

European Society of Endocrinology

Company Limited by Guarantee

FINANCIAL STATEMENTS

31 December 2017

Company Registration Number: 05540866

Charity number: 1123492

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

FINANCIAL STATEMENTS

YEAR ENDED 31 December 2017

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

Registered charity name	European Society of Endocrinology
Charity registration number	1123492
Company registration number	05540866
Registered office	Euro House 22 Apex Court Bradley Stoke Bristol BS32 4JT
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 (elected 23 May 2017)
Professor J Bollerslev (retired 23 May 2017)
Professor G Brabant (retired 23 May 2017)
Professor A Giustina (elected 23 May 2017)
Professor M Korbonits
Professor B Kos-Kudla (elected 23 May 2017)
Professor V Popovic-Brkic (retired 23 May 2017)
Professor C Schalin-Jantti
Professor M Simoni
Professor A van der Lely
Professor S Webb
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
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Investment managers Charles Stanley & Co
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**EUROPEAN SOCIETY OF ENDOCRINOLOGY
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TRUSTEES ANNUAL REPORT - YEAR ENDED 31 DECEMBER 2017**

The trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2017.

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.

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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.

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

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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.eese-hormones.org) which was redeveloped and launched in 2017. The website includes worldwide events in endocrinology and related areas; advertises 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.

In 2017 ESE also launched 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 prizes 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 six 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 13,541 and 349,747 times since publication. The guideline on Turner's syndrome, published in September 2017, has already received 22,747 downloads since publication. To provide some context, *EJE* articles published in 2017 typically received an average of 1055 downloads within the year of publication and those articles published in 2016 typically received an average of 1282 downloads in 2016/2017.

· **Awards**

The Society recognises world-leading scientists and clinicians through the presentation of 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 the:

- **Geoffrey Harris Award**, generously supported by Ipsen, which is awarded to an established researcher in the field of neuroendocrinology;

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- **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.

· **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 Grants** are 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 Prizes** (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) are presented to researchers submitting abstracts to the annual congress (basic or clinical) according to defined criteria.
- **International Endocrine Scholars Programme (IESP)** is aimed at promoting the career development of young endocrinologists from around the globe by identifying talented young investigators and offering them an exceptional training experience. Funding of €3000 is provided to support travel costs for preparatory visits for a limited number of selected scholars. Successful candidates are also invited to attend the annual ECE and they also receive free membership for a period of three years.

ACHIEVEMENTS AND PERFORMANCE

In 2017, ESE launched its new strategic plan with goals and targets clearly identified. The new ESE visual identity was also unveiled at the European Congress of Endocrinology in Lisbon, Portugal. Some of the achievements and performance during 2017 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 2017, ESE saw an increase in all the membership categories. For Ordinary membership, the number of members increased to 3738 (3586 2016 AGM). This is the highest level to date and could be attributed to the introduction of the National Affiliated Membership scheme for the 2017 membership year; approximately 30% of the membership are members who have taken advantage of the reduced membership fee. In addition to this, the number of national endocrine societies joining ESE through the Affiliated Society Membership has increased to 60 compared to 58 in 2016 (48 national societies and 12 specialty societies); in 2017, there was also an increase in the number of Associate members from 1 to 4. The number of Corporate Members remained the same (11) but with one leaving (Chiasma), and a new one joining (Aegerion).
- **Communications and Marketing:** ESE developed and launched a new website with an increase in functionality relating to personal preferences for viewing and selecting content, and clear signposting of activities within its Focus Areas.
- **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 4.101 (3.892);
 - *Journal of Endocrinology's* impact factor is the highest to date at 4.706 (4.498);
 - *Journal of Molecular Endocrinology's* is now 3.577 (2.947) and
 - *Endocrine-Related Cancer's* impact is now 5.267 (4.472).

In addition, Endocrine Connections, which is jointly owned with the Society of Endocrinology, was listed in the Science Citation Index Expanded (SCIE) in June 2016 and received its first impact factor in 2017 of 2.541. To celebrate the first impact factor a platinum membership scheme was launched which gave free publication to ESE members for a limited time period, and reduced publication fees from September 2017.

- **Advocacy/EU:** 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.

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ESE has started to build a plan for an increased level of advocacy and policy activities. This also includes an increased input in the Alliance for Biomedical Research in Europe (Biomed Alliance) and the European Medicines Agency (EMA).

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

- **Scientific content:** To ensure that ESE is effectively covering the spectrum of topics and needs within endocrinology through its previously defined eight Focus Areas, the role of the Scientific Programme Chair (SPC) was developed. The SPC is a member of the Executive Committee and they have overall responsibility for maintaining an overview of the quantity and quality of ESE’s activities and programmes, to ensure a balanced approach. For each of the eight Focus Areas co-leads, one basic and one clinical, were appointed, their remits finalised and their expert panels under development.
- **Raising standards** in endocrinology through a pan-European examination in Endocrinology, Diabetes and Metabolism. During 2017, an agreement 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 was finalised with the first exam taking place in June 2018.
- **Providing guidelines** for endocrinologists in order to improve patient care. To date, ESE has published six clinical practice guidelines and the following was published in 2017:
 - Clinical practice guidelines for the care of girls and women with Turner syndrome: proceedings from the 2016 Cincinnati International Turner Syndrome Meeting (September 2017). This guideline has 22,747 downloads up to the end of February 2018 and the Altmetric attention score is currently 36, with more time needed to improve the score.

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 through a variety of ways including involvement in the majority of ESE committees, supporting a dedicated session at the annual congress and working with the EYES to provide their own membership list and offering grants and awards.

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 to all ECE 2017 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 also contains interviews with Focus Area leads, plenary and prize lecturers. A significant number (75%) of the speakers gave their permission for the presentations to be made available through this service.

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- **Attendance** to the annual congress continues to grow, including group delegates despite a tightening on pharmaceutical regulations. Abstract numbers are also increasing as ECE becomes the place to present new endocrine science in Europe.

- ***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, with ESE now being in its eleventh year the time has come for it to manage more of its affairs centrally; this began in 2016 with the recruitment of the Chief Executive Officer and continued in 2017 with the recruitment of a Director of Commercial Services.

- **Commercial partnerships** and pharma regulations are changing, and to help keep ESE's needs and the pharmaceutical industry needs aligned a review and update of Corporate Membership benefits and fees has taken place. In addition, an Industry Partnership Board was set up, with one of the aims being to discuss issues of common interest and suggest and find solutions for identified challenges.

- **Funding support** received for two projects which were organised through the relevant Focus Areas these were:
 - 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 Shire. The initiative will launch in 2018.

- ESE has been working to improve its financial reporting and management particularly with reference to the preparation and timing of the 2016 audit which was not available for the Annual General Meeting in May 2017. Further information is detailed in the Financial Review section.

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FINANCIAL REVIEW

The net movement in funds for the year to 31 December 2017 shows a decrease of €341,739 from the previous year. The major income streams for the 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 Lisbon. The major items of expenditure were from support of the various activities, including the annual congress, travel grants, awards and prizes, the newsletter and website, and the *European Journal of Endocrinology*, and support of a platinum membership scheme, enabling free submissions to *Endocrine Connections* within a defined time period. 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.

In 2017, the accounts will be presented in Euro as this is the main transactional currency for the Society.

The ESE trustees have been aware in previous years that significant funds are available over and above the reserves, and were advised by the previous ESE auditors that they needed to make plans to distribute these funds. However, the Executive Committee were also aware that the annual budgets and forecasts for 2017-2019 were showing a significant deficit to the organisation based on the current level of activity, and that this was not viable in the long term.

The ESE Executive Committee was clear therefore, from the budgeting and forecasting process, and their strategic review (completed in December 2016), that there should be a focus of investment on the long-term future and financial stability of the organisation. Following a thorough review of opportunities and risks, the decision was taken to recruit a Commercial Director, successfully putting this role in place in May 2017. This type of role, by its nature, takes some time to show a financial return (usually 12-18 months), therefore was a net additional expenditure item in 2017. However, based on early successes, the indications are that the role will make a net positive return in 2018.

In addition, there was investment in the implementation of the new strategy, visual identity and a significantly improved website to enable better communication of ESE activities, as well as additional unbudgeted investment in important projects such as ENDO-ERN, and the *Endocrine Connections* platinum membership scheme. Another major new activity, in support of ESE's objective to share knowledge, was the launch of ECE on Demand (www.eceondemand.org), which provides comprehensive online content from ECE.

The trustees were aware that the organisation would report a deficit for 2017, and the level reported through the audit is in line with this understanding. The material factors which have resulted in a deficit compared to the positive balance in 2016 are as described above, ie. investment in the central team (Commercial Director); implementation of the new visual identity and website (this has been amortised over five years in the accounts); activities such as the platinum membership scheme for *Endocrine Connections*, and support of ENDO-ERN; plus a full year's employment of the CEO (in 2016 the CEO was only in place for nine months). In addition, 2016 benefited significantly from exchange rates; 2017 has been negatively impacted by exchange rates.

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It is clear that ESE needs to focus on its long-term financial stability and, in addition to investments in business development as previously mentioned, the following activities have/are taking place:

- Following a competitive tender, Kingston Smith was appointed as the new auditor. Kingston Smith is working with ESE closely to ensure that ESE has full transparency and an understanding of its financial position.
- Since the appointment of its own CEO in March 2016, financial reporting has been significantly improved; this in part has led to the awareness of these issues.
- A part time Financial Director is now in place on a contract basis to support the CEO on financial issues (one day per month).
- 2018 projects are being closely monitored, including both revenue and expenditure, in order to minimize the projected deficit in 2018.
- External suppliers have been tasked with a reduction in expenditure.
- There is a reduction in overhead costs by bringing additional services in-house (scientific management is being moved in house from April 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. Following the closure of the previous investment product held by HSBC Global Asset Management in 2016, and the successful tender process, the investment funds were moved to Charles Stanley in October 2017. ESE 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 and regular monitoring processes 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.

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- 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 have set up 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. The CEO and Commercial Director have a project planned in 2018 to plan for various scenarios with regards to reduction in revenue from industry to support delegates, and its potential impact on ESE activities overall.
- Significant event affecting key members of staff.
 - As well as two senior members of staff (CEO and Commercial Director) 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.
- Reputational risk, across ESE activities.
 - ESE provides a thorough briefing document for all its trustees, 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 or non-restricted grant, which means that that the company can not be involved with the organisation of the programme for the activity. No speakers at ESE activities are paid to participate. 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.

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- Reduction in membership.
 - ESE is actively working on ensuring its value to its membership base, and is conducting 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.

- **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 General Reserve Policy**

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 2017 for the following activities: overall corporate membership for general support of the Society and its administration; support of the ESE postgraduate courses; support of the Geoffrey Harris prize which was awarded at the annual congress; partial support of the

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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.

– **Conclusion**

Using calculations based on the summary above, the Trustees of ESE consider that the designated reserve fund for EJE should be €1.400m and that there is sufficient currently in reserve to support this. These figures are calculated using the rate of exchange on 31 December 2017. Also using calculations based on the summary above, the Trustees of ESE consider that the reserve for general ESE activity should be €2.172m. The total of the two reserves is €3.572m and the current total unrestricted income fund as shown in the audited accounts is €4.317m excluding the restricted funds. There is therefore a surplus above the reserve requirement of €745k. As described on page 9, 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.

· **Restricted Funds**

Restricted Funds have been identified as follows:

- Geoffrey Harris and Clinical Endocrinology Trust Awards
 - Both of these awards were presented at the European Congress of Endocrinology which was held 20-23 May 2017 in Lisbon, Portugal. The majority of the expenditure would have been around this time.
- Novo Nordisk unrestricted educational grant for training courses.
 - In 2017, two courses were held (20-22 April in Moscow, Russia and 5-7 October in Lviv, Ukraine). 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.

PLANS FOR FUTURE PERIODS

In 2018, 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. The ESE central team will be further established by the appointment of a Scientific Development Manager.

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:** Conducting a review of membership benefits through a membership survey, and focusing on growth of membership across all categories, with a particular emphasis on early-career. This will help to identify areas in which ESE need to consider further in order to endure that membership remains attractive. The membership growth target has been set at 8.5%, with a reduction in membership lapse rates (15% average; 10% early career).
 - Setting up Memorandums of Understanding with the ESE Affiliated Society members to maximise collaboration opportunities and liaison.
 - **Communications and Marketing:** Raising awareness of ESE through an agreed marketing plan encompassing all of ESE's activities.
 - **Journals:** Growth in published content for *Endocrine Connections*, doubling over the next 3 years; double the mean downloads of new articles and continue to have a stable impact factor in Q3 of the endocrinology and metabolism category of the SCIE. For *EJE*, limit the number of published publications by focusing on the best studies (<12 per month), increase the number of reviews and guidelines; increase the impact factor to 4.5.
 - **Advocacy/EU:** To increase the level of advocacy activities and to initiate a research project which will help ESE to better understand the audiences in Europe and the economic impact of endocrinology. In addition, to investigate options in which ESE can work more closely with Patient Advocacy Groups.

- **Goal 2: To provide continuous endocrine related education and training provision for all career stages in clinical practice and basic research**
 - **A cohesive education strategy** will be defined bringing together the endocrinology, diabetes and metabolism curriculum, the face to face training courses and the examination (see below) and providing online educational resources.
 - **Raising standards** in endocrinology through the launch of a pan-European examination in Endocrinology, Diabetes and Metabolism, to take place on June 6 2018. 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.
 - **Scientific content** to be effectively covered by the spectrum of topics and needs within endocrinology through the further establishment of activities within its defined Focus Areas.

EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE
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***
 - **Career enhancing** activities to be identified for early-career endocrinologists, as an example these could include speaker training, presentation skills or abstract writing workshops.
 - **Community building** and enhancement by implementing Member-Mojo which will help EYES build a 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 a thorough strategic review of the event, implementing recommendations as required. This would include improvements to ECE on Demand to enhance the delegates’ experience, a restructure of the Programme Organising Committee and an enhanced marketing plan.

- ***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 business development plan presented to the Executive Committee in 2017. To be measured against agreed targets.

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

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 48 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, made up of the ESE Officers (President, President-elect, Treasurer and Secretary) together with the Senior Management Team (Chief Executive Officer 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 2017 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 was introduced in 2017, and this 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 IESP Selection Panel reports to the Science Committee.

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

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 47 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 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. Trustees are kept up to date in terms of their duties and knowledge as required through email updates or at Executive Committee meetings.

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.

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

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
- 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.

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

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 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 2017**

Opinion

We have audited the financial statements of European Society of Endocrinology for the year ended 31 December 2017 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 2017 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.

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.

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 2017**

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 18, 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.

**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.

Sandra De Lord (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 2017**

	Note	Unrestricted Funds €	Restricted Funds €	Total Funds 2017 €	Total Funds 2016 (restated) €
INCOME AND ENDOWMENTS FROM:					
Charitable activities	6	2,960,553	-	2,960,553	3,143,203
Other trading activities	4	182,912	169,708	352,620	345,455
Investments	5	-	-	-	9,182
TOTAL INCOME		3,143,465	169,708	3,313,173	3,497,840
EXPENDITURE ON:					
Raising funds		4,047	-	4,047	19,556
Publicity and awareness	8	72,016	-	72,016	110,304
Charitable activities	9	3,412,652	162,679	3,575,331	3,279,594
TOTAL EXPENDITURE		3,488,715	162,679	3,651,394	3,409,494
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)		(345,250)	7,029	(338,221)	88,386
Losses on investment assets	14	(3,518)	-	(3,518)	(40,880)
NET (EXPENDITURE)/INCOME FOR THE YEAR	11	(348,768)	7,029	(341,739)	47,506
NET MOVEMENT IN FUNDS FOR THE YEAR		(348,768)	7,029	(341,739)	47,506
RECONCILIATION OF FUNDS					
Total funds brought forward		4,666,137	11,678	4,677,815	4,630,309
TOTAL FUNDS CARRIED FORWARD		4,317,369	18,707	4,336,076	4,677,815

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 27 to 39 form part of these financial statements.

**EUROPEAN SOCIETY OF ENDOCRINOLOGY
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
As at 31 DECEMBER 2017**

		2017		2016 (restated)
	Note	€	€	€
FIXED ASSETS				
Intangibles	13		62,350	-
Investments	14		3,002,747	-
CURRENT ASSETS				
Debtors	15	1,358,668		1,839,510
Cash at bank		1,475,290		4,128,250
		2,833,958		5,967,760
CREDITORS: Amounts falling due within one year	16	(1,500,305)		(1,289,945)
NET CURRENT ASSETS			1,333,653	4,677,815
TOTAL ASSETS LESS CURRENT LIABILITIES			4,398,750	4,677,815
CREDITORS: Amounts falling due after more than one year	17		(62,674)	-
NET ASSETS			4,336,076	4,677,815
FUNDS				
Restricted income funds	18		18,707	11,678
Unrestricted income funds	18		2,528,369	3,190,980
Designated income funds	18		1,789,000	1,475,157
TOTAL FUNDS			4,336,076	4,677,815

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 27 to 39 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2017**

	2017	2016 (restated)
	€	€
Cash flows from operating activities	430,693	(204,515)
Cash flows from investing activities		
Investment income	-	9,182
Purchase of investments	(3,018,060)	(129,364)
Proceeds of sale of investments	-	2,323,458
Purchase of intangible assets	(65,593)	-
Net cash provided by / (used in) investing activities	(3,083,653)	2,203,276
Change in cash in the year	(2,652,960)	1,998,761
Cash and cash equivalents at the beginning of the year	4,128,250	2,129,488
Cash and cash equivalents at the end of the year	1,475,290	4,128,250

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

	2017	2016 (restated)
	€	€
Net income / (expenditure) for the period	(341,739)	47,506
Investment income	-	(9,182)
(Gains)/losses on investments	3,518	40,880
Management charges on investments	4,047	19,556
Foreign exchange (gains)/losses on investments	7,748	(255,738)
Decrease/(increase) in debtors	480,842	(603,881)
Increase/(decrease) in creditors	273,034	556,344
Amortisation of intangible assets	3,243	-
Net cash provided by /(used in) operating activities	430,693	(204,515)
Analysis of cash and cash equivalents		
Cash in hand	1,475,290	4,128,250
	1,475,290	4,128,250

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

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 Euro House, 22 Apex Court, Bradley Stoke, Bristol, BS32 4JT.

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.

Following a review of income and expenditure in 2016, a number of prior year adjustments were made this year. The full details of the impact of these adjustments are shown in note 23.

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.

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 2017**

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 Euros.

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 2017**

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 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 22 for more detail.

2.11 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.

2.12 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

**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 directors 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. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds €	Restricted Funds €	Total Funds 2017 €	Unrestricted Funds €	Restricted Funds €	Total Funds 2016 €
Sponsorships and grants	182,912	169,708	352,620	195,455	150,000	345,455

5. INVESTMENT INCOME

	Unrestricted Funds €	Total Funds 2017 €	Total Funds 2016 €
Income from non-UK listed investments	-	-	9,182

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds €	Total Funds 2017 €	Total Funds 2016 (restated) €
Congress and meetings income	2,199,699	2,199,699	2,334,799
Publications income	425,916	425,916	481,668
Membership subscriptions (including Corporate members)	233,040	233,040	298,898
Rebates and commissions	101,898	101,898	27,838
	2,960,553	2,960,553	3,143,203

All funds received in 2016 were unrestricted.

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

7. ANALYSIS OF INCOMING RESOURCES BY GEOGRAPHY

	2017	2016 (restated)
	€	€
UK	231,922	244,848
Europe	2,352,353	2,063,726
Rest of the World	728,898	1,189,266
	<hr/>	<hr/>
Total Incoming Resources	3,313,173	3,497,840
	<hr/> <hr/>	<hr/> <hr/>

8. PUBLICITY AND AWARENESS

	Direct charitable activities	Support costs	Total Funds 2017	Direct charitable activities	Support costs	Total Funds 2016
	€	€	€	€	€	€
Media office and publicity	72,016	-	72,016	110,304	-	110,304
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

9. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

		Direct charitable activities	Support costs	Total Funds 2017
		€	€	€
Congress costs		1,679,162	-	1,679,162
Grants, prizes & sponsorships	9(c)	326,486	-	326,486
Membership		371,701	6,603	378,304
Newsletter		75,010	-	75,010
Annual meetings & events		216,077	-	216,077
Publications costs		110,806	-	110,806
Clinical and scientific activities		87,259	-	87,259
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
Consultancy fees		-	65,660	65,660
Governance costs	10	-	336,653	336,653
		<hr/>	<hr/>	<hr/>
		3,012,567	562,764	3,575,331
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

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

		Direct charitable activities €	Support costs €	Total Funds 2016 (restated) €
Congress and meetings costs		1,602,307	-	1,602,307
Grants, prizes & sponsorships	9(c)	283,534	-	283,534
Membership		340,248	5,714	346,142
Newsletter		117,739	-	117,739
Annual meetings & events		202,363	-	202,363
Publications costs		78,082	-	78,082
Clinical and scientific activities		36,855	-	36,855
Staff costs	12	-	82,246	82,246
Office overheads		-	42,405	42,405
Donation	9(a)	163,350	-	163,350
FX losses / (gains)		-	(237,945)	(237,945)
VAT debtor write off	9(b)	-	245,660	245,660
Governance costs	10	-	316,856	316,856
		<u>2,824,478</u>	<u>454,936</u>	<u>3,279,594</u>

9(a) Donation:

In 2017, a donation of €146,066 was generated for the Portuguese Endocrine Society, as host Society of ECE 2017, held in Lisbon. The figure in 2016 was a donation of €163,350 generated for the German Endocrine Society, as host Society of ECE 2016, held in Munich.

9(b) VAT debtor write off:

Following the conclusion of an HMRC VAT investigation, a historical VAT balance has been written off to ensure the correct VAT balance is included in the balance sheet as at 31 December 2016.

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

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

9(c) Grants, prizes and sponsorships:

	2017	2016
	€	€
Geoffrey Harris prize	13,390	16,284
ESE Young Endocrine Scientists (EYES)	10,674	17,128
ESE Young Investigator Awards	18,885	18,491
EJE Prize	2,985	5,522
ESE Meeting grants	51,391	43,324
Poster prizes	2,257	2,343
ESE Small Meeting grants	12,202	9,500
IESP Programme	13,094	4,057
Basic Science Meeting Grants	30,575	38,058
ERCUSYN	151,857	113,198
Short Term Fellowship	4,493	8,239
European Hormone Medal	7,433	5,027
Honorary and special recognition awards	1,606	710
Nurse activities	118	1,653
Clinical Endocrinology Award	5,525	-
	<u>326,486</u>	<u>283,534</u>

10. GOVERNANCE COSTS

	Unrestricted Funds	Total Funds 2017	Total Funds 2016
	€	€	€
Audit fees	15,184	15,184	8,663
Legal and professional fees	35,680	35,680	10,141
Costs of trustees' meetings	282,751	282,751	298,052
General administrative expenses	3,038	3,038	-
	<u>336,653</u>	<u>336,653</u>	<u>316,856</u>

All governance costs incurred in 2016 were unrestricted costs.

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

This is stated after charging:

	2017	2016
	€	€
Auditor's fees	15,184	8,663
Foreign exchange losses / (gains)	43,016	(237,945)
	<u>58,200</u>	<u>(229,282)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

12. STAFF COSTS AND EMOLUMENTS PARTICULARS OF EMPLOYEES

Number of employees

The average monthly number of employees during the year was:

	2017	2016
	Number	Number
Managerial staff	1	1

Employment costs

	2017	2016
	€	€
Wages and salaries	89,302	70,251
Social security costs	10,997	7,837
Other pension costs	5,527	4,158
Total	<u>105,826</u>	<u>82,246</u>

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 2016 financial year.

Banding	2017	2016
€80,001 – €90,000	1	-
€70,001 – €80,000	-	1

Pension costs relating to higher paid employees totalled €5,527 in 2017 (2016: €4,158).

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 €94,829 (2016: €74,410). 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 2017 the trustees' expenses wholly attributable to committee business was €10,493 (2016: €16,071). The number of trustees who had expenses reimbursed was 14 (2016: 14).

ESE paid a premium of €5,113 (2016: €5,571) to its insurers for trustees indemnity insurance.

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

13. INTANGIBLE FIXED ASSETS

	Website Development	Total
Cost	€	€
At 1 Jan 2017	-	-
Additions	65,593	65,593
	<hr/>	<hr/>
At 31 Dec 2017	65,593	65,593
	<hr/> <hr/>	<hr/> <hr/>
Amortisation		
At 1 Jan 2017	-	-
Charge for the year	3,243	3,243
	<hr/>	<hr/>
At 31 Dec 2017	3,243	3,243
	<hr/> <hr/>	<hr/> <hr/>
Net Book Value		
At 31 Dec 2017	62,350	62,350
	<hr/> <hr/>	<hr/> <hr/>
At 1 Jan 2017	-	-
	<hr/> <hr/>	<hr/> <hr/>

14. INVESTMENTS

Movement in market value

	2017	2016
	€	€
Market value at 1 January 2017	-	1,998,792
Additions at cost	3,018,060	129,364
Disposal proceeds	-	(2,323,458)
Management charges	(4,047)	(19,556)
Foreign exchange adjustment	(7,747)	255,738
Net gains /(losses) on revaluations in the year ended 31 December 2017	(3,518)	(40,880)
	<hr/>	<hr/>
Market value at 31 December 2017	3,002,747	-
	<hr/> <hr/>	<hr/> <hr/>
Historical cost at 31 December 2017	3,018,060	-
	<hr/> <hr/>	<hr/> <hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

14. INVESTMENTS (CONTINUED)

Analysis of investments at 31 December 2017 between funds

	Total Funds 2017	Total Funds 2016
	€	€
Listed investments		
UK Quoted Shares	130,301	-
Non-UK Quoted Shares	1,170,591	-
Cash Balances	1,701,855	-
	<hr/> 3,002,747 <hr/>	<hr/> - <hr/>

The following investments make up more than 5% of the total holding at 31 December 2017:

Investment	Market Value
	€
Schroder Asian Total RTN INV Co PLC Ord GDP0.05	82,884
Blackrock (Luxembourg) S.A. European Equity Income EUR	88,329
Lazard Global Active Funds GBL Listed Infrastr Equity A EUR	83,385
TR Property Investments Trust Ord GBP0.25	84,093
	<hr/> 338,691 <hr/>

15. DEBTORS

	2017	2016
	€	€
Trade debtors	161,560	325,157
Other debtors	636,255	947,374
Prepayments	560,853	566,979
	<hr/> 1,358,668 <hr/>	<hr/> 1,839,510 <hr/>

16. CREDITORS: Amounts falling due within one year

	2017	2016
	€	(restated) €
Trade creditors	354,337	603,901
Other creditors	582,807	316,841
Deferred income	281,221	369,203
Tax and other social security creditor	281,940	-
	<hr/> 1,500,305 <hr/>	<hr/> 1,289,945 <hr/>

Deferred income comprises amounts received in advance in respect of the 2018 Congress of €14,266 (2016: €363,621), Corporate Sponsorship €264,657 (2016: € nil) and Corporate Membership Fees of €2,298 (2016: €5,582).

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

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

	2017	2016
	€	€
Deferred income	62,674	-
	62,674	-

Deferred income comprises amounts received in advance in respect of Corporate Sponsorship for 2019 of €62,674 (2016: € nil).

18. ANALYSIS OF FUNDS

	Balance at 1 January 2017 (restated)	Incoming resources	Outgoing resources	Gains and (losses)	Interfund transfer	Balance at 31 December 2017
	€	€	€	€	€	€
Restricted funds						
Novo Nordisk	11,678	150,000	(144,581)	-	-	17,097
Geoffrey Harris Award	-	19,708	(18,098)	-	-	1,610
Unrestricted fund	3,190,980	2,468,475	(3,247,724)	-	116,638	2,528,369
Designated fund	1,475,157	674,990	(240,991)	(3,518)	(116,638)	1,789,000
	<u>4,677,815</u>	<u>3,313,173</u>	<u>(3,651,394)</u>	<u>(3,518)</u>	<u>-</u>	<u>4,336,076</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 the Ipsen for the award including associated costs.

19. 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	<u>62,350</u>	<u>3,002,747</u>	<u>1,333,653</u>	<u>(62,674)</u>	<u>4,336,076</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Analysis of net assets between funds – 2016 (restated)

	Fixed assets and Investments €	Net current assets/ (liabilities) €	Total €
Restricted fund	-	11,678	11,678
Unrestricted fund	-	3,190,980	3,190,980
Designated fund	-	1,475,157	1,475,157
	<hr/>	<hr/>	<hr/>
Total Funds	-	4,677,815	4,677,815
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

20. RELATED PARTY TRANSACTIONS

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

21. 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.

22. FINANCIAL INSTRUMENTS

	2017 €	2016 (restated) €
Financial assets measured at fair value	4,478,037	4,128,250
Financial assets measured at amortised costs	797,815	1,272,531
	<hr/>	<hr/>
	5,275,852	5,400,781
	<hr/> <hr/>	<hr/> <hr/>
Financial liabilities measured at amortised costs	937,144	846,619
	<hr/>	<hr/>
	937,144	846,619
	<hr/> <hr/>	<hr/> <hr/>

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

23. PRIOR YEAR ADJUSTMENTS

These consisted of three elements:

a) Restatement of funds

The Novo Nordisk contract has been reclassified as a restricted fund as opposed to unrestricted as it had previously been treated. This has led to €150,000 of income being reclassified as restricted income and €138,322 of expenditure being reclassified as restricted expenditure. This has also led to restricted income brought forward for the year increasing from £nil to £11,678.

b) Restatement on congress income

An amount of €100,435 of 2017 Congress income had been incorrectly included within the 2016 total in the prior year.

A reconciliation of amounts presented in the financial statements in the prior year compared to the comparatives in this year's financial statements are shown below for the Society's net expenditure for the year and for its total funds. This has been changed to show as income deferred at the 2016 financial year end and taken to income in 2017.

c) Restatement on publication and membership costs

An amount of €74,120 of membership costs relating to the 2016 year were originally incorrectly included within the 2017 year end. In addition, an amount of €109,564 of membership costs relating to the 2014 and 2015 year ends were incorrectly included within the 2016 year end in the prior year financial statements.

There was also an amount of €132,922 of publication costs relating to the 2015 year end which were originally incorrectly included in the 2016 year end.

The net effect of these changes is a €168,366 reduction in expenditure in 2016 and these corrections have been made to these financial statements. These movements are also included in the reconciliations below.

Reconciliation of net expenditure for the year

	2016
	€
Net expenditure previously reported at 31 December 2016	(20,425)
Income restatement	(100,435)
Expenditure restatement	168,366
	<hr/>
	47,506
	<hr/> <hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

23. PRIOR YEAR ADJUSTMENTS (continued)

Reconciliation of total reserves

	2016 €
Total reserves as previously reported at 31 December 2016	4,852,370
Income restatement	(100,435)
Expenditure restatement	(74,120)
	<hr/>
	4,677,815
	<hr/> <hr/>
Total reserves as previously reported at 1 January 2016	4,871,799
Expenditure restatement	(109,564)
	<hr/>
	4,762,235
	<hr/> <hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

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 2017

	Year to 31 Dec 17 €	Year to 31 Dec 16 €
Income		
Membership Subscriptions (including Corporate Members)	233,040	298,898
2017 Congress income (comparative 2016)	2,199,699	2,334,799
Sponsorship	352,620	345,455
Publications income	425,916	481,668
Rebates and commissions	101,898	27,838
	3,313,173	3,488,658
Direct costs		
Newsletter expenditure	75,010	117,758
Publications expenditure	110,806	78,082
EJE Prize	2,985	5,522
ESE Young Investigator Awards	18,885	18,490
Geoffrey Harris Prize	13,390	16,284
2017 Congress costs (congress 2016)	1,679,162	1,602,307
ESE Courses	216,077	202,363
Website costs	27,638	60,723
Publicity/media office	14,697	36,483
ESE Meeting grants	51,391	43,322
ESE Small Meeting grants	12,202	9,500
IESP Programme	13,094	4,056
Basic Science Meeting Grants	30,575	38,057
ESE Young Endocrine Scientists (EYES)	10,674	17,128
Clinical and scientific activities	87,259	36,853
Short Term Fellowship	4,493	8,240
Nurse activities	118	1,653
ERCUSYN	151,857	113,208
Other grants	16,820	8,077
Investment manager costs	4,047	19,556
Other meetings expenses	2,443	6,552
Marketing and communications	57,319	73,821
VAT debtor write off	-	245,660
	2,600,942	2,763,695
Gross surplus	712,231	724,963

European Society of Endocrinology. Company Limited by Guarantee
Detailed income and expenditure account continued
Year ended 31 December 2017

Overheads

Administration running costs	6,900	1,552
Executive Committee/Trustee meetings	282,751	298,053
Legal and professional	35,680	10,140
Consultancy	65,660	-
Secretariat Services	344,067	279,688
Auditor's remuneration	15,184	8,662
Bank charges	296	(2,396)
Foreign currency losses / (gains)	43,016	(237,945)
Payroll costs	105,826	82,246
Office overheads	5,006	42,409
Donation LOC – 2017 Congress (2016 Congress)	146,066	163,350
	1,050,452	645,759
Operating surplus / (deficit)	(338,221)	79,204
Investment income	-	9,182
Gains/(losses) on investment assets	(3,518)	(40,880)
Surplus / (deficit) on ordinary activities	(341,739)	47,506