is a legal obligation to make the payment.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, trade and fee debtors, staff loans, other debtors, prepayments and accrued income and amounts owed by group undertakings. A specific provision is made for debts for which recoverability is in doubt. Cash and cash equivalents are defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise deposits, fees in advance, trade creditors, other creditors and amounts owed to group undertakings.

Stock

The value of medals held in stock to recognise members' long service is stated at the lower of cost and their net realisable value.

Debtors

Trade and other debtors are recognised at the settlement amount due for the provision of services delivered. Prepayments are recognised at the amount prepaid or the amount paid in advance.

Creditors

Creditors are recognised where the institute has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Amounts are recognised at their settlement amount.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less.

Irrecoverable VAT

Irrecoverable VAT is charged to the Income and Expenditure account for the period to which it relates.

2 – Regions and Branches

Regions and branches run activities that raise money locally and incur costs. The balances remaining in bank accounts at the year end of £339,783 (2018: £314,779) are included in the balance sheet. The costs include an apportionment of support costs (note 3) based on an assessment of staff resources used.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

3 - Total Expenditure

	Direct costs	Support costs	Total 2019
	£	£	£
Trading activities	968,199	78,610	1,046,809
Investment management fees	65,106	-	65,106
Education, qualifications and registration	744,523	682,881	1,427,404
Publications	69,459	13,672	83,131
Regions, branches & discussion groups	110,937	47,849	158,786
Membership events, representation and benefits	745,098	604,954	1,350,052
Grants & prizes	47,676	-	47,676
Total Expenditure	2,750,998	1,427,966	4,178,964

Grants made during the current year totalled £40,977 to 33 individuals. In the preceding year they totalled £21,900 to 5 individuals.

	Direct costs	Support costs	Total 2018
	£	£	£
Trading activities	98,796	63,213	162,009
Investment management fees	64,208	-	64,208
Education, qualifications and registration	706,418	574,412	1,280,830
Publications	76,469	19,239	95,708
Regions, branches & discussion groups	276,900	38,478	315,378
Membership events, representation and benefits	790,736	443,039	1,233,775
Grants & prizes	29,996	-	29,996
Total Resources Expended	2,043,523	1,138,381	3,181,904

Support Costs

	2019	2018
	£	£
People costs	688,399	567,650
Office running costs	360,337	193,931
IT & website	105,603	93,683
Irrecoverable VAT	76,365	47,808
Depreciation	78,731	58,250
Other costs	53,270	94,919
Governance		
Council and committees	54,161	70,200
Audit	11,100	11,940
	1,427,966	1,138,381

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

4 - Staff Costs

	2019	2018
	£	£
Salaries and wages	1,185,459	1,185,523
Social security	126,394	126,585
Employer pension contributions – DB scheme	94,922	120,864
Employer pension contributions – DC scheme	100,121	78,842
Redundancy costs	-	-
Temporary staff	83,978	8,025
Life assurance	6,847	5,044
Staff expenses	13,142	19,144
Defined benefit pension scheme running costs	140,131	34,567
Recruitment and training	15,543	13,518
	<u>1,766,537</u>	<u>1,592,112</u>

The average number of employees in the period was: 27 29

The number of staff whose annual emoluments in the period fell within the following bands were:

£60,000 to	£70,000	1	1
£70,000 to	£80,000	3	3
£80,000 to	£90,000	1	1
£130,000 to	£140,000	1	-
£140,000 to	£150,000	-	1

The Council consider the key management personnel for the Institute to be themselves, the Chief Executive, Deputy Chief Executive and the four executive team heads. The remuneration and benefits (included above) received by the key management personnel in employment during the year was £620,800 (2018: £685,569).

None of the Council members received any emoluments or benefits from the Institute during the period for undertaking the role. Total costs of travel, accommodation and out of pocket expenses incurred during the period on the Institute's business by 24 Council members (2018: 21 Council members) amounted to £36,383 (2018: £37,728).

5 – Net Income for the Year

This is stated after charging:

	2019	2018
	£	£
Auditors remuneration:		
Audit fee for the group (excluding VAT)	13,900	13,600
Other services (excluding VAT)	10,625	9,600
Depreciation	90,944	71,319
Operating leases	<u>2,680</u>	<u>2,680</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

6 - Tangible Fixed Assets

GROUP	Freehold Property	Furniture, Fixtures & Fittings	Computers	Total
	£	£	£	£
Cost				
At 1 January 2019	1,633,870	409,806	312,684	2,356,360
Additions	-	613,597	37,430	651,027
Revaluation	394,223	-	-	394,223
Intergroup transfer	(537,588)	(307,259)	-	(844,847)
Disposals	-	(86,985)	(54,271)	(141,256)
At 31 December 2019	<u>1,490,505</u>	<u>629,159</u>	<u>295,843</u>	<u>2,415,507</u>
Depreciation				
At 1 January 2019	781,606	383,950	228,722	1,394,728
Charge for the year	28,051	22,643	40,250	90,944
Intergroup transfer	(537,588)	(307,259)	-	(844,847)
Disposals	-	(85,589)	(54,206)	(139,795)
At 31 December 2019	<u>272,069</u>	<u>13,745</u>	<u>214,766</u>	<u>500,580</u>
Net Book Value				
At 31 December 2019	<u>1,218,436</u>	<u>615,414</u>	<u>81,077</u>	<u>1,914,927</u>
At 31 December 2018	<u>852,264</u>	<u>25,856</u>	<u>83,962</u>	<u>962,082</u>
CHARITY				
	Freehold Property	Furniture, Fixtures & Fittings	Computers	Total
	£	£	£	£
Cost				
At 1 January 2019	690,505	102,547	312,684	1,105,736
Additions	-	613,597	37,430	651,027
Intergroup transfer	800,000	-	-	800,000
Disposals	-	(86,985)	(54,271)	(141,256)
At 31 December 2019	<u>1,490,505</u>	<u>629,159</u>	<u>295,843</u>	<u>2,415,507</u>
Depreciation				
At 1 January 2019	248,926	83,996	228,722	561,644
Charge for the year	23,143	15,338	40,250	78,731
Intergroup transfer	-	-	-	-
Disposals	-	(85,589)	(54,206)	(139,795)
At 31 December 2019	<u>272,069</u>	<u>13,745</u>	<u>214,766</u>	<u>500,580</u>
Net Book Value				
At 31 December 2019	<u>1,218,436</u>	<u>615,414</u>	<u>81,077</u>	<u>1,914,927</u>
At 31 December 2018	<u>441,579</u>	<u>18,551</u>	<u>83,962</u>	<u>544,092</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

7a – Investments

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Listed investments - valuation				
As at 1 January	8,660,247	9,236,756	8,660,247	9,236,756
Additions	2,889,836	5,053,145	2,889,836	5,053,145
Disposals	(2,910,284)	(5,071,267)	(2,910,284)	(5,071,267)
Realised gains / (losses)	50,211	(121,087)	50,211	(121,087)
Unrealised gains / (losses)	946,718	(437,300)	946,718	(437,300)
At 31 December	<u>9,636,728</u>	<u>8,660,247</u>	<u>9,636,728</u>	<u>8,660,247</u>
Investment in subsidiary	-	-	1,000	1,000
Cash held as investments at period end	66,996	59,926	66,996	59,926
Total investments	<u><u>9,703,724</u></u>	<u><u>8,720,173</u></u>	<u><u>9,704,724</u></u>	<u><u>8,721,173</u></u>

The market values of the group's listed investments on the UK Stock exchange were:

	2019	2018
	£	£
Managed funds – UK equities	2,132,719	1,996,811
Managed funds – overseas equities	3,618,939	3,081,623
Managed funds – alternative strategies	2,220,722	2,154,546
Managed funds – fixed interest securities	1,448,555	1,250,813
Managed funds – commodities	167,977	-
Managed funds – Inflation linked	-	132,961
Managed funds – commercial property	47,816	43,493
	<u><u>9,636,728</u></u>	<u><u>8,660,247</u></u>

The historical cost of the listed investments was £8,999,402 (2018: £9,055,299).

Other investments in the charitable company accounts were:

	2019	2018
	£	£
Unlisted investments comprising of:		
Cash held in the investment portfolio	66,996	59,926
Institute of Biomedical Science (Professional Services) Ltd 1,000 Ordinary shares of £1 each	1,000	1,000
	<u><u>67,996</u></u>	<u><u>60,926</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

7b - Subsidiary

The investment in the Institute of Biomedical Science (Professional Services) Limited represents 100% of that Company's ordinary share capital and is therefore a subsidiary undertaking. The subsidiary is registered in England and Wales and the registered office is 12, Coldbath square, London EC1R 5HL.

The Institute of Biomedical Science (Professional Services) Limited has made a qualifying charitable donation of £nil (2018: £nil) to its parent company, the Institute of Biomedical Science.

The assets, liabilities and funds of the subsidiary were:

	2019	2018
	£	£
Assets	846,736	813,638
Liabilities	(5,629)	(867,500)
	<u>841,107</u>	<u>(53,862)</u>
Representing:		
Share Capital	1,000	1,000
Profit and Loss account	840,107	(54,862)
	<u>841,107</u>	<u>(53,862)</u>

Details of the subsidiary's profit and loss accounts are as follows:

	2019	2018
	£	£
Turnover	1,458,903	34,518
Cost of sales	(928,930)	(62,007)
Gross profit / (loss)	529,973	(27,489)
Other income	394,223	-
Interest receivable	2,135	138
Administrative expenses	(24,433)	(21,217)
	901,898	(48,568)
Interest payable to parent undertaking	(6,929)	(16,181)
Corporation Tax	-	9,874
Gift aid donation to parent undertaking	-	-
Profit/(Loss) for the year	<u>894,969</u>	<u>(54,875)</u>

This subsidiary has been formed to deal with activities that are regarded as trading. Such activities include receiving income from trade exhibitions.

8 – Debtors

	2019		2018	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	73,968	73,679	100,211	68,351
Prepayments	99,299	99,299	218,788	103,078
Accrued income	25,320	25,320	21,883	21,883
Taxation and social security	128,396	128,396	20,833	4,589
Amounts owed by group undertaking – Note 9	-	-	-	621,504
Other debtors	10,618	10,618	27,893	27,893
Total	<u>337,601</u>	<u>337,312</u>	<u>389,608</u>	<u>847,298</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

9 - Amounts Due To / From Subsidiary Undertaking

The Institute of Biomedical Science (the Institute) lent the Institute of Biomedical Science (Professional Services) Limited £725,000 in 1993 to purchase 12 Coldbath Square and to undertake refurbishment work. The loan was subject to a loan agreement allowing repayment over a 25 year period at variable rates of interest linked to the commercial lending rate of the company's bankers and a fixed and floating charge over the subsidiary company's assets exists to secure this loan. The outstanding balance of £621,379 was repaid in May 2019 following the sale of No 12 Coldbath Square to the Institute.

Interest charged on the loan during the year was £6,929 (2018: £16,181).

At 31 December 2019 there was £79,351 owed by the Institute to the subsidiary (2018: £621,504 owed to the Institute by the subsidiary).

10 - Creditors

	2019		2018	
	Group £	Charity £	Group £	Charity £
Deferred income	323,287	323,287	507,862	269,887
Trade creditors	90,147	89,926	52,502	49,077
Taxation and social security costs	35,944	35,944	37,004	37,004
Amounts owed to group undertaking	-	79,351	-	-
Accruals	363,302	358,551	270,659	267,059
Other creditors	19,518	18,861	18,351	17,356
	<u>832,198</u>	<u>905,920</u>	<u>886,378</u>	<u>640,383</u>

Deferred Income

	2019		2018	
	Group £	Charity £	Group £	Charity £
Balance brought forward	507,862	269,887	241,419	241,419
Amounts released to SOFA in current year	(507,862)	(269,887)	(241,419)	(241,419)
Amounts deferred in the current year	323,287	323,287	507,862	269,887
Balance carried forward	<u>323,287</u>	<u>323,287</u>	<u>507,862</u>	<u>269,887</u>

Deferred income includes amounts received for membership subscriptions, qualifications and Congress which relate to a future accounting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

11 - Reconciliation of Movements in Unrestricted Reserves

Group	At 01/01/19	Income	Expenditure	Net gains / (losses)	Transfers	At 31/12/19
	£	£	£	£	£	£
<u>Designated Funds:</u>						
Jen Johnson Bursary	79,891	-	(13,302)	-	-	66,589
Total designated funds	79,891	-	(13,302)	-	-	66,589
Accumulated funds	11,801,592	4,553,105	(4,170,662)	444,434	-	12,628,469
Pension reserve	(52,000)	-	5,000	47,000	-	-
Investment revaluation reserve	(118,465)	-	-	946,718	-	828,253
	11,711,018	4,553,105	(4,178,964)	1,438,152	-	13,523,311

Group	At 01/01/18	Income	Expenditure	Net gains / (losses)	Transfers	At 31/12/18
	£	£	£	£	£	£
<u>Designated Funds:</u>						
Jen Johnson Bursary	79,891	-	-	-	-	79,891
Total designated funds	79,891	-	-	-	-	79,891
Accumulated funds	11,872,229	3,196,354	(3,145,904)	(121,087)	-	11,801,592
Pension reserve	2,073,000	-	(36,000)	(2,089,000)	-	(52,000)
Investment revaluation reserve	318,835	-	-	(437,300)	-	(118,465)
	14,343,955	3,196,354	(3,181,904)	(2,647,387)	-	11,711,018

Charity	At 01/01/19	Income	Expenditure	Net gains / (losses)	Transfers	At 31/12/19
	£	£	£	£	£	£
<u>Designated Funds:</u>						
Jen Johnson Bursary	79,891	-	(13,302)	-	-	66,589
Total designated funds	79,891	-	(13,302)	-	-	66,589
Accumulated Funds	11,856,453	3,156,413	(3,274,715)	50,211	-	11,788,362
Pension reserve	(52,000)	-	5,000	47,000	-	-
Investment revaluation reserve	(118,465)	-	-	946,718	-	828,253
	11,765,879	3,156,413	(3,283,017)	1,043,929	-	12,683,204

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

11 – Reconciliation of Movements in Unrestricted Reserves (continued)

Charity	At 01/01/18	Income	Expenditure	Net gains / (losses)	Transfers	At 31/12/18
	£	£	£	£	£	£
<u>Designated Funds:</u>						
Jen Johnson Bursary	79,891	-	-	-	-	79,891
Total designated funds	79,891	-	-	-	-	79,891
Accumulated Funds	11,872,216	3,237,805	(3,132,481)	(121,087)	-	11,856,453
Pension reserve	2,073,000	-	(36,000)	(2,089,000)	-	(52,000)
Investment revaluation reserve	318,835	-	-	(437,300)	-	(118,465)
	14,343,942	3,237,805	(3,168,481)	(2,647,387)	-	11,765,879

The investment revaluation reserve represents the aggregate unrealised gains / (losses) on the investment portfolio since inception in 2017.

The Jen Johnson bursary was created in 2017 to give successful applicants the opportunity to attend Congress by providing help with the costs. A sum of £90,000 was transferred from accumulated funds to establish the bursary. Council expect the bursary to be utilised by the end of 2025 as Congress is a biennial event.

The credit to expenditure of £5,000 shown in the pension reserve reflects the FRS102 valuation. The credit is the net balance of £2,000 finance costs plus £228,000 administrative expenses less the total employer cost of £235,000.

The Statement of Financial Activities of the Institute of Biomedical Science does not, in the opinion of the Council, reflect the group's total activities without the consolidation of its subsidiary undertaking's results. The Institute has, therefore, produced the group Statement of Financial Activities Account but, as permitted by the Companies Act 2006 and the Charities SORP, has not included the charitable company's own Statement of Financial Activities Account.

12 – Analysis of Net Assets Between Funds

	2019 Unrestricted £	2018 Unrestricted £
Tangible fixed assets	1,914,927	962,082
Investments	9,703,724	8,720,173
Current assets	2,736,858	2,967,141
Current liabilities	(832,198)	(886,378)
Pension Scheme Asset	-	(52,000)
	<u>13,523,311</u>	<u>11,711,018</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

13 - Pension Schemes

The Institute operates a defined contribution scheme with Royal London to meet the requirements of the Auto Enrolment legislation. The Institute pays a contribution of 6% of salary during the employee's probation period. On successful completion of the probation period the Institute pays twice the percentage that the employee contributes up to a maximum Institute contribution of 10% of salary.

The Institute operates a defined contribution scheme with AEGON. The Institute pays twice the percentage that the employee contributes up to a maximum Institute contribution of 10% of salary. The scheme is now closed to new entrants.

Total employer contributions into the defined contribution schemes in the year were £100,120 (2018: £78,842).

There were employer and employee contributions totalling £nil (2018: £nil) outstanding at the year end.

The Institute operates a funded defined benefit pension scheme in the UK. A full actuarial valuation was carried out at 31 March 2016 and showed a surplus of £1,253,000 compared to deficit of £109,000 in March 2013. On 31 December 2019 the Scheme Trustees and the employer triggered the wind up of the Scheme and no future funding valuation will be required.

The valuation has been updated by a qualified independent actuary for FRS102 purposes. The actuary has advised that under FRS102 the Scheme had no surplus or deficit (2018: deficit £52,000) at the year end. The Scheme Trustees have secured the benefits in the Scheme via an insurance policy with Aviva. The policy is in the name of the Scheme Trustees.

The principal actuarial assumptions for FRS102 at the balance sheet date were as follows:

	2019	2018
	% pa	% pa
Discount rate	2.00	2.75
Expected long-term rate of return on Scheme assets	2.00	2.75
Inflation assumption (RPI)	3.35	3.55
Inflation assumption (CPI)	2.35	2.55
Pension increases (capped at 2.5% pa RPI linked)	2.50	2.50
Pension increases (capped at 5.0% pa RPI linked)	3.35	3.55

The underlying mortality assumption is based upon the standard table known as S3PA Light on a year of birth usage with CMI_2018 future improvement factors and a long term rate of future improvements of 1.25% per annum with no allowance for additional improvements and a standard CMI_2018 smoothing factor of 7.0 (2018: S2PA Light on a year of birth usage with CMI_2017 future improvement factors and a long term rate of future improvement of 1.25% per annum with no allowance for additional improvements and a standard CMI_2017 smoothing factor of 7.5). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 23.0 years (previously 23.1 years)
- Female age 65 now has a life expectancy of 24.5 years (previously 24.1 years)
- Male age 45 now, retiring at age 65, has a life expectancy from 65 of 24.3 years (previously 24.4 years)
- Female age 45 now, retiring at age 65, has a life expectancy from 65 of 25.9 years (previously 25.6 years)

No allowance has been made at retirement for non-retired members to commute part of their pension for a lump sum in these calculations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**13 - Pension Schemes (continued)**

The disclosures required by FRS102 are given below:

Employee benefit obligation recognised in the balance sheet	2019	2018
	£	£
Present value of Scheme liabilities	(6,480,000)	(5,779,000)
Market value of Scheme assets	6,480,000	5,727,000
(Deficit) / surplus in the Scheme	-	(52,000)

Amounts recognised in the Statement of Financial Activity	2019	2018
	£	£
Current service cost plus life assurance premium	-	58,000
Administrative expenses	228,000	221,000
Interest on net defined benefit liability / (asset)	2,000	(51,000)
(Gain) / loss on plan changes	-	(71,000)
Total	230,000	157,000

Actual return on Scheme assets	926,000	(2,319,000)
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Changes in the present value of the Scheme liabilities	2019	2018
	£	£
Present value of Scheme liabilities at beginning of period	5,779,000	6,206,000
Current service cost	-	58,000
Employee contributions	-	12,000
Benefits paid	(180,000)	(154,000)
Interest on Scheme liabilities	157,000	149,000
Actuarial losses / (gains)	724,000	(421,000)
(Gain) / loss on plan changes	-	(71,000)
Total	6,480,000	5,779,000

Changes in the fair value of the Scheme assets	2019	2018
	£	£
Market value of Scheme assets at beginning of period	5,727,000	8,279,000
Contributions paid by Company	235,000	121,000
Employee contributions	-	12,000
Benefits paid	(180,000)	(154,000)
Administrative expenses	(228,000)	(221,000)
Interest on Scheme assets	155,000	200,000
Return on assets, less interest included in SOFA	771,000	(2,510,000)
Market value of Scheme assets at the end of the year	6,480,000	5,727,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**13 - Pension Schemes (continued)**

Major categories of Scheme assets as a % of total Scheme assets	2019	2018
Insurance Policy	100%	101%
Bonds & cash	-	(1)%
	<u>100%</u>	<u>100%</u>

There are no investments in property occupied by, assets used by or financial instruments issued by the Institute of Biomedical Science.

The expected long-term rate of return on the Scheme assets is expected to be in line with the discount rate which is 2.00% per annum (2018: 2.75%).

Analysis of actuarial gain / (loss) recognised in the SOFA	2019	2018
	£	£
Actual return less expected return on Scheme assets	771,000	(2,510,000)
Experience gains and losses arising on Scheme liabilities	(58,000)	57,000
Changes in assumptions underlying the present value of Scheme liabilities	(666,000)	364,000
Actuarial (loss) / gain recognised in SOFA	<u>47,000</u>	<u>(2,089,000)</u>

Movement in the net asset / (liability) during the year	2019	2018
	£	£
Net (liability) / asset at beginning of the year	(52,000)	2,073,000
Recognised in SOFA	(230,000)	(157,000)
Employer contributions	235,000	121,000
Actuarial gain / (loss)	47,000	(2,089,000)
(Deficit) / surplus in Scheme at end of the year	<u>-</u>	<u>(52,000)</u>

There were employer and employee contributions totalling £nil (2018: £nil) outstanding at the year end.

The expected employer contribution for 2020 is £nil as the Scheme is now in the process of being wound up. The employer has agreed to meet the administration costs associated with winding up the Scheme and these have been included in the Institute's 2019 accounts.

14 – Auditors' Remuneration

The auditors' remuneration (excl. VAT) for the period for the Institute was £12,100 (2018: £12,000).

In addition, the auditors provided VAT services and an internal controls review to the Institute and audit and corporation tax services to Institute of Biomedical Science (Professional Services) Ltd which were subject to a separate agreement.

15 – Capital Commitments

There were no capital commitments (2018: £nil) at the year end.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**16 – Post Balance Sheet Events**

In light of the emergence and spread of the virus causing COVID-19, the Institute is assessing the negative impact on its operations. Following the government's announcement on 16 March 2020, the Chief Executive and the Officers took the decision to close the office and work remotely which occurred on 17 March 2020. At this stage, they cannot estimate when the office will reopen.

The Institute has prepared cash flow forecasts which take into account the potential impact of the risks identified above, along with any potential cost savings. The forecasts indicate that during the year the Institute will have sufficient cash reserves to meet its obligations without the need to draw on its investment portfolio.

The fall in global equity markets has negatively impacted the value of the Institute's investment portfolio but it is too early to predict whether this short term effect will persist throughout the current financial year to 31 December 2020. The Council members continue to adopt the going concern basis in preparing the accounts.

There were no other post balance sheet events.

17 – Related Party Transactions

The Institute owns 100% of the share capital in Institute of Biomedical Science (Professional Services) Ltd and its results are consolidated into these financial statements.

Four Council members were also trustees of the Albert Norman Memorial Trust. During the year the Institute received £5,000 (2018: £5,000) from the Trust to support Biomedical Science Day in 2019. The Albert Norman Memorial Trust was wound up during the year and the remaining funds of £20,037 were donated to the Institute to be used in line with the Institute's charitable objectives.

During the year four Council members undertook a number of IBMS portfolio verification visits. A total of £3,583 (2018: £4,478 for four Council members) of expenses was reimbursed in line with the Institute's expenses policy.

During the year one Council member (2018: nil) received payments totalling £1,040 for undertaking a number of degree assessments. The payments were on the same basis as those made to others providing the same service.

During the year five members of Council received payments totalling of £2,940 (2018: £2,730 for seven Council members) for providing professional examination and accreditation services. In addition, payments totalling £655 (2018: £600) were paid to the spouse of a member of the senior management team for providing professional examination and accreditation services. The payments were on the same basis as that made to others providing the same services.

A member of the senior management team is also a trustee of the Science Council. During the year the Institute incurred costs of £120,815 (2018: £134,966) from the Science Council. The costs related to membership and registration services.

A member of the senior management team is also a director of the International Federation of Biomedical Laboratory Science (IFBLS). The cost of travel, accommodation and out of pocket expenses related to this role is met by IFBLS. The cost of the IFBLS subscription paid by the Institute for the year was £6,320 (2018: £6,843).

A member of the senior management team is also a trustee director of the IBMS Pension Scheme, a defined benefit scheme. During the year the Institute made employer contributions of £94,922 (2018: £120,864) into the Scheme and met running costs relating to the Scheme of £140,131 (2018: £34,567).