

European Society of Endocrinology

Company Limited by Guarantee

FINANCIAL STATEMENTS

31 December 2018

Company Registration Number: 05540866

Charity number: 1123492

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE****FINANCIAL STATEMENTS****YEAR ENDED 31 December 2018**

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**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE
REFERENCE AND ADMINISTRATIVE DETAILS**

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|------------------------------------|--|
| Registered charity name | European Society of Endocrinology |
| Charity registration number | 1123492 |
| Company registration number | 05540866 |
| Registered office | Redwood House Brotherswood Court Great Park Road Almondsbury Business Park Bradley Stoke Bristol BS32 4QW |
| Senior Management Team | Helen Gregson – Chief Executive Officer Dirk De Rijdt – Director of Commercial Services |

THE TRUSTEES

The trustees who served the charitable company during the period and up to the date of this report were as follows:

Professor J Bertherat
Professor F Beuschlein
Professor A Giustina
Professor R Granata (elected 22 May 2018)
Professor M Korbonits
Professor B Kos-Kudla
Professor M Marazuela (elected 22 May 2018)
Professor C Schalin-Jantti
Professor M Simoni (retired 22 May 2018)
Professor A van der Lely
Professor S Webb (retired 22 May 2018)
Professor O Yildiz

| | |
|----------------------------|--|
| Secretary | Divinerule Limited |
| Auditor | Kingston Smith LLP Chartered Accountants Statutory Auditor Devonshire House 60 Goswell Road London EC1M 7AD |
| Solicitors | Royds LLP London, EC4V 5HF |
| Investment managers | Charles Stanley & Co 55 Bishopsgate London, EC2N 3AS |

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE
TRUSTEES ANNUAL REPORT - YEAR ENDED 31 DECEMBER 2018**

The trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2018.

INTRODUCTION

Endocrine disorders are very common, and it is likely that over half of the population will suffer from one at some point in their lives. For example, about a third of women and almost twenty percent of men over the age of 50 will have an osteoporotic fracture at some point in their lifetime. One in ten women of reproductive age have polycystic ovary syndrome and a similar proportion of women over 65 have mild hypothyroidism. Diabetes is a public health issue estimated to affect 6.4% (285 million) people worldwide in 2010 and forecast to rise to 7.7% (438 million) in 2030. Type-2 accounts for more than 90% of all patients with diabetes. People with diabetes have an up to fivefold increased risk of cardiovascular disease compared with those without diabetes.

In addition, there are a large number of rarer endocrine conditions, including for example Cushing's disease, acromegaly, multiple endocrine neoplasia and congenital adrenal hyperplasia.

ESE's vision is to shape the future of endocrinology to improve science, knowledge and health, and to have a real impact on healthcare and treatment of these conditions. Our mission is to advance endocrinology. We unite, support and represent our specialty, promoting collaboration and best practice, and enable our community to develop and share the best knowledge in endocrine science and medicine.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
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TRUSTEES ANNUAL REPORT (CONTINUED)**

OBJECTIVES AND ACTIVITIES

The European Society of Endocrinology (“the Society” or “ESE”) is a charity and a company limited by guarantee. The charitable objects of ESE are to promote for the public benefit, research, education, and clinical practice in endocrinology by the organisation of conferences, training courses and publications, by raising public awareness, liaison with national and international legislators, and by any other appropriate means. Its members are scientists, physicians and students with an involvement in endocrinology. The Society’s beneficiaries are its members, students, endocrine patients, and the general public. The trustees have considered the Charities Commission’s requirement in respect of Public Benefit. In their view the charity meets, in full, the criteria to satisfy the test.

The Society provides a range of public benefits aimed at providing educational and research support to these groups and these benefits are detailed in this report and include:

· ***Conferences, training courses and other meetings***

The Society runs an annual congress called the European Congress of Endocrinology, which typically attracts around 3500-3800 delegates, comprising basic scientists, clinicians and nurses from throughout Europe and beyond. At this congress details of current research and clinical practice are presented, with the aim of improving scientific research, patient care and clinical practice for the public benefit. The abstracts from the congress are available free of charge on the website. ESE takes full financial responsibility for the congress, and this requires the maintenance of a reserve to support any years in which the meeting may not be successful.

ESE also runs regular postgraduate educational courses aimed at both basic scientists and clinicians and clinical update courses aimed at young and senior endocrinologists. In addition, ESE provides financial support and endorsement for other meetings, in collaboration with other organisations.

· ***Journal***

The Society owns the *European Journal of Endocrinology*, a respected clinical and translational peer-reviewed publication. The journal publishes original research papers, reviews, and case reports within all areas of endocrinology, thus improving public education. This journal is purchased by institutions and individuals around the world and is available in print and electronic formats. The journal has a separate reserve policy, which is detailed later in the report. Free online access to all papers is available to all ESE current members.

The Society has three other official journals, *Journal of Endocrinology*, *Journal of Molecular Endocrinology* and *Endocrine-Related Cancer*. These journals are also purchased by institutions and individuals around the world and are available in print and electronic formats. Submitted papers that have been accepted are published online within twenty-four hours of acceptance as Accepted Preprints.

The abstracts of all material published are available to the public free of charge on the website, as is the full text of review and commentary articles, of all articles published more than 12 months ago, and of articles for which an Open Access fee has been paid. There is free online access to everyone to clinical guidelines and reviews published in the journals.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
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TRUSTEES ANNUAL REPORT (CONTINUED)**

The Society also co-owns *Endocrine Connections*, which is an Open Access journal offering authors the highest possible visibility for their work and stimulating cross-discipline collaboration. *Endocrine Connections* publishes original quality research in all areas of endocrinology, with a focus on papers that have relevance to its related and intersecting disciplines and the wider biomedical community. The journal considers basic, translational and clinical studies.

The Society also endorses *Endocrinology, Diabetes and Metabolism Case Reports* (EDMCR), which is an online only, open-access information resource designed to further both medical education and clinical practice by publishing and linking together case reports on common and rare conditions in all areas of clinical endocrinology, diabetes and metabolism. EDMCR is owned by Bioscientifica.

· **Communications and Marketing**

The Society runs an active website (www.ese-hormones.org). The website includes worldwide events in endocrinology and related areas; adverts for current grants; an online membership directory, which facilitates cross-boundary research collaboration and the sharing of good practice in patient care, thus providing public benefit; news stories (for members and non-members) related to endocrinology and related areas.

ESE also has the website ECE on Demand (www.eceondemand.org) which publishes the content from the European Congress of Endocrinology, and disseminates it free of charge to all ESE members and ECE congress delegates.

The ESE Media Office continues to handle press enquiries throughout the year, as well as identifying key research at the annual congress for press publication. This aims to raise the profile of endocrinology with the public. ESE also runs social media via Facebook and Twitter channels to ESE members and the general public with additional opportunities to find out about its work.

The Society produces a tri-annual newsletter, which ensures that members are informed about the Society's latest activities. The newsletters are available free online and advertise grants and awards and educational opportunities such as the training courses and congresses, as well as current Society activities and broader information about endocrinology. An additional supplement to the newsletter, *ESE Insight*, has the aim of delivering additional in-depth content which would be of interest to the ESE membership. ESE also sends daily and monthly emails to the membership and people who have signed up on the website regarding endocrine and ESE news.

· **Guidelines**

ESE provides guidelines for endocrinologists in order to improve patient care. Since March 2014, ESE has published seven clinical practice guidelines and they typically produce an Altmetric Attention Score in the top 5% of all output. The Altmetric Attention Score can be used to show the attention and influence of a publication beyond citation levels. The guidelines have been downloaded between 11,446 and 420,632 times since publication. The guideline for the management of aggressive pituitary tumours and carcinomas, published January 2018, has received 15,898 downloads since publication and has an Altmetric score of 51. The guideline on the management of adrenocortical carcinoma in adults, published October 2018, has received 11,446 downloads since publication and has an Altmetric score of 47. To provide some context, EJE articles published in 2017 typically received an average of 1,055 downloads within the year of publication.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
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TRUSTEES ANNUAL REPORT (CONTINUED)**

· **Awards**

The Society recognises world-leading scientists and clinicians through the presentation of our prestigious awards, which are presented during the annual European Congress of Endocrinology where they are also invited to present one of the plenary lectures. These awards include:

- **Geoffrey Harris Award** which is awarded to an established researcher in the field of neuroendocrinology;
- **European Journal of Endocrinology Award** which is awarded to a candidate who has significantly contributed to the advancement of knowledge in the field of endocrinology through publication;
- **European Hormone Medal Award** which is awarded to an international scientist who has made significant contributions to the field of basic or clinical endocrinology;
- **The Clinical Endocrinology Trust (CET) Award** is awarded for clinical research that addresses aspects of endocrinology at the forefront of clinical practice.
- **The Jens Sandahl Christiansen Award** is awarded to an endocrinologist for a specific piece of research or project on metabolism in general. There is one award for clinical and one for basic science each year.

· **Grants**

The Society awards a number of grants as follows:

- **Meeting Grants** (100 worth up to €400 each) for ESE members according to defined criteria.
- **Basic Science Meeting Grants** (100 worth up to €450 each) for ESE members according to defined criteria.
- **Journal of Endocrinology Travel Grants** (10 worth up to €300 each) are available to support early-career scientists to attend ECE.
- **Small Meeting Grant** is available to support the development of endocrine education in Europe. The maximum value of each grant is €2500.
- The **Short-Term Fellowship** is available in order to fund research visits from one week to three months for early-career ESE members. The maximum award amount is €2500.
- **Poster Awards** (8 worth €250 each) are presented to the eight best posters on display at the annual ECE (four clinical and four basic).
- **Young Investigator Awards** (12 worth €1500 each) are presented to researchers submitting abstracts to the annual congress (basic or clinical) according to defined criteria.
- **Examination Grant** is available to ESE members who are in the 'in-training' or 'reduced rate' membership category who take the European Board Examination in Endocrinology, Diabetes and Metabolism. Each grant is worth 50% of the registration fee (currently €375 each).

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
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TRUSTEES ANNUAL REPORT (CONTINUED)**

ACHIEVEMENTS AND PERFORMANCE

ESE has a strategic plan with goals and targets clearly identified. Some of the achievements and performance during 2018 are noted below:

· **Goal 1: To be at the centre of the endocrine community in Europe, acknowledged as the reference point for endocrine science, knowledge and health**

- **Membership:** In 2018, ESE saw an increase in membership. For Ordinary membership, the number of members increased to 4136 (3738 at the 2017 AGM) from over 100 countries across the globe. This is the highest level to date, represents a 10.6% increase between 2017 and 2018, and is above the set target of 8%. This could be attributed to the continued success of the National Affiliated Membership scheme (introduced for the 2017 membership year); approximately 40% of the membership are members who have taken advantage of the reduced membership fee (30% at the time of 2017 AGM).

In addition to this, the number of endocrine societies joining ESE through the Affiliated Society Membership and the total now stands at 63, with 51 national societies and 12 specialty societies; in 2018, there was also an increase in the number of Associate members from 4 to 6. The number of Corporate Members increased to 13 (11) with Otsuka, Siemens Healthineers and Uni-Pharma jointing and with one leaving (Aegerion).

In 2018, ESE carried out an extensive survey of its membership about their opinions of the Society, and their level of engagement with its activities. The response rate was 13%, against a target 10%, and 98% of the respondents confirmed that they intended to be a member in 2019. The NET promoter score placed ESE in the Excellent category. The results will be used to inform and guide ESE as to where to focus its resources in the future years.

- **Journals:** ESE advances endocrinology by publishing exceptional science whilst helping endocrinologists to progress their individual careers through publication and collaboration. Our publications help endocrinologists learn the skills they need to publish, as well as offering excellent outlets for their work through our journals, guidelines and abstracts. One of the main measures of success of journals is the impact factor, a measure of how often an article is cited by other authors. The latest impact factors are (the previous year in brackets):
 - *European Journal of Endocrinology* is now 4.333 (4.101);
 - *Journal of Endocrinology's* impact factor is now 4.012 (4.706);
 - *Journal of Molecular Endocrinology's* is now 3.297 (3.577);
 - *Endocrine-Related Cancer's* impact factor is now 5.331 (5.267) and
 - *Endocrine Connections'* impact factor is now 3.041 (2.541).
- **Advocacy/EU:** In 2018, ESE undertook a major project entitled 'Mapping Endocrinology in Europe' to provide information about endocrinologists throughout Europe; their demographics, their challenges, their way of working. In total there were 3111 responses (of members and non-members), against a target of 2000; the response rate from ESE members was 42%. Both the member and non-member response rates indicated a new, higher, level of engagement with ESE. A white paper is planned for 2019.

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In addition, there was a significant focus on increasing the level of engagement in public EU consultations and input into official EU documents. ESE organised two high level events in Brussels: 'Impact of hormones in European policies for health and research' in March 2018 and 'Action on Endocrine-Disrupting Chemicals – public health opportunities for Europe', in November which was hosted jointly with the US Endocrine Society. The meetings were attended by several MEPs and other stakeholders who are active at the EU level.

ESE has continued to input into the Alliance for Biomedical Research in Europe (Biomed Alliance) and the European Medicines Agency (EMA). In addition, ESE, together with the European Society for Paediatric Endocrinology (ESPE), continued to support the European Reference Network for Rare Endocrine Disorders (ENDO-ERN). The focus of ENDO-ERN is to ensure that high quality expertise in the treatment of rare diseases is provided as close to the patient as possible, and the networks will work to share expertise, improve diagnosis, educate care providers, facilitate research and link up with other ERNs with the ultimate goal of improving patient care, across paediatric and adult care.

Goal 2: To provide continuous endocrine related education and training provision for all career stages in clinical practice and basic research

- **Scientific content:** Through its eight Focus Areas, ESE ensures it is effectively covering the spectrum of topics and needs within endocrinology. All of the Focus Areas have two leads. During 2018, their remits were finalised and expert panels put into place. The Focus Areas either through their co-lead or a member of the expert panel, are represented in the Programme Organising Committee for the congress. The Scientific Programme Chair (SPC), who is a member of the Executive Committee, has overall responsibility for maintaining an overview of the quantity and quality of ESE's activities and programmes to ensure a balanced approach.
- **Raising standards** in endocrinology through a pan-European examination in Endocrinology, Diabetes and Metabolism. The exam is a collaboration between ESE, the European Union of Medical Specialists (UEMS), the Membership of the Royal College of Physicians UK (MRCP), the Society for Endocrinology and the Association of British Clinical Diabetologists. The first exam took place in June 2018 and a total of 73 candidates sat the exam with an overall pass rate of 52.1%. The exam will also be held in 2019.
- **Providing guidelines** for endocrinologists in order to improve patient care. To date, ESE has published seven clinical practice guidelines and the following were published in 2018:
 - The guideline for the management of aggressive pituitary tumours and carcinomas, published January 2018, has received 15,898 downloads since publication and has an Altmetric score of 51.
 - The guideline on the management of adrenocortical carcinoma in adults, published October 2018, has received 11,446 downloads since publication and has an Altmetric score of 47.

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TRUSTEES ANNUAL REPORT (CONTINUED)**

· ***Goal 3: To foster early-career basic and clinical endocrinologists, creating a dynamic community which will inspire them to become endocrinologists and remain in endocrinology***

ESE continues to develop its offering to early-career endocrinologists in a variety of ways, including involvement in the majority of ESE Committees, supporting a dedicated session at the annual congress, and offering grants and awards. ESE ran an initial 'soft skills' pilot with a well-attended presentation skills workshop at ECE 2018. In 2018, EYES developed a dedicated newsletter aimed at early-career endocrinologists and, with support from the ESE Office, implemented an online system for recording the details of their community members and contacts.

· ***Goal 4: To continue to run the leading European endocrine congress, ensuring it is kept current, attractive across the Focus Areas, and viewed as the 'must attend' event for endocrinologists across Europe***

- **Extending the life of the meeting** through ECE on Demand, launched at ECE 2017, which was made available again to all ECE 2018 delegates and ESE members (at the time of the congress and at no extra cost). ECE on Demand allows users to explore the congress by session type, abstract category or Focus Area, search by speaker name, view the full programme including abstracts, e-posters and webcasts and contains interviews with Focus Area leads, plenary and award lecturers. In 2018 this facility was extended to guest users for selected content.

There has been an increased engagement with ECE on Demand in 2018 compared to 2017. There were 4873 unique users and in 2018 there were 6372 unique users – an increase of 31%.

A significant number (75%) of the speakers gave their permission for the presentations to be made available through this service.

· ***Goal 5: To ensure that ESE is financially sustainable through excellent management of commercial partnerships and a clear business development strategy***

- **Society independence** is important to ESE and the central management of its affairs. This process started in 2016 with the recruitment of the Chief Executive Officer, followed by the Director of Commercial Services in 2017 and, in 2018, the recruitment of the Scientific Programmes Manager and Governance and Office Manager.
- **Commercial partnerships** and pharma regulations change over time. To improve the commercial relationships and to keep ESE and industry needs aligned the Industry Partnership Board (IPB) held its first meeting during ECE 2018, and its second meeting in the Autumn of 2018. The IPB will continue to meet during the annual congress to discuss issues of common interest and suggest and find solutions for identified challenges. A new three-tiered approach to Corporate Membership was also introduced for the 2018 membership year; this has been well received with three companies opting for the Premium level tier and a rise in Corporate membership revenue of 113% between 2017 and 2018.
- **Funding support** received for two projects for 2018 (and 2019) and were organised through the relevant Focus Areas:

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TRUSTEES ANNUAL REPORT (CONTINUED)**

- An audit and multi-country comparison of **Adult Growth Hormone Deficiency (AGHD)** treatment in clinical practice in Europe, Australia and New Zealand to look at how closely protocols and best practice recommendations are followed.
- ESE has an identified priority around **parathyroid disorders**, as new developments in science and treatment has generated a renewed interest for the area. This is following in part the publication of the ESE clinical guidelines for hypoparathyroidism which has been welcomed by the endocrine community and generated interest for more educational efforts. A two stage, 4-year programme of interdependent educational activities and actions has been developed to strengthen ESE's support and facilitation of the C&B endocrinology community, and the first two years funding secured from Takeda (formally Shire).

FINANCIAL REVIEW

The net movement in funds for the year to 31 December 2018 shows a decrease of €235,343 from the previous year. The major income streams for ESE were from individual and corporate memberships, corporate sponsorship of activities and from the *European Journal of Endocrinology*. In addition, ESE received income from its congress in Barcelona. The major items of expenditure were from support of the various activities, including the annual congress, travel grants and awards, the newsletter and website, and the *European Journal of Endocrinology*. In addition, ESE had overheads of which the most significant items related to running its secretariat services for both outsourced and inhouse staff and its Executive Committee and Committee meetings.

The ESE trustees are aware that significant funds are being held above the reserves. The Executive Committee are also aware that the annual budgets and forecasts for 2018-20 are showing a deficit to the organisation based on the current level of activity, which will reduce the funds available.

There has been a significant improvement on the forecast deficit of €319k in 2018, the major differences being a change in VAT treatment for the congress in Barcelona, an increase in the revenue from corporate membership, cost savings due to bringing staff in-house, and release of VAT that was being held on the balance sheet following a full internal VAT review.

The recruitment of the Director of Commercial Services in 2017 has been effective in terms of increasing revenue into the organisation.

The outcome from 2018 is an operating surplus of €3,490. There has been an un-realised loss on investments due to volatility in the stock market, particularly in Q4 2018, which has resulted in a negative impact on the organisational value of €235,343.

As deficit budgets are forecast for 2019-20, ESE continues to focus on its financial stability and the following activities have/are taking place:

- Financial reporting continues to improve with a three-year budgeting process and quarterly management accounts.
- ESE is working closely with its auditors Kingston Smith to ensure that ESE has full transparency and an understanding of its financial position.
- A part time Financial Director is in place to support the CEO on financial issues (one day per month).
- Business development, including sales for the congress is being brought fully 'in-house' from 2019.
- There is a full short-medium-long term business development strategy in place.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
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TRUSTEES ANNUAL REPORT (CONTINUED)**

- There is a reduction in overhead costs by bringing additional services in-house (scientific management moved in house from April 2018 and governance moved in house from November 2018).
- There is a process in place for a longer-term review of external supplier contracts to ensure fair market value.

- ***Going concern statement***

The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future (12 months after the date of this report) and have, therefore, used the going concern basis in preparing these financial statements.

- ***Investment Policy***

The Society holds funds in interest bearing accounts in the UK and Belgium. ESE's investment strategy is for a balanced portfolio with a medium-low risk approach. Investments are made with consideration of a 2-5 year timeframe. The objective is to balance between growing the capital whilst also producing income; however, ESE recognises that smaller changes in value over time is acceptable whilst accepting that this will limit the chance for growth in value.

- ***Principal risks and uncertainties***

The trustees are aware that the charity may be exposed to various risks which include financial risks, risks to the Society's reputation, risk of breaching charitable trust or other legal requirements and risk of professional liability. The trustees have compiled a risk register to ensure measures are put in place to handle these risks. In addition, ESE has insurance in place for professional indemnity (up to for £2M aggregate), employer's liability, and travel for employees.

Risks include:

- Continued deficit situation making it unfeasible to carry out planned activities.
 - Measures are being put in place as indicated on pages 9 - 10.
- Withdrawal of major sponsorship arrangement(s).
 - Measures are being put in place as indicated on pages 8 – 10; this is a major focus of the business development team, who are seeking to diversify out of the principally pituitary focused current sponsorship base.
- Pharmaceutical regulations reducing attendance at meetings.
 - This is one of the highest risk areas. The CEO and Commercial Director run an Industry Partnerships Board with Premium Corporate Members in order to keep in constant dialogue regarding the changes in legislation and are also in contact with other organisations facing similar issues. One of the options under consideration is the setting up of a fund into which industry can pay to enable delegates to still attend the congress.
- Significant event affecting key members of staff.
 - As well as four senior members of staff (CEO, Director of Commercial Services, Scientific Programmes Manager and Governance and Office Manager) who can support one another, ESE is well supported by Bioscientifica who are extremely familiar with all ESE activities and can ensure that the organisation's day to day activities will continue.
- Significant event affecting an ESE activity.
 - ESE's major events all have event insurance, covering enforced reduced delegate attendance and major incident. The ECE also has terrorism cover.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
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TRUSTEES ANNUAL REPORT (CONTINUED)**

- Reputational risk, across ESE activities.
 - ESE conducts training with trustees, provides a thorough briefing document and has in place professional indemnity insurance.
- Data security breach or loss of important documents.
 - ESE places all of its documents in a secure environment (One Drive) and only supplies access to its staff or regular trusted freelancers. Confidential documents are accessed only by the CEO. All laptops, including freelancers, are up to date with security software and are passworded. ESE works closely with its suppliers to ensure that their security arrangements are in place and provides copies of these arrangements to the trustees on an annual basis.
- Any individual with strong associations to ESE bringing ESE into disrepute for any reason.
 - All ESE new member applications are scrutinised by the trustees; the majority of speakers at meetings are known to the organisers.
- Reputational risk as a result of activities with pharmaceutical industry.
 - ESE works with the pharmaceutical industry, but all funds supplied for ESE’s own activities are on the basis of a restricted grant, which means that that the company cannot be involved with the organisation of the programme for the activity. No speakers at ESE activities are paid to participate. A code of practice for ESE and industry has been developed; in addition, ESE is a member of the Biomed Alliance and operates within its Code of Conduct. All speakers at ESE events and authors within ESE journals are required to declare their interests before participating.
- Reduction in membership.
 - ESE is actively working on ensuring its value to its membership base and conducted a membership survey and review of benefits in 2018. There is also an enhanced marketing campaign in place to support both retaining existing members and recruiting new ones, with a particular focus on early career members.
- Any event which means that suppliers cannot deliver as contracted.
 - The majority of suppliers are either long-term suppliers, established congress centres, or suppliers who have been appointed following a careful process including competitive tender and obtaining of references. This is felt to be a relatively low-risk area.
- Major loss on investments.
 - ESE has a medium-low risk approach to investment. ESE investment strategy is for a balanced portfolio and investments are made with consideration of a 2-5 year timeframe. The objective is to balance between growing the capital whilst also producing income. ESE holds funds not only in investments but in four different bank accounts. However, it is acknowledged that there are a high proportion of funds being held in investments (approximately 66%); this will be reviewed.
- Move towards open access publishing.
 - There is a significant momentum towards a fully open access environment for scientific publications. ESE is supportive of this in principal, however there are elements of this which require significant consideration due to the affect that it would have on the business model of its subscription journal, *European Journal of Endocrinology (EJE)*. ESE is actively contributing to this debate and is in discussions with the Editorial Committee of EJE and the Publications and Communications Committee around this topic.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
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TRUSTEES ANNUAL REPORT (CONTINUED)**

· ***Principal funding sources***

The European Society of Endocrinology raises its funds mainly through income from its congress, the *European Journal of Endocrinology* and individual and corporate membership subscriptions. The Society also receives some pharmaceutical support through receipt of grants for certain activities. Through this revenue ESE supports the objectives outlined on page 3.

· ***Reserve Policy***

The EJE reserve policy is stated below and is ring-fenced for EJE activity only; the reserve policy for the other activities excluding the journal is also detailed below.

– **EJE Reserve Policy**

The Society shall maintain a designated reserve fund for the purposes of developing and supporting the *European Journal of Endocrinology*. The reserve fund shall be derived from the investments and annual surpluses of the *European Journal of Endocrinology* agreed to be made available for this purpose provided that the Society shall have no obligation to add further funds. The ESE Executive Committee shall use its best endeavours to ensure that the reserve fund equals the aggregate of two years' expenditure for the publication of the journal based on the most recent actual expenditure of the journal after allowing for inflation calculated in accordance with the Retail Price Index as varied from time to time. The assets, liabilities and activities of the *European Journal of Endocrinology* are held in a designated fund. At each year-end the reserve for this fund is recalculated and adjusted accordingly.

– **ESE Reserve Policy excluding EJE**

The reserve policy takes into consideration the major risks that could face the ESE. These are:

(1) The potential withdrawal of funding from corporate supporters, for whatever reason, e.g., changes in regulations causing restriction on funding. Corporate funding was provided in 2018 for the following activities: overall corporate membership for general support of the Society and its administration; support of the ESE postgraduate courses; partial support of the newsletter through support of the newsletter supplement, ESE Insight; support of the ESE Cushing's patient registry, ERCUSYN; and support of the congress.

(2) The reduction in size of the ESE annual congress for any reason, e.g., removal of industry support, which would result in a reduction of income from the annual congress, resulting in a significant reduction in overall income to the Society that year, and a smaller reduction in expenditure, resulting in a deficit for that year; an Act of God resulting in a major reduction in delegate and company participation in the annual congress, or cancellation.

This reserve policy is designed to allow the ESE to continue running its activities for a two-year period, after which the projects would be re-evaluated depending on the level of success in generating new revenue streams. Allowing for a two-year period of financial difficulty would also help to minimise the risk of compromising the objectives and core activities of ESE. A reduction in the scale of activities has been assumed, but not large-scale cancellation of projects.

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– **Conclusion**

Using calculations based on the summary above, the Trustees of ESE consider that the required level of readily useable reserves should be €1.387m for EJE and that there is sufficient currently in reserve to support this. These figures are calculated using the rate of exchange on 31 December 2018. Also using calculations based on the summary above, the Trustees of ESE consider that the reserve for general ESE activity should be €2.133m. The total of the two reserves is €3.520m and the current total unrestricted income fund as shown in the audited accounts is €4.056m excluding the restricted funds. There is therefore a surplus above the reserve requirement of €536k. As described previously, the charity is forecast to run a deficit budget also for 2018 and 2019 according to the planned levels of activity which will utilise these funds.

· **Designated/Restricted Funds**

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are monies raised for, or their use restricted to specific purposes, or funding contributions subject to donor imposed conditions.

- The designated fund is in relation to the development and support of the *European Journal of Endocrinology*.
- Five restricted funds have been identified and these are:
 - The Geoffrey Harris Award restricted fund relates to income received from Ipsen for the award including associated costs. This award was presented at the European Congress of Endocrinology which was held 19-22 May 2018 in Barcelona, Spain. The majority of the expenditure would have been around this time.
 - The Jens Christiansen restricted fund relates to income received from Novo Nordisk for two awards (one clinical and one basic) including associated costs. Both of these awards were presented at the European Congress of Endocrinology which was held 19-22 May 2018 in Barcelona, Spain. The majority of the expenditure would have been around this time.
 - Novo Nordisk restricted fund for the advancement of education in endocrinology. In 2018, two courses were held (22-25 February in Budapest, Hungary and 8-10 November in Minsk, Belarus). Whilst there would have been some expenditure before the course dates the majority of the expenditure would have been around the time of the courses.
 - AGHD is a restricted fund in relation to an audit project aiming to collate Adult Growth Hormone Deficiency (AGHD) patient data from participating centres and to analyse, at the local, national and European level, the best treatment practices now and in the future. Timing of the expenditure is in relation to the project milestones.
 - PARAT is a restricted fund in relation to the ESE PARAT Programme which aims to identify, define and plan the delivery of potential solutions to improve future outcomes and care for patients with parathyroid disorders. Timing of the expenditure is in relation to the expert meeting held in September 2018 and the follow up meeting report.

PLANS FOR FUTURE PERIODS

In 2019, ESE will continue to build on its agreed 2017 – 2021 goals, and the implementation of the strategies and tactics to support these. Success will be measured against agreed targets.

- Further establishment of the ESE's own team through the appointment of a Sales and Marketing Manager and an Administration assistant.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE
TRUSTEES ANNUAL REPORT (CONTINUED)**

Specific activities and focus are planned as follows:

- ***Goal 1: To be at the centre of the endocrine community in Europe, acknowledged as the reference point for endocrine science, knowledge and health***
 - **Membership:** To carry out a review of the membership benefits and develop a membership strategy, taking into account the results of the membership survey carried out in 2018. This will guide ESE as to where to focus its resources in future years.
 - Finalise the Memorandums of Understanding with the ESE Affiliated Society members to maximise collaboration opportunities and liaison.
 - **Communications and Marketing:** To monitor the communications and marketing of the ESE activities with the aim to hold a full review once the recruitment of the Sales and Marketing Manager has been completed.
 - **Journals:** Focus on strategies to increase the impact factor for *Endocrine Connections* and the *European Journal of Endocrinology*.
 - **Advocacy/EU:** To continue to increase the level of advocacy activities through having a presence in Brussels; in the first instance this will be in a serviced office with space for growth at the appropriate time. In addition to this, to analyse the data from the European Mapping Project and to develop a white paper for publication. To continue discussions with Patient Advocacy Groups on how ESE can assist them.

- ***Goal 2: To provide continuous endocrine related education and training provision for all career stages in clinical practice and basic research***
 - **Cohesive education strategy:** The ESE Education Committee have utilised the ESE Curriculum in the development of the programme for the 23rd ESE PG Course, with plans to complete the curriculum coverage across the 24th and 25th PG Courses being held in 2019. The 23rd PG Course was also recorded for the development of online materials aimed at providing clinical endocrinologists in-training with a resource to assist their preparations for the European Board Examination. ESE have continued the previously agreed 2-year trial for the European Board Exam, with the MRCP(UK) running the administration of the examination. ESE have provided question writers, as well as representatives on the Examination Board, and will continue to work with UEMS and the MRCP(UK) on the potential future development of the Examination.
 - **Raising standards** in endocrinology through the continuation of the pan-European examination in Endocrinology, Diabetes and Metabolism, with the second exam taking place on 12 June 2019. This is being held in liaison with the European Union of Medical Specialists (UEMS), the Membership of the Royal College of Physicians UK (MRCP), the Society for Endocrinology and the Association of British Clinical Diabetologists.
 - **The launch of the Advanced Practice in Endocrinology Nursing Textbook** will be held during ECE 2019. This medical textbook provides a comprehensive guide for nurses practicing in any area of endocrinology and at any level of expertise. Endocrinology Nursing is a fast-developing specialty with nurses performing advanced roles and expanding their practice to run independent nurse-led services. The book is supported by ESE, has been edited by members of the ESE Nurses' Working Group, and is the first book ever published specifically for endocrine nurses.

- ***Goal 3: To foster early-career basic and clinical endocrinologists, creating a dynamic community which will inspire them to become endocrinologists and remain in endocrinology***

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
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TRUSTEES ANNUAL REPORT (CONTINUED)**

- **Career enhancing** activities to be implemented for early-career endocrinologists, as an example these could include speaker training, presentation skills or abstract writing workshops. In 2019, this will include an ESE Career Workshop at the congress for those wishing to improve their networking and presentation skills.
 - **Community building** through the continued growth of the EYES database of contacts and potential members.
- ***Goal 4: To continue to run the leading European endocrine congress, ensuring it is kept current, attractive across the Focus Areas, and viewed as the ‘must attend’ event for endocrinologists across Europe***
- Ensuring the European Congress of Endocrinology is viewed as an essential part of the endocrinologists’ annual calendar through continually reviewing the event and implementing recommendations as required.
 - Offering a range of activities pre or during the congress with the aim to enhance the delegate experience. In 2019 this will include a range of exciting and diverse pre-congress events, designed to appeal to a large range of audiences. In addition to this, to encourage attendees from all French-speaking countries, the plenary lectures will be simultaneously translated into French.
- ***Goal 5: To ensure that ESE is financially sustainable through excellent management of commercial partnerships and a clear business development strategy***
- Working towards an increase in revenue through the implementation of the agreed business development plans. Taking sales for the congress inhouse through the recruitment of a Sales and Marketing Manager who will support the Director of Commercial Services in delivering revenue

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Society was incorporated on 18 August 2005 and commenced activities on 1 January 2006. The organisation was registered as a charity on 8 April 2008 and these accounts have therefore been audited as a charitable organisation.

Individuals, national endocrine societies in Europe and in countries bordering the Mediterranean Sea, as well as pan-European and international sub-specialist endocrine societies and companies with a focus on endocrinology can be members. The Society values its links with the 51 national endocrine societies and 12 specialist societies that are members, and they also have voting rights, alongside the individual members. Individual membership is open to members of a national medical or scientific society in endocrinology or a related subject. Companies do not have voting rights. In addition, societies outside of Europe can be members as part of the Associate membership scheme.

The Society is governed by the Executive Committee which comprises not less than ten or more than fifteen members and can include up to three ex-officio members. Ex-officio members have no vote and are not directors of the Society. There are currently three ex-officio members and they represent endocrine nurses, ESE Council of Affiliated Societies (ECAS) and the European Young Endocrine Scientists (EYES). The Executive Officers Board is made up of the ESE Officers (President, President-elect, Treasurer and Secretary) together with the Senior Management Team (Chief Executive Officer

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE
TRUSTEES ANNUAL REPORT (CONTINUED)**

and Director of Commercial Services) meet on a regular basis to ensure the effective management of the Society.

All applications for individual membership are formally approved by the ESE Executive Committee. There is also an Honorary membership category, for people with a special distinction in endocrinology or who have performed outstanding service to the Society. These are nominated through and approved by the Executive Committee.

In 2018 the Society had nine committees. The committees report to the Executive Committee through their chairman. The committee chairs are appointed by the Executive Committee. Each committee has a remit which has been approved by the Executive Committee. The committees are:

Clinical Committee
Congress Committee
Education Committee
European Young Endocrine Scientists (EYES) Committee
Industry Partnership Board
International Liaison Committee
Nominations Committee
Publishing and Communications Committee
Science Committee

The position of Scientific Programme Chair is held by a member of the Executive Committee. They are responsible for the overall scientific output of the society, although they delegate the programme organisation of the European Congress of Endocrinology to designated Chairs.

In addition to the Committees, the ESE Nurses' Working Group reports to the Clinical Committee. The chair of the working group, Sofia Llahana, is an ex-officio member of the Executive Committee.

The ESE Council of Affiliated Societies provides a collaborative network to enhance the visibility of endocrine research, development and education across Europe. ECAS membership comprises 51 national endocrine societies, represented at ECAS meetings typically through their President or Secretary. An ECAS representative is nominated and voted for by the ECAS members and is an ex-officio member of the Executive Committee. This representative is responsible for liaising with the ESE Office on ECAS activities and meetings.

The European Society of Endocrinology participates in activities organised through the European Medicines Agency (EMA) and through this the Society is required to publish its funding from pharma and non-pharma sources. This information is available on the ESE website. In addition, and as a member of the Alliance for Biomedical Research in Europe (Biomed Alliance), the European Society of Endocrinology adheres to the Biomed Alliance Code of Conduct. Being a part of these networks helps to ensure that the Society's operating policies are transparent.

· ***Recruitment and appointment of new trustees***

Any Ordinary Member may nominate one other Ordinary Member for vacant Executive Committee positions. There are four Officers on the Executive Committee, namely the President, President-elect, Secretary and Treasurer. Executive Committee members serve a four-year term, but the Treasurer's

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
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TRUSTEES ANNUAL REPORT (CONTINUED)**

and Secretary's positions can be extended for up to two years subject to approval of the General Council. The President-elect position is for two years and then President for a further two years.

New Trustees are provided with an online induction manual which contains information such as, previous meeting minutes, relevant policies, strategic plan and day to day information.

The ESE Committees are supported by the ESE Office in the development of activities and budget preparation (where needed). Proposals are then directed through the Executive Officers Board and then to the Executive Committee for final approval. Where needed, proposals are taken to the General Council for approval. For budget and additional expenditure outside of an approved budget, the CEO and Treasurer have defined financial sign-off limits.

For ESE's senior level positions there has been a benchmarking exercise before appointment. The CEO remuneration is agreed by the Executive Officers Board and the other staff remuneration is agreed through the CEO and then through the budget process, which is approved by the Trustees. Any changes to salary on an annual basis are made in reference to the Retail Price Index (RPI).

· ***Related Parties***

None of our trustees receive remuneration or other benefits from their work with the charity. During the year trustees received reimbursed expenses from fulfilling their duty but no other related party transactions were reported during the year.

· ***Members Liability***

The company is limited by guarantee and, as such, does not have a share capital. In the event of winding up, each member has guaranteed to contribute to a maximum of £1 to meet the liabilities of the company.

POLITICAL DONATIONS

There were no donations made within the period.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees (who are also the directors of the European Society for Endocrinology for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing the financial statements, the trustees are required to:

- Select suitable accountancy policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are both prudent and reasonable;
- State whether applicable UK Accounting Standards have been followed, subject to any departures disclosed and explained in the financial statements; and

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE
TRUSTEES ANNUAL REPORT (CONTINUED)**

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charitable company at any time and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence take all reasonable steps for the prevention and detection of fraud and any other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of Companies Act 2006.

STATEMENT AS TO DISCLOSURE TO OUR AUDITORS

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant audit information of which the charitable company's Auditors are unaware
- The trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the Auditors are aware of such information.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

This report was approved by the board of directors and trustees on 21 May 2019 and signed on its behalf by:

Professor AJ van der Lely
President

Professor O Yildiz
Treasurer

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN SOCIETY OF ENDOCRINOLOGY
YEAR ENDED 31 DECEMBER 2018**

Opinion

We have audited the financial statements of European Society of Endocrinology for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EUROPEAN SOCIETY OF
ENDOCRINOLOGY
YEAR ENDED 31 DECEMBER 2018**

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EUROPEAN SOCIETY OF
ENDOCRINOLOGY**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, 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 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EUROPEAN SOCIETY OF
ENDOCRINOLOGY**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Luke Holt (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 DECEMBER 2018**

| | Note | Unrestricted Funds € | Restricted Funds € | Total Funds 2018 € | Total Funds 2017 (restated) € |
|--|------|----------------------------|--------------------------|-----------------------------|---|
| INCOME AND ENDOWMENTS FROM: | | | | | |
| Charitable activities | 6 | 3,595,800 | - | 3,595,800 | 2,960,553 |
| Other trading activities | 4 | 396,695 | 316,345 | 713,040 | 352,620 |
| Investments | 5 | 41,412 | - | 41,412 | - |
| TOTAL INCOME | | 4,033,907 | 316,345 | 4,350,252 | 3,313,173 |
| EXPENDITURE ON: | | | | | |
| Raising funds | | 23,287 | - | 23,287 | 4,047 |
| Publicity and awareness | 8 | 159,620 | - | 159,620 | 78,035 |
| Charitable activities | 9 | 3,858,848 | 305,007 | 4,163,855 | 3,569,312 |
| TOTAL EXPENDITURE | | 4,041,755 | 305,007 | 4,346,762 | 3,651,394 |
| NET (EXPENDITURE)/INCOME BEFORE INVESTMENT GAINS/(LOSSES) | | (7,848) | 11,338 | 3,490 | (338,221) |
| Losses on investment assets | 15 | (238,833) | - | (238,833) | (3,518) |
| NET (EXPENDITURE)/INCOME FOR THE YEAR | 11 | (246,681) | 11,338 | (235,343) | (341,739) |
| INTERFUND TRANSFER | 19 | (14,844) | 14,844 | - | - |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | (261,525) | 26,182 | (235,343) | (341,739) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 4,317,369 | 18,707 | 4,336,076 | 4,677,815 |
| TOTAL FUNDS CARRIED FORWARD | | 4,055,844 | 44,889 | 4,100,733 | 4,336,076 |

The Statement of Financial Activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 26 to 41 form part of these financial statements.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
As at 31 DECEMBER 2018**

| | Note | 2018 € | € | 2017 € |
|--|------|--------------------|-----------|--------------------|
| FIXED ASSETS | | | | |
| Intangibles | 13 | | 49,231 | 62,350 |
| Tangibles | 14 | | 1,100 | - |
| Investments | 15 | | 2,764,566 | 3,002,747 |
| CURRENT ASSETS | | | | |
| Debtors | 16 | 1,031,822 | | 1,358,668 |
| Cash at bank | | 2,143,014 | | 1,475,290 |
| | | | | |
| | | 3,174,836 | | 2,833,958 |
| CREDITORS: Amounts falling due within one year | 17 | (1,889,000) | | (1,500,305) |
| NET CURRENT ASSETS | | | | |
| | | | 1,285,836 | 1,333,653 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | |
| | | | 4,100,733 | 4,398,750 |
| CREDITORS: Amounts falling due after more than one year | | | | |
| | 18 | | - | (62,674) |
| NET ASSETS | | | | |
| | | | 4,100,733 | 4,336,076 |
| FUNDS | | | | |
| Restricted income funds | 19 | | 44,889 | 18,707 |
| Unrestricted income funds | 19 | | 2,266,844 | 2,528,369 |
| Designated income funds | 19 | | 1,789,000 | 1,789,000 |
| TOTAL FUNDS | | | | |
| | | | 4,100,733 | 4,336,076 |

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the members of the committee on and are signed on their behalf by:

Professor AJ van der Lely
President

Professor O Yildiz
Treasurer

Company Registration Number: 05540866

The notes on pages 26 to 41 form part of these financial statements.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2018**

| | 2018 | 2017 |
|---|-------------------------|-------------------------|
| | € | € |
| Cash flows from operating activities | 628,686 | 418,898 |
| Cash flows from investing activities | | |
| Investment income | 41,412 | - |
| Purchase of investments | (1,613,221) | (1,304,410) |
| Proceeds of sale of investments | 26,838 | - |
| Purchase of intangible assets | - | (65,593) |
| Purchase of tangible assets | (1,722) | - |
| Net cash used in investing activities | <u>(1,546,693)</u> | <u>(1,370,003)</u> |
| Change in cash in the year | (918,007) | (951,105) |
| Cash and cash equivalents at the beginning of the year | 3,177,145 | 4,128,250 |
| Cash and cash equivalents at the end of the year | <u>2,259,138</u> | <u>3,177,145</u> |

RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOWS FROM OPERATING ACTIVITIES

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| | € | € |
| Net income / (expenditure) for the period | (235,343) | (341,739) |
| Investment income | (41,412) | - |
| Losses on investments | 238,833 | 3,518 |
| Decrease/(increase) in debtors | 326,846 | 480,842 |
| Increase/(decrease) in creditors | 326,021 | 273,034 |
| Amortisation of intangible assets | 13,119 | 3,243 |
| Depreciation of tangible assets | 622 | - |
| Net cash provided by /(used in) operating activities | <u>628,686</u> | <u>418,898</u> |
| Analysis of cash and cash equivalents | | |
| Cash in hand | 2,143,014 | 1,475,290 |
| Cash held in investments | 116,124 | 1,701,855 |
| | <u>2,259,138</u> | <u>3,177,145</u> |

EUROPEAN SOCIETY OF ENDOCRINOLOGY

COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018****1. CHARITABLE COMPANY INFORMATION**

The European Society of Endocrinology is a private limited charitable company limited by guarantee by not having any share capital incorporated and domiciled in England and Wales. The registered office is Redwood House, Brotherswood Court, Great Park Road, Almondsbury Business Park, Bradley Stoke, Bristol, BS32 4QW.

2. ACCOUNTING POLICIES**2.1 Basis of accounting**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets investments, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2015), the Charities Act 2011 and the Companies Act 2006. The company constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in Euros which is the functional currency of the charitable company and rounded to the nearest €1.

2.2 Preparation of the accounts on a going concern basis

Having assessed the charitable company's financial position and plans for the foreseeable future the Trustees are satisfied that it remains appropriate to prepare the financial statements on a going concern basis and there are no material uncertainties.

2.3 Incoming resources

All income is recognised once the charity has entitlement to the funds, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations and grants are accounted for on a receivable basis, where the receipt is probable and can be measured reliably. Where conditions are attached to a grant, the income is recognised when the charity becomes unconditionally entitled to the income.

Publications income, sponsorships, membership subscriptions and investment income are accounted for in the period which they relate on an accruals basis. Income received in advance of an event/specified service is deferred until the criteria for recognition income outlined above is met.

2.4 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs are allocated or apportioned to the applicable expenditure headings.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES (continued)

2.4 Resources expended (continued)

Support costs represent the indirect costs incurred in providing support for all activities of the charity. Irrecoverable VAT has also been included as a support cost. These have been allocated on the basis of the direct costs of the relevant activity.

Expenditure is charged as a cost net of VAT against the activity for which the expenditure was incurred.

2.5 Employee Benefits

The cost of short-term employee benefits are recognised as a liability and an expense. The cost of any material unused holiday entitlement is recognised in the period in which the employees' services are received. Termination benefits are recognised as an expense when the charity is demonstrably committed to terminate the employment or to provide termination benefits.

2.6 Pensions

The company operates a defined contribution plan for its employees. A defined contribution pension plan is a pension plan under which the company pays contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations. The assets of the scheme are held separately from those of the charity in a separately administered fund.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.7 Foreign currencies

The company's functional currency and presentational currency is the Euro.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transaction.

At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Financial Activities.

2.8 Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing market value. Gains and losses arising on disposals and revaluation throughout the year are included in the Statement of Financial Activities.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES (continued)

2.8 Fixed asset investments (continued)

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2.9 Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Website Development - 5 Years

Residual values and useful economic lives are reviewed at each reporting period and adjusted as necessary taking account of any permanent impairment.

2.10 Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Computer Equipment - 3 Years

Residual values and useful economic lives are reviewed at each reporting period and adjusted as necessary taking account of any permanent impairment.

2.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The charity enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities including trade and other debtors and trade and other creditors. See note 23 for more detail.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES (continued)

2.12 Cash at bank

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less.

2.13 Fund accounting

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are monies raised for, or their use restricted to specific purposes, or funding contributions subject to donor imposed conditions

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The trustees do not believe there are any assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. INCOME FROM OTHER TRADING ACTIVITIES

| | Unrestricted Funds | Restricted Funds | Total Funds 2018 | Unrestricted Funds | Restricted Funds | Total Funds 2017 |
|----------------------------|-------------------------------|-----------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|
| | € | € | € | € | € | € |
| Sponsorships and grants | 396,695 | 316,345 | 713,040 | 182,912 | 169,708 | 352,620 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

5. INVESTMENT INCOME

| | Unrestricted Funds € | Total Funds 2018 € | Total Funds 2017 € |
|---------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| Income from non-UK listed investments | 41,412 | 41,412 | - |

6. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds € | Total Funds 2018 € | Total Funds 2017 € |
|--|-------------------------------------|-----------------------------------|-----------------------------------|
| Congress and meetings income | 2,731,921 | 2,731,921 | 2,199,699 |
| Publications income | 471,243 | 471,243 | 425,916 |
| Membership subscriptions (including Corporate members) | 347,726 | 347,726 | 233,040 |
| Rebates and commissions | 44,910 | 44,910 | 101,898 |
| | 3,595,800 | 3,595,800 | 2,960,553 |

All funds received in 2017 were unrestricted.

7. ANALYSIS OF INCOME BY GEOGRAPHY

| | 2018 € | 2017 € |
|--------------------------|-------------------|-------------------|
| UK | 353,513 | 231,922 |
| Europe | 2,900,410 | 2,352,353 |
| Rest of the World | 1,096,329 | 728,898 |
| Total Incoming Resources | 4,350,252 | 3,313,173 |

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

8. PUBLICITY AND AWARENESS

| | Direct charitable activities | Support costs | Total Funds 2018 | Direct charitable activities | Support costs | Total Funds 2017 (restated) |
|--|------------------------------------|------------------|------------------------|------------------------------------|------------------|--------------------------------------|
| | € | € | € | € | € | € |
| Communications, Media and Publicity | 159,620 | - | 159,620 | 71,729 | 6,306 | 78,035 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

9. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

| | | Direct charitable activities | Support costs | Total Funds 2018 |
|------------------------------------|------|------------------------------------|---------------|---------------------|
| | | € | € | € |
| Congress costs | | 1,927,738 | 60,850 | 1,988,588 |
| Grants, awards & sponsorships | 9(b) | 157,097 | - | 157,097 |
| Membership | | 245,532 | 8,789 | 254,321 |
| Newsletter | | 95,854 | - | 95,854 |
| Annual meetings & events | | 252,064 | - | 252,064 |
| Publications costs | | 93,839 | - | 93,839 |
| Clinical and scientific activities | | 339,165 | 124,970 | 464,135 |
| Staff costs | 12 | - | 158,855 | 158,855 |
| Office overheads | | - | 3,173 | 3,173 |
| Donation | 9(a) | 170,651 | - | 170,651 |
| FX losses / (gains) | | - | 24,960 | 24,960 |
| Governance costs | 10 | - | 500,318 | 500,318 |
| | | ===== | ===== | ===== |
| | | 3,281,940 | 881,915 | 4,163,855 |
| | | ===== | ===== | ===== |

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

9. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE (CONTINUED)

| | | Direct charitable activities € | Support costs € | Total Funds 2017 (restated) € |
|------------------------------------|-------------|---|--------------------|--|
| Congress and meetings costs | | 1,680,470 | - | 1,680,470 |
| Grants, awards & sponsorships | 9(b) | 163,836 | - | 163,836 |
| Membership | | 371,704 | 296 | 372,000 |
| Newsletter | | 75,010 | - | 75,010 |
| Annual meetings & events | | 222,152 | - | 222,152 |
| Publications costs | | 110,806 | - | 110,806 |
| Clinical and scientific activities | | 248,763 | - | 248,763 |
| Staff costs | 12 | - | 105,826 | 105,826 |
| Office overheads | | - | 5,006 | 5,006 |
| Donation | 9(a) | 146,066 | - | 146,066 |
| FX losses / (gains) | | - | 43,016 | 43,016 |
| Governance costs | 10 | - | 396,361 | 396,361 |
| | | <u>3,018,807</u> | <u>550,505</u> | <u>3,569,312</u> |

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

9. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE (CONTINUED)

9(a) Donation:

In 2018, a donation of €170,651 was generated for the Spanish Society of Endocrinology and Nutrition, as host Society of ECE 2018, held in Barcelona. The figure in 2017 was a donation of €146,066 generated for the Portuguese Endocrine Society, as host Society of ECE 2017, held in Lisbon.

9(b) Grants, awards and sponsorships:

| | 2018 | 2017 |
|---|------------------------------|-----------------------|
| | | (restated) |
| | € | € |
| Geoffrey Harris Award | 16,454 | 13,390 |
| ESE Young Investigator Awards | 18,405 | 18,885 |
| EJE Award | 2,984 | 2,985 |
| ESE Meeting grants | 43,724 | 51,391 |
| Poster Awards | 2,054 | 2,257 |
| ESE Small Meeting grants | 7,500 | 12,202 |
| IESP Programme | - | 13,094 |
| Basic Science Meeting Grants | 31,310 | 30,575 |
| Short Term Fellowship | 9,206 | 4,493 |
| European Hormone Medal | 5,017 | 7,433 |
| Honorary and special recognition awards | 4,026 | 1,606 |
| Clinical Endocrinology Award | 4,037 | 5,525 |
| Jens Christiansen Award | 12,380 | - |
| | <u>157,097</u> | <u>163,836</u> |
| | <u><u>157,097</u></u> | <u><u>163,836</u></u> |

10. GOVERNANCE COSTS

| | Unrestricted Funds | Total Funds 2018 | Total Funds 2017 |
|--------------------------------------|-------------------------------|------------------------------|-----------------------|
| | | | (restated) |
| | € | € | € |
| Audit and other accountancy services | 48,953 | 48,953 | 15,184 |
| Legal and professional fees | 115,436 | 115,436 | 101,340 |
| Costs of trustees' meetings | 127,243 | 127,243 | 150,653 |
| Office and management | 107,650 | 107,650 | 78,774 |
| Policy and advocacy | 101,036 | 101,036 | 50,410 |
| | <u>500,318</u> | <u>500,318</u> | <u>396,361</u> |
| | <u><u>500,318</u></u> | <u><u>500,318</u></u> | <u><u>396,361</u></u> |

All governance costs incurred in 2018 were unrestricted costs.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

11. NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

| | 2018 | 2017 |
|--|--------------------------|--------------------------|
| | € | € |
| Auditor's fees: current year | 17,860 | 15,184 |
| Auditor's fees: prior year under accrual | 18,024 | - |
| Foreign exchange losses | 24,960 | 43,016 |
| | <u><u> </u></u> | <u><u> </u></u> |

12. STAFF COSTS AND EMOLUMENTS PARTICULARS OF EMPLOYEES

Number of employees

The average monthly number of employees during the year was:

| | 2018 | 2017 |
|---------------|-------------|-------------|
| | Number | Number |
| Staff members | <u>2</u> | <u>1</u> |

Employment costs

| | 2018 | 2017 |
|-----------------------|----------------|----------------|
| | € | € |
| Wages and salaries | 142,956 | 89,302 |
| Social security costs | 13,329 | 10,997 |
| Other pension costs | 10,482 | 5,527 |
| Total | <u>166,767</u> | <u>105,826</u> |

During the year, €8,654 of employment costs have been allocated to congress costs (2017: €nil).

There was one employee earning an annual salary of over €70,000 in the current period and falls within the following banding. One employee earned over €70,000 in the 2017 financial year.

| Banding | 2018 | 2017 |
|--------------------|-------------|-------------|
| €90,001 – €100,000 | 1 | - |
| €80,001 – €90,000 | - | 1 |

Pension costs relating to higher paid employees totalled €6,065 in 2018 (2017: €5,527).

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

Key management personnel

The key management personnel of the charity comprise the Trustees and the Chief Executive Officer. The total employee benefits of the key management personnel of the charity were €110,524 (2017: €105,826). All pension costs are classified as unrestricted expenditure. The charity also uses consultancy services to support business development and clinical projects.

Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year or previous accounting period.

ESE currently has 10 trustees. ESE makes every attempt to minimise the costs of the Executive Committee meetings, by holding them at training courses or congresses where the trustees are already present. In addition, Committees of ESE carry out their businesses where possible by email, phone or by meeting at a training course or congress where the members are already present. In 2018 the trustees' expenses wholly attributable to committee business was €19,531 (2017: €10,493). The number of trustees who had expenses reimbursed was 10 (2017: 14). ESE paid a premium of €5,698 (2017: €5,113) to its insurers for trustees indemnity insurance.

13. INTANGIBLE FIXED ASSETS

| | Website Development | Total |
|-------------------------------|--------------------------------|---------------|
| Cost | € | € |
| At 1 Jan 2018 and 31 Dec 2018 | 65,593 | 65,593 |
| | <hr/> | <hr/> |
| Amortisation | | |
| At 1 Jan 2018 | 3,243 | 3,243 |
| Charge for the year | 13,119 | 13,119 |
| | <hr/> | <hr/> |
| At 31 Dec 2018 | 16,362 | 16,362 |
| | <hr/> | <hr/> |
| Net Book Value | | |
| At 31 Dec 2018 | 49,231 | 49,231 |
| | <hr/> | <hr/> |
| At 1 Jan 2018 | 62,350 | 62,350 |
| | <hr/> | <hr/> |

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

14. TANGIBLE FIXED ASSETS

| | Computer Equipment | Total |
|-----------------------|-------------------------------|--------------|
| Cost | € | € |
| At 1 Jan 2018 | - | - |
| Additions | 1,722 | 1,722 |
| | <hr/> | <hr/> |
| At 31 Dec 2018 | 1,722 | 1,722 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Amortisation | | |
| At 1 Jan 2018 | - | - |
| Charge for the year | 622 | 622 |
| | <hr/> | <hr/> |
| At 31 Dec 2018 | 622 | 622 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Net Book Value | | |
| At 31 Dec 2018 | 1,100 | 1,100 |
| | <hr/> <hr/> | <hr/> <hr/> |
| At 1 Jan 2018 | - | - |
| | <hr/> <hr/> | <hr/> <hr/> |

15. INVESTMENTS

| | 2018 | 2017 |
|---------------------------------------|------------------|-------------|
| | € | € |
| Market value at 1 January 2018 | 1,300,892 | - |
| Additions at cost | 1,613,221 | 1,304,410 |
| Disposal proceeds | (26,838) | - |
| Realised loss on disposal | (1,233) | - |
| Unrealised loss on revaluation | (237,600) | (3,518) |
| Market value at 31 December 2018 | 2,648,442 | 1,300,892 |
| Add cash held in investments | 116,124 | 1,701,855 |
| Investments total at 31 December 2018 | 2,764,566 | 3,002,747 |
| Historical cost | 2,889,560 | 1,304,410 |

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

15. INVESTMENTS (CONTINUED)

Analysis of investments at 31 December 2018 between funds

| | Total Funds 2018 | Total Funds 2017 |
|---------------------------|-----------------------------|-----------------------------|
| | € | € |
| Listed investments | | |
| UK Quoted Shares | 444,835 | 130,301 |
| Non-UK Quoted Shares | 2,203,607 | 1,170,591 |
| Cash Balances | 116,124 | 1,701,855 |
| | <hr/> | <hr/> |
| | 2,764,566 | 3,002,747 |
| | <hr/> <hr/> | <hr/> <hr/> |

The following investments make up more than 5% of the total holding at 31 December 2018:

| Investment | Market Value |
|--------------------------------|---------------------|
| | € |
| Ishares III PLC Euro Corp Bond | 132,578 |
| | <hr/> |
| | 132,578 |
| | <hr/> <hr/> |

16. DEBTORS

| | 2018 | 2017 |
|---------------|------------------|-------------|
| | € | € |
| Trade debtors | 243,348 | 161,560 |
| Other debtors | 444,000 | 636,255 |
| Prepayments | 314,409 | 560,853 |
| VAT | 30,065 | - |
| | <hr/> | <hr/> |
| | 1,031,822 | 1,358,668 |
| | <hr/> <hr/> | <hr/> <hr/> |

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

17. CREDITORS: Amounts falling due within one year

| | 2018 | 2017 |
|--|-------------------------|------------------|
| | € | € |
| Trade creditors | 795,247 | 354,337 |
| Other creditors | 486,240 | 582,807 |
| Deferred income | 607,513 | 281,221 |
| Tax and other social security creditor | - | 281,940 |
| | <u>1,889,000</u> | <u>1,500,305</u> |
| | <u>1,889,000</u> | <u>1,500,305</u> |

Deferred income comprises amounts received in advance in respect of the 2019 Congress €375,722 (2017: €14,266), Corporate Sponsorship €113,973 (2017: €264,657) and Corporate Membership Fees of €74,348 (2017: €2,298).

18. CREDITORS: Amounts falling due after more than one year

| | 2018 | 2017 |
|-----------------|-----------------|---------------|
| | € | € |
| Deferred income | - | 62,674 |
| | <u>-</u> | <u>62,674</u> |
| | <u>-</u> | <u>62,674</u> |
| | <u>-</u> | <u>62,674</u> |

Deferred income comprises amounts received in advance in respect of Corporate Sponsorship for 2019 of € nil (2017: €62,674).

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

19. ANALYSIS OF FUNDS

| | Balance at 1 January 2018 | Incoming resources | Outgoing resources | Gains and (losses) | Interfund transfer | Balance at 31 December 2018 |
|----------------------------------|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------------------|
| | € | € | € | € | € | € |
| Restricted funds | | | | | | |
| Novo Nordisk | 17,097 | 142,448 | (156,633) | - | - | 2,912 |
| Geoffrey Harris Award | 1,610 | - | (16,454) | - | 14,844 | - |
| Jens Christiansen | - | 12,380 | (12,380) | - | - | - |
| AGHD | - | 43,186 | (37,606) | - | - | 5,580 |
| Parathyroid | - | 118,331 | (81,934) | - | - | 36,397 |
| Unrestricted fund | 2,528,369 | 3,352,569 | (3,804,417) | - | 190,323 | 2,266,844 |
| Designated fund | 1,789,000 | 681,338 | (237,338) | (238,833) | (205,167) | 1,789,000 |
| | <u>4,336,076</u> | <u>4,350,252</u> | <u>(4,346,762)</u> | <u>(238,833)</u> | <u>-</u> | <u>4,100,733</u> |

The designated fund is in relation to the development and support of the *European Journal of Endocrinology*.

The Novo Nordisk restricted fund is for the advancement of education in endocrinology.

The Geoffrey Harris Award restricted fund relates to income received from Ipsen for the award including associated costs.

The Jens Christiansen restricted fund relates to income received from Novo Nordisk for the two awards (one clinical and one basic) including associated costs.

AGHD is a restricted fund in relation to an audit project aiming to collate Adult Growth Hormone Deficiency (AGHD) patient data from participating centres and to analyse, at the local, national and European level, the best treatment practices now and in the future.

PARAT is a restricted fund in relation to the ESE PARAT Programme which aims to identify, define and plan the delivery of potential solutions to improve future outcomes and care for patients with parathyroid disorders.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2018

| | Intangible Fixed assets | Tangible Fixed Assets | Investments | Net current assets/ (liabilities) | Long term Creditors | Total |
|--------------------|----------------------------|--------------------------|------------------|---|------------------------|------------------|
| | € | € | € | € | € | € |
| Restricted fund | - | - | - | 44,889 | - | 44,889 |
| Unrestricted fund | 49,231 | 1,100 | 975,566 | 1,240,947 | - | 2,266,844 |
| Designated fund | - | - | 1,789,000 | - | - | 1,789,000 |
| Total Funds | 49,231 | 1,100 | 2,764,566 | 1,285,836 | - | 4,100,733 |

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2017

| | Intangible Fixed assets | Investments | Net current assets/ (liabilities) | Long term Creditors | Total |
|--------------------|----------------------------|------------------|---|------------------------|------------------|
| | € | € | € | € | € |
| Restricted fund | - | - | 18,707 | - | 18,707 |
| Unrestricted fund | 62,350 | 1,213,747 | 1,314,946 | (62,674) | 2,528,369 |
| Designated fund | - | 1,789,000 | - | - | 1,789,000 |
| Total Funds | 62,350 | 3,002,747 | 1,333,653 | (62,674) | 4,336,076 |

21. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

22. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and, as such, does not have a share capital. In the event of winding up, each member has guaranteed to contribute to a maximum of £1 to meet the liabilities of the company.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

23. FINANCIAL INSTRUMENTS

| | 2018 | 2017 |
|---|-------------------------|------------------|
| | € | € |
| Financial assets measured at fair value | 4,907,580 | 4,478,037 |
| Financial assets measured at amortised costs | 687,348 | 797,815 |
| | <u>5,594,928</u> | <u>5,275,852</u> |
| | <u>5,594,928</u> | <u>5,275,852</u> |
| | | |
| Financial liabilities measured at amortised costs | 1,281,487 | 937,144 |
| | <u>1,281,487</u> | <u>937,144</u> |
| | <u>1,281,487</u> | <u>937,144</u> |

Financial assets measured at fair value consists of cash at bank and investments.

Financial assets measured at amortised cost consist of trade debtors and other debtors.

Financial liabilities measured at amortised cost consist of trade creditors and other creditors.

These pages do not form part of the financial statements

European Society of Endocrinology Company Limited by Guarantee.
Detailed income and expenditure account.
Year ended 31 December 2018

| | Year to 31-Dec-18 | Year to 31-Dec-17 |
|--|------------------------------|------------------------------|
| | € | € |
| Income | | |
| Sponsorships and grants | 713,040 | 352,620 |
| Congress income | 2,731,921 | 2,199,699 |
| Publications income | 471,243 | 425,916 |
| Membership subscriptions (including corporate) | 347,726 | 233,040 |
| Rebates and commissions | 44,910 | 101,898 |
| Investment income | 41,412 | - |
| | <hr/> | <hr/> |
| | 4,350,252 | 3,313,173 |
| Direct costs | | |
| Congress costs | 1,988,588 | 1,680,470 |
| Clinical & Scientific Activities | 464,135 | 248,763 |
| Membership | 254,321 | 372,000 |
| Annual meetings & events | 252,064 | 222,152 |
| Communications, Media and Publicity | 159,620 | 78,035 |
| Newsletter | 95,854 | 75,010 |
| Publications costs | 93,839 | 110,806 |
| Meeting Grant | 43,724 | 51,391 |
| Basic Science Meeting Grant | 31,311 | 30,575 |
| Young Investigator Awards (YI) | 18,405 | 18,885 |
| Geoffrey Harris Award | 16,454 | 13,390 |
| Jens Christiansen Award | 12,380 | - |
| Short Term Fellowship | 9,206 | 4,493 |
| Small Meeting Grant | 7,500 | 12,202 |
| European Hormone Medal | 5,017 | 7,433 |
| CET Award | 4,036 | 5,525 |
| Honorary and Special Recognition Awards | 4,026 | 1,606 |
| EJE Award | 2,984 | 2,985 |
| Poster Awards | 2,054 | 2,257 |
| IESP | - | 13,094 |
| | <hr/> | <hr/> |
| | 3,465,518 | 2,951,072 |
| Gross surplus | 884,734 | 362,101 |

| | | |
|---|------------------|------------------|
| Overheads | | |
| Staff costs | 158,855 | 105,826 |
| Office overheads | 3,173 | 5,006 |
| Donation | 170,651 | 146,066 |
| Foreign exchange (gain) / losses | 24,960 | 43,016 |
| Audit and other accountancy services | 48,953 | 15,184 |
| Legal and professional fees | 115,436 | 101,340 |
| Costs of trustees' meetings | 127,243 | 150,653 |
| Office and Management | 107,650 | 78,774 |
| Policy and Advocacy | 101,036 | 50,410 |
| Investment Manager Fees | 23,287 | 4,047 |
| | <hr/> | <hr/> |
| | 881,244 | 700,322 |
| Operating surplus / (deficit) | 3,490 | (338,221) |
| Other Investment Losses | (238,833) | (3,518) |
| Surplus / (deficit) on ordinary activities | (235,343) | (341,739) |