

**INSTITUTE OF BIOMEDICAL SCIENCE**

**Company Number 377268**

**Charity Number 261926**

**FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 30 SEPTEMBER 2015**

## Council Members' Report

The Council members submit their report on the charitable company and its group together with the audited financial statements for the year ended 30 September 2015.

### 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:

Valerie Bevan (resigned 9/02/2015)	Colin Mudd (appointed 6/6/2015)
Derek Bishop (resigned 31/12/14)	Jane Needham
Clinton Blackburn (resigned 6/6/2015)	Joyce Overfield
Nigel Coles (appointed 6/6/2015)	Debra Padgett
Sean Conlan (appointed 6/6/2015)	Sandra Phinbow
David Eccleston	Robert Simpson
Alison Geddis	Daniel Smith
Jennifer Hancock	Matthew Smith
Helena Kilgariff (resigned 6/3/2015)	Ian Sturdgess
Nicholas Kirk	Andrew Usher
Betty Kyle	David Wells (appointed 6/6/2015)
James G McNair	Allan Wilson
Christine Murphy	

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  
26 Red Lion Square  
London  
WC1R 4AG

##### **Bankers:**

National Westminster Bank plc  
Cavendish Square Branch  
PO Box 4NU  
1 Cavendish Square  
London  
W1A 4NU

##### **Investment Advisors:**

JP Morgan Asset Management (UK) Ltd  
125 London Wall  
London  
EC2Y 5AJ

##### **Solicitors:**

Fladgate LLP  
25 North Row  
London  
W1R 1DJ

## **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<sup>th</sup> June 2013.

### ***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 meet at least quarterly to set overall strategy and policy.

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

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

### ***RELATED PARTIES***

The Institute has a wholly owned subsidiary, Institute of Biomedical Science (Professional Services) Limited. The subsidiary undertakes trading activities on behalf of the Charity. Details are shown in note 3b to the accounts.

### ***RISK MANAGEMENT***

Council has considered the major risks to which the Institute is exposed and has implemented systems and procedures to mitigate such risks.

## **Objectives, Activities, Achievements and Performance**

The Institute is a registered charity and its objects are to promote the study and development of biomedical science.

It achieves this through a number of activities which includes professional publications, running courses and seminars, providing a platform to achieve higher level qualifications, significant access to web content, hosting regional and branch events and running seminars and exhibitions.

This year the charity has seen success in all these areas, including a successful Congress, held at Birmingham in September 2015, and an increase in membership numbers and candidates passing examinations.

### ***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 activities outlined in the previous paragraph ultimately enhances the skills and knowledge of members and those collaborating with members and hence improves the delivery of public health care.

## **Financial Review**

The combined results of the Institute and its subsidiary are shown on pages 7 to 8 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 7 shows net income of £958,584, unrealised losses on investments of £18,272 and an actuarial gain in the defined benefit pension scheme of £135,000. Accordingly, the overall result is a surplus of £1,075,312 transferred to total funds. This year's results were significantly improved thanks to a successful Congress event in September 2015 as shown in the Statement of Financial Activities.

### ***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 maintain income while preserving the real value of investments.

The Council establishes the investment strategy and takes advice from its investment advisors who manage the portfolio on a day to day basis.

### ***Grant-Making Policy***

The Education and Professional Standards Committee makes grant recommendations to Council after detailed assessment of each application. Grants this year totalled £22,088 (2014: £18,308).

All grants during the current and preceding year were made to individuals in order to further their biomedical research.

### ***DEFINED BENEFIT PENSION SCHEME***

The FRS17 assessment of the defined benefit scheme shows a surplus as at 30 September 2015. This has been recognised as an asset on the balance sheet, as the charitable company reserves the right to offset future contributions should the pension scheme prove to be overfunded.

### ***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 fixed assets (primarily the property used and occupied at Coldbath Square), and any surplus or deficit reported on the pension scheme. There are no restricted or designated 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 annually by Council.

The target range for free reserves is calculated annually as part of the budget process 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 £5million.

The Institute's free reserves were £9 million at 30 September 2015 (2014: £8 million).

Council has agreed that if reserves fall by more than 10% below the target range, the Executive & Finance Committee 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 Members' Report.

## **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 Councils 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 he/she ought to have taken as a Council Member in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

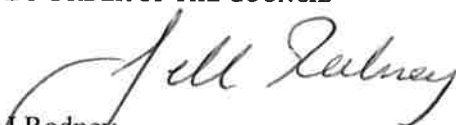
### **AUDITORS**

haysmacintyre were 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.

### **BY ORDER OF THE COUNCIL**



J Rodney  
Chief Executive and Company Secretary

4<sup>th</sup> March 2016

12 Coldbath Square  
London

EC1R 5HL

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

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We have audited the financial statements of Institute of Biomedical Science for the year ended 30 September 2015 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

### **Respective responsibilities of Council Members and Auditor**

As explained more fully in the Councils Responsibilities Statement set out on page 4, the Council Members (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.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2015 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Council Members' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

- the charitable company and group have not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the (consolidated) 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 exemption in preparing the Trustees' Annual Report incorporating the Strategic Report.

A handwritten signature in black ink that reads "Jeremy Beard". The signature is written in a cursive style and is positioned above a horizontal dotted line.

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

*26 Red Lion Square  
London  
WC1R 4AG*

*4 March 2016*

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

**GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2015**

**SUMMARY INCOME AND EXPENDITURE ACCOUNT**


		Unrestricted Funds	
	Notes	2015	2014
		£	£
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generated funds:</b>			
<b>Voluntary Income</b>			
Donations		-	12,500
<b>Incoming Resources from Charitable Activities</b>			
Subscriptions		2,194,599	2,105,681
Qualifications		238,390	232,109
Registration		187,170	162,495
Publications		20,394	19,509
Regions and branches activities	6	129,469	175,006
Member events		-	53,666
<b>Activities for Generating Funds</b>			
Conferences		1,321,469	2,829
Investment income		163,590	175,115
Other income		44,473	93,153
<b>Total Incoming Resources</b>		<b>4,299,554</b>	<b>3,032,063</b>
<b>RESOURCES EXPENDED</b>			
<b>Costs of Generating Funds</b>			
Conferences	10	1,000,519	125,898
Costs of other services provided		-	1,576
<b>Charitable Activities</b>			
Education, qualifications and registration	10	906,958	823,678
Publications	10	119,662	154,575
Regions and branches activities	6	381,971	436,993
Member events, representation and benefits	10	781,012	757,340
Grants and prizes		28,960	25,925
Governance costs	14	121,888	115,948
<b>Total resources expended</b>		<b>3,340,970</b>	<b>2,441,933</b>
<b>NET INCOMING RESOURCES</b>		<b>958,584</b>	<b>590,130</b>
<b>Other Recognised Gains/Losses</b>			
Investment gains		(18,272)	93,261
Actuarial gain on defined benefit pension scheme	11	135,000	704,000
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>1,075,312</b>	<b>1,387,391</b>
Total funds brought forward		<u>10,351,928</u>	<u>8,964,537</u>
Total funds carried forward		<u>11,427,240</u>	<u>10,351,928</u>




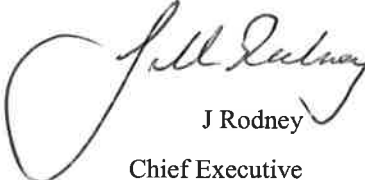
**GROUP BALANCE SHEET AS AT 30 SEPTEMBER 2015**

	Notes	2015 £	2014 £
<b>Fixed Assets</b>			
Tangible assets	2	1,102,545	1,143,922
Investments	3a	<u>3,905,283</u>	<u>3,923,555</u>
		5,007,828	5,067,477
<b>Current Assets</b>			
Stock		2,701	2,801
Debtors	4	678,759	699,907
Regional bank balances	6	273,570	290,680
Cash at bank and in hand		<u>5,822,229</u>	<u>4,419,429</u>
		6,777,259	5,412,817
<b>Creditors: amounts falling due within one year</b>	7	<u>1,591,847</u>	<u>1,181,366</u>
<b>Net Current Assets</b>		<u>5,185,412</u>	<u>4,231,451</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		10,193,240	9,298,928
<b>Defined Benefit Pension Scheme Asset</b>		<u>1,234,000</u>	<u>1,053,000</u>
<b>Net Assets</b>		<u>11,427,240</u>	<u>10,351,928</u>
<b>Unrestricted Funds</b>	8		
Accumulated fund		9,153,251	8,240,667
Revaluation Reserve		1,039,989	1,058,261
Pension Reserve		<u>1,234,000</u>	<u>1,053,000</u>
	9	<u>11,427,240</u>	<u>10,351,928</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

  
I Sturdgess  
President

  
R A I Simpson  
Treasurer

  
J Rodney  
Chief Executive

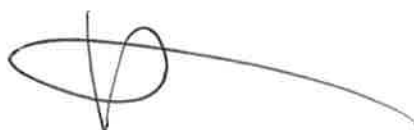
Approved by Council on 4<sup>th</sup> March 2016

The accompanying notes on pages 10 to 21 form part of these financial statements.

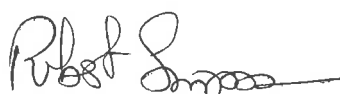
**BALANCE SHEET AS AT 30 SEPTEMBER 2015**

	Notes	2015 £	2014 £
<b>Fixed Assets</b>			
Tangible assets	2	641,133	658,055
Investments	3a	<u>3,906,283</u>	<u>3,924,555</u>
		4,547,416	4,582,610
<b>Current Assets</b>			
Stock		2,701	2,801
Debtors	4	555,907	520,418
Amount due from subsidiary undertaking	5	977,910	1,587,592
Regional bank balances	6	273,570	290,680
Cash at bank and in hand		<u>5,326,072</u>	<u>4,165,353</u>
		7,136,160	6,566,844
<b>Creditors: amounts falling due within one year</b>	7	<u>962,730</u>	<u>948,130</u>
<b>Net Current Assets</b>		<u>6,173,430</u>	<u>5,618,714</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		10,720,846	10,201,324
<b>Defined Benefit Pension Scheme Asset</b>		<u>1,234,000</u>	<u>1,053,000</u>
<b>Net Assets</b>		<u>11,954,846</u>	<u>11,254,324</u>
<b>Unrestricted Funds</b>	8		
Accumulated fund		9,680,857	9,143,063
Revaluation Reserve		1,039,989	1,058,261
Pension Reserve		<u>1,234,000</u>	<u>1,053,000</u>
		<u>11,954,846</u>	<u>11,254,324</u>

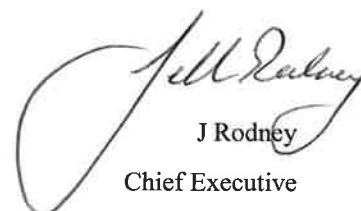
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I Sturdgess  
President



R A I Simpson  
Treasurer



J Rodney  
Chief Executive

Approved by Council on 4<sup>th</sup> March 2016

The accompanying notes on pages 10 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015**

**1 ACCOUNTING POLICIES**

**Accounting basis**

The financial statements have been prepared under the historical cost convention, modified for the revaluation of investments and in accordance with applicable accounting standards and the Statement of Recommended Practice 'Accounting and Reporting by Charities'; the Charities SORP 2005. They reflect the results which are all from continuing activities. The financial statements include the results of the subsidiary undertaking.

**Group Financial Statements**

These financial statements consolidate the results of the charity 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 204 of the Companies Act 2006 and SORP 2005.

**Subscriptions**

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.

**Resources expended**

Expenditure is included on an accruals basis and is either directly attributed to a cost category, or apportioned on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include telephone, postage, printing, stationery, public relations, professional fees and attributable salaries. Management and administration costs are those incurred with administration of the charity and compliance with constitutional and statutory requirements. Support and management costs have been apportioned to activities in proportion to an estimate of staff resources involved in that activity.

**Investments**

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

**Depreciation**

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

Freehold and leasehold property:	2% to 10% per annum on a straight line basis
Furniture, fixtures and fittings:	15% per annum on a reducing balance basis
Computers:	20% to 33 1/3% per annum on a straight line basis
Assets under construction:	Nil depreciation until assets are brought into use

**Pension costs**

The Institute operates two pension schemes: a defined contribution (DC) group personal pension scheme and a defined benefit (DB) pension scheme.

The cost of the DC scheme charged to the Income and Expenditure Account is equal to the Institute's contribution payable to the scheme during the accounting period.

The cost of the DB scheme charged to the Income and Expenditure Account aims to spread the cost of pensions over scheme members' working lives with the Institute.

In the year ended 30 September 2015, a potential surplus has been recognised in the accounts.

**Taxation**

Tax is provided at rates of between 20% and 21% on surpluses made in the trading subsidiary.

**Stock**

The value of medals held in stock to recognise members' long service, etc. is stated at cost, which is assumed to be the same as their net realisable value.

**Irrecoverable VAT**

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

**2 TANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Assets under construction</b>	<b>Freehold &amp; Leasehold Property</b>	<b>Furniture, Fixtures &amp; Fittings</b>	<b>Computers</b>	<b>Total £</b>
<b>Cost</b>					
At 1 October 2014	103,850	1,633,870	395,112	159,548	2,292,380
Additions	50,000	-	-	570	50,570
Transfers	<u>(153,850)</u>	<u>-</u>	<u>-</u>	<u>153,850</u>	<u>-</u>
At 30 September 2015	<u>-</u>	<u>1,633,870</u>	<u>395,112</u>	<u>313,968</u>	<u>2,342,950</u>
<b>Depreciation</b>					
At 1 October 2014	-	662,373	370,375	115,710	1,148,458
Charge for the year	<u>-</u>	<u>36,067</u>	<u>3,421</u>	<u>52,459</u>	<u>91,947</u>
At 30 September 2015	<u>-</u>	<u>698,440</u>	<u>373,796</u>	<u>168,169</u>	<u>1,240,405</u>
<b>Net Book Value</b>					
At 30 September 2015	<u>-</u>	<u>935,430</u>	<u>21,316</u>	<u>145,799</u>	<u>1,102,545</u>
At 30 September 2014	<u>103,850</u>	<u>971,497</u>	<u>24,737</u>	<u>43,838</u>	<u>1,143,922</u>
<b>COMPANY</b>					
	<b>Assets under construction</b>	<b>Leasehold Property</b>	<b>Furniture, Fixtures &amp; Fittings</b>	<b>Computers</b>	<b>Total £</b>
<b>Cost</b>					
At 1 October 2014	103,850	690,505	87,853	159,547	1,041,755
Additions	50,000	-	-	570	570
Transfers	<u>(153,850)</u>	<u>-</u>	<u>-</u>	<u>153,850</u>	<u>-</u>
At 30 September 2015	<u>-</u>	<u>690,505</u>	<u>87,853</u>	<u>313,967</u>	<u>1,092,325</u>
<b>Depreciation</b>					
At 1 October 2014	-	190,233	77,757	115,710	383,700
Charge for the year	<u>-</u>	<u>13,810</u>	<u>1,224</u>	<u>52,458</u>	<u>67,492</u>
At 30 September 2015	<u>-</u>	<u>204,043</u>	<u>78,981</u>	<u>168,168</u>	<u>451,192</u>
<b>Net Book Value</b>					
At 30 September 2015	<u>-</u>	<u>486,462</u>	<u>8,872</u>	<u>145,799</u>	<u>641,133</u>
At 30 September 2014	<u>103,850</u>	<u>500,272</u>	<u>10,096</u>	<u>43,837</u>	<u>658,055</u>

Assets under construction consisted of expenditure on a new CRM database which was transferred to Computer costs and depreciated upon completion.

**3a INVESTMENTS**

	<b>Group</b>	<b>Company</b>
	<b>£</b>	<b>£</b>
<b>Valuation</b>		
At 1 October 2014	3,923,555	3,924,555
Disposals at carrying value	-	-
Gain/(Loss) on revaluation	<u>(18,272)</u>	<u>(18,272)</u>
At 30 September 2015	<u>3,905,283</u>	<u>3,906,283</u>
Listed on UK Stock Exchange	2,905,283	2,905,283
Other investments	<u>1,000,000</u>	<u>1,001,000</u>
	<u>3,905,283</u>	<u>3,906,283</u>

**Investments in the charitable company's accounts were as follows:**

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Managed funds – UK equities	1,771,058	1,811,462
Managed funds – Fixed interest	<u>1,134,225</u>	<u>1,112,093</u>
	<u>2,905,283</u>	<u>2,923,555</u>

Other investments in the charitable company accounts were:

Unlisted investments comprise:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Lloyds Bank 5 year structured deposit (linked to 3 month LIBOR) (maturing 22 September 2016)	1,000,000	1,000,000
Institute of Biomedical Science (Professional Services) Ltd 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u>1,001,000</u>	<u>1,001,000</u>

### 3b RELATED PARTIES

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.

The Institute of Biomedical Science (Professional Services) Limited has made a qualifying charitable donation of £Nil (2013: £Nil) to its parent company, the Institute of Biomedical Science.

The assets, liabilities and funds of the subsidiary were:

	2015	2014
	£	£
Assets	1,080,421	919,429
Liabilities	<u>(1,607,027)</u>	<u>(1,843,723)</u>
	<u>(526,606)</u>	<u>(924,294)</u>
Representing:		
Share Capital	1,000	1,000
Profit and Loss account	<u>(527,606)</u>	<u>(925,294)</u>
	<u>(526,606)</u>	<u>(924,294)</u>

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

	2015	2014
	£	£
Turnover	1,361,283	40,990
Cost of sales	<u>(800,791)</u>	<u>(25,780)</u>
Gross profit	560,492	15,210
Other income	1,126	2,885
Administrative expenses	<u>(27,435)</u>	<u>(52,358)</u>
Charitable donation	<u>(—)</u>	<u>(—)</u>
	534,183	(34,263)
Interest payable to parent undertaking	(18,125)	(18,125)
Corporation Tax	<u>(118,370)</u>	<u>(11,808)</u>
Profit/(Loss) for the year	<u>397,688</u>	<u>(64,196)</u>

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

### 4 DEBTORS

	2015		2014	
	Group	Company	Group	Company
	£	£	£	£
Trade debtors	150,160	49,852	116,029	40,245
Prepayments	61,177	61,177	145,103	41,398
Accrued income	462,489	439,945	436,351	436,351
Other debtors	<u>4,933</u>	<u>4,933</u>	<u>2,424</u>	<u>2,424</u>
	<u>678,759</u>	<u>555,907</u>	<u>699,907</u>	<u>520,418</u>

## 5 AMOUNTS DUE FROM SUBSIDIARY UNDERTAKING

The Institute of Biomedical Science lent the Institute of Biomedical Science (Professional Services) Limited monies to purchase 12 Coldbath Square and to provide working capital.

Of the £977,910 owed at 30 September 2015 (2014: £1,587,592), £725,000 was specifically identified as lent for the purchase of the lease (now freehold) and refurbishment of the building.

This £725,000 is subject to a separate 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. Interest charged on the loan was £18,125 (2014: £18,125).

The remainder of the amount loaned to the subsidiary company is to provide working capital to the trading company and no interest is expected on these amounts.

Repayments of the loan will depend upon cash flow.

## 6 REGIONAL BALANCES

Regions and branches run activities that raise money locally and incur costs. The balances remaining in bank accounts at the year end are included in the balance sheet. The costs include an apportionment of support costs (note 10) based on staff resources used.

## 7 CREDITORS

	2015		2014	
	Group	Company	Group	Company
	£	£	£	£
Deferred income	615,681	615,681	775,653	589,303
Trade creditors	102,465	19,163	33,030	31,110
Taxation and social security costs	186,152	27,079	95,172	59,861
Accruals	638,204	259,311	231,417	228,914
Other creditors	49,345	41,496	46,094	38,942
	<u>1,591,847</u>	<u>962,730</u>	<u>1,181,366</u>	<u>948,130</u>

## 8 RECONCILIATION OF MOVEMENTS IN UNRESTRICTED RESERVES

Group	Accumulated Fund	Revaluation Reserve	Pension Reserve	Total
	£	£	£	£
Brought forward 1 October 2014	8,240,667	1,058,261	1,053,000	10,351,928
Incoming resources	4,299,554	-	-	4,299,554
Resources expended	(3,340,970)	-	-	(3,340,970)
Other gains/(losses)	-	(18,272)	135,000	116,728
Transfers to/(from) fund	<u>(46,000)</u>	<u>-</u>	<u>46,000</u>	<u>-</u>
Carried forward 30 September 2015	<u>9,153,251</u>	<u>1,039,989</u>	<u>1,234,000</u>	<u>11,427,240</u>

**(CONTINUED) RECONCILIATIONS OF MOVEMENTS IN UNRESTRICTED RESERVES**

Company	Accumulated Fund £	Revaluation Reserve £	Pension Reserve £	Total £
Brought forward 1 October 2013	9,143,063	1,058,261	1,053,000	11,254,324
Incoming resources	2,978,168	-	-	2,978,168
Resources expended	(2,394,374)	-	-	(2,394,374)
Other gains/(losses)	-	(18,272)	135,000	116,728
Transfers to/(from) fund	<u>(46,000)</u>	-	<u>46,000</u>	-
Carried forward 30 September 2014	<u>9,680,857</u>	<u>1,039,989</u>	<u>1,234,000</u>	<u>11,954,846</u>

The transfer of £46,000 to the Pension Reserve reflects the FRS17 valuation. The transfer is the net balance of £40,000 finance income plus £59,000 employer contributions less past service costs of £53,000.

The Statement of Financial Activities account of the Institute of Biomedical Science does not, in the opinion of the Council, reflect the Institute'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 paragraph 397 of the SORP, has not included the charitable company's own Statement of Financial Activities Account. Net incoming/(outgoing) resources are inclusive of revaluation and other gains. The surplus realised by the charitable company, excluding the subsidiary, was £700,522 (2014: £1,428,686).

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

**9 RECONCILIATION OF MOVEMENTS IN TOTAL GROUP FUNDS**

	2015 £	2014 £
Opening total funds	10,351,928	8,964,537
Surplus for the year	<u>1,075,312</u>	<u>1,387,391</u>
Closing total funds	<u>11,427,240</u>	<u>10,351,928</u>



**10 TOTAL RESOURCES EXPENDED**

	Direct costs £	Support costs (see note 12) £	Total 2015	Total 2014
Congress and conferences	919,160	81,358	1,000,519	125,898
Education, qualifications and registration	256,092	650,866	906,958	823,678
Costs of other Services Provided	-	-	-	1,576
Publications	38,304	81,358	119,662	154,575
Regions, Branches & Discussion Groups	137,897	244,075	381,971	436,993
Membership events, representation and benefits	130,146	650,866	781,012	757,340
Grants & Prizes	28,960	-	28,960	25,925
Governance Costs (see note 14)	40,530	81,358	121,888	115,948
<b>Total Resources Expended</b>	<b>1,551,089</b>	<b>1,789,881</b>	<b>3,340,970</b>	<b>2,441,933</b>

**11 STAFF COSTS**

	2015 £	2014 £
Salaries and wages	924,445	933,577
Social security	98,540	98,363
Pension and life assurance costs	168,711	180,734
Recruitment, training and other people-related costs	9,755	13,153
Redundancy costs	<u>7,568</u>	<u>-</u>
	<u>1,209,019</u>	<u>1,225,827</u>
The average number of employees in the year was:	<u>22</u>	<u>23</u>
The number of staff to whom retirement benefits are accruing is:	<u>5</u>	<u>6</u>
The number of staff whose emoluments for the year fell within the following bands were:		
£60,000 to £70,000	2	2
£120,000 to £130,000	1	1
The employer's pension contributions relating to higher earners totalled	<u>£36,663</u>	<u>£35,260</u>

None of the Council members received any emoluments or benefits from the Institute during the year. Total costs of travel, accommodation and out of pocket expenses incurred on the Institute's business by 21 Council members (2014: 21 Council members) amounted to £47,390 (2014: £50,575).

***INSTITUTE OF BIOMEDICAL SCIENCE GROUP PERSONAL PENSION***

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.

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Employer contribution	<u>47,536</u>	<u>44,717</u>

***INSTITUTE OF BIOMEDICAL SCIENCE PENSION SCHEME***

The Institute operates a funded defined benefit pension scheme in the UK. A full actuarial valuation was carried out at 31 March 2013 and updated to 30 September 2015 by a qualified independent actuary, who has advised that the Scheme surplus has increased to £1,234,000 (2013: £1,053,000). This increase is mainly due to the following factors: Investment returns were much better than expected, a pensioner's death resulted in a release of reserves and a change in assumptions due to lower than anticipated inflation.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	<b>2015</b>	<b>2014</b>
	<b>% pa</b>	<b>% pa</b>
Discount rate	3.7	4.15
Expected long-term rate of return on Scheme assets	3.7	4.1
Salary inflation assumption	3.8	3.9
Inflation assumption (RPI)	3.3	3.4
Inflation assumption (CPI)	2.3	2.4
Pension increases (capped at 2.5% pa RPI linked)	2.5	2.5
Pension increases (capped at 5.0% pa RPI linked)	3.3	3.4

The underlying mortality assumption is based upon the standard table known as SAPS S1 Light pensioner tables, using the CMI 2014 projection method with a long term improvement rate of 1.25% pa (2014: same base table, but using the CMI 2013 projection table adopted and the same long term improvement rate).

**EMPLOYEE BENEFIT OBLIGATIONS**

The amounts recognised in the balance sheet as at 30 September 2015 are:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Present value of Scheme liabilities	(5,033,000)	(4,757,000)
Market value of Scheme assets	<u>6,267,000</u>	<u>5,810,000</u>
Surplus in the Scheme	<u>1,234,000</u>	<u>1,053,000</u>

The amounts recognised in Income and Expenditure for the year ending 30 September 2015 are:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Current service cost plus life assurance premium	53,000	65,000
Interest on Scheme liabilities	195,000	199,000
Expected return on Scheme assets	(235,000)	(226,000)
Past service cost	-	-
Curtailement gain	-	-
Total	<u>13,000</u>	<u>38,000</u>
Actual return on Scheme assets	573,000	687,000

Changes in the present value of the Scheme liabilities for the year ending 30 September 2015 are:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Present value of Scheme liabilities at beginning of period	4,757,000	4,899,000
Service cost plus life assurance premium (including employee contributions)	69,000	81,000
Interest cost)	195,000	199,000
Past service cost	-	-
Curtailement gain	-	-
Actuarial losses/(gains)	203,000	(243,000)
Benefits paid	<u>(191,000)</u>	<u>(179,000)</u>
Present value of Scheme liabilities at end of period	<u>5,033,000</u>	<u>4,757,000</u>

Changes in the fair value of the Scheme assets for the year ending 30 September 2015 are:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Fair value of Scheme assets at beginning of period	5,810,000	5,227,000
Expected return	235,000	226,000
Actuarial gains	338,000	461,000
Contributions paid by the Employer	59,000	59,000
Employee contributions	16,000	16,000
Benefits paid	<u>(191,000)</u>	<u>(179,000)</u>
Fair value of Scheme assets at end of period	<u>6,267,000</u>	<u>5,810,000</u>

The agreed contribution to be paid by the Employer for the forthcoming year is 24.2% of salaries. Death in service premiums and all Scheme expenses are paid in addition to this. This is subject to review at future actuarial valuations.

The major categories of Scheme assets as a percentage of total Scheme assets for the year ending 30 September 2015 are:

	<b>2015</b>	<b>2014</b>
Equities	25%	29%
Bonds & cash	65%	61%
Property	<u>10%</u>	<u>10%</u>
	<u>100%</u>	<u>100%</u>

The expected long-term rate of return on the Scheme assets is in future to be in line with the discount rate, that is 3.7% per annum. Previously it was calculated based on returns upon the major asset categories, equities and property (2014: 5.8%), and bonds and cash (2014: 3.0%).

Analysis of amount recognisable in Statement of Financial Activities (SOFA) for the year ending 30 September 2015:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Actual return less expected return on Scheme assets	338,000	461,000
Experience gains and losses arising on Scheme liabilities	112,000	77,000
Changes in assumptions underlying the present value of Scheme liabilities	<u>(315,000)</u>	<u>166,000</u>
Actuarial gain/(loss) recognised in SOFA	<u>135,000</u>	<u>704,000</u>

Cumulative amount of actuarial gains and losses recognised in SOFA for the year ending 30 September 2015:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Cumulative actuarial gain at beginning of the period	1,031,000	327,000
Recognised during the period	<u>135,000</u>	<u>704,000</u>
Cumulative actuarial gain at end of the period	<u>1,166,000</u>	<u>1,031,000</u>

Movement in surplus during the year ending 30 September 2015:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Surplus in Scheme at beginning of the year	1,053,000	328,000
Current service cost plus life assurance premium	(53,000)	(65,000)
Employer contributions	59,000	59,000
Curtailement costs	-	-
Past service costs	-	-
Other finance income/(expense)	40,000	27,000
Actuarial gain/(loss)	<u>135,000</u>	<u>704,000</u>
Surplus in Scheme at end of the year	<u>1,234,000</u>	<u>1,053,000</u>

Amounts for the current and previous four accounting periods are:

	2015	2014	2013	2012	2011
	£	£	£	£	£
Present value of Scheme liabilities	(5,033,000)	(4,757,000 )	(4,899,000 )	(4,077,000 )	(3,813,000)
Fair value of Scheme assets	<u>6,267,000</u>	<u>5,810,000</u>	<u>5,227,000</u>	<u>4,726,000</u>	<u>4,028,000</u>
Surplus in the Scheme	<u>1,234,000</u>	<u>1,053,000</u>	<u>328,000</u>	<u>649,000</u>	<u>215,000</u>
Actual return less expected return on Scheme assets	338,000	461,000	262,000	(583,000)	(163,000)
Experience gain/(loss) arising on Scheme liabilities	113,000	77,000	(43,000)	(41,000)	(50,000)
Change in assumptions underlying present value of Scheme liabilities	(315,000)	166,000	(653,000)	(83,000)	348,000

## 12 SUPPORT COSTS

	2015	2014
	£	£
People costs	1,201,835	1,241,807
Premises	94,984	91,213
IT and telecommunications	91,181	56,294
Printing, postage and stationery	51,586	50,177
Professional fees	166,318	33,102
Public relations	27,973	33,362
Amortisation and depreciation	91,946	80,317
Other administration costs	<u>64,058</u>	<u>143,088</u>
	<u>1,789,881</u>	<u>1,729,360</u>

The above support costs have been apportioned between the various activities according to the estimated usage of staff resources, as follows:

	2015	2014
	£	£
Congress and conferences	81,358	112,784
Education, qualifications and registration	650,866	601,516
Publications	81,358	112,784
Regions, branches and discussion groups	244,075	225,569
Membership events, representation, and benefits	650,866	601,517
Grants and prizes	-	-
Governance costs	<u>81,358</u>	<u>75,190</u>
	<u>1,789,881</u>	<u>1,729,360</u>

**13 AUDITORS REMUNERATION**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration – audit (excluding VAT)	10,000	10,000
– other services (excluding Vat)	<u>-</u>	<u>8,100</u>
	<u><u>10,000</u></u>	<u><u>18,100</u></u>

**14 GOVERNANCE**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Meeting costs	24,539	27,399
Support costs (see note 12)	81,358	75,190
Auditor's remuneration	10,000	10,000
Other governance costs	<u>5,991</u>	<u>3,359</u>
	<u><u>121,888</u></u>	<u><u>115,948</u></u>

**15 CONTINGENT LIABILITIES**

The charitable company operates a partial exemption scheme for Value Added Tax and with the assistance of a professional adviser, is in the process of agreeing with HM Revenue & Customs, an appropriate rate of Vat recovery on overheads. If the outcome of the discussions is that a lower recovery rate should have been claimed, there would be tax to pay and therefore remains a contingent liability.

**16 SURPLUS OF THE PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005, the Statement of Financial Activities of the parent company is not presented as part of these financial statements. The parent company's surplus for the financial year was £700,522 (2014: £1,428,686).

**17 ACCOUNTS FORMAT**

The Institute is both a company and a charity. The format of the financial statements has been altered from the prescribed format of the Companies Act 2006 to comply where practicable with the Statement of Recommended Practice – Accounting by Charities, and thus reflecting the Institute's activities and non-profit making nature.

**18 FUTURE CAPITAL EXPENDITURE**

Council have approved further IT and website infrastructure expenditure of approximately £20,000.